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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Joint Application of Consumers Water District, Fancy Farm Water District, Hardeman Water District and South Graves Water District for Approval of Merger and Formation of the Graves County Water District

Case No. 2007-00 496

**JOINT APPLICATION**

Consumers Water District, Fancy Farm Water District, Hardeman Water District and South Graves Water District, by counsel, pursuant to KRS 278.020(5)(6) and KRS 74.361(10) petition for approval of the merger of their districts into the proposed Graves County Water District.

1. Consumers Water District is a water district formed under KRS Chapter 74 and provides water service to customers in Graves County. Its address is 4182 State Route 121S, Mayfield, KY 422066. It currently has approximately 1616 water customers.

2. Fancy Farm Water District is a water district formed under KRS Chapter 74 and provides water and sewer service to customers in Graves County. Its address is Box 341, Mayfield, KY 42066. It currently has approximately 433 water customers and 216 sewer customers.

3. Hardeman Water District is a water district formed under KRS Chapter 74 and provides water service to customers in Graves County. Its address is 25 State Route

131, Mayfield, KY 42066. It currently has approximately 390 water customers.

4. South Graves Water District is a water district formed under KRS Chapter 74 and provides water service to customers in Graves County. Its address is Box 351, Mayfield KY 42066. It currently serves 660 water customers.

5. The Joint Applicants have executed Resolutions approving a Merger Agreement, attached as exhibit 1, for the purpose of transferring the existing assets and customers of each to the Graves County Water District. Graves County Water District will acquire all of the Joint Applicants' customers and assets upon approval of the merger.

6. Graves County Water District will be formed to incorporate the existing territory of the Joint Applicants and will assume responsibility for the continued service to the existing customers as well as assume the existing debt of each of the Joint Applicants.

7. Upon completion of the merger, Consumers Water District, Fancy Farm Water District, Hardeman Water District and South Graves Water District will be dissolved. The resolutions of the respective Boards of Commissioners of each of the applicants approving the transaction are attached with exhibit 1.

8. Graves County Water District will have the financial ability to acquire and operate the facilities to be acquired from the Joint Applicants. The financing plan and pro forma financial statement is attached as exhibit 2. The most recent financial statements of the Joint Applicants are attached as exhibit 3.

9. Approvals of the financing agencies for the transfer and assumption of debt have

been requested and will be provided when available.

10. Graves County Water District will have the managerial ability to operate the facilities. It will continue to employ existing employees of the Joint Applicants and will operate under the auspices of a consolidated board of commissioners composed of members of the existing boards of the Joint Applicants. The management of Graves County Water District will be initially made up of current management of the Joint Applicants and will operate under current tariffs, which are attached as exhibit 4.

a. Graves County Water District will have the technical ability to operate the facilities as discussed in b.

b. The merger is in the public interest in that Graves County Water District will be able to provide services to a larger area of residents, which should provide economies of scale and offset potential rate increases.

c. Operational Benefits Resulting From A Larger Utility

1. Better Buying Power for Goods and Services

The goods and services buying power of one larger water district would be stronger than any one individual system. This would extend to goods like repair materials, water meters, chemicals, and other supplies necessary for operations and maintenance, sharing services like customer billing, meter reading, lab analyses, contract operations and management, and professional services like engineering, accounting, and auditing.

2. Better Utilization of Operations Personnel

For public health reasons, every public water utility is required to have one or more certified distribution system operator(s) for its grid of lines, meters and other equipment. Certified treatment operator(s) are also required when a water treatment plant is involved. Most of the water districts now are using contract operators. The best way to achieve operational efficiency is to have a limited, yet sufficient number of qualified, certified operator(s) providing service to as many customers as is reasonable.

3. District Management

The much larger customer base of a merged system will allow sufficient revenue for the District board of commissioners to select the best management arrangement for the system. Typically, alternative management

approaches include: hiring a qualified manager and other talented employees, contracting some or all of the management duties to a qualified, experienced entity, or a combination of these approaches. The board will have the responsibility and authority as well as the revenue required to manage the District in the most efficient manner, while providing quality service to all customers at the lowest cost.

#### 4. Replacement of Old Lines and Equipment

A large percentage of the lines, valves and other piping facilities as well as pumps and storage tanks throughout the County have been in service for many years. To assure continued quality service throughout the County, there will eventually be a need for systematic replacement of these and other facilities. A larger consolidated district would typically have greater capacity than smaller individual districts to secure and pay for financing of replacement costs. Consolidation of the water districts affords the ratepayers the best way to assure consistent, high quality service long into the future.

#### 5. Purchase of Large Equipment and Tools

For smaller systems, the ownership of the larger items of equipment and special tools is generally not affordable. Routine accessibility to a backhoe, larger equipment items, such a road boring machine and other similar items are reasonable expectations of a merged water district as a result of sharing use and spreading costs over a large number of customers.

#### 6. Service Expansion to Presently Unserved Areas

Although the water districts in the County have been aggressive in expanding their individual service areas there are still some significant areas in Graves County without public water service. At present, approximately 2/3 of Graves County land area is within a boundary of one of the seven (7) water districts chartered by the County. A larger consolidated district would have a better opportunity than smaller individual districts to secure and pay for financing of projects necessary to serve new, unserved areas in the County.

#### 7. Economic Development

Graves County is in competition with neighboring counties in Kentucky and nearby states to provide the best possible climate to encourage economic development to benefit new generations of Grave County residents. Developers routinely encourage communities to identify a single point of contact for each of the various utility services to help clients in the search for the best site. Consolidating the water districts will be a step in the direction to allow the County to have just such a contact

for water service that can promote and support service to any site throughout the County without prejudice.

#### 8. Future Development of Sewer Service

A critically important element of the quality of life in Graves County, one affecting the health and welfare of residents and that will spur the County's economic development, is affordable and accessible sewer service. The presence of a merged district is a strong indication of the level of local cooperation, leadership and unity of purpose that is required to develop sewer services. The effort required by all parties to effect a consolidation of this magnitude will go a long way toward convincing funding agencies that Graves County has the capacity to take this major step forward. Fancy Farm currently operates a small treatment plant and serves 216 sewer customers. Those facilities are operated under contract by the city of Mayfield.

#### 9. Financial Ability to Handle Emergencies

A small district may be severely impacted financially by the cost of repairing a major line break, storage tank repair, or other unexpected necessary large financial outlay. Since these occurrences are infrequent, combining the smaller districts into a larger district would pool the risks of managing these potential financial catastrophes.

d. The benefit to the public is access to a larger, more economical district with the potential for expanded services. KRS 74.361 makes merger of districts in the public interest and encourages efforts to consolidate districts.

e. During the initial period after merger, it is anticipated that the following actions will occur:

##### 1. Assets and Liabilities

The consolidated Graves County Water District (GCWD) will assume all the assets as well as the legal and financial liabilities of the water districts joining in the merger. Bond or loan obligations will be restructured in the name of GCWD which would then own and be responsible for all lines and equipment.

##### 2. Debt Refinancing & Consolidation Grant

The Kentucky Infrastructure Authority (KIA) has already refinanced the

Fancy Farm Water District. It will now assist in the refinancing of the South Graves Water District debt. As an incentive to merger into the GCWD, KIA will provide a grant of \$500,000 to the Graves County Fiscal Court pending development of a merger plan prepared by Graves County and approved by the KIA Executive Committee. KIA is currently processing an application to refinance South Graves' Fund "C" loan at market rate to a Fund "B" loan at 0.4%, pending PSC approval of the proposed merger.

### 3. Funding for New Projects

During this first year of operation, the District will seek State budget funding in the amount of \$1,000,000 to construct appropriate interconnections between the former Districts' lines and provide for other water system improvements identified by the current water district's boards of commissioners. This action will further enhance the financial viability of the merged district, but is not critical to its solvency.

### 4. Customer Rates

a. Rates for water service will not change. For up to 24 months from the time of PSC approval of the consolidation, the Graves County Water District will continue to charge the existing customers of each of the original Districts that same rate being charged by that District at the time of consolidation.

b. At the end of the first full year of operation of the consolidated system, the new District will have up to date cost-history on each system component, such as personnel, water purchases, repair materials etc. The District will arrange to conduct a full cost of service analysis to determine a cost per customer for operation and management of the system.

c. During the second year of operation, after debt reduction and refinancing all existing debt, the new District will establish a customer rate comprised of two components: the base rate charged to every customer of the District across the county, based on the rate analysis set out in 4b above, and a debt surcharge rate, based on that portion of **remaining** debt attributable to each of the original districts, to be charged to the existing or new customers located in the respective service area of each former district.

d. After five (5) years or less, as feasible, all customer rates will be the same, subject to PSC approval.

### 5. Graves County Water District Transitional Board

All commissioners of the Districts that participated in the consolidation would serve as the board of commissioners for GCWD for a period of

one year. These commissioners would work to establish and adopt operational policies and procedures for GCWD. The members would meet on a quarterly basis, Commissioners receiving compensation for service on existing District boards will continue to receive the same rate of compensation for this one-year period.

To provide for effective decision-making during the course of the first year, an executive committee would be established. Commissioners from each of the Districts that participated in the merger would designate one of its members to serve on the executive committee. The executive committee would be charged to handle the routine, daily management of the new District, meeting on a monthly basis, or more often, as required. All actions of the executive committee made on behalf of GCWD would be fully reported to the entire board of commissioners at its subsequent meeting.

#### Permanent Board

In the second year of the GCWD, the permanent board would be established. The commissioners of each of the Water Districts that participate in the merger would nominate one person for consideration by the County Judge Executive and Fiscal Court. The Judge Executive may appoint, subject to Fiscal Court approval, additional, at large, commissioners to achieve a maximum of seven, as allowed by statute. The terms of office for the initial members of the new District's commission would be varied to assure continuity of experience on the board. Two members would have a term of two years; two members would have a term of three years; three members would have a term of four years. Initial members' terms would be established by random selection. As terms expire new terms would be four years. The Judge Executive would appoint future members so as to be representative of the entire service area, subject to approval of the Fiscal Court.

#### 6. Existing Employees and Contracted Services

To the extent feasible, existing employees and service contractors, who are in place, effective as of the date of the merger, with any one or more water district(s) participating in the merger shall be offered available, similar positions or contractual arrangements for the initial year of operations.

11. Graves County Water District will also assume the debt of the Joint

Applicants as described in exhibit 2, which may require approval pursuant to KRS

278.300.

- a. The financing is for the purpose of acquiring and consolidating the assets of the Joint Applicants through the assumption of current debt.
- b. The financing will not impair the operations of Graves County Water District as the revenue from the Joint Applicants' customers currently is sufficient to meet the financing requirements and expected debt reductions and economies associated with the merger should provide adequate funds to meet all debt obligations. See exhibit 2.
- c. Graves County Water District will not be a corporation. It will be a statutorily formed water district.
- d. The affidavits of an officer of each party authorizing the filing of this application and attesting to the accuracy of the application are attached as exhibit 5.
- e. A description of Joint Applicants' property is contained in the most recent PSC Annual Reports, attached as exhibit 6.
- f. A statement of the original cost of each applicant's property is included in exhibit 6.
- g. No stocks are to be issued.
- h. No bonds are to be issued. Existing debt is expected to be transferred to the merged district.
- i. The proceeds of the financing are to be used to consolidate the assets of Joint Applicants.
- j. The property to be acquired is contained in exhibit 1.
- k. No refunds are to be made with the financing.
- l. A financial exhibit is attached as exhibit 3.

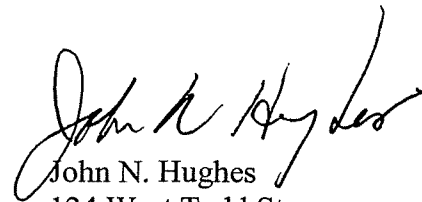


m. Maps of the existing districts and the proposed district are in exhibit 7.

o. Property to be acquired will be recorded in appropriate USoA accounts.

13. A deviation pursuant to 807 KAR 5:001(14) is requested for use of financial information greater than 90 days old and for any other filing requirement not essential for the review and approval of the application.

For these reasons, the Joint Applicants request an order granting the transfer of assets and customers, the assumption of debt and approval of merger as described.



John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601

Attorney for Joint  
Applicants



ATTACHMENT 4

Resolution # \_\_\_\_\_ of the South Graves Water District Board of Commissioners Relating to Merger

WHEREAS, the South Graves Water District was established pursuant to KRS Chapter 74 and has provided water service within its designated boundary since \_\_\_\_\_; and,

WHEREAS, the District's board of commissioners has routinely sought to make those decisions and take those actions that best serve the customers of the District; and,

WHEREAS, the District's board of commissioners has considered the information provided by the Graves County Judge Executive and Fiscal Court relating to merger of water districts in Graves County,

NOW THEREFORE, after due deliberation, the South Graves Water District board of commissioners Resolves as follows:

1. The District finds that voluntary merger of the South Graves Water District with other water districts across Graves County is in the best, long term interest of its customers.
2. The District hereby voluntarily agrees to participate in such merger, conditioned upon the faithful execution of those actions by the respective parties, taken in substantially the same manner and sequence as set out in Attachments 1 and 2, affixed to and made part of this resolution. The parties cited in these Attachments include, but are not limited to, the Graves County Judge Executive, Graves County Fiscal Court, Kentucky Public Service Commission and the Kentucky Infrastructure Authority.
3. The District agrees to cooperate fully with the merger process and commits to provide any data and information requested of it in reasonable time and detail.
4. The District will take all necessary action to assure continuity of quality water service during the course of the merger process and to provide accurate information and reassurance to its customers during this transitional period.

A motion to approve this Resolution is made by Joey Morrow and seconded by David Jackson, at a regular meeting (or a special meeting for which proper notice was provided) of the board of commissioners held this 17 day of Sept., whereupon, the members voted as follows:

For Approval: 2

Against Approval: 0

Whereupon the Chair declared that motion to have ~~passed~~ failed.

Attest: D. De Jackson  
Secretary

Joey Morrow  
Chair

ATTACHMENT 4

Resolution # \_\_\_\_\_ of the Fancy Farm Water District Board of Commissioners Relating to Merger

WHEREAS, the Fancy Farm Water District was established pursuant to KRS Chapter 74 and has provided water service within its designated boundary since \_\_\_\_\_; and,

WHEREAS, the District's board of commissioners has routinely sought to make those decisions and take those actions that best serve the customers of the District; and,

WHEREAS, the District's board of commissioners has considered the information provided by the Graves County Judge Executive and Fiscal Court relating to merger of water districts in Graves County,

NOW THEREFORE, after due deliberation, the Fancy Farm Water District board of commissioners Resolves as follows:

1. The District finds that voluntary merger of the Fancy Farm Water District with other water districts across Graves County is in the best, long term interest of its customers.
2. The District hereby voluntarily agrees to participate in such merger, conditioned upon the faithful execution of those actions by the respective parties, taken in substantially the same manner and sequence as set out in Attachments 1 and 2, affixed to and made part of this resolution. The parties cited in these Attachments include, but are not limited to, the Graves County Judge Executive, Graves County Fiscal Court, Kentucky Public Service Commission and the Kentucky Infrastructure Authority.
3. The District agrees to cooperate fully with the merger process and commits to provide any data and information requested of it in reasonable time and detail.
4. The District will take all necessary action to assure continuity of quality water service during the course of the merger process and to provide accurate information and reassurance to its customers during this transitional period.

A motion to approve this Resolution is made by Mark Hayden and seconded by Danny Thomas, at a regular meeting (or a special meeting for which proper notice was provided) of the board of commissioners held this 29<sup>th</sup> day of May, 2007, whereupon, the members voted as follows: (2/5 members absent)\*

For Approval: 3<sup>+</sup>

Against Approval: \*2

Whereupon the Chair declared that motion to have passed failed.

Attest: Billy Joe Thomas  
Secretary

Mark Hill  
Chair

ATTACHMENT 4

Resolution # 1 of the Hademan Water Water District Board of Commissioners Relating to Merger

WHEREAS, the Hademan Water District was established pursuant to KRS Chapter 74 and has provided water service within its designated boundary since \_\_\_\_\_; and,

WHEREAS, the District's board of commissioners has routinely sought to make those decisions and take those actions that best serve the customers of the District; and,

WHEREAS, the District's board of commissioners has considered the information provided by the Graves County Judge Executive and Fiscal Court relating to merger of water districts in Graves County,

NOW THEREFORE, after due deliberation, the Hademan Water District board of commissioners Resolves as follows:

1. The District finds that voluntary merger of the Hademan Water District with other water districts across Graves County is in the best, long term interest of its customers.
2. The District hereby voluntarily agrees to participate in such merger, conditioned upon the faithful execution of those actions by the respective parties, taken in substantially the same manner and sequence as set out in Attachments 1 and 2, affixed to and made part of this resolution. The parties cited in these Attachments include, but are not limited to, the Graves County Judge Executive, Graves County Fiscal Court, Kentucky Public Service Commission and the Kentucky Infrastructure Authority.
3. The District agrees to cooperate fully with the merger process and commits to provide any data and information requested of it in reasonable time and detail.
4. The District will take all necessary action to assure continuity of quality water service during the course of the merger process and to provide accurate information and reassurance to its customers during this transitional period.

A motion to approve this Resolution is made by Marty Ivy and seconded by Gene Mason, at a regular meeting (or a special meeting for which proper notice was provided) of the board of commissioners held this 11<sup>th</sup> day of JUNE 2007 whereupon, the members voted as follows:

For Approval: Marty Ivy  
Gene Mason  
Lowell Smith

Against Approval: NONE

Whereupon the Chair declared that motion to have passed / failed.

Attest: Marty Ivy  
Secretary

LE Smith  
Chair

ATTACHMENT 4

Resolution # 2007-1 of the Consumers Water District  
Board of Commissioners Relating to Merger

WHEREAS, the Consumers Water District was established pursuant to KRS Chapter 74 and has provided water service within its designated boundary since March 24, 1965; and,

WHEREAS, the District's board of commissioners has routinely sought to make those decisions and take those actions that best serve the customers of the District; and,

WHEREAS, the District's board of commissioners has considered the information provided by the Graves County Judge Executive and Fiscal Court relating to merger of water districts in Graves County,

NOW THEREFORE, after due deliberation, the Consumers Water District board of commissioners Resolves as follows:

1. The District finds that voluntary merger of the Consumers Water District with other water districts across Graves County is in the best, long term interest of its customers.
2. The District hereby voluntarily agrees to participate in such merger, conditioned upon the faithful execution of those actions by the respective parties, taken in substantially the same manner and sequence as set out in Attachments 1 and 2, affixed to and made part of this resolution. The parties cited in these Attachments include, but are not limited to, the Graves County Judge Executive, Graves County Fiscal Court, Kentucky Public Service Commission and the Kentucky Infrastructure Authority.
3. The District agrees to cooperate fully with the merger process and commits to provide any data and information requested of it in reasonable time and detail.
4. The District will take all necessary action to assure continuity of quality water service during the course of the merger process and to provide accurate information and reassurance to its customers during this transitional period.

A motion to approve this Resolution is made by Billy Dick and seconded by Johnny Dowdy, at a regular meeting (or a special meeting for which proper notice was provided) of the board of commissioners held this 11th day of June, 2007, whereupon, the members voted as follows:

For Approval:

Against Approval:

Whereupon the Chair declared that motion to have passed / failed.

Attest:

Billy Dick  
Secretary

Chair

Henry Hodges

## **ATTACHMENT 1**

### **Considerations Regarding Merger of Water Districts in Graves County**

#### **A. Operational Benefits Resulting From A Larger Utility**

##### **1. Better Buying Power for Goods and Services**

The goods and services buying-power of one larger water district would be stronger than any one individual system -- even the larger systems such as Consumers, Hickory and South Graves. This reasonable assertion would extend to goods like repair materials, water meters, chemicals, and other supplies necessary for operations and maintenance. We also believe money would be saved by sharing services like customer billing, meter reading, lab analyses, contract operations and management, and professional services like engineering, accounting, and auditing.

##### **2. Better Utilization of Operations Personnel**

For public health reasons, every public water utility is required to have one or more certified distribution system operator(s) for its grid of lines, meters and other equipment. Certified treatment operator(s) are also required when a water treatment plant is involved. Most of the water districts now are using contract operators. The best way to achieve operational efficiency is to have a limited, yet sufficient number of qualified, certified operator(s) providing service to as many customers as is reasonable.

##### **3. District Management**

The much larger customer base of a county wide system will allow sufficient revenue for the District board of commissioners to select the best management arrangement for the system. Typically, alternative management approaches include: hiring a qualified manager and other talented employees, contracting some or all of the management duties to a qualified, experienced entity, or a combination of these approaches. The board will have the responsibility and authority as well as the revenue required to manage the District in the most efficient manner, while providing quality service to all customers at the lowest cost.

##### **4. Replacement of Old Lines and Equipment**

A large percentage of the lines, valves and other piping facilities as well as pumps and storage tanks throughout the County have been in service for many years. To assure continued quality service throughout the County, there will eventually be a need for systematic replacement of these and other facilities. A larger consolidated district would typically have greater capacity than smaller individual districts to secure and pay for financing of replacement costs. While not a panacea, consolidation of the water districts affords the ratepayers the best way to assure consistent, high quality service long into the future.

## 5. Purchase of Large Equipment and Tools

For smaller systems, the ownership of the larger items of equipment and special tools is generally not affordable. Routine accessibility to a backhoe, larger equipment items, such as a road boring machine and other similar items are reasonable expectations of a merger of water districts in the County as a result of sharing use and spreading costs over a large number of customers.

## B. Water Service Expansion To Presently Unserved Areas In Graves County

Although the water districts in the County have been aggressive in expanding their individual service areas there are still some significant areas in Graves County without public water service. At present, approximately 2/3 of Graves County land area is within a boundary of one of the seven (7) water districts chartered by the County. A larger consolidated district would have a better opportunity than smaller individual districts to secure and pay for financing of projects necessary to serve new, unserved areas in the County.

## C. Economic Development

Graves County is in competition with neighboring counties in Kentucky and nearby states to provide the best possible climate to encourage economic development to benefit new generations of Grave County residents. Developers routinely encourage communities to identify a single point of contact for each of the various utility services to help clients in the search for the best site. Consolidating all the water districts will allow the County to have just such a contact for water service that can promote and support service to any site throughout the County without prejudice.

## D. Future Development of Sewer Service

A critically important element of the quality of life in Graves County, one affecting the health and welfare of residents and that will spur the County's economic development, is affordable and accessible sewer service. The presence of a county wide water district is a strong indication of the level of local cooperation, leadership and unity of purpose that is required to develop sewer services. The effort required by all parties to effect a consolidation of this magnitude will go a long way toward convincing funding agencies that Graves County has the capacity to take this major step forward.

## E. Financial Ability to Handle Emergencies

A small district may be severely impacted financially by the cost of repairing a major line break, storage tank repair, or other unexpected necessary large financial outlay. Since these occurrences are infrequent, combining the smaller districts into a larger district would pool the risks of managing these potential financial catastrophes.



## **ATTACHMENT 2**

### **Basic Understandings & Conditions To Be Contained In Merger Resolutions And In A Voluntary Merger Application To The Kentucky Public Service Commission**

#### 1. Assets and Liabilities

The consolidated Graves County Water District (GCWD) will assume all the assets as well as the legal and financial liabilities of the water districts joining in the merger. Bond or loan obligations will be restructured in the name of GCWD which would then own and be responsible for all lines and equipment.

#### 2. Debt Refinancing & Consolidation Grant

- a. The Kentucky Infrastructure Authority (KIA) has already refinanced the Fancy Farm Water District. It will now refinance the South Graves Water District debt. As an incentive to merger into the GCWD, KIA will provide a grant of \$500,000 to the Graves County Fiscal Court, pending development of a merger plan prepared by Graves County and approved by the KIA Executive Committee.
- b. During the first year after consolidation, upon application from GCWD, KIA will restructure and refinance the remaining debt of all former Districts at an interest rate of 0.4%.

#### 3. Funding for New Projects

During this first year of operation, the District will seek State budget funding in the amount of \$1,000,000 to construct appropriate interconnections between the former Districts' lines and provide for other water system improvements identified by the current water district's boards of commissioners.

#### 4. Customer Rates

- a. Rates for water service will not change. For up to 18 months from the time of PSC approval of the consolidation, the Graves County Water District will continue to charge the existing customers of each of the original Districts that same rate being charged by that District at the time of consolidation.
- b. At the end of the first full year of operation of the consolidated system, the new District will have up to date cost-history on each system component, such as personnel, water purchases, repair materials etc. The District will then request the Public Service Commission to conduct a full cost of service analysis to determine a cost per customer for operation and management of the system.
- c. During the second year of operation, after debt reduction and refinancing all existing debt, the new District will establish a customer rate comprised of two components:

a base rate, charged to every customer of the District across the county, based on the PSC analysis set out in 4b above, and a debt surcharge rate, based on that portion of remaining debt attributable to each of the original districts, to be charged to the existing or new customers located in the respective service area of each former district.

- d. After five (5) years or less, as feasible, all customer rates will be the same, subject to PSC approval.

### 3. Graves County Water District Board of Directors

#### Transitional Board:

Pursuant to Kentucky statute, all commissioners of the Districts that participated in the consolidation would serve as the board of commissioners for GCWD for a period of one year. These commissioners would work to establish and adopt operational policies and procedures for GCWD. The members would meet on a quarterly basis. Commissioners receiving compensation for service on existing District boards will continue to receive the same rate of compensation for this one-year period.

To provide for effective decision-making during the course of the first year, an executive committee would be established. Commissioners from each of the Districts that participated in the merger would designate one of its members to serve on the executive committee. The executive committee would be charged to handle the routine, daily management of the new District, meeting on a monthly basis, or more often, as required. All actions of the executive committee made on behalf of GCWD would be fully reported to the entire board of commissioners at its subsequent meeting.

#### Permanent Board:

In the second year of the GCWD, the permanent board would be established. The commissioners of each of the Water Districts that participate in the merger would nominate one person for consideration by the County Judge Executive and Fiscal Court. If less than seven districts participate in the merger, the Judge Executive may appoint, subject to Fiscal Court approval, additional, at large, commissioners to achieve a maximum of seven, as allowed by statute. The terms of office for the initial members of the new District's commission would be varied to assure continuity of experience on the board. Two members would have a term of two years; two members would have a term of three years; three members would have a term of four years. Initial members' terms would be established by random selection. As terms expire, new terms would be four years. The Judge Executive would appoint future members so as to be representative of the entire service area, subject to approval of the Fiscal Court.

### 4. Existing Employees and Contracted Services:

To the extent plausible, existing employees and service contractors, who are in place, effective as of April 1, 2007, with any one or more water district(s) participating in the merger shall be offered available, similar positions or contractual arrangements for the initial year of operations.



**I. PROJECT DESCRIPTION**

Graves County is an area where ground water is plentiful and easily accessible. Due to the large amounts of debt which have been incurred for plant improvements and the rising cost to produce water, many consumers have elected to drill wells which has resulted in an increasing revenue problem for the water districts. With a small consumer base for each district rates have increased in order to cover cost, but even with the increase in rates these districts are struggling for existence. Everyone involved agrees the best solution is for the systems to merge into one district.

The South Graves County Water District, Consumer Water District, Fancy Farm Water and Sewer District and Hardeman Water have agreed to merge into one district - the Graves County Water District upon approval from the Public Service Commission.

Three of the systems have already entered to a management contract with Mayfield Electric and Water Systems, which has led to improved system performance. These districts show that revenues have stabilized and expenses have declined. Most of the systems are able to generate sufficient revenues to cover operating expense, however the problem of debt service obligations persists:

South Graves Water District, Consumers Water District and Fancy Farm Water District have outstanding debts which include bank loans, KIA loan, KADD bonds, and USDA loans.

South Graves District and Fancy Farm Water District both have loans with the KIA and are financed with a .4% interest rate.

South Graves Water District is the only district with loan with USDA these loans are financed with a 4.3% interest rate.

Consumers Water District and South Graves have loan with local banks these loans are at interest rate of 4.3% to 9%.

The KIA has approved a \$500,000 grant, to reduce the outstanding balances, from the 20/20 account to ensure the successful merger of the systems.

The following are the existing debt schedules for all three districts.

**South Graves Debt Schedules:**

<b>AMORTIZATION SCHEDULES</b>						
	<b>RD(1)</b>	<b>RD(2)</b>	<b>RD(3)</b>	<b>Bank Loan</b>	<b>KIA</b>	<b>Total</b>
2008	49,370	2,866	4,066	6,348	43,672	106,322
2009	49,233	838	3,971	6,348	43,672	104,062
2010			3,876		62,802	66,678
2011			3,781		81,874	85,655
2012			11,686		81,794	93,480
2013			3,711		81,709	85,420
2014			3,593		81,620	85,213
2015					81,527	81,527
2016					81,429	81,429
2017					81,326	81,326
2018					81,218	81,218
2019					81,105	81,105
2020					80,985	80,985
2021					80,860	80,860
2022					80,728	80,728
2023					80,590	80,590
2024					80,444	80,444
2025					49,197	49,197

Fancy Farm Debt Schedule:

	<b>KIA</b>	<b>Total</b>
2008	42,207	42,207
2009	42,207	42,207
2010	42,207	42,207
2011	42,207	42,207
2012	42,207	42,207
2013	42,207	42,207
2014	42,207	42,207
2015	42,207	42,207
2016	42,207	42,207
2017	42,207	42,207
2018	42,207	42,207
2019	42,207	42,207
2020	42,207	42,207
2021	31,330	31,330
2022	31,330	31,330
2023	31,330	31,330
2024	31,330	31,330
2025	31,330	31,330
2026	15,665	15,665

Consumers Debt Schedules:

	<b>1st KY Bank (1)</b>	<b>1st Ky Bank (2)</b>	<b>Total</b>
2008	14,934	17,193	32,127
2009	6,222	7,155	13,377

	<b>Fifth Third KADD</b>
2008	17,868
2009	17,226
2010	16,584
2011	15,942
2012	7,299

Based upon the existing debt service agreements, the three individual districts would have a combined debt service for 2008 of \$198,525 and loan balances as of December 31, 2008 of \$1,661,992.

With the merger of the four districts the KIA has approved \$500,000 in 20/20 grant funds to reduce outstanding debt. The projected financial statement eliminates all outstanding debt for Consumers and has eliminated the USDA notes along with the bank notes. The remaining amount of \$237,386 will be applied to the outstanding KIA loan for South Graves Water District.

Based upon this information, the new debt service amount for 2008 would be \$79,437. The loan balances as of December 31, 2008 as projected would be \$1,228,880.

The new Debt Schedules are as follows:

	<b>KIA</b>	<b>Total</b>
2008	42,207	42,207
2009	42,207	42,207
2010	42,207	42,207
2011	42,207	42,207
2012	42,207	42,207
2013	42,207	42,207
2014	42,207	42,207
2015	42,207	42,207
2016	42,207	42,207
2017	42,207	42,207
2018	42,207	42,207
2019	42,207	42,207
2020	42,207	42,207
2021	31,330	31,330
2022	31,330	31,330
2023	31,330	31,330
2024	31,330	31,330
2025	31,330	31,330
2026	15,665	15,665

	<b>KIA</b>	<b>Total</b>
2008	37,230	37,230
2009	37,230	37,230
2010	37,230	37,230
2011	37,230	37,230
2012	37,230	37,230
2013	37,230	37,230
2014	37,230	37,230
2015	37,230	37,230
2016	37,230	37,230
2017	37,230	37,230
2018	37,230	37,230
2019	37,230	37,230
2020	37,230	37,230
2021	37,230	37,230
2022	37,230	37,230
2023	37,230	37,230
2024	37,230	37,230

The new projected debt service amounts would save the consolidated Graves County Water District \$119,088 in debt service for 2008 and \$915,779 in debt service over the life of the loans.

Attached are projected financial statements for 2008. The operating expenses should decrease after 2008 due to one year contracts expiring and new contracts being executed and no more salary expenses for Hardeman.

The consolidated Graves County Water District will have increased cash flows due to the merger and the \$500,000 in debt reductions. The improved cash flows will make future repairs, capital improvements, and further debt reduction possible for the consolidated water district.

# GRAVES COUNTY WATER DISTRICT

## Water District Data

	Retail Customers	Wholesale Customers	Customer Deposits (Dollars)
Consumer Water District	1,629	0	\$ 38,086.25
South Graves Water District	658	0	16,512.09
Fancy Farm Water District	438	1	5,587.84
Hardeman Water District	382	0	0
<b>Totals</b>	<b>3,107</b>	<b>1</b>	<b>\$ 60,286.18</b>

Deposit To Be Transferred To Merged District



**GRAVES COUNTY WATER DISTRICT  
CASHFLOW ANALYSIS**

	<b>Projected 2008</b>
<b><i>Operating Revenues</i></b>	
Charges for Services	1,095,779
<b><i>Total Revenues</i></b>	<u>1,095,779</u>
<b><i>Operating Expenses</i></b>	
Operating Expenses	1,063,916
Less: Depreciation	<u>(211,329)</u>
<b><i>Total Expenses</i></b>	<u>852,587</u>
<b><i>Operating Income before Depreciation</i></b>	<u>243,192</u>
<b><i>Non-Operating Income and Expenses</i></b>	
Interest Income	<u>4,398</u>
<b><i>Total Non-Operating Income &amp; Expenses</i></b>	<u>4,398</u>
<b>Cash Available for Debt Service</b>	247,590
<b><i>Debt Service</i></b>	
Debt Service After Consolidation	<u>79,437</u>
<b><i>Total Debt Service</i></b>	<u>79,437</u>
<b>Income After Debt Service</b>	<u><u>168,153</u></u>
<b>Debt Coverage Ratio</b>	-

**GRAVES COUNTY WATER DISTRICT  
CASHFLOW ANALYSIS**

	CWD Projected 2008	SGWD Projected 2008	FFWD Projected 2008	HWWD Projected 2008	GCWD Projected 2008
<b>Operating Revenues</b>					
Charges for Services	468,691	252,865	269,223	105,000	1,095,779
<b>Total Revenues</b>	468,691	252,865	269,223	105,000	1,095,779
<b>Operating Expenses</b>					
Operating Expenses	424,796	254,068	302,621	82,431	1,063,916
Less: Depreciation	(92,849)	(42,548)	(72,432)	(3,500)	(211,329)
<b>Total Expenses</b>	331,947	211,520	230,189	78,931	852,587
<b>Operating Income before Depreciation</b>	136,744	41,345	39,034	26,069	243,192
<b>Non-Operating Income and Expenses</b>					
Interest Income	100	33	4,000	265	4,398
<b>Total Non-Operating Income &amp; Expenses</b>	100	33	4,000	265	4,398
<b>Cash Available for Debt Service</b>	136,844	41,378	43,034	26,334	247,590
<b>Debt Service</b>					
Debt Service After Consolidation	-	37,230	42,207	-	79,437
<b>Total Debt Service</b>	-	37,230	42,207	-	79,437
<b>Income After Debt Service</b>	136,844	4,148	827	26,334	168,153
<b>Debt Coverage Ratio</b>	0.00	1.11	1.02	0.00	



**FINANCIAL STATEMENTS**  
**of**  
**FANCY FARM WATER DISTRICT**  
**For the Period Ended June 30, 2007**

Romaine & Associates, PLLC  
PO Box 488  
1011 Paris Road - Suite 341  
Mayfield, KY 42066  
270-247-8050

To the Board of Directors

FANCY FARM WATER DISTRICT  
P.O. BOX 238  
FANCY FARM, KY 42039

We have compiled the accompanying balance sheet of FANCY FARM WATER DISTRICT as of August 31, 2007, and the related statements of operations and cash flows for the 1 Month then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of FANCY FARM WATER DISTRICT. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Romaine & Associates, PLLC*

September 13, 2007

**FANCY FARM WATER DISTRICT**  
**BALANCE SHEET**  
August 31, 2007

ASSETS

	2007	2006
<b>CURRENT ASSETS</b>		
CASH IN BANK-O&M	\$ 6,321.12	\$ 1,018.96
CASH IN BANK-REVENUE	95.24	1,186.94
CASH IN BANK-METER DEPOSIT	4,363.97	4,320.59
CDs-First Community-Water	75,435.31	71,833.69
CDs-First Community Bank-Sewer	34,816.32	55,256.90
journal balancing	0.00	193.78
Cash In Bank-First Community	65.32	1.00
ACCTS. RECEIVABLE-CUSTOMERS	17,478.79	13,962.08
ACCTS. RECEIVABLE-MILBURN	2,076.91	1,380.55
ACCTS. RECEIVABLE	8,973.20	8,655.14
Prepaid Insurance	2,117.74	2,117.23
Accrued Interest Rec	232.66	232.66
Prepaid ins-sewer	2,117.75	2,117.24
ACCRUED INTEREST REC SEWER	178.97	178.97
<b>Total Current Assets</b>	<b>\$ 154,273.30</b>	<b>\$ 162,455.73</b>
<b>OTHER ASSETS</b>		
LAND	\$ 14,995.00	\$ 14,995.00
UTILITY PLANT	1,169,892.00	1,169,892.00
UTILITY PLANT A/D	-614,460.36	-564,167.00
UTILITY PLANT-SEWER	1,563,532.64	1,559,914.99
ACCUMULATED DEPRECIATION	-995,427.64	-925,011.00
<b>Total Other Assets</b>	<b>\$ 1,138,531.64</b>	<b>\$ 1,255,623.99</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,292,804.94</b>	<b>\$ 1,418,079.72</b>

LIABILITIES AND STOCKHOLDERS' EQUITY

	2007	2006
<b>CURRENT LIABILITIES</b>		
SALES TAX PAYABLE	\$ 69.21	\$ 264.01
ACCOUNTS PAYABLE	11,719.47	16,165.39
CUSTOMER DEPOSITS	5,747.84	5,197.84
UTILITY TAX PAYABLE	374.14	345.20
ACCURED INTEREST	12.22	28.93
<b>Total Current Liabilities</b>	<b>\$ 17,922.88</b>	<b>\$ 22,001.37</b>
<b>LONG-TERM LIABILITIES</b>		
BONDS PAYABLE-LONG TERM	\$ 710,294.73	\$ 748,952.84
<b>Total Long-Term Liabilities</b>	<b>\$ 710,294.73</b>	<b>\$ 748,952.84</b>
<b>Total Liabilities</b>	<b>\$ 728,217.61</b>	<b>\$ 770,954.21</b>
<b>STOCKHOLDERS' EQUITY</b>		
UNRES. RETAINED EARNINGS-WATER	\$ -83,553.00	\$ -83,553.00
CONST. IN AID OF TAP ONS	206,079.20	206,079.20
CONTRIBUTIONS IN AID OF CONST.	1,170,136.36	1,170,136.36
UNRES. RETAINED EARNINGS SEWER	-580,366.00	-580,366.00
Retained Earnings	-127,491.02	-60,645.90
Net Income (Loss)	\$ -20,218.21	\$ -4,525.15
<b>Total Stockholders' Equity</b>	<b>\$ 564,587.33</b>	<b>\$ 647,125.51</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,292,804.94</b>	<b>\$ 1,418,079.72</b>

See Accountants' Compilation Report

**FANCY FARM WATER DISTRICT**  
**INCOME STATEMENT**  
One Month Ended August 31, 2007

	1 Month Ended Aug. 31, 2007	1 Month Ended Aug. 31, 2006	8 Months Ended Aug. 31, 2007	8 Months Ended Aug. 31, 2006
<b>Revenue</b>				
WATER SALES	\$ 12,691.88	\$ 11,535.19	\$ 85,603.46	\$ 84,205.05
PENALTIES	455.56	657.20	2,209.78	2,981.03
MILBURN	2,076.91	2,013.11	12,198.24	12,033.08
METER SALES-TAP ON FEES	0.00	0.00	0.00	1,800.00
SERVICE CHARGES & MISC. INCOME	434.00	198.00	8,711.30	2,767.38
FLAT RATE SEWER RECEIPT	8,973.20	8,796.50	70,758.72	69,876.24
MISC INCOME	0.00	0.00	0.00	1.00
<b>Total Revenue</b>	<b>\$ 24,631.55</b>	<b>\$ 23,200.00</b>	<b>\$ 179,481.50</b>	<b>\$ 173,663.78</b>
<b>Gross Profit</b>	<b>\$ 24,631.55</b>	<b>\$ 23,200.00</b>	<b>\$ 179,481.50</b>	<b>\$ 173,663.78</b>
<b>Operating Expenses</b>				
DEPRECIATION EXPENSE	\$ 2,514.67	\$ 0.00	\$ 20,117.36	\$ 0.00
MISCELLANEOUS EXPENSE	215.84	32.50	3,952.26	2,074.77
RETURN CHECK CHARGE	0.00	0.00	175.00	25.00
ELECTRIC PURCHASES POWER	685.26	906.73	5,923.77	6,137.99
CHEMICALS	827.95	1,182.60	10,520.91	15,031.45
MATERIAL & SUPPLIES	161.97	2,014.05	12,630.79	19,951.37
CONTRACT SERVICES	7,317.60	5,187.40	44,403.15	43,774.76
INSURANCE	423.54	423.46	3,387.84	3,381.19
MISC. & TELEPHONE	50.00	321.90	2,857.55	2,539.86
GRANT EXPENSE-MEWS INTERCONNECT	26,875.00	0.00	26,875.00	0.00
WATER-LAB ANALYSIS	266.97	589.47	1,700.97	1,630.47
LABOR ABOVE CONTRACT	1,184.56	0.00	10,092.93	4,914.84
COMMISSIONER PAY	250.00	250.00	1,850.00	3,050.00
BAD DEBT EXPENSE	0.00	0.00	625.72	0.00
BAD DEBT EXPENSE-SW	0.00	0.00	636.12	0.00
REPAIRS & MAINTENANCE	0.00	0.00	-113.10	1,191.73
PSC ASSESSMENT EXPENSE	0.00	0.00	438.40	431.03
OPERATION EXPENSE- WATER BILL	0.00	41.20	191.59	226.20
OPERATION EXPENSE- ELECT. BILL	0.00	0.00	0.00	5,342.48
REPAIRS	1,326.94	0.00	2,067.03	0.00
CONTRACTUAL SERVICE EXPENSE	4,436.12	4,431.02	36,215.21	41,069.85
MISCELLANEOUS	50.00	0.00	450.00	1,760.00
DEPRECIATION	3,520.83	0.00	28,166.64	0.00
commissioners	250.00	250.00	1,850.00	1,000.00
labor above contract-sewer	627.12	69.68	4,215.64	1,572.96
UTILITIES	1,189.55	1,357.85	9,653.13	4,153.13
MATERIALS	19.46	0.00	62.96	1,788.76
SEWER STUDY	0.00	0.00	0.00	11,200.00
<b>Total Operating Expenses</b>	<b>\$ 52,193.38</b>	<b>\$ 17,057.86</b>	<b>\$ 228,946.87</b>	<b>\$ 172,247.84</b>
<b>Operating Income (Loss)</b>	<b>\$ -27,561.83</b>	<b>\$ 6,142.14</b>	<b>\$ -49,465.37</b>	<b>\$ 1,415.94</b>
<b>Other Income</b>				
INTEREST-REVENUE	0.00	0.00	1.51	32.45
INTEREST-METER DEPOSITS	0.00	0.00	10.86	21.34
INTEREST INCOME-CD	454.70	1,456.66	4,046.62	3,859.67
GRANT INCOME-MEWS INTERCONNECT	26,875.00	0.00	26,875.00	0.00
INTEREST-FIRST COMMUNITY GRANT	35.45	0.00	64.32	0.00
<b>Total Other Income</b>	<b>\$ 27,365.15</b>	<b>\$ 1,456.66</b>	<b>\$ 30,998.31</b>	<b>\$ 3,913.46</b>
<b>Other Expenses</b>				
INTEREST-BOND	\$ 0.00	\$ 0.00	\$ 1,751.15	\$ 17,354.55
INTEREST	0.00	0.00	0.00	3,700.00
<b>Total Other Expenses</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 1,751.15</b>	<b>\$ 21,054.55</b>
<b>Income (Loss) Before Income Taxes</b>	<b>\$ -196.68</b>	<b>\$ 7,598.80</b>	<b>\$ -20,218.21</b>	<b>\$ -15,725.15</b>
<b>Net Income (Loss)</b>	<b>\$ -196.68</b>	<b>\$ 7,598.80</b>	<b>\$ -20,218.21</b>	<b>\$ -15,725.15</b>

See Accountants' Compilation Report

**FANCY FARM WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
One Month Ended August 31, 2007

	1 Month Ended August 31, 2007	8 Months Ended August 31, 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ -196.68	\$ -20,218.21
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
ACCTS. RECEIVABLE-CUSTOMERS	\$ -2,369.06	\$ -9,240.18
ACCTS. RECEIVABLE-MILBURN	-440.08	896.19
ACCTS. RECEIVABLE	-176.70	-106.02
Prepaid Insurance	211.77	-847.43
Prepaid ins-sewer	211.77	-847.43
Increase (Decrease) in:		
SALES TAX PAYABLE	\$ 33.03	\$ -24.19
ACCOUNTS PAYABLE	-813.22	377.05
CUSTOMER DEPOSITS	160.00	150.00
UTILITY TAX PAYABLE	39.41	81.35
ACCURED INTEREST	-6.94	-16.71
<b>Total Adjustments</b>	<b>\$ -3,150.02</b>	<b>\$ -9,577.37</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ -3,346.70</b>	<b>\$ -29,795.58</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
UTILITY PLANT A/D	2,514.67	20,117.36
UTILITY PLANT-SEWER	-1,043.65	-3,617.65
ACCUMULATED DEPRECIATION	3,520.83	28,166.64
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>\$ 4,991.85</b>	<b>\$ 44,666.35</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
BONDS PAYABLE-LONG TERM	\$ 0.00	\$ -19,352.22
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>\$ 0.00</b>	<b>\$ -19,352.22</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 1,645.15</b>	<b>\$ -4,481.45</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$ 119,452.13</b>	<b>\$ 125,578.73</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 121,097.28</b>	<b>\$ 121,097.28</b>

See Accountants' Compilation Report



FANCY FARM WATER DISTRICT  
Profit & Loss by Class  
August 2007

	SEWER			WATER			TOTAL		
	Aug 07	Aug 06	Jan - Aug 07	Aug 07	Aug 06	Jan - Aug 07	Aug 07	Aug 06	Jan - Aug 07
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
1401 - WATER SALES	0.00	0.00	0.00	12,691.88	11,535.19	85,603.46	12,691.88	11,535.19	85,603.46
1402 - PENALTIES	0.00	0.00	0.00	455.56	657.20	2,209.78	455.56	657.20	2,209.78
1403 - MILBURN	0.00	0.00	0.00	2,076.91	2,013.11	12,198.24	2,076.91	2,013.11	12,198.24
1415 - SERVICE CHARGES & MISC. INCOME	0.00	0.00	0.00	434.00	198.00	8,711.30	434.00	198.00	8,711.30
2401 - FLAT RATE SEWER RECEIPT	8,973.20	8,796.50	70,758.72	0.00	0.00	0.00	8,973.20	8,796.50	70,758.72
2406 - MISC INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Income</b>	<b>8,973.20</b>	<b>8,796.50</b>	<b>70,758.72</b>	<b>15,658.35</b>	<b>14,403.50</b>	<b>108,722.78</b>	<b>24,631.55</b>	<b>23,200.00</b>	<b>179,481.50</b>
<b>Expense</b>									
1501 - DEPRECIATION EXPENSE	0.00	0.00	0.00	2,514.67	0.00	20,117.36	2,514.67	0.00	20,117.36
1502 - MISCELLANEOUS EXPENSE	0.00	0.00	0.00	215.84	32.50	3,952.26	215.84	32.50	3,952.26
1503 - RETURN CHECK CHARGE	0.00	0.00	0.00	0.00	0.00	175.00	0.00	0.00	175.00
1507 - SALES TAX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1509 - ELECTRIC PURCHASES POWER	0.00	0.00	0.00	685.26	906.73	5,923.77	685.26	906.73	5,923.77
1510 - CHEMICALS	0.00	0.00	0.00	827.95	1,182.60	10,520.91	827.95	1,182.60	10,520.91
1511 - MATERIAL & SUPPLIES	0.00	0.00	-240.98	161.97	2,014.05	12,871.77	161.97	2,014.05	12,630.79
1512 - CONTRACT SERVICES	0.00	0.00	0.00	7,317.60	5,187.40	44,403.15	7,317.60	5,187.40	44,403.15
1514 - INSURANCE	211.77	211.73	1,693.92	211.77	211.73	1,693.92	423.54	423.46	3,387.84
1515 - MISC. & TELEPHONE	0.00	0.00	147.10	50.00	321.90	2,710.45	50.00	321.90	2,857.55
1518 - GRANT EXPENSE-MEWS INTERCONNECT	0.00	0.00	0.00	26,875.00	0.00	26,875.00	26,875.00	0.00	26,875.00
1519 - WATER-LAB ANALYSIS	0.00	0.00	0.00	266.97	589.47	1,700.97	266.97	589.47	1,700.97
1520 - LABOR ABOVE CONTRACT	0.00	0.00	-304.83	1,184.56	0.00	10,397.76	1,184.56	0.00	10,092.93
1521 - COMMISSIONER PAY	0.00	0.00	0.00	250.00	250.00	1,850.00	250.00	250.00	1,850.00
1522 - REPAIRS & MAINTENANCE	0.00	0.00	-641.13	0.00	0.00	528.03	0.00	0.00	-113.10
1523 - PSC ASSESSMENT EXPENSE	0.00	0.00	0.00	0.00	0.00	438.40	0.00	0.00	438.40
1525 - BAD DEBT EXPENSE	0.00	0.00	0.00	0.00	0.00	625.72	0.00	0.00	625.72
2504 - OPERATION EXPENSE-WATER BILL	0.00	41.20	20.60	0.00	0.00	170.99	0.00	41.20	191.59
2509 - REPAIRS	1,326.94	0.00	2,067.03	0.00	0.00	0.00	1,326.94	0.00	2,067.03
2510 - CONTRACTUAL SERVICE EXPENSE	4,436.12	4,431.02	36,215.21	0.00	0.00	0.00	4,436.12	4,431.02	36,215.21
2515 - MISCELLANEOUS	50.00	0.00	450.00	0.00	0.00	0.00	50.00	0.00	450.00
2517 - DEPRECIATION	3,520.83	0.00	28,166.64	0.00	0.00	0.00	3,520.83	0.00	28,166.64
2518 - COMMISSIONERS	250.00	250.00	1,850.00	0.00	0.00	0.00	250.00	250.00	1,850.00
2519 - LABOR ABOVE CONTRACT-SEWER	627.12	69.68	4,215.64	0.00	0.00	0.00	627.12	69.68	4,215.64
2520 - UTILITIES	1,189.55	1,357.85	9,653.13	0.00	0.00	0.00	1,189.55	1,357.85	9,653.13
2521 - BAD DEBT EXPENSE-SW	0.00	0.00	636.12	0.00	0.00	0.00	0.00	0.00	636.12
2819 - MATERIALS	19.46	0.00	62.96	0.00	0.00	0.00	19.46	0.00	62.96
<b>Total Expense</b>	<b>11,631.79</b>	<b>6,361.48</b>	<b>83,991.41</b>	<b>40,561.59</b>	<b>10,696.38</b>	<b>144,955.46</b>	<b>52,193.38</b>	<b>17,057.86</b>	<b>228,946.87</b>
<b>Net Ordinary Income</b>	<b>-2,658.59</b>	<b>2,435.02</b>	<b>-13,232.69</b>	<b>-24,903.24</b>	<b>3,707.12</b>	<b>-36,232.68</b>	<b>-27,561.83</b>	<b>6,142.14</b>	<b>-49,465.37</b>
<b>Other Income/Expense</b>									
<b>Other Income</b>									
1408 - INTEREST-REVENUE	0.00	0.00	0.00	0.00	0.00	1.51	0.00	0.00	1.51
1410 - INTEREST-METER DEPOSITS	0.00	0.00	0.00	0.00	0.00	10.86	0.00	0.00	10.86
1416 - INTEREST INCOME-CD	454.70	633.33	1,277.88	0.00	823.33	2,768.74	454.70	1,456.66	4,046.62
1421 - GRANT INCOME-MEWS INTERCONNECT	0.00	0.00	0.00	26,875.00	0.00	26,875.00	26,875.00	0.00	26,875.00
1422 - INTEREST-FIRST COMMUNITY GRANT	0.00	0.00	0.00	35.45	0.00	64.32	35.45	0.00	64.32
<b>Total Other Income</b>	<b>454.70</b>	<b>633.33</b>	<b>1,277.88</b>	<b>26,910.45</b>	<b>823.33</b>	<b>29,720.43</b>	<b>27,365.15</b>	<b>1,456.66</b>	<b>30,898.31</b>
<b>Other Expense</b>									
1516 - INTEREST-BOND	0.00	0.00	353.05	0.00	0.00	1,398.10	0.00	0.00	1,751.15
<b>Total Other Expense</b>	<b>0.00</b>	<b>0.00</b>	<b>353.05</b>	<b>0.00</b>	<b>0.00</b>	<b>1,398.10</b>	<b>0.00</b>	<b>0.00</b>	<b>1,751.15</b>
<b>Net Other Income</b>	<b>454.70</b>	<b>633.33</b>	<b>924.83</b>	<b>26,910.45</b>	<b>823.33</b>	<b>28,322.33</b>	<b>27,365.15</b>	<b>1,456.66</b>	<b>29,247.16</b>
<b>Net Income</b>	<b>-2,203.89</b>	<b>3,068.35</b>	<b>-12,307.86</b>	<b>2,007.21</b>	<b>4,530.45</b>	<b>-7,910.35</b>	<b>-196.68</b>	<b>7,598.80</b>	<b>-20,216.21</b>



# Water Districts/Associations - Class C

Annual Report

Of

HARDEMAN WATER DISTRICT

---

Exact Legal Name of Reporting Utility

25 STATE ROUTE 131

---

MAYFIELD, KY 42066

---

(Address of Utility)

TO THE  
PUBLIC SERVICE COMMISSION  
OF THE  
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2006

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	UTILITY PLANT			
101-105	Utility Plant.....	11	\$ 416,224	\$ 416,224
108	Less: Accumulated Depreciation And Amortization.....	11,13	\$ 340,140	\$ (343,640)
	Net Plant.....		\$ 76,084	\$ 72,584
114-115	Utility Plant Acquisition Adjustments (Net) .....	14	\$ 76,084	\$ 72,584
	Total Net Utility Plant.....		\$	\$
	OTHER PROPERTY AND INVESTMENTS			
121	Nonutility Property.....		\$	\$
122	Less: Accumulated Depreciation And Amortization.....		\$	\$
	Net Nonutility Property.....		\$	\$
124	Utility Investments.....	14	\$	\$
	Total Other Property & Investments...		\$	\$
	CURRENT AND ACCRUED ASSETS			
131	Cash.....		\$ 37,641	\$ 39,232
132	Special Deposits.....		\$	\$
141-143	Accounts Receivable, Less Accumulated Provision for Uncollectible Accounts.....	15	\$ 4,010	\$ 4,035
151	Plant Materials and Supplies.....		\$	\$
174	Misc. Current and Accrued Assets.....		\$ 1,615	\$ 1,615
	Total Current and Accrued Assets		\$ 43,266	\$ 44,882
	DEFERRED DEBITS			
186	Misc. Deferred Debits.....	15	\$	\$
	Total Deferred Debits.....		\$	\$
	TOTAL ASSETS AND OTHER DEBITS.....		\$ 119,350	\$ 117,466

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
215.1	Retained Earnings From Income Before Contributions.....	10	\$ (68,868)	\$ (71,102)
215.2	Donated Capital.....	10	\$ _____	\$ _____
	Total Equity Capital.....		\$ (68,868)	\$ (71,102)
LONG-TERM DEBT				
224	Long-Term Debt.....	16-17	\$ _____	\$ _____
	Total Long-Term Debt.....		\$ _____	\$ _____
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable.....		\$ 850	\$ 1,200
232	Notes Payable.....	18	\$ _____	\$ _____
235	Customer Deposits.....		\$ _____	\$ _____
236	Accrued Taxes.....	18	\$ 900	\$ 900
237	Accrued Interest.....	19	\$ _____	\$ _____
242	Misc. Current & Accrued Liabilities..	19	\$ _____	\$ _____
	Total Current and Accrued Liabilities.....		\$ 1,750	\$ 2,100
NONCURRENT LIABILITIES				
252	Advances For Construction.....	16	\$ _____	\$ _____
253	Other Deferred Credits.....		\$ _____	\$ _____
265	Miscellaneous Operating Reserves.....		\$ 186,468	\$ 186,468
	Total Noncurrent Liabilities.....		\$ _____	\$ _____
	<b>TOTAL EQUITY CAPITAL AND LIABILITIES.</b>		\$ 119,350	\$ 117,466

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY OPERATING INCOME				
400	Operating Revenues.....	21	\$ <u>105,294</u>	\$ <u>104,582</u>
401	Operating Expenses.....	22	\$ <u>101,622</u>	\$ <u>101,871</u>
403	Depreciation Expenses.....		\$ <u>3,500</u>	\$ <u>3,500</u>
406	Amortization of Utility Plant Acquisition Adjustment.....		\$ _____	\$ _____
407	Amortization Expense - Other.....		\$ _____	\$ _____
408	Taxes Other Than Income.....		\$ <u>1,665</u>	\$ <u>1,710</u>
	Utility Operating Expenses.....		\$ <u>106,787</u>	\$ <u>107,081</u>
	Total Utility Operating Income.....		\$ <u>(1,493)</u>	\$ <u>(2,499)</u>
OTHER INCOME AND DEDUCTIONS				
419	Interest and Dividend Income.....		\$ <u>65</u>	\$ <u>265</u>
420	Allowance for Funds Used During Construction.....		\$ _____	\$ _____
421	Nonutility Income.....		\$ _____	\$ _____
426	Miscellaneous Nonutility Expenses....		\$ _____	\$ _____
	Total Other Income and Deductions....		\$ <u>65</u>	\$ <u>265</u>
TAXES APPLICABLE TO OTHER INCOME				
408	Taxes Other Than Income.....		\$ _____	\$ _____
	Total Taxes Applicable To Other Income.....		\$ _____	\$ _____
INTEREST EXPENSE				
427	Interest Expense.....		\$ _____	\$ _____
	Total Interest Expense.....		\$ _____	\$ _____
	NET INCOME BEFORE CONTRIBUTIONS.....		\$ <u>(1,428)</u>	\$ <u>(2,234)</u>

STATEMENT OF RETAINED EARNINGS

215.1	Retained Earnings From Income Before Contributions:	
	Balance Beginning of Year.....	<u>\$ (68,868)</u>
	Balance Transferred from Net Income Before Contributions...	<u>\$ (2,234)</u>
	Other Changes to Account:	
	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits (explain) _____	\$ _____
	Debits (explain) _____	\$ _____
	Balance End of Year.....	<u>\$ (71,102)</u>

215.2	Donated Capital:		Tapping		
			<u>Fees</u>	<u>Grants</u>	<u>Other</u>
			<u>Total</u>		
	Balance Beginning of Year.....	_____	_____	_____	_____
	Credits:				
432	Proceeds from capital contributions.....	_____	_____	_____	_____
	Other Credits (explain)	_____	_____	_____	_____
	Debits:				
	(explain - Requires Commission Approval)	_____	_____	_____	_____
	Balance End of Year.....	_____	_____	_____	_____





**FINANCIAL STATEMENTS**  
**of**  
**SOUTH GRAVES WATER DISTRICT**  
**For the Period Ended August 31, 2007**

**Romaine & Associates, PLLC**  
PO Box 488  
1011 Paris Road - Suite 341  
Mayfield, KY 42066  
270-247-8050

To the Board of Directors

SOUTH GRAVES WATER DISTRICT  
PO BOX 65  
WINGO, KY 42088

We have compiled the accompanying balance sheet of SOUTH GRAVES WATER DISTRICT as of August 31, 2007, and the related statements of operations and cash flows for the 1 Month then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of SOUTH GRAVES WATER DISTRICT. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*ROMAINE & ASSOCIATES, PLLC*

June 19, 2007

# SOUTH GRAVES WATER DISTRICT BALANCE SHEET

August 31, 2007

## ASSETS

<b>CURRENT ASSETS</b>	
FNB-DEBT SERVICE	1,751.69
FNB-DEPRECIATION	6,022.56
FNB-REVENUE ACCT.	8,235.57
FNB-OPERATING & MAINT.	18,867.94
FNB-SAV CUSTOMER DEPOSITS	<u>8,428.52</u>
<b>Total Current Assets</b>	<b>\$ 43,306.28</b>
<b>PROPERTY AND EQUIPMENT</b>	
UTILITY PLANT	1,930,959.01
ACCUMULATED DEPRECIATION	<u>-1,021,621.28</u>
<b>Total Property and Equipment</b>	<b>\$ 909,337.73</b>
<b>OTHER ASSETS</b>	
ACCOUNTS RECEIVABLE-BILLED	\$ 26,035.70
KIA POOL CONTINGENCY	95,679.21
UNAMORTIZED KIA ISSUE COST	2,060.71
UNAMORTIZED BOND ISSUE COSTS	1,929.72
unamortized KIA restr.	74,784.94
PREPAID INSURANCE	<u>2,297.46</u>
<b>Total Other Assets</b>	<b>\$ 202,787.74</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,155,431.75</b>

## LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>	
*Accounts Payable	\$ 11,510.38
Interest Payable on Deposits	41.70
CUSTOMER OVERPAYMENTS	702.68
CUSTOMERS DEPOSITS	16,782.09
SALES TAXES PAYABLE	64.13
SCHOOL TAX PAYABLE	<u>686.56</u>
<b>Total Current Liabilities</b>	<b>\$ 29,787.54</b>
<b>LONG-TERM LIABILITIES</b>	
UNION PLANTERS-NOTES PAYABLE	\$ 11,056.76
KIA-NOTE PAYABLE	839,851.65
FHA BONDS PAYABLE-SERIES A	92,000.00
FHA BONDS PAYABLE-SERIES B	5,500.00
FHA BONDS PAYABLE-SERIES C	<u>45,000.00</u>
<b>Total Long-Term Liabilities</b>	<b>\$ 993,408.41</b>
<b>Total Liabilities</b>	<b>\$ 1,023,195.95</b>
<b>STOCKHOLDERS' EQUITY</b>	
CONTRIBUTION IN AID	\$ 368,181.86
RETAINED EARNINGS/ METER INSTAL & TAP ON FEES	-275,610.15
Retained Earnings	40,624.69
Net Income (Loss)	<u>-5,010.60</u>
<b>Total Stockholders' Equity</b>	<b>\$ 132,235.80</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,155,431.75</b>

See Accountants' Compilation Report

**SOUTH GRAVES WATER DISTRICT**  
**INCOME STATEMENT**  
One Month Ended August 31, 2007

	1 Month Ended Aug. 31, 2007	8 Months Ended Aug. 31, 2007
<b>Revenue</b>		
METERED SALES	\$ 22,832.92	\$ 158,412.07
PENALTIES	607.01	4,355.84
RECONNECTS	125.00	800.00
SERVICE CHARGES	350.00	2,710.00
MISC INCOME	473.30	2,304.83
<b>Total Revenue</b>	\$ 24,388.23	\$ 168,582.74
<b>Gross Profit</b>	\$ 24,388.23	\$ 168,582.74
<b>Operating Expenses</b>		
OFFICE SUPPLIES	768.16	768.16
CHEMICALS	1,535.26	14,295.61
TESTING	723.97	1,850.97
UTILITIES	1,316.83	11,682.93
INSURANCE	229.75	2,377.26
LEGAL & ACCOUNTING	0.00	750.00
COMMISSIONER SALARIES	500.00	1,500.00
MAINTENANCE-WELL	0.00	289.00
MAINTENANCE-PUMP	0.00	588.39
PUBLIC SERVICE TAX FEE	0.00	799.18
SERVICE CHARGES/	38.96	285.77
DUES-LICENSES	0.00	275.00
ADVERTISING	0.00	381.30
BAD DEBT EXPENSE	0.00	3,219.60
YARD CARE	0.00	1,250.00
MANAGEMENT CONTRACT	8,830.22	79,203.04
LABOR ABOVE CONTRACT	2,193.60	16,969.92
MATERIAL AND SUPPLIES	477.45	4,410.59
misc. expense	0.00	116.81
<b>Total Operating Expenses</b>	\$ 16,614.20	\$ 141,013.53
<b>Operating Income (Loss)</b>	\$ 7,774.03	\$ 27,569.21
<b>Other Income</b>		
INTEREST INCOME	\$ 0.00	\$ 32.69
<b>Total Other Income</b>	\$ 0.00	\$ 32.69
<b>Other Expenses</b>		
INTEREST EXPENSE	\$ 89.28	\$ 4,247.22
DEPRECIATION	3,545.66	28,365.28
<b>Total Other Expenses</b>	\$ 3,634.94	\$ 32,612.50
<b>Income (Loss) Before Income Taxes</b>	\$ 4,139.09	\$ -5,010.60
<b>Net Income (Loss)</b>	\$ 4,139.09	\$ -5,010.60

# SOUTH GRAVES WATER DISTRICT STATEMENT OF CASH FLOWS

One Month Ended August 31, 2007

	1 Month Ended August 31, 2007	8 Months Ended August 31, 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ 4,139.09	\$ -5,010.60
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Increase (Decrease) in:		
*Accounts Payable	\$ -4,059.14	\$ -40,673.37
CUSTOMERS DEPOSITS	170.00	-420.00
SALES TAXES PAYABLE	28.37	-2.96
SCHOOL TAX PAYABLE	53.08	159.69
	\$ -3,807.69	\$ -40,936.64
<b>Total Adjustments</b>		
	\$ 331.40	\$ -45,947.24
<b>Net Cash Provided By (Used In) Operating Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
ACCOUNTS RECEIVABLE-BILLED	\$ -3,984.37	\$ -4,519.77
ACCUMULATED DEPRECIATION	3,545.66	28,365.28
PREPAID INSURANCE	229.75	-767.98
	\$ -208.96	\$ 23,077.53
<b>Net Cash Provided By (Used In) Investing Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
UNION PLANTERS-NOTES PAYABLE	\$ -478.59	\$ -3,743.24
	\$ -478.59	\$ -3,743.24
<b>Net Cash Provided By (Used In) Financing Activities</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	\$ -356.15	\$ -26,612.95
<b>CASH AT BEGINNING OF PERIOD</b>	\$ 43,662.43	\$ 69,919.23
<b>CASH AT END OF PERIOD</b>	\$ 43,306.28	\$ 43,306.28



**Financial Statements  
of  
Consumers Water District  
For the Period Ended August 31, 2007**

Romaine & Associates, PLLC  
PO Box 488  
1011 Paris Road - Suite 341  
Mayfield, KY 42066  
270-247-8050

To the Board of Directors

Consumers Water District  
4182 State Route 121 South  
Mayfield, KY 42066

We have compiled the accompanying balance sheet of Consumers Water District as of August 31, 2007 and the related statements of income and cash flows for the period then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

*Romaine & Associates, PLLC*

September 13, 2007



**Consumers Water District**  
**BALANCE SHEET**  
August 31, 2007

ASSETS

	2007	2006
<b>CURRENT ASSETS</b>		
Cash in bank-Exchange Regular	\$ 19,490.80	\$ 30,968.67
Cash in bank-Exchange Deposits	30,906.23	30,365.83
Cash in bank-Cap Improvements	41,290.71	7,381.08
Cash in Bank-FNB-Captial Improv	8,197.89	106,330.41
Commercial Account Receivable	2,643.01	1,066.26
Customer Account Receivable	44,129.65	24,757.82
Utility tax receivable	1,350.62	811.18
Sales Tax receivable	117.76	65.85
Allowance for uncollectible	-526.25	-526.25
ACCOUNTS RECEIVABLE-OTHER	1,165.81	4,603.65
<b>Total Current Assets</b>	<b>\$ 148,766.23</b>	<b>\$ 205,824.50</b>
<b>PROPERTY AND EQUIPMENT</b>		
Utility Plant	\$ 3,068,884.60	\$ 3,063,042.14
Capital Improvement-Elderberry	3,591.88	3,591.88
Cap Imp-ST Rt 2205,564,94	352,234.17	336,594.80
Cap Imp-May-Aurora Hwy	240,223.90	240,223.90
Accumulated depreciation	-1,277,492.12	-1,184,967.80
CAPITAL IMPROV-HWY 303 LOOP	319,795.32	0.00
CAPITAL IMPROVEMENT	19,804.29	17,804.29
<b>Total Property and Equipment</b>	<b>\$ 2,727,042.04</b>	<b>\$ 2,476,289.21</b>
<b>OTHER ASSETS</b>		
Prepaid Insurance	\$ 6,491.60	\$ 6,345.82
<b>Total Other Assets</b>	<b>\$ 6,491.60</b>	<b>\$ 6,345.82</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,882,299.87</b>	<b>\$ 2,688,459.53</b>

LIABILITIES AND STOCKHOLDERS' EQUITY

	2007	2006
<b>CURRENT LIABILITIES</b>		
Account Payable	\$ 12,257.19	\$ 38,580.50
Payroll Liabilities	241.62	244.98
Accrued Interest	1,412.35	1,412.35
Customer Overpaymet	2,295.65	1,802.02
Customer Deposits	37,966.25	36,733.25
KY sales tax payable	222.19	248.45
Utility tax payable	1,348.08	811.18
Deposit Jim Smith Construction	1,000.00	1,000.00
Exchange Bank-Line of Credit	153,406.89	0.00
Interest Owed to Deposit Cust.	0.00	96.85
Advances for construction	13,565.42	21,609.51
<b>Total Current Liabilities</b>	<b>\$ 223,715.64</b>	<b>\$ 102,539.09</b>
<b>LONG-TERM LIABILITIES</b>		
Loan-1ST KY Bank Tie In	\$ 25,165.41	\$ 38,686.57
Bonds KAD-Fifth Third	65,459.79	75,459.79
Loan Payable-1ST KY Bank	28,951.34	44,508.50
<b>Total Long-Term Liabilities</b>	<b>\$ 119,576.54</b>	<b>\$ 158,654.86</b>
<b>Total Liabilities</b>	<b>\$ 343,292.18</b>	<b>\$ 261,193.95</b>

See Accountants' Compilation Report

**Consumers Water District**  
**BALANCE SHEET**  
August 31, 2007

<b>STOCKHOLDERS' EQUITY</b>			
Unappro RetainedEarnings	\$	268,317.71	\$ 268,317.71
Contribution in aid of construc		1,848,760.00	1,848,760.00
Meters installed		23,925.00	15,275.00
Retained Earnings		<u>398,004.98</u>	<u>476,170.45</u>
Total Stockholders' Equity	\$	<u>2,539,007.69</u>	\$ 2,608,523.16
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	<u><u>2,882,299.87</u></u>	\$ <u><u>2,869,717.11</u></u>

See Accountants' Compilation Report

**Consumers Water District**  
**INCOME STATEMENT**  
One Month Ended August 31, 2007

	1 Month Ended Aug. 31, 2007	1 Month Ended Aug. 31, 2006	8 Months Ended Aug. 31, 2007	8 Months Ended Aug. 31, 2006
<b>Revenue</b>				
Metered Sales-Residential	\$ 42,378.40	\$ 26,007.23	\$ 247,022.64	\$ 193,205.48
Metered Sales-Commercial	2,643.01	1,066.26	13,873.67	7,894.10
Penalty Revenue	697.00	632.38	4,985.45	4,204.25
Service Charge Revenue	625.00	725.00	5,290.00	5,250.00
Miscellaneous Income	501.88	324.00	9,293.80	4,815.55
OVERTIME FEE FOR MEWS	0.00	0.00	225.00	0.00
<b>Total Revenue</b>	<b>\$ 46,845.29</b>	<b>\$ 28,754.87</b>	<b>\$ 280,690.56</b>	<b>\$ 215,369.38</b>
<b>Gross Profit</b>	<b>\$ 46,845.29</b>	<b>\$ 28,754.87</b>	<b>\$ 280,690.56</b>	<b>\$ 215,369.38</b>
<b>Operating Expenses</b>				
Commissioner-Henry Hodges	300.00	300.00	2,400.00	2,400.00
Commissioner-Billy Dick	300.00	300.00	2,400.00	2,400.00
Commissioner-Johnny Dowdy	300.00	300.00	2,400.00	2,400.00
CONTRACT-JERRY WAYNE CATES	18.23	0.00	563.60	0.00
Purchased water	13,693.86	14,257.86	92,615.24	90,832.19
Power 121 and 303	364.21	431.06	2,564.94	3,110.76
Power-office	20.18	53.89	180.65	447.61
Murray gas expense	13.81	12.94	216.80	230.82
Analysis	142.97	509.47	2,883.22	1,619.97
Materials and supplies	454.85	1,348.23	5,847.04	10,739.26
Telephone	97.25	77.92	239.57	283.68
Contract labor-other	545.00	0.00	4,045.00	4,045.00
Contract service-MEWS	8,468.78	8,409.08	67,411.94	66,878.62
Tank maintenance	0.00	0.00	7,446.42	0.00
Pump/Well maintenance	75.00	0.00	75.00	0.00
Audit and accounting	0.00	0.00	500.00	3,000.00
Legal services	275.00	0.00	2,237.50	337.50
Meeting expense	84.50	0.00	507.00	222.00
Payroll taxes	68.85	68.85	550.80	550.80
Insurance expense	493.36	634.59	5,254.56	5,118.18
Advertising expense	0.00	0.00	940.95	0.00
Building repairs expense	0.00	0.00	564.41	0.00
Utility regulation assessment	0.00	0.00	553.89	510.15
Bad Debt Expense	0.00	0.00	674.16	0.00
Collection Expense	7.95	0.00	7.95	0.00
Miscellaneous Expense	614.18	48.79	2,008.27	1,019.47
Yard Maintenance	610.00	290.00	4,835.00	3,910.00
Postage Expense	0.00	0.00	14.20	0.00
Underground digging notificatio	110.58	0.00	762.80	984.73
Labor above Contract-MEWS	3,070.08	5,288.80	19,269.68	30,958.24
Bank Charges	0.00	0.00	0.00	12.00
<b>Total Operating Expenses</b>	<b>\$ 30,128.64</b>	<b>\$ 32,331.48</b>	<b>\$ 229,970.59</b>	<b>\$ 232,010.98</b>
<b>Operating Income (Loss)</b>	<b>\$ 16,716.65</b>	<b>\$ -3,576.61</b>	<b>\$ 50,719.97</b>	<b>\$ -16,641.60</b>
<b>Other Income</b>				
Interest Income	\$ 170.75	\$ 222.09	\$ 7,564.51	\$ 1,491.17
Highway Project Reimbursement	0.00	0.00	7,955.26	0.00
<b>Total Other Income</b>	<b>\$ 170.75</b>	<b>\$ 222.09</b>	<b>\$ 15,519.77</b>	<b>\$ 1,491.17</b>
<b>Other Expenses</b>				
Interest Expense	\$ 206.35	\$ 312.25	\$ 4,134.79	\$ 5,202.03
Depreciation expense	7,671.47	7,613.14	61,371.76	60,905.12
<b>Total Other Expenses</b>	<b>\$ 7,877.82</b>	<b>\$ 7,925.39</b>	<b>\$ 65,506.55</b>	<b>\$ 66,107.15</b>
<b>Income (Loss) Before Income Taxes</b>	<b>\$ 9,009.58</b>	<b>\$ -11,279.91</b>	<b>\$ 733.19</b>	<b>\$ -81,257.58</b>
<b>Net Income (Loss)</b>	<b>\$ 9,009.58</b>	<b>\$ -11,279.91</b>	<b>\$ 733.19</b>	<b>\$ -81,257.58</b>

See Accountants' Compilation Report

**Consumers Water District**  
**STATEMENT OF CASH FLOWS**  
One Month Ended August 31, 2007

	1 Month Ended August 31, 2007	8 Months Ended August 31, 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 9,009.58	\$ 733.19
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Commercial Account Receivable	-474.99	-1,853.18
Customer Account Receivable	-4,884.70	-17,090.85
Utility tax receivable	-119.22	-653.68
Sales Tax receivable	-19.83	-73.86
ACCOUNTS RECEIVABLE-OTHER	0.00	3,437.84
Increase (Decrease) in:		
Account Payable	\$ -629.19	\$ 1,248.93
Payroll Liabilities	16.74	-223.86
Customer Deposits	338.00	-1,577.00
KY sales tax payable	117.76	69.95
Utility tax payable	119.37	651.14
Exchange Bank-Line of Credit	153,406.89	153,406.89
Interest Owed to Deposit Cust.	0.00	-96.85
Advances for construction	0.00	-6,408.09
	\$ 147,870.83	\$ 130,837.38
<b>Total Adjustments</b>		
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 156,880.41</b>	<b>\$ 131,570.57</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Utility Plant	\$ 0.00	\$ -5,842.46
Accumulated depreciation	7,671.47	61,371.76
CAPITAL IMPROVEMENT	0.00	-2,000.00
CAPITAL IMPROV-HWY 303 LOOP	-157,759.89	-319,795.32
Prepaid Insurance	649.16	-2,684.14
	\$ -149,439.26	\$ -268,950.16
<b>Net Cash Provided By (Used In) Investing Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan-1ST KY Bank Tie In	\$ -1,148.62	\$ -9,091.73
Loan Payable-1ST KY Bank	-1,320.76	-10,454.32
Meters installed	900.00	5,850.00
	\$ -1,569.38	\$ -13,696.05
<b>Net Cash Provided By (Used In) Financing Activities</b>		
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 5,871.77</b>	<b>\$ -151,075.64</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$ 94,013.86</b>	<b>\$ 250,961.27</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 99,885.63</b>	<b>\$ 99,885.63</b>



# FANCY FARM WATER DISTRICT

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

FANCY FARM WATER DISTRICT

OF

301 EAST BROADWAY

P.O. BOX 341

MAYFIELD, KY, 42066

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

WEST GRAVES COUNTY AND EAST CARLISLE COUNTY, KENTUCKY  
AND MILBURN WATER DISTRICT

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark ...*  
(Signature of Officer)

TITLE *Chairman*

JUL 0 1 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

CONTENTS

- I. Rates and Charges
  - A. Monthly Rates
  - B. Deposits
  - C. Meter Set/Tap-on Charges
  - D. Special Non-recurring Charges
- II. General Rules and Regulations
- III. Water Main Extensions
- IV. Deposits
- V. Bill Format
- VI. Monitoring of Customer Usage
- VII. Special Non-Recurring Charges
- VIII. Water Shortage Response Plan

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark-All*  
(Signature of Officer)

TITLE *Chairman*

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR



FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RATES & CHARGES

A. MONTHLY RATES:

First 2,000 Gallons	\$13.10	Minimum Bill
Next 3,000 Gallons	3.35	Per 1,000 Gallons
Next 5,000 Gallons	3.18	Per 1,000 Gallons
Next 10,000 Gallons	2.98	Per 1,000 Gallons
Over 20,000 Gallons	2.70	per 1,000 Gallons

Wholesale Water Rate:  
City of Milburn \$2.17 Minimum Bill

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark Utter*  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 4

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RATES & CHARGES

B. Deposits:

Residential Deposits: \$40.00

Commercial Deposits: Deposit shall be based on the average bill of similar customers and premises in the system. Deposit shall not exceed two-twelfths (2/12) of the customer's estimated annual bill.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY [Signature]  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

Fancy Farm Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RATES & CHARGES

C. Meter Set / Tap-On Charges:

5/8" - 3/4" \$450.00

All larger meters require approval by the utility board and, if approved, will be installed at actual cost.

Special Projects:

1. A special project is defined as an extension of service that is funded in part or in full by government loans and/or grants.
2. From the initial design and construction, but before completion of a special project, the District may offer a discounted meter set/tap-on charge.
3. All discounts will be for existing dwellings and businesses only. A foundation constructed to above grade line will be considered as existing.
4. The full amount of the meter set/tap-on charge must be paid in advance of service hook-up.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Mark Welch  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 3011  
SECTION 9.11

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RATES & CHARGES

D. Special Non-Recurring Charges:

Connection Charge:	\$25.00
Reconnection Charge:	\$25.00
Returned Check Charge:	\$25.00
Service Charge:	\$25.00
After-Hours Service Charge:	\$75.00
Late Payment Notice Charge:	\$2.00
Late Payment Penalty:	10%

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Mark Wil  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 7

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

II. General Rules and Regulations:

The following are the rules and regulations of Fancy Farm Water District. The schedule of rates prescribed herein will be uniformly charged to all customers of the utility. No one will receive or be entitled to free service by the utility. No employee or individual commissioner of the utility is permitted to make an exception to these rates, rules, or regulations. These rules and regulations are subject to change by the utility at any time, subject to approval of the Public Service Commission.

- A. All taps and connections to the mains of the District shall be made by and/or under the direction and supervision of District personnel.
- B. Water service may be discontinued by the District for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:
  - 1. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.
  - 2. Failure to report to the District additions to the property or fixtures to be supplied or additional use to be made of water.
  - 3. Resale or giving away of water.
  - 4. Waste or misuse of water due to improper or imperfect service pipes and failure to keep in suitable state of repair.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark Wilson*  
(Signature of Officer)

TITLE Chairman

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)

BY *[Signature]*  
EXECUTIVE DIRECTOR

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

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 8

Fancy Farm Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- 5. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
  - 6. Connection, cross-connection, or permitting the same of any separate water supply to premises which receive water from the District.
  - 7. Non-payment of bills.
- C. Any customer desiring to discontinue the water service to his premises for any reason must give three days notice of discontinuance in writing, in person, or by telephone; otherwise a customer shall remain liable for all water used and service rendered by the District until said notice is received by the District.
- D. Bills and notices relating to the conduct of the business of the District will be mailed to the customer at the address listed on the user's agreement unless a change of address has been filed in writing with the District; and the District shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performances required in said notice.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Mark W. [Signature]  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 0 1 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 9

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

- E. 1. Bills for water service are due and payable at the office of Mayfield Electric & Water Systems, or to any designated agent, on the date of issue. The past due date shall be the tenth (10<sup>th</sup>) day after the date of issue. Bills will be dated and mailed on the first (1<sup>st</sup>) day of each month.
2. All bills not paid on or before the past due date shall be deemed delinquent. The District will serve a customer a written final notice of said delinquency. If the delinquent bill is not paid within fifteen (15) days after the date of such final notice, the water supply to the customer may be discontinued without further notice.
3. Meters will be read monthly between the 12<sup>th</sup> and 22<sup>nd</sup> of each month.
- F. Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a charge will be made for reconnection of water service, but the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the District have been paid.
- G. All meters shall be maintained at the expense of the District and the District reserves the right to determine the size of the meter used.

DATE OF ISSUE JANUARY 26, 2004

Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

Month / Date / Year

ISSUED BY Mark W. [Signature]

(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9 (1)

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 10

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

- H. Where a meter has ceased to register, or meter reading could not be obtained, the quantity of water consumed will be based upon an average of the prior six (6) months consumption and the conditions of water service prevailing during the period in which the meter failed to register.
- I. The District shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to re-establish service with the shortest possible delay. When the service is interrupted, all customers affected by such interruption will be notified in advance whenever it is possible to do so.
- J. Customers having boilers and/or pressure vessels receiving a supply of water from the District must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the District is discontinued or interrupted for any reason, without notice.
- K. The premises receiving a supply of water and all service lines, meters and fixtures, including any fixtures within said premises, shall at all reasonable hours be subject to inspection by the District.
- L. Piping on the premises of a customer must be so installed that connections are conveniently located with respect to the District lines and mains. The customer shall provide a place for metering which is unobstructed and accessible at all times.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Mark C. [Signature]  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR



FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 11

Fancy Farm Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- M. The customer's service line shall be installed and maintained by the customer at his own expense in a safe and efficient manner and in accordance with the Department of Health.
- N. No person shall break, damage, destroy, uncover, deface, tamper with, or otherwise alter any structure, appurtenance, equipment, or other property which is part of the District's water works. If a loss or damage to the property of the District or any accident or injury to persons or property is caused by or results from the negligence or wrongful action of the customer, member of his household, his agent or employee, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be that of the customer.
- O. Any person, firm, or organization working around or near the District's distribution mains, appurtenances, or other property may request the District to indicate the location of same. Location by the District of same, however, does not relieve such person of complete responsibility and liability for any and all damages, liability and loss to the District's property resulting from any act of such person or his assigns and/or agent.
- P. Water furnished by the District may be used for domestic consumption by the customer, members of his household, and employees only. The customer may not sell or give away water to any other person.

DATE OF ISSUE JANUARY 26, 2004

Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

Month / Date / Year

ISSUED BY Mark [Signature]

(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 12

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

- Q. Complaints may be made to the operator of the system whose decision may be appealed to the Board of Commissioners of the District within ten (10) days; otherwise the operator's decision will be final. If a written complaint, or a complaint made in person at the utility office is not resolved, the utility shall provide written notice to the complainant of his right to file a complaint with the Kentucky Public Service Commission (PSC), and shall provide him with the address and telephone number of the PSC. If a telephonic complaint is not resolved, the utility shall provide at least oral notice to the complainant of his right to file a complaint with the PSC and the address and telephone number of the PSC.
- R. The water bills may be paid at the main office of Mayfield Electric & Water Systems, 301 East Broadway, Mayfield, KY, 42066. Bills may also be paid the Fancy Farm Credit Union, Fancy Farm, KY. Bills may also be mailed to P.O. Box 351, Mayfield, KY.
- S. Upon request from a customer, and reasonable proof of leak, the District shall grant one (1) leak adjustment per year. The adjustment shall be based on the customer's twelve month average usage.
- T. There must be a water meter for each residential unit.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark [Signature]*  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9(1)

BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 13

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

U. The District's system is NOT designed nor intended for use for fire protection in any manner whatsoever. Any customer using same for fire protection does so at his own full and sole responsibility and risk. The District makes no warranty as to the sufficiency of the water supply or the adequacy of the water pressure at any time. Fire hydrants installed on the distribution lines of the District are for the sole purpose of flushing the lines, or other uses by the District necessary for proper maintenance of the lines.

Any fire department unit using water from District's water system must immediately contact responsible party in the District to make them aware of approximate volume used. Any damage to the distribution lines, resulting from excessive pressure due to fire hydrant usage by fire department units in the performance of their duties will be the liability of that unit.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark Hill*  
(Signature of Officer)

TITLE *Chairman*

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 14

Fancy Farm Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

III. Water Main Extensions:

All developers must submit a preliminary drawing of the water main extension development plans to the District for review. These plans must be prepared by a professional engineer. After reviewing the plan, the Board will contact the developer with changes or final approval. The District will submit the plans to the Division of Water.

After approval by the Division of Water, the District will hire a contractor to construct the project. The District will be paid for the project by the developer before any work is begun. The final cost of the project will not exceed cost estimate.

A ten (10) year refund period will begin after the project is completed and a contract is signed by both parties. The date will become the anniversary date. The developer will be reimbursed annually on this date for any water meter installed on said water extension.

To determine the refund amount, the total cost of the project will be divided by the total length of the extension. This will determine the cost per foot. At each anniversary date, the cost of 50 feet of the main extension will be paid to the developer for each water meter installed during that year. (All persons desiring water will be responsible for the meter tap-on charge.)

Refunds shall continue each year until reimbursement is paid in full (no interest) or ten years have elapsed, whichever occurs first. No refunds after ten years.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Mark [Signature]  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 15

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

IV. Deposits:

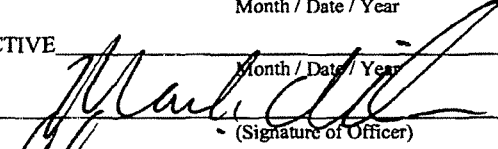
All customers shall pay deposits. All residential customer deposits shall be \$40.00. Commercial customer deposits shall be based on the average bill of similar customers and premises in the system. Deposit shall not exceed two-twelfths (2/12) of the customer's estimated annual bill.

Interest on deposits will be calculated according to 807 KAR 5:006 Section 7 (6). Interest accrued shall be refunded to the customer or credited to the customer's bill on an annual basis. Upon termination of service, the deposit, any principal amounts, and interest earned shall be credited to the final bill with any remainder refunded to the customer.

A deposit of \$1000.00 shall be charged on all 3" fire hydrant meters. This deposit will not be refunded if the meter is not returned in satisfactory condition. Meters will be read monthly and bill according to actual usage.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year


ISSUED BY   
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY   
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 16

Fancy Farm Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

V. Bill Format:

Each bill for the District shall clearly show the present and last preceding meter readings, dates of the readings, number of gallons consumed, net amount, all taxes, and the gross amount of the bill. The date after which a penalty may apply to the gross amount shall be indicated.

The rate schedule under which the bill is computed shall be furnished upon request by the customer.

VI. Monitoring of Customer Usage:

The District shall monitor the usage of each customer monthly. The District will compare the customer's monthly usage records and if there is a deviation greater than 20%, the District shall re-read the meter, and check for leaks. The District shall then notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10 (4) and (5).

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY [Signature]  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 17

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

VII. Special Non-Recurring Charges:

- A. Connection Charge: Will be assessed for service turn-ons, seasonal turn-ons, or temporary service.
- B. Reconnection Charge: Will be assessed when a utility representative makes a trip to the premises of a customer for the purpose of terminating service for non-payment or for violation of District or PSC rules and regulations, and will include the cost of the service trip for both the disconnection and the reconnection.
- C. Returned Check Charge: Will be assessed if a check accepted for payment of a utility bill is not honored by the customer's financial institution.
- D. Service Charge: Will be assessed for all trips to check meter readings as requested by the customer; except if the original reading was incorrect; and to check for leaks that the customer requests, except there will be no charge should the leak be on the District. Charge will also be assessed for return trips to read meter due to meter inaccessibility to District staff resulting from customer. Charge will also be assessed for all customer requested trips to investigate any problems with service; except there will be no charge if the problem is the responsibility of the District.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark [Signature]*  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 0 1 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Fancy Farm, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 18

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Fancy Farm Water District  
(Name of Utility)

RULES & REGULATIONS

- E. After-Hours Service Charge: Will be assessed whenever service call requests are received after regular office hours, weekends, and holidays; in the event the trouble is not the responsibility of the District. This charge shall also apply to the connection of new services or the reconnection of a discontinued service.
- F. Late Payment Notice Charge: Will be assessed whenever a late notice is mailed when a utility payment is not made by the due date.
- G. Late Payment Penalty: Pursuant to 807 KAR 5:006 Section 8 (3)(h), a penalty will be assessed when a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty will be assessed on the delinquent amount of the bill, less any taxes and any prior penalty amounts. Any penalty may be assessed only once on any bill for rendered services, and any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Mark Withers*  
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR



FANCY FARM WATER AND SEWER DISTRICT  
 P.O. BOX 341  
 MAYFIELD, KY 42066  
 RETURN SERVICE REQUESTED

CUSTOMER ACCOUNT NO:	100-0198-1
PAST DUE AMOUNT:	19.40
CURRENT CHARGES:	28.46
CURRENT CHARGES PAID DATE AFTER:	DEC 10 2003
LATE CHARGES:	.88
AMOUNT DUE AFTER PAST DUE DATE:	38 29.34

0000000064 \*\*\*\*\* MIXED AADC 350  
 RONALD KEY  
 PO BOX 281  
 MAYFIELD KY 42066-0281

FANCY FARM WATER & SEWER DISTRICT  
 P.O. BOX 341  
 MAYFIELD, KY 42066

PLEASE DETACH AND RETURN TOP PORTION IF PAYING BY MAIL

This office is not responsible for bills or payments lost in the mail. If total amount due is not paid in full within 15 days of due date, you will be subject to disconnection.

FANCY FARM WATER & SEWER DISTRICT  
 P.O. BOX 341  
 MAYFIELD, KY 42066  
 Phone: 270-247-4661  
 Fax: 270-247-0550

ACCOUNT NUMBER:	100-0198-1
CUSTOMER NAME:	RONALD KEY
SERVICE ADDRESS:	516 CHRIS DR APT 4
METER READING DATE:	NOV 14 2003
DISCONNECT DATE:	DEC 25 2003

SERVICE	PRESENT READING	PREVIOUS READING	AMOUNT USED	AMOUNT
WATER(ONE UNIT=100 GALLONS)				
SEWER				
INCREASE FOR SCHOOL TAX				
TOTAL CURRENT CHARGES				9.06
BALANCE FORWARD(PAST DUE) DISCONNECT PENDING				19.40

AMOUNT FROM PREVIOUS BILL	LATE CHARGES ADDED	PAYMENTS & ADJUSTMENTS	OTHER DEBITS/CREDITS	BALANCE FORWARD PAST DUES	CURRENT CHARGES
18.52	.88	.00	.00	19.40	28.46

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

COMPARE YOUR USAGE

PURSUANT TO 307 KAR 5011

PERIOD	DAYS BY	WATER CONSUMPTION DAILY AVG.	SEWER DAILY AVG.
CURRENT LAST MONTH	30	1300	43
YEAR AGO	N/A	1300	43
		N/A	N/A

FX3103



# CONSUMERS WATER DISTRICT

P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

CONSUMERS WATER DISTRICT

OF

301 EAST BROADWAY

P.O. BOX 331

MAYFIELD, KY, 42066

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

SOUTH AND SOUTHEASTERN GRAVES COUNTY  
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hodges  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

CONTENTS

- I. Rates and Charges
  - A. Monthly Rates
  - B. Deposits
  - C. Meter Set/Tap-on Charges
  - D. Special Non-recurring Charges
- II. General Rules and Regulations
- III. Water Main Extensions
- IV. Deposits
- V. Bill Format
- VI. Monitoring of Customer Usage
- VII. Special Non-Recurring Charges
- VIII. Water Shortage Response Plan

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Henry Stalder*  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RATES & CHARGES

A. MONTHLY RATES:

5/8" x 3/4" Meter

First 2,000 Gallons	\$8.80	Minimum Bill
Next 8,000 Gallons	2.16	Per 1,000 Gallons
Next 10,000 Gallons	2.00	Per 1,000 Gallons
Next 30,000 Gallons	1.85	Per 1,000 Gallons
Over 50,000 Gallons	1.55	per 1,000 Gallons

1" Meter

First 10,000 Gallons	\$26.16	Minimum Bill
Next 10,000 Gallons	2.00	Per 1,000 Gallons
Next 30,000 Gallons	1.85	Per 1,000 Gallons
Over 50,000 Gallons	1.55	per 1,000 Gallons

2" Meter

First 20,000 Gallons	\$46.08	Minimum Bill
Next 30,000 Gallons	1.85	Per 1,000 Gallons
Over 50,000 Gallons	1.55	per 1,000 Gallons

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hobbs  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 4

Consumers Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RATES & CHARGES

B. Deposits:

Residential Deposits: \$40.00

Commercial Deposits: Deposit shall be based on the average bill of similar customers and premises in the system. Deposit shall not exceed two-twelfths (2/12) of the customer's estimated annual bill.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hoban  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RATES & CHARGES

C. Meter Set / Tap-On Charges:

5/8" – 3/4" \$450.00

All larger meters require approval by the utility board and, if approved, will be installed at actual cost.

Special Projects:

1. A special project is defined as an extension of service that is funded in part or in full by government loans and/or grants.
2. From the initial design and construction, but before completion of a special project, the District may offer a discounted meter set/tap-on charge.
3. All discounts will be for existing dwellings and businesses only. A foundation constructed to above grade line will be considered as existing.
4. The full amount of the meter set/tap-on charge must be paid in advance of service hook-up.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

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Month / Date / Year

ISSUED BY Henry Hodges  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)

BY [Signature]  
EXECUTIVE DIRECTOR



FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RATES & CHARGES

D. Special Non-Recurring Charges:

Connection Charge:	\$25.00
Reconnection Charge:	\$25.00
Returned Check Charge:	\$25.00
Service Charge:	\$25.00
After-Hours Service Charge:	\$75.00
Late Payment Notice Charge:	\$2.00
Late Payment Penalty:	10%

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Dodge  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 0 1 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 7

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

II. General Rules and Regulations:

The following are the rules and regulations of Consumers Water District. The schedule of rates prescribed herein will be uniformly charged to all customers of the utility. No one will receive or be entitled to free service by the utility. No employee or individual commissioner of the utility is permitted to make an exception to these rates, rules, or regulations. These rules and regulations are subject to change by the utility at any time, subject to approval of the Public Service Commission.

A. All taps and connections to the mains of the District shall be made by and/or under the direction and supervision of District personnel.

B. Water service may be discontinued by the District for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:

1. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.
2. Failure to report to the District additions to the property or fixtures to be supplied or additional use to be made of water.
3. Resale or giving away of water.
4. Waste or misuse of water due to improper or imperfect service pipes and failure to keep in suitable state of repair.

DATE OF ISSUE JANUARY 26, 2004  
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ISSUED BY Henry Hodges  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 8

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

5. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
  6. Connection, cross-connection, or permitting the same of any separate water supply to premises which receive water from the District.
  7. Non-payment of bills.
- C. Any customer desiring to discontinue the water service to his premises for any reason must give three days notice of discontinuance in writing, in person, or by telephone; otherwise a customer shall remain liable for all water used and service rendered by the District until said notice is received by the District.
- D. Bills and notices relating to the conduct of the business of the District will be mailed to the customer at the address listed on the user's agreement unless a change of address has been filed in writing with the District; and the District shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performances required in said notice.

DATE OF ISSUE JANUARY 26, 2004  
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DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY [Signature]  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 9

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

- E. 1. Bills for water service are due and payable at the office of Mayfield Electric & Water Systems, or to any designated agent, on the date of issue. The past due date shall be the tenth (10<sup>th</sup>) day after the date of issue. Bills will be dated and mailed on the first (1<sup>st</sup>) day of each month.
2. All bills not paid on or before the past due date shall be deemed delinquent. The District will serve a customer a written final notice of said delinquency. If the delinquent bill is not paid within fifteen (15) days after the date of such final notice, the water supply to the customer may be discontinued without further notice.
3. Meters will be read monthly between the 12<sup>th</sup> and 22<sup>nd</sup> of each month.
- F. Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a charge will be made for reconnection of water service, but the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the District have been paid.
- G. All meters shall be maintained at the expense of the District and the District reserves the right to determine the size of the meter used.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hodges  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 10

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

- H. Where a meter has ceased to register, or meter reading could not be obtained, the quantity of water consumed will be based upon an average of the prior six (6) months consumption and the conditions of water service prevailing during the period in which the meter failed to register.
- I. The District shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to re-establish service with the shortest possible delay. When the service is interrupted, all customers affected by such interruption will be notified in advance whenever it is possible to do so.
- J. Customers having boilers and/or pressure vessels receiving a supply of water from the District must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the District is discontinued or interrupted for any reason, without notice.
- K. The premises receiving a supply of water and all service lines, meters and fixtures, including any fixtures within said premises, shall at all reasonable hours be subject to inspection by the District.
- L. Piping on the premises of a customer must be so installed that connections are conveniently located with respect to the District lines and mains. The customer shall provide a place for metering which is unobstructed and accessible at all times.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hodson  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 11

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

- M. The customer's service line shall be installed and maintained by the customer at his own expense in a safe and efficient manner and in accordance with the Department of Health.
- N. No person shall break, damage, destroy, uncover, deface, tamper with, or otherwise alter any structure, appurtenance, equipment, or other property which is part of the District's water works. If a loss or damage to the property of the District or any accident or injury to persons or property is caused by or results from the negligence or wrongful action of the customer, member of his household, his agent or employee, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be that of the customer.
- O. Any person, firm, or organization working around or near the District's distribution mains, appurtenances, or other property may request the District to indicate the location of same. Location by the District of same, however, does not relieve such person of complete responsibility and liability for any and all damages, liability and loss to the District's property resulting from any act of such person or his assigns and/or agent.
- P. Water furnished by the District may be used for domestic consumption by the customer, members of his household, and employees only. The customer may not sell or give away water to any other person.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hodge  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9(1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 12

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

- Q. Complaints may be made to the operator of the system whose decision may be appealed to the Board of Commissioners of the District within ten (10) days; otherwise the operator's decision will be final. If a written complaint, or a complaint made in person at the utility office is not resolved, the utility shall provide written notice to the complainant of his right to file a complaint with the Kentucky Public Service Commission (PSC), and shall provide him with the address and telephone number of the PSC. If a telephonic complaint is not resolved, the utility shall provide at least oral notice to the complainant of his right to file a complaint with the PSC and the address and telephone number of the PSC.
- R. The water bills may be paid at the main office of Mayfield Electric & Water Systems, 301 East Broadway, Mayfield, KY, 42066. Bills may also be paid at the drop box at 4182 State Route 121 South, Mayfield, KY. Bills may also be mailed to P.O. Box 331, Mayfield, KY.
- S. Upon request from a customer, and reasonable proof of leak, the District shall grant one (1) leak adjustment per year. The adjustment shall be based on the customer's twelve month average usage.
- T. There must be a water meter for each residential unit.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Henry Hodge  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9 (1)

BY [Signature]  
EXECUTIVE DIRECTOR

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 14

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

III. Water Main Extensions:

All developers must submit a preliminary drawing of the water main extension development plans to the District for review. These plans must be prepared by a professional engineer. After reviewing the plan, the Board will contact the developer with changes or final approval. The District will submit the plans to the Division of Water.

After approval by the Division of Water, the District will hire a contractor to construct the project. The District will be paid for the project by the developer before any work is begun. The final cost of the project will not exceed cost estimate.

A ten (10) year refund period will begin after the project is completed and a contract is signed by both parties. The date will become the anniversary date. The developer will be reimbursed annually on this date for any water meter installed on said water extension.

To determine the refund amount, the total cost of the project will be divided by the total length of the extension. This will determine the cost per foot. At each anniversary date, the cost of 50 feet of the main extension will be paid to the developer for each water meter installed during that year. (All persons desiring water will be responsible for the meter tap-on charge.)

Refunds shall continue each year until reimbursement is paid in full (no interest) or ten years have elapsed, whichever occurs first. No refunds after ten years.

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ISSUED BY [Signature]  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

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EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 15

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

IV. Deposits:

All customers shall pay deposits. All residential customer deposits shall be \$40.00. Commercial customer deposits shall be based on the average bill of similar customers and premises in the system. Deposit shall not exceed two-twelfths (2/12) of the customer's estimated annual bill.

Interest on deposits will be calculated according to 807 KAR 5:006 Section 7 (6). Interest accrued shall be refunded to the customer or credited to the customer's bill on an annual basis. Upon termination of service, the deposit, any principal amounts, and interest earned shall be credited to the final bill with any remainder refunded to the customer.

A deposit of \$1000.00 shall be charged on all 3" fire hydrant meters. This deposit will not be refunded if the meter is not returned in satisfactory condition. Meters will be read monthly and bill according to actual usage.

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TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
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FOR Graves County, Kentucky  
Community, Town or City

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

V. Bill Format:

Each bill for the District shall clearly show the present and last preceding meter readings, dates of the readings, number of gallons consumed, net amount, all taxes, and the gross amount of the bill. The date after which a penalty may apply to the gross amount shall be indicated.

The rate schedule under which the bill is computed shall be furnished upon request by the customer.

VI. Monitoring of Customer Usage:

The District shall monitor the usage of each customer monthly. The District will compare the customer's monthly usage records and if there is a deviation greater than 20%, the District shall re-read the meter, and check for leaks. The District shall then notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10 (4) and (5).

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ISSUED BY Henry Hodges  
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TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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SECTION 9 (1)

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FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 17

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

VII. Special Non-Recurring Charges:

- A. Connection Charge: Will be assessed for service turn-ons, seasonal turn-ons, or temporary service.
- B. Reconnection Charge: Will be assessed when a utility representative makes a trip to the premises of a customer for the purpose of terminating service for non-payment or for violation of District or PSC rules and regulations, and will include the cost of the service trip for both the disconnection and the reconnection.
- C. Returned Check Charge: Will be assessed if a check accepted for payment of a utility bill is not honored by the customer's financial institution.
- D. Service Charge: Will be assessed for all trips to check meter readings as requested by the customer; except if the original reading was incorrect; and to check for leaks that the customer requests, except there will be no charge should the leak be on the District. Charge will also be assessed for return trips to read meter due to meter inaccessibility to District staff resulting from customer. Charge will also be assessed for all customer requested trips to investigate any problems with service; except there will be no charge if the problem is the responsibility of the District.

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ISSUED BY Henry Hodges  
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TITLE CHAIRMAN, BOARD OF DIRECTORS

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

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CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Consumers Water District  
(Name of Utility)

RULES & REGULATIONS

- E. After-Hours Service Charge: Will be assessed whenever service call requests are received after regular office hours, weekends, and holidays; in the event the trouble is not the responsibility of the District. This charge shall also apply to the connection of new services or the reconnection of a discontinued service.
- F. Late Payment Notice Charge: Will be assessed whenever a late notice is mailed when a utility payment is not made by the due date.
- G. Late Payment Penalty: Pursuant to 807 KAR 5:006 Section 8 (3)(h), a penalty will be assessed when a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty will be assessed on the delinquent amount of the bill, less any taxes and any prior penalty amounts. Any penalty may be assessed only once on any bill for rendered services, and any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

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Month / Date / Year

ISSUED BY Henry Hodges  
(Signature of Officer)

TITLE CHAIRMAN, BOARD OF DIRECTORS

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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EXECUTIVE DIRECTOR

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JUN 18 2001

PUBLIC SERVICE COMMISSION

WATER SHORTAGE RESPONSE PLAN

Consumers Water District

Section 1. Purpose. The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the Consumers Water District in the event a shortage is declared.

Section 2. Definitions. These terms are applicable only for this Plan unless specifically noted.

- (a) "Customer" shall mean any person or entity using water for any purpose from the Consumers Water District water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.
- (b) "Raw Water Supplies" shall mean all water potentially available to persons in the Consumers Water District.
- (c) "Treated Water" shall mean water that has been introduced by the Consumers Water District into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

Domestic:

- water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

Health Care Facilities:

- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:

- sales of domestic use where not reasonably available elsewhere.

Public Use:

- firefighting,

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SECTION 9 (1)

BY Stephan D. Bu  
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- health and public protection purposes, if specifically approved by health officials.

Socially or Economically Important Uses (Class 2):

The following uses of water, listed by site or user type, are socially or economically important.

Domestic:

- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- commercial car and truck washes,
- laundromats
- restaurants, clubs and eating places.
- schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:

- minimal watering of vegetable gardens,
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock,
- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,

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Ornamental Purposes:

- fountains, reflecting pools and artificial waterfalls.

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JUL 18 2001

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

- failure to repair a controllable leak,
- increasing water levels in scenic and recreational ponds and lakes except for the minimum amount



(e) "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.

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- refilling cooling towers after draining.

(d) "Base Entitlement" shall mean the monthly usage for a customer for the same month of the preceding calendar



SECTION 9(1)

BY Stephan D Bell  
SECRETARY OF THE COMMISSION

- (c) Eliminate all water leaks.
- (d) Prohibit all non-essential (Class 3) water uses.

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EFFECTIVE (2) Conservation and Curtailment Measures:

JUL 18 2001

- (a) Declare Water Shortage Alert.

D. Rationing Stage:

1. Criteria: Treated water available is greater than 40% below demand or raw water supplies are below

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PURSUANT TO 807 KAR 5.011.

SECTION 9(1)

BY: Stephan O Bell (i)

SECRETARY OF THE COMMISSION

projected shortage.

Begin billing all customer water usage in excess of curtailed entitlement at the normal

the level necessary to meet essential needs, and in the opinion of Consumers Water District mandatory rationing is required to insure adequate water is available to maintain public health and safety.

2. Conservation and Curtailment Measures:

- (a) Declare Water Shortage Rationing.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 and Class 2 uses of water.
- (e) Curtail all commercial and industrial entitlement (except Health Care Facilities) by 100%.
- (f) Curtail all residential and wholesale entitlements by the same percentage as the projected shortage.
- (g) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h) Begin billing customer water usage in excess of curtailment entitlement at the normal rate plus an excess usage charge of \$15.00 per 1,000 gallons.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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JUL 18 2001

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

3y Stephan D. Bell  
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Section 8. Enforcement of Water Restriction. Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this Plan shall be subject to the following:

- (a) If the utility official charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- (b) The notice will inform the customer of his or her right to appeal by requesting a hearing before the utility's designee. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard

before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.

- (c) Any customer whose water service is terminated for violating provisions of this water curtailment plan shall be subject to the approved reconnection fee prior to reconnection of service.
- (d) The excess usage charge billing provisions of this Plan shall not be put in effect if a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

Section 9. Request for Exception.

(a) Exception to water use restrictions: If compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the Consumers Water District for an exception. For these purposes, "extraordinary hardship" shall be defined as a condition which may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver issued to the customer. If an appeal is made, water service shall be continued until a decision is announced. Any person aggrieved by the decision may file a complaint with the Public Service Commission.

(b) Exception to curtailment surcharge: Exceptions to excess use charges shall not be considered or granted.

Section 10. Severability. If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its applicability to other persons and circumstances shall not be affected by that declaration.

Section 11. Effective Date. This Plan shall take effect immediately upon approval by the Public Service Commission.

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SECTION 9 (1)

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SOUTH GRAVES COUNTY WATER  
DISTRICT



P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SOUTH GRAVES COUNTY WATER DISTRICT

OF

301 EAST BROADWAY

P.O. BOX 351

MAYFIELD, KY, 42066

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

SOUTH GRAVES COUNTY  
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Randy Shuck  
(Signature of Officer)

TITLE \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

CONTENTS

- I. Rates and Charges
  - A. Monthly Rates
  - B. Deposits
  - C. Meter Set/Tap-on Charges
  - D. Special Non-recurring Charges
- II. General Rules and Regulations
- III. Water Main Extensions
- IV. Deposits
- V. Bill Format
- VI. Monitoring of Customer Usage
- VII. Special Non-Recurring Charges
- VIII. Water Shortage Response Plan

DATE OF ISSUE JANUARY 26, 2004  
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DATE EFFECTIVE \_\_\_\_\_  
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ISSUED BY Randy Stutz  
(Signature of Officer)

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
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PUBLIC SERVICE COMMISSION  
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EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RATES & CHARGES

A. MONTHLY RATES:

All Meters

First	2,000 Gallons	\$14.25	Minimum Bill
Next	3,000 Gallons	6.87	Per 1,000 Gallons
Next	5,000 Gallons	6.62	Per 1,000 Gallons
Next	10,000 Gallons	6.38	Per 1,000 Gallons
Next	30,000 Gallons	5.89	Per 1,000 Gallons
Next	50,000 Gallons	4.91	Per 1,000 Gallons
Over	100,000 Gallons	3.43	per 1,000 Gallons

A penalty of ten percent (10%) will be added to all unpaid bills after thirty (30) days from the date of the bill.

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SECTION 9 (1)

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EXECUTIVE DIRECTOR

BY CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

1

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

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South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RATES & CHARGES

C. Meter Set / Tap-On Charges:

5/8" – 3/4" \$450.00

All larger meters require approval by the utility board and, if approved, will be installed at actual cost.

Special Projects:

1. A special project is defined as an extension of service that is funded in part or in full by government loans and/or grants.
2. From the initial design and construction, but before completion of a special project, the District may offer a discounted meter set/tap-on charge.
3. All discounts will be for existing dwellings and businesses only. A foundation constructed to above grade line will be considered as existing.
4. The full amount of the meter set/tap-on charge must be paid in advance of service hook-up.

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FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

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South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RATES & CHARGES

D. Special Non-Recurring Charges:

Connection Charge:	\$25.00
Reconnection Charge:	\$25.00
Returned Check Charge:	\$25.00
Service Charge:	\$25.00
After-Hours Service Charge:	\$75.00
Late Payment Notice Charge:	\$2.00
Late Payment Penalty:	10%

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ISSUED BY Randy Stuck  
(Signature of Officer)

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
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EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 7

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

II. General Rules and Regulations:

The following are the rules and regulations of South Graves County Water District. The schedule of rates prescribed herein will be uniformly charged to all customers of the utility. No one will receive or be entitled to free service by the utility. No employee or individual commissioner of the utility is permitted to make an exception to these rates, rules, or regulations. These rules and regulations are subject to change by the utility at any time, subject to approval of the Public Service Commission.

- A. All taps and connections to the mains of the District shall be made by and/or under the direction and supervision of District personnel.
- B. Water service may be discontinued by the District for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:
  - 1. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.
  - 2. Failure to report to the District additions to the property or fixtures to be supplied or additional use to be made of water.
  - 3. Resale or giving away of water.
  - 4. Waste or misuse of water due to improper or imperfect service pipes and failure to keep in suitable state of repair.

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ISSUED BY Randy Stuck  
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FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

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CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

RULES & REGULATIONS

- 5. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
- 6. Connection, cross-connection, or permitting the same of any separate water supply to premises which receive water from the District.
- 7. Non-payment of bills.
- C. Any customer desiring to discontinue the water service to his premises for any reason must give three days notice of discontinuance in writing, in person, or by telephone; otherwise a customer shall remain liable for all water used and service rendered by the District until said notice is received by the District.
- D. Bills and notices relating to the conduct of the business of the District will be mailed to the customer at the address listed on the user's agreement unless a change of address has been filed in writing with the District; and the District shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performances required in said notice.

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(Signature of Officer)

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FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 9

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- E. 1. Bills for water service are due and payable at the office of Mayfield Electric & Water Systems, or to any designated agent, on the date of issue. The past due date shall be the tenth (10<sup>th</sup>) day after the date of issue. Bills will be dated and mailed on the first (1<sup>st</sup>) day of each month.
2. All bills not paid on or before the past due date shall be deemed delinquent. The District will serve a customer a written final notice of said delinquency. If the delinquent bill is not paid within fifteen (15) days after the date of such final notice, the water supply to the customer may be discontinued without further notice.
3. Meters will be read monthly between the 12<sup>th</sup> and 22<sup>nd</sup> of each month.
- F. Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a charge will be made for reconnection of water service, but the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the District have been paid.
- G. All meters shall be maintained at the expense of the District and the District reserves the right to determine the size of the meter used.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Randy Stuck  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 10

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

RULES & REGULATIONS

- H. Where a meter has ceased to register, or meter reading could not be obtained, the quantity of water consumed will be based upon an average of the prior six (6) months consumption and the conditions of water service prevailing during the period in which the meter failed to register.
- I. The District shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to re-establish service with the shortest possible delay. When the service is interrupted, all customers affected by such interruption will be notified in advance whenever it is possible to do so.
- J. Customers having boilers and/or pressure vessels receiving a supply of water from the District must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the District is discontinued or interrupted for any reason, without notice.
- K. The premises receiving a supply of water and all service lines, meters and fixtures, including any fixtures within said premises, shall at all reasonable hours be subject to inspection by the District.
- L. Piping on the premises of a customer must be so installed that connections are conveniently located with respect to the District lines and mains. The customer shall provide a place for metering which is unobstructed and accessible at all times.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Percy [Signature]  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 11

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- M. The customer's service line shall be installed and maintained by the customer at his own expense in a safe and efficient manner and in accordance with the Department of Health.
- N. No person shall break, damage, destroy, uncover, deface, tamper with, or otherwise alter any structure, appurtenance, equipment, or other property which is part of the District's water works. If a loss or damage to the property of the District or any accident or injury to persons or property is caused by or results from the negligence or wrongful action of the customer, member of his household, his agent or employee, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be that of the customer.
- O. Any person, firm, or organization working around or near the District's distribution mains, appurtenances, or other property may request the District to indicate the location of same. Location by the District of same, however, does not relieve such person of complete responsibility and liability for any and all damages, liability and loss to the District's property resulting from any act of such person or his assigns and/or agent.
- P. Water furnished by the District may be used for domestic consumption by the customer, members of his household, and employees only. The customer may not sell or give away water to any other person.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Randy Stuck*  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 0 1 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)  
BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 12

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- Q. Complaints may be made to the operator of the system whose decision may be appealed to the Board of Commissioners of the District within ten (10) days; otherwise the operator's decision will be final. If a written complaint, or a complaint made in person at the utility office is not resolved, the utility shall provide written notice to the complainant of his right to file a complaint with the Kentucky Public Service Commission (PSC), and shall provide him with the address and telephone number of the PSC. If a telephonic complaint is not resolved, the utility shall provide at least oral notice to the complainant of his right to file a complaint with the PSC and the address and telephone number of the PSC.
- R. The water bills may be paid at the main office of Mayfield Electric & Water Systems, 301 East Broadway, Mayfield, KY, 42066. Bills may also be mailed to P.O. Box 351, Mayfield, KY.
- S. Upon request from a customer, and reasonable proof of leak, the District shall grant one (1) leak adjustment per year. The adjustment shall be based on the customer's twelve month average usage.
- T. There must be a water meter for each residential unit.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Randy Stuck*  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 13

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

RULES & REGULATIONS

U. The District's system is NOT designed nor intended for use for fire protection in any manner whatsoever. Any customer using same for fire protection does so at his own full and sole responsibility and risk. The District makes no warranty as to the sufficiency of the water supply or the adequacy of the water pressure at any time. Fire hydrants installed on the distribution lines of the District are for the sole purpose of flushing the lines, or other uses by the District necessary for proper maintenance of the lines.

Any fire department unit using water from District's water system must immediately contact responsible party in the District to make them aware of approximate volume used. Any damage to the distribution lines, resulting from excessive pressure due to fire hydrant usage by fire department units in the performance of their duties will be the liability of that unit.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *Perry Smith*  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY *[Signature]*  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 14

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

RULES & REGULATIONS

III. Water Main Extensions:

All developers must submit a preliminary drawing of the water main extension development plans to the District for review. These plans must be prepared by a professional engineer. After reviewing the plan, the Board will contact the developer with changes or final approval. The District will submit the plans to the Division of Water.

After approval by the Division of Water, the District will hire a contractor to construct the project. The District will be paid for the project by the developer before any work is begun. The final cost of the project will not exceed cost estimate.

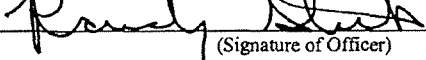
A ten (10) year refund period will begin after the project is completed and a contract is signed by both parties. The date will become the anniversary date. The developer will be reimbursed annually on this date for any water meter installed on said water extension.

To determine the refund amount, the total cost of the project will be divided by the total length of the extension. This will determine the cost per foot. At each anniversary date, the cost of 50 feet of the main extension will be paid to the developer for each water meter installed during that year. (All persons desiring water will be responsible for the meter tap-on charge.)

Refunds shall continue each year until reimbursement is paid in full (no interest) or ten years have elapsed, whichever occurs first. No refunds after ten years.

DATE OF ISSUE JANUARY 26, 2004  
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 \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY   
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 15

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

IV. Deposits:

All customers shall pay deposits. All residential customer deposits shall be \$40.00. Commercial customer deposits shall be based on the average bill of similar customers and premises in the system. Deposit shall not exceed two-twelfths (2/12) of the customer's estimated annual bill.

Interest on deposits will be calculated according to 807 KAR 5:006 Section 7 (6). Interest accrued shall be refunded to the customer or credited to the customer's bill on an annual basis. Upon termination of service, the deposit, any principal amounts, and interest earned shall be credited to the final bill with any remainder refunded to the customer.

A deposit of \$1000.00 shall be charged on all 3" fire hydrant meters. This deposit will not be refunded if the meter is not returned in satisfactory condition. Meters will be read monthly and bill according to actual usage.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Randy Stahl  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 16

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

RULES & REGULATIONS

V. Bill Format:

Each bill for the District shall clearly show the present and last preceding meter readings, dates of the readings, number of gallons consumed, net amount, all taxes, and the gross amount of the bill. The date after which a penalty may apply to the gross amount shall be indicated.

The rate schedule under which the bill is computed shall be furnished upon request by the customer.

VI. Monitoring of Customer Usage:

The District shall monitor the usage of each customer monthly. The District will compare the customer's monthly usage records and if there is a deviation greater than 20%, the District shall re-read the meter, and check for leaks. The District shall then notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10 (4) and (5).

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY *[Signature]*  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5011  
SECTION 9 (1)

BY *[Signature]*  
EXECUTIVE DIRECTOR



FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 17

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

South Graves County Water District  
(Name of Utility)

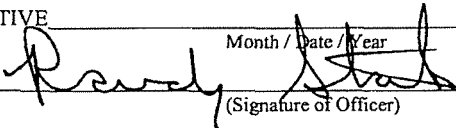
RULES & REGULATIONS

VII. Special Non-Recurring Charges:

- A. Connection Charge: Will be assessed for service turn-ons, seasonal turn-ons, or temporary service.
- B. Reconnection Charge: Will be assessed when a utility representative makes a trip to the premises of a customer for the purpose of terminating service for non-payment or for violation of District or PSC rules and regulations, and will include the cost of the service trip for both the disconnection and the reconnection.
- C. Returned Check Charge: Will be assessed if a check accepted for payment of a utility bill is not honored by the customer's financial institution.
- D. Service Charge: Will be assessed for all trips to check meter readings as requested by the customer; except if the original reading was incorrect; and to check for leaks that the customer requests, except there will be no charge should the leak be on the District. Charge will also be assessed for return trips to read meter due to meter inaccessibility to District staff resulting from customer. Charge will also be assessed for all customer requested trips to investigate any problems with service; except there will be no charge if the problem is the responsibility of the District.

DATE OF ISSUE JANUARY 26, 2004  
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 \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

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

BY   
EXECUTIVE DIRECTOR

FOR Graves County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 18

South Graves County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

RULES & REGULATIONS

- E. After-Hours Service Charge: Will be assessed whenever service call requests are received after regular office hours, weekends, and holidays; in the event the trouble is not the responsibility of the District. This charge shall also apply to the connection of new services or the reconnection of a discontinued service.
- F. Late Payment Notice Charge: Will be assessed whenever a late notice is mailed when a utility payment is not made by the due date.
- G. Late Payment Penalty: Pursuant to 807 KAR 5:006 Section 8 (3)(h), a penalty will be assessed when a customer fails to pay a bill for services by the due date shown on the customer's bill. The penalty will be assessed on the delinquent amount of the bill, less any taxes and any prior penalty amounts. Any penalty may be assessed only once on any bill for rendered services, and any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

DATE OF ISSUE JANUARY 26, 2004  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Randy [Signature]  
(Signature of Officer)

TITLE \_\_\_\_\_

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

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 01 2004

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)  
BY [Signature]  
EXECUTIVE DIRECTOR

South Graves Water District  
 P.O. Box 65  
 Wingo, KY 42088  
 RETURN SERVICE REQUESTED

CUSTOMER ACCOUNT NO:	100-0190-1
PAST-DUE AMOUNT:	19.40
NET AMOUNT DUE:	28.46
CURRENT CHARGES PAST DUE AFTER:	DEC 10 2003
LATE CHARGES:	.88
AMOUNT DUE AFTER PAST DUE DATE:	** 29.34

000000064 \*\*\*\*\* MIXED AADC 350  
 Ronald Key  
 PO BOX 281  
 MAYFIELD KY 42066-0281

South Graves Water District  
 P.O. Box 65  
 Wingo, KY 42088



PLEASE DETACH AND RETURN TOP PORTION IF PAYING BY MAIL

This bill is the responsibility of the customer. If you have any questions, please call the office at 270-247-4661.

ACCOUNT NUMBER:	100-0190-1
CUSTOMER NAME:	RONALD KEY
SERVICE ADDRESS:	516 CHRIS DR APT 4
METER READING DATE:	NOV 14 2003
DISCONNECT DATE:	DEC 25 2003

South Graves Water District  
 P.O. Box 65  
 Wingo, KY 42088  
 Phone: 270-247-4661  
 Fax: 270-247-0550

SERVICE	PRESENT READING	PREVIOUS READING	AMOUNT USED	AMOUNT
WATER(ONE UNIT=100 GALLONS) INCREASE FOR SCHOOL TAX	299	286	13	8.80 .26
TOTAL CURRENT CHARGES				9.06
BALANCE FORWARD(PAST DUE) DISCONNECT PENDING				19.40

AMOUNT FROM PREVIOUS BILL	LATE CHARGES ADDED	PAYMENTS & ADJUSTMENTS	OTHER DEBITS/CREDITS	BALANCE FORWARD PAST DUE	CURRENT CHARGES	NET AMOUNT DUE
18.52	.88	.00	.00	19.40	9.06	28.46

Effective 1-1-04 the office at 43 E. Long is will be closed. You will no longer be able to use the drop box at that office. However, you may mail your payments to P.O. Box 65 Wingo, KY 42088 or pay at Mayfield Electric System, 301 E. Broadway. You may call 247-4661 for further assistance or 247-3531 after 11am.

JUL 01 2004  
**COMPARE YOUR USAGE**  
 PURSUANT TO 507 KAR 0011 SECTION 9(1)

BY PERIOD	DAYS	WATER GALS. USED	DAILY AVG. GALS.
CURRENT	30	1300	43
LAST MONTH	30	1300	43
YEAR AGO	N/A	N/A	N/A

FX3109

So. Graves  
Co. W D

WATER USER CONTRACT

This WATER USER CONTRACT, made and entered into by and between

-----, known to and referred to as CUSTOMER, and SOUTH GRAVES COUNTY WATER DISTRICT, of WINGO, KENTUCKY 32088, hereinafter known and referred to as WATER DISTRICT;

WITNESSETH;

The undersigned CUSTOMER does hereby agree to purchase water from the WATER DISTRICT and to pay all initial installation and connection fees, together with all standard monthly water charges which may be fixed by the BOARD OF COMMISSIONERS of the SOUTH GRAVES CO. WATER DISTRICT and/or Utility Regulatory Commission for the Commonwealth of Kentucky. The CUSTOMER agrees to pay each consecutive monthly payment, at all appropriate rates, for water service, when due, and to further comply with, and bound by, the provisions of the policy and/or amendments of the WATER DISTRICT together with such rules and regulations as may, from time to time, be adopted by the WATER DISTRICT.

The CUSTOMER agrees to permit the WATER DISTRICT to lay, maintain, repair, remove, and disconnect a service line and meter, and read such meter at a point on CUSTOMER'S property to be designated by the WATER DISTRICT for each meter, with the right of ingress and egress for these purposes over CUSTOMER'S property, and further to grant a Water Line Easement to the WATER DISTRICT for the construction and operation of said water line.

The CUSTOMER will install and maintain a service line at his own expense, which service line will begin at the water meter and extend to the dwelling or other portions of CUSTOMER'S property. The CUSTOMER assumes responsibility for any damage to metering equipment in making such connections to the meter or water main.

The CUSTOMER agrees that the water meter may be located at any point along the CUSTOMER'S property, at the closed point to the existing water line, or at some other point which is deemed to be most cost effective to the WATER DISTRICT.

The WATER DISTRICT agrees to provide to the CUSTOMER potable water at reasonable pressure and volume., provided, however, the CUSTOMER acknowledges that there is no obligation to provide such water service, unless a water main has been constructed and installed adjacent to, or in proximity with, the property of the CUSTOMER, and further no such service shall be required to be provided until this contract is executed by the duly authorized officer of the WATER DIST. AUG 23 1990

The WATER DISTRICT acknowledges receipt of \_\_\_\_\_ to be applied to the initial installation fee, which total fee will be established by the Board of Commissioners of the WATER DISTRICT.

This proposal is submitted to the WATER DISTRICT on this the  
\_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Customer

This proposal is accepted and this Contract is made on this the  
\_\_\_\_\_ day of \_\_\_\_\_.

South Graves County Water District  
\_\_\_\_\_

PUBLIC SERVICE COMMISSION  
JULY 1990  
EFFECTIVE

AUG 23 1990

RECEIVED



# HARDEMAN WATER DISTRICT

P.S.C. Ky. No. ....

Cancels P.S.C. Ky. No. ....

HARDEMAN WATER DISTRICT

OF

MAYFIELD, KY

Rates, Rules and Regulations for Furnishing  
WATER SERVICE

AT

A FIVE MILE AREA EAST, NORTHEAST OF MAYFIELD, KY

Filed with PUBLIC SERVICE COMMISSION OF  
KENTUCKY

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

ISSUED MAY 19 ..... 1992....

EFFECTIVE JUN 25 1992 ..... 19.....

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

ISSUED BY HARDEMAN WATER DISTRICT  
PUBLIC SERVICE COMMISSION MANAGER

BY SHELBY GALLOWAY .....

OFFICE MANAGER .....



FOR Mayfield, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 4

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

Hardeman Water District  
(Name of Utility)

RATES AND CHARGES

A. MONTHLY RATES:

5/8" x 3/4" Meter

First 2,000 gallons	\$13.10 minimum bill
Next 3,000 gallons	2.75 per 1,000 gallons
Next 15,000 gallons	2.12 per 1,000 gallons
Over 20,000 gallons	1.80 per 1,000 gallons

\*Rates are based on monthly consumption

DATE OF ISSUE 6 18 2003  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Donnell Smith  
(Signature of Officer)

TITLE Chairman of Board of Commissioners

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2003 00107 DATED 9-18-2003  
5-23-2003

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MAY 23 2003

PURSUANT TO 207 KAR 5.011  
SECTION 9(1)

BY Charles L. Smith  
EXECUTIVE DIRECTOR

Form for filing Rate Schedules

For MAYFIELD, KY  
Community, Town or City

P.S.C. NO. 90-181

REVISED \_\_\_\_\_ SHEET NO. 002

CANCELLING P.S.C. NO. \_\_\_\_\_

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

HARDEMAN WATER DISTRICT  
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

	RATE PER UNI
TAP ON FEE	\$300.00
CONNECTION CHARGE	10.00
DEPOSITS:	
1 - HOUSES	15.00
2 - TRAILERS	20.00

THE UTILITY MAY REQUIRE FROM ANY CUSTOMER OR APPLICANT A MINIMUM CASH DEPOSIT OR OTHER GUARANTEE TO SECURE PAYMENT OF BILLS OF AN AMOUNT NOT TO EXCEED TWO TWELFTHS (2/12) OF THE ESTIMATED ANNUAL BILL OF SUCH CUSTOMER OR APPLICANT. Interest as prescribed by KRS 278.460 will be paid annually either by refund or credit to the customers bill except that no refund or credit will be made if the bill is delinquent on the anniversary date of the deposit.

If the deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit differs from the recalculated amount by more than \$10 for a residential customer or 10 percent for a non residential customer, the company may collect any underpayment and shall refund any overpayment by check to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
JUN 25 1992

DATE OF ISSUE MAY 19, 1992

DATE EFFECTIVE PURSUANT TO 807 KAR 5:011.  
SECTION 9(1)

ISSUED BY SHELBY GALLOWAY  
Name of Officer

TITLE OFFICE MANAGER [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

FOR MAYFIELD, KY

P.S.C. Ky. No. 90-181

Revised Sheet No. 003

HARDEMAN WATER DISTRICT

Cancelling P.S.C. Ky. No. \_\_\_\_\_

Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

This shedule of Rules and Regulations governs the furnishing of water service by HARDEMAN WATER DISTRICT hereinafter referred to as the Utility and applies to all service received from the Utility. No employee or individual director of the Utility is permitted to make an exception to Rates, Rules or Regulations. All Rules and Regulations are to be in effect so long as they are not in conflict with Public Service Commission Rules and Regulations. The Utility is further subject to all Rules and Regulations of the Commission even though not contained herein.

REVISIONS

These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time subject to approval of the Public Service Commission, and shall have the same force as the present Rules and Regulations.

AVAILABILITY

Water service is available to any domestic, commercial or industrial consumer within the Utility's area.

WATER FAILURE

The Utility is responsible for water failure only when in control of the Utility's employees. No consumer is paid damages for equipment unless such damages are specifically found to be caused by an act of negligence on the part of the Utility or its employees.

PROTECTION BY CONSUMER

Consumer shall protect the equipment of the Utility on his/her premises and shall not interfere with Utility's property or permit interference except by duly authorized representatives of the Utility.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUN 25 1992

DATE OF ISSUE	<u>MAY 19, 1992</u>	DATE EFFECTIVE	PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
	Month Day Year		Month Day Year
ISSUED BY	<u>SHELBY GALLOWAY</u>	OFFICE MANAGER	RT. 6 BOX 787C PUBLIC SERVICE COMMISSION MANAGER
	Name of Officer	Title	Address

FOR MAYFIELD, KY

P.S.C. KY. NO. 90-181

REVISED SHEET NO. 004

CANCELLING P.S.C. KY NO. \_\_\_\_\_

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

HARDEMAN WATER DISTRICT

**RULES AND REGULATIONS**

All bills are to be paid by the 10th of each month. If not paid by the 10th of the month, a 10% penalty will be added.

All meters are read on or about the 15th of each month.

A customer may be disconnected for nonpayment after ten days written notice but not prior to twenty-seven (27) days after the mailing date of the original bill. Such termination notice will be exclusive of and separate from any bill.

**WATER PRESSURE CONDITIONS**

The Hardeman Water District does not guarantee pressure at fire hydrants or mains under any circumstances. Conventional fire hydrants may be installed by a utility only on 6-inch or larger water mains and only when a professional engineer with the Kentucky registration certifies that adequate and reliable fire flows, can be obtained in conformance with good standard engineering practice.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUN 25 1992

DATE OF ISSUE	<u>MAY 19, 1992</u>	DATE EFFECTIVE	<u>PURSUANT TO 807 KAR 5.011.</u>
	Month Day Year		SECTION 9 (1)
ISSUED BY	<u>SHELBY GALLOWAY</u>	OFFICE MANAGER	BY: <u>[Signature]</u>
	Name of Officer	Title	RT. 6 PUBLIC SERVICE COMMISSION MANAGER
			Address

Form for filing Rate Schedules

FOR MAYFIELD, KENTUCKY  
Community, Town or City  
P.S.C. NO. 90-181  
REVISED SHEET NO. 005  
CANCELLING P.S.C. NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_

HARDEMAN WATER DISTRICT  
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

RATE  
PER UN

AT LEAST ONCE ANNUALLY THE COMPANY WILL MONITOR THE USAGE OF EACH CUSTOMER ACCORDING TO THE FOLLOWING PROCEDURE:

1. THE CUSTOMER'S ANNUAL USAGE FOR THE MOST RECENT 12-MONTH PERIOD WILL BE COMPARED WITH THE ANNUAL USAGE FOR THE 12 MONTHS IMMEDIATELY PRECEDING THAT PERIOD.
2. IF THE ANNUAL USAGE FOR THE TWO PERIODS ARE SUBSTANTIALLY THE SAME OR IF ANY DIFFERENCE IS KNOWN TO BE ATTRIBUTED TO UNIQUE CIRCUMSTANCES, SUCH AS UNUSUAL WEATHER CONDIONS, COMMON TO ALL CUSTOMERS, NO FURTHER REVIEW WILL BE DONE.
3. IF THE ANNUAL USAGES DIFFER BY 50% PERCENT OR MORE AND CANNOT BE ATTRIBUTED TO A READILY IDENTIFIED COMMON CAUSE, HARDEMAN WATER DISTRICT WILL COMPARE THE CUSTOMER'S MONTHLY USAGE RECORDS FOR THE 12 MONTH PERIOD WITH THE MONTHLY USAGE FOR THE SAME MONTHS OF THE PRECEDING YEAR.
4. IF THE CAUSE FOR THE USAGE DEVIATION CANNOT BE DETERMINED FROM ANALYSIS OF THE CUSTOMER'S METER READING AND BILLING RECORDS, HARDEMAN WATER DISTRICT WILL CONTACT THE CUSTOMER BY TELEPHONE OR IN WRITING TO DETERMINE WHETHER THERE HAVE BEEN CHANGES SUCH AS DIFFERENT NUMBER OF HOUSEHOLD MEMBERS OR WORK STAFF, ADDITIONAL OR DIFFERENT APPLIANCES, CHANGES IN BUSINESS VOLUME, OR KNOW LEAKS IN THE CUSTOMER'S SERVICE LINE.
5. WHERE THE DEVIATION IS NOT OTHERWISE EXPLAINED, HARDEMAN WATER DISTRICT WILL TEST THE CUSTOMER'S METER TO DETERMINE WHETHER IT SHOWS AN AVERAGE ERROR GREATER THAN 2 PERCNET FAST OR SLOW.
6. HARDEMAN WATER DISTRICT WILL NOTIFY THE CUSTOMERS OF THE INVESTIGATION ITS FINDINGS, AND ANY REFUNDS OR BACKBILLING IN ACCORDANCE WITH 807 KAR 5:006, SECTION 10 (4) AND (5).

IN ADDITION TO THE ANNUAL MONITORING THE COMPANY WILL IMMEDIATELY INVESTIGATE USAGE DEVIATIONS BROUGHT TO ITS ATTENTION AS A RESULT OF ITS ON GOING METER READING OR BILLING PROCESSES OR CUSTOMER INQUIRY.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 20 1992

DATE OF ISSUE JULY 14, 1992

DATE EFFECTIVE PURSUANT TO 807 KAR 5:011,

ISSUED BY SHELBY GALLOWAY

TITLE SECTION 9 (1)

Name of Officer

Issued by authority of an Order of the Public Service Commission of Kentucky

BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

in Case No. \_\_\_\_\_ dated \_\_\_\_\_

FOR MAYFIELD, KENTUCKY

P.S.C. Ky. No. \_\_\_\_\_

Sheet No. 006

HARDEMAN WATER DISTRICT

Cancelling P.S.C. Ky. No. \_\_\_\_\_

Sheet No. \_\_\_\_\_

RULES AND REGULATIONS

BILL FORMAT

Each bill for Hardeman Water District shall clearly show the present and previous meter reading; dates of the present and last readings; number of gallons consumed; net amount; all taxes; any adjustments; and the gross amount of the bill.

HARDEMAN WATER DISTRICT  
ROUTE 6 BOX 727  
MAYFIELD, KENTUCKY 42066

CODES: W.-WATER TX-STATE TAX ST.-SCHOOL TAX PN-PENALTY MS-MISC CHARGES UB-UNPAID BALANCE				
PRESENT READING	PREVIOUS READING	USED	COOP	AMOUNT
TOTAL NOW				
ACCOUNT NUMBER	CLASS	DATE FROM	DATE TO	

10% Penalty will be added after 10th of the month.  
Service will be discontinued, if payment not received by the 20th of the month

UB	_____
WATER	_____
ST	_____
6%	_____
PENALTY	_____
TOTAL	_____
	_____

**RETURN THIS STUB**

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE**

DATE OF ISSUE JULY 14, 1992  
Month Day Year

DATE EFFECTIVE \_\_\_\_\_  
Month Day Year  
AUG 20 1992

ISSUED BY SHELBY GALLOWAY, MANAGER  
Name of Officer

Title

PURSUANT TO KAR 5.011  
**SECTION 9 (1)**  
BY: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

WATER SHORTAGE RESPONSE PLAN

HARDEMAN WATER DISTRICT

Section 1. Purpose. The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the DISTRICT in the event a shortage is declared.

Section 2. Definitions. These terms are applicable only for this Plan unless specifically noted.

- (a) "Customer" shall mean any person or entity using water for any purpose from the DISTRICT'S water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.
- (b) "Raw Water Supplies" shall mean all water potentially available to persons in the DISTRICT
- (c) "Treated Water" shall mean water that has been introduced by the DISTRICT into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

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BY: James C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

Domestic:  
- water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

Health Care Facilities:

- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:

- sales of domestic use where not reasonably available elsewhere.

Public Use:

- firefighting,

- health and public protection purposes, if specifically approved by health officials.

Socially or Economically Important Uses (Class 2):

The following uses of water, listed by site or user type, are socially or economically important.

Domestic:

- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- commercial car and truck washes,
- laundromats
- restaurants, clubs and eating places.
- schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:

- minimal watering of vegetable gardens,
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock,
- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,

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BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION



- watering of woody plants where necessary to preserve them,
- minimal watering of golf course greens.

Recreational:

- operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:

- refilling for startup at the beginning of the cooling season,
- makeup of water during the cooling season,
- refilling specifically approved by health officials where the system has been drained for health protection or repair services.

Non-Essential Uses (Class 3):

Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

Public Use:

- use of fire hydrants (excluding Class 1 and Class 2 uses), including use of sprinkler caps, testing fire apparatus and fire department drills,
- flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials.

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- Commercial and Civic Use:
- serving water in restaurants, clubs, or eating places, except by customer request,
  - failure to repair a controllable leak,
  - increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

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SECTION 9 (1)

BY: Jordan C. Marshall  
FOR THE PUBLIC SERVICE COMMISSION

Ornamental Purposes:

- fountains, reflecting pools and artificial waterfalls.

Outdoor Non-Commercial Watering:

- - use of water for dirt control or compaction,
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Outdoor Commercial or Public Watering:

- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process,
- use of water for dirt control or compaction,
- watering of lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

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Recreational uses other than those specified in Class 2.

Non-commercial washing of motor and other vehicles.

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Jordan C. Neal Air Conditioning (see also Class 2 purposes):

FOR THE PUBLIC SERVICE COMMISSION

refilling cooling towers after draining.

- (d) "Base Entitlement" shall mean the monthly usage for a customer during the same month of the preceding calendar year or the average per customer usage for each class of service during the same month of the preceding year.
- (e) "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.

(f) "Curtailement" shall mean the reduction in entitlement by some percentage to meet anticipated water shortages.

(g) Water Shortage Response Phases:

"Advisory" shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.

"Alert" shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE "Emergency" shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

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PURSUANT TO 807 KAR 5.011 SECTION 9(1)  
*Jordan C. Neal*  
FOR THE PUBLIC SERVICE COMMISSION  
(h) "Rationing" shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

Section 3. Applicability. The provisions of this Plan shall apply to all retail and wholesale customers of the WATER DISTRICT When implemented, this Plan becomes HARDEMAN WATER DISTRICT Water Shortage Response Regulation.

Section 4. Entitlements. Entitlements shall be established for each customer by adjusting the base entitlement to reflect any known change in usage pattern.

Section 5. Determination of Water Shortage. Water supply and usage shall be monitored on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. (Note: A sample calculation page is attached as Appendix A to assist in determining overall water levels. It is important that accurate water measurements be used.) Water shortages generally occur for two reasons, a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the conservation program implemented. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the BOARD OF COMMISSIONERS

Section 6. Term of Water Shortage Declaration. Any water shortage declaration shall remain in effect until water supplies of service conditions have returned to normal. A final determination as to terminating a water shortage declaration shall be made by the BOARD OF HARDEMAN WATER DISTRICT

Section 7. Water Shortage Stage, Criteria, Conservation and Curtailment Measures.

A. Advisory Stage:

- (1) Criteria: A water advisory shall be declared when the amount of treated water or raw water available for treatment is projected to be up to 20% below demand, or there are periods of low water pressure in one or more areas of the distribution system due to system failure or inadequacies or the State Division of Water issues a Water Shortage Watch which includes the areas from which the \_\_\_\_\_ DISTRICT draws water. (Note: Additional conditions may be added based on local conditions.)
- (2) Conservation and Curtailment Measures:
  - (a) Declare a Water Shortage Advisory.
  - (b) Provide proper notice to all customers and to all local news media.
  - (c) Eliminate all water leaks.
  - (d) Request voluntary conservation of all non-essential (Class 3) water use.
  - (e) Request wholesale customers also issue request for voluntary conservation by their customers of all non-essential (Class 3) water use.

B. Alert Stage:

- (1) Criteria: A water alert shall be declared when the amount of treated water available is projected to be up to 20% below demand, or raw water supplies are consistently below seasonal averages and if they continue to decline, may not be adequate to meet normal needs. (Note: Additional conditions may be added based on local conditions.)

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PURSUANT TO 807 KAR 5011. (2)  
SECTION 9(1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

(2) Conservation and Curtailment Measures:

- (a) Declare Water Shortage Alert.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all non-essential (Class 3) water uses.

- (e) Curtail entitlements to all customers by the same percentage as the projected shortage.
- (f) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of 6.00 per 1,000 gallons.

C. Emergency Stage:

1. Criteria: A Water Emergency shall be declared when the amount of treated water available is projected to be up to 50% below demand, or there are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies below the level necessary to meet normal needs. (Note: Additional conditions may be added based on local conditions.)
2. Conservation and Curtailment Measures:
  - (a) Declare Water Shortage Emergency.
  - (b) Provide proper notice to all customers and to all local news media.
  - (c) Eliminate all water leaks.
  - (d) Prohibit all Class 3 uses of water.
  - (e) Prohibit all Class 2 uses of water except Domestic uses for kitchens, bathrooms and laundries.
  - (f) Curtail all commercial and industrial entitlements (except Health Care Facilities) by 100%.
  - (g) Curtail Residential entitlements by the same percentage as the projected shortage.
  - (h) Curtail entitlements to all wholesale customers by the same percentage as the projected shortage.
  - (i) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of 10.00 per 1,000 gallons.

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

D. Rationing Stage:

1. Criteria: Treated water available is greater than 50% below demand or raw water supplies are below

the level necessary to meet essential needs, and in the opinion of BOARD OF COMMISSIONERS mandatory rationing is required to insure adequate water is available to maintain public health and safety.

2. Conservation and Curtailment Measures:

- (a) Declare Water Shortage Rationing.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 and Class 2 uses of water.
- (e) Curtail all commercial and industrial entitlement (except Health Care Facilities) by 100%.
- (f) Curtail all residential and wholesale entitlements by the same percentage as the projected shortage.
- (g) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h) Begin billing customer water usage in excess of curtailment entitlement at the normal rate plus an excess usage charge of 15.00 per 1,000 gallons.

PUBLIC SERVICE COMMISSION  
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JUL 30 1995

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

8. Enforcement of Water Restriction. Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this Plan shall be subject to the following:

- (a) IF the utility official charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- (b) The notice will inform the customer of his or her right to appeal by requesting a hearing before the utility's designee. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard

before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.

- (c) Any customer whose water service is terminated for violating provisions of this water curtailment plan shall be subject to the approved reconnection fee prior to reconnection of service.
- (d) The excess usage charge billing provisions of this Plan shall not be put in effect if a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

Section 9. Request for Exception.

(a) Exception to water use restrictions: If compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the WATER DISTRICT for an exception. For these purposes, "extraordinary hardship" shall be defined as a condition which may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver issued to the customer. If an appeal is made, water service shall be continued until a decision is announced. Any person aggrieved by the decision may file a complaint with the Public Service Commission.

- (b) Exception to curtailment surcharge: Exceptions to excess use charges shall not be considered or granted.

Section 10. Severability. If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its applicability to other persons and circumstances shall not be affected by that declaration.

Section 11. Effective Date. This Plan shall take effect immediately upon approval by the Public Service Commission.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 30 1998

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION





AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF GRAVES

Affiant, Lowell Smith after being first sworn, deposes and says that the information contained in the Application is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

Lowell Smith  
Affiant

This instrument was produced, signed and declared by Lowel Smith to be his act and deed the 20<sup>th</sup> day of NOV., 2007.

Vicki C. Toon  
Notary Public

My Commission expires: Vicki C. Toon  
Expires 04-16-09  
State Kentucky

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF GRAVES

Affiant, Joey Morrow, South Graves Water District Chairman, after being first sworn, deposes and says that the information contained in the Application is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

Joey Morrow  
Affiant

This instrument was produced, signed and declared by Joey Morrow to be his act and deed the 2nd day of November 2007.

Codie Hales Courtney  
Notary Public

My Commission expires: 9-13-08

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF GRAVES

Affiant, **Henry Hodges, Consumers Water District Chairman**, after being first sworn, deposes and says that the information contained in the Application is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Affiant

This instrument was produced, signed and declared by **Henry Hodges** to be his act and deed the 14 day of November, 2007.

  
Notary Public

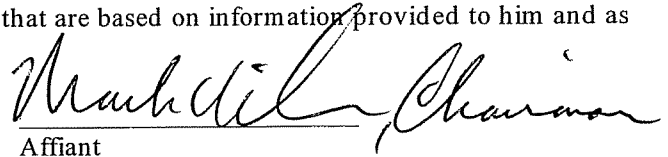
My Commission expires: June 2, 2008

AFFIDAVIT

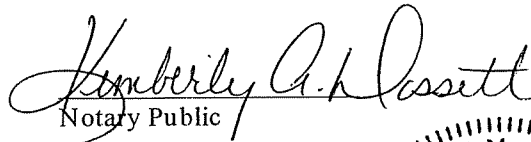
COMMONWEALTH OF KENTUCKY

COUNTY OF GRAVES

Affiant, **Mark Wilson, Fancy Farm Water District Chairman**, after being first sworn, deposes and says that the information contained in the Application is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Affiant

This instrument was produced, signed and declared by **Mark Wilson** to be his act and deed the 15th day of Nov, 2007.

  
Notary Public

My Commission expires: 7/18/2009

