



BOWLING GREEN MUNICIPAL UTILITIES
P.O. BOX 10300
BOWLING GREEN, KY 42102-0300

WARREN COUNTY WATER DISTRICT
P.O. BOX 10180
BOWLING GREEN, KY 42102-4780

July 9, 2026

**BOWLING GREEN MUNICIPAL UTILITIES/WARREN COUNTY WATER DISTRICT JOINT ENGINEERING
PLANNING AND FINANCE COMMITTEE**

Mr. Tim Kanaly
1404 Scottsville Road
Bowling Green, KY 42104

Mr. Thomas Donnelly
1344 Garvin Lane
Bowling Green, KY 42101

Mr. Alex Nottmeier
909 Kensington Way
Bowling Green, KY 42103

Mr. Dwan Savage
325 Lucas Drive
Bowling Green, KY 42101

Gentlemen:

In Accordance with the "Resolution of the Bowling Green Municipal Utilities Board and the Commissioners of the Warren County Water District" dated January 8, 1996, and the "Agreed Order" dated February 27, 1996 in Kentucky Public Service Commission Case No. 95-044, the representatives of BGMU and WCWD have met and calculated wholesale rate adjustments. It is our joint recommendation that the following charges (FY 25 Rates) be implemented. These rates were prepared under a cost-of-service engagement with HDR, the methodology, inputs and outcomes reviewed by staff of both utilities.

<u>Water Service</u>	<u>Rate per 1,000 Gallons</u>
Southside	\$3.30
Morgantown Road Areas	\$3.30
Northside Area	\$3.30
Cemetery Road	\$3.17
 <u>Sewer Service</u>	
All Connection Points	\$3.65

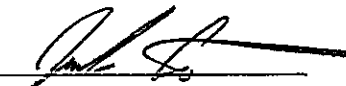
The comments below are pertinent to these rate calculations and have been agreed upon by the respective staffs:

- a. Expenses and operations data for BGMU's fiscal year ending June 30, 2025 are the basis for these rates, except:
 1. Known BGMU wage and salary adjustments subsequent to FY 2025,
 2. Annual payment on Barren River Lake Reservoir water storage allocation agreement with USACOE,
 3. Adjustments from GASB Statement No. 68 (pension) and 75 (OPEB) back to a cash requirements basis. Future years may involve positive "add backs" to again represent cash contribution rates, not GASB accrual accounting entries.
 4. Per previous rate methodologies, a "deemed rent" value for BGMU's General Office complex was placed in the General and Administrative category.
- b. Previous wholesale rate study's "capital assets" category, representing non-debt financed, joint-use capital expenditures as a "look-back" process was replaced with a forward-looking funding process using depreciation.
- c. Previous rate studies have differentiated wholesale water rates between four clustered areas where wholesale meters are located: Northside, Morgantown Road, Cemetery Road, and Southside. The slight rate differences related to additional infrastructure used to serve the wholesale meters (pumping, transmission, etc.). Following the construction of the Cemetery Road transmission line, WCWD off-loaded much of its wholesale purchases from the Southside meters. Additionally, the Morgantown Road meters do not represent a significant portion of WCWD's purchases. Staff of both utilities agreed that it no longer made sense to calculate differentiated rates for Southside and Morgantown Road meters. If, at later dates, WCWD's purchase needs change and purchase volume through those metering points changes from current historical levels, then reestablishing differentiated rates may be addressed at that time.
- d. These rates will be effective no later than September 1, 2026.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Mark Iverson', written over a horizontal line.

Mark Iverson
General Manager
Bowling Green Municipal Utilities

A handwritten signature in black ink, appearing to read 'Jacob Cuarta', written over a horizontal line.

Jacob Cuarta
General Manager
Warren County Water District