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**David L. Armstrong**  
Chairman

**James W. Gardner**  
Vice Chairman

**Linda K. Breathitt**  
Commissioner

December 12, 2013

Mr. Billy Fawns  
Judy Water Association, Inc.  
P. O. Box 781  
Mount Sterling, Kentucky 40353-0781

Re: Case No. 2013-00419  
Judy Water Association, Inc.

Dear Mr. Fawns:

The enclosed documents have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

gw  
Enclosure

**From:** [Billy Ray Fawns](#)  
**To:** [Wuetcher, Jerry \(PSC\)](#)  
**Subject:** Case No. 2013-00419: Judy Water Association  
**Date:** Tuesday, December 10, 2013 8:34:57 AM  
**Attachments:** [psc\\_pwa.pdf](#)

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Jerry,

Please see the attachment for a signed resolution from last night's board meeting. I would also like to request that Judy Water's application be amended to reflect an effective date of 12/9/2013. If there is any additional information that is needed, please feel free to contact me.

Thank you,  
Billy Ray Fawns  
Manager  
Judy Water Association

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Version: 9.0.932 / Virus Database: 3658.1.1/6403 - Release Date: 12/09/13 02:11:00

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE JUDY  
WATER ASSOCIATION ADJUSTING WATER RATES AND  
CHARGES TO OFFSET THE CITY OF NORTH MIDDLETOWN'S  
WHOLESALE RATE INCREASE**

**WHEREAS**, the City of North Middletown ("North Middletown") is one of Judy Water Association's ("Association") primary wholesale water providers;

**WHEREAS**, on August 1, 2013, North Middletown increased its wholesale water rate from \$4.73 to \$4.77 per 1,000 gallons for the first 2,000,000 gallons and from \$4.83 to \$4.87 per 1,000 gallons for all purchases over 2,000,000 gallons;

**WHEREAS**, based upon the water purchases from North Middletown during the previous 12 months, the annual increased cost to the Association will be approximately \$ 1,286;

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

**WHEREAS**, KRS 278.012 and 807 KAR 5:068 provide the legal mechanism for the Association to increase its water rates commensurate with North Middletown's wholesale rate increase via a Purchased Water Adjustment ("PWA");

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF JUDY WATER ASSOCIATION AS FOLLOWS:**

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

**Section 2.** The PWA factor is \$ 0.02 per 1,000 gallons;

**Section 3.** All tiers of all meter sizes of the Association's existing tariff shall be increased by \$ 0.02 per 1,000 gallons, effective December 9, 2013, subject to any minor adjustment that may be made by the PSC.

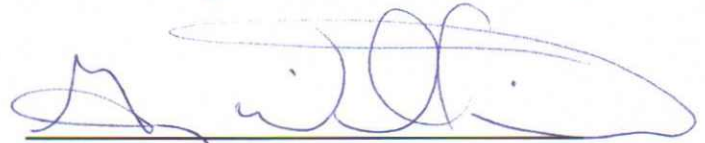
**Section 4.** The monthly water rates to be charged to and collected from the customers and users of the water system (the "System") of the Association shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. These monthly rates and charges shall be in effect for all water service rendered on and after December 1, 2013.

**Section 5.** The Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the Public Service Commission.

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


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

**ADOPTED BY THE BOARD OF DIRECTORS OF JUDY WATER ASSOCIATION at a meeting held on December 9, 2013, signed by the Chairman, and attested by the Secretary.**



**Chairman**

**ATTEST:**



**Secretary**



**MINUTES OF MONTHLY MEETING  
BOARD OF DIRECTORS  
JUDY WATER ASSOCIATION**

The annual meeting of the Judy Water Association was held at the Judy Water Office, 2010 Maysville Road on December 9th, <sup>2013</sup>, at 5:30 p.m. Directors present were Tyson Baxter, Carl Hartgrove, Billy Ray Fawns, and Greg Williamson.

**Called to order by President Williamson.**

1. Minutes of the November meeting were submitted, Hartgrove moved to approve, Baxter seconded, all present voted yes.
2. Financial report was given, Fawns moved Baxter seconded to approve, all present voted yes.
3. Motion by Baxter seconded by Williamson to approve payment of monthly bills, all present voted yes.
4. Motion by Baxter, seconded by Williamson to approve the November credit card bill, all present voted yes.

**OLD BUSINESS**

- Update given on Rt. 11 relocation.
- Update on water loss.

**NEW BUSINESS**

- Tyson Baxter made a motion and Greg Williamson 2<sup>nd</sup> to adopt a resolution "Adjusting water rates and charges to offset the City or North Middletown's wholesale rate increase". All members were in favor. A copy of the resolution is attached to these minutes.
- Greg Williamson made a motion and Tyson Baxter 2<sup>nd</sup> to accept and approve the 2014 budget as presented in the amount of \$1,250,000. All members were in favor.
- Greg Williamson expressed concern about having up to date procedure manuals for the duties of the manager and office manager. He expressed the importance of having these manuals and employees that were cross trained to perform other duties if need be. Billy Ray Fawns communicated to the Board that some procedure manuals were in place but need to be updated and that he will begin working on cross training procedures. All members felt this was important and should be pursued.

- The next meeting will be held on January 6th, 5:30 at the office.
- Billy Ray Fawns made a motion to Carl Hartgrove 2<sup>nd</sup> the motion. "Meeting Adjourned"



Billy Ray Fawns Secretary/Treasurer

12-10-13

Date