

FOUNTAIN RUN WATER DISTRICT

226 Main Street, P.O. Box 118
Fountain Run, Kentucky 42133
Phone: 270-434-4080
Fax: 270-434-4081

RECEIVED

June 21, 2018

JUL 03 2018

Public Service Commission
P.O. Box 615
211 Sower Blvd
Frankfort, Kentucky 40601

PUBLIC SERVICE
COMMISSION

RE: Case No. 2018 – 00205
Fountain Run Water District #1
Alternative Rate Filing Adjustment – Filing Deficiencies

Please find enclosed the "Resolution of Fountain Run Water District No. 1 to Apply to the Kentucky Public Service Commission for Authority to Adjust Rates for Water Service" that was inadvertently left out of the original ARF application package filed with PSC on June 19, 2018. An original and five (5) copies of all attachments are being provided as required. Other omissions were identified and being enclosed.

Pursuant to 807 KAR 5:076: Section 4 (1) (h), please find enclosed an *executed ARF Form-3 for each member of the FRWD Board of Commissioners*: Raven Propes, Frances Howard, Brenda Turner, and Novis Lancaster.

Pursuant to 807 KAR 5:076: Section 5 (4), please find enclosed a revised Public Notice with the *date the proposed rate adjustment application was filed with the Commission*. Tear Sheets and Affidavits of Publication from each of the three newspapers serving our area will be provided under separate cover upon receipt from the respective newspaper.

These additional items will be incorporated into the full copy of the application as related documents available for public review. Copies will also be forwarded to the Attorney General's Office of Rate Intervention, 700 Capitol Avenue, Suite 20, Frankfort, Kentucky 40601. Please contact our office if you have any questions or further documentation is needed to consider this application. Our email of record is frwd1@scrtc.com.

Respectfully,



Joe Cornwell
Chairman

cc: Attorney General's Office of Rate Intervention

Enclosures: 0 + 5 Copies of Additional ARF Attachments

EQUAL OPPORTUNITY EMPLOYER & SERVICE PROVIDER

For Hearing Impaired, call Local TDD person for KY Relay Services – (270) 789 - 4398



Fountain Run, Kentucky
'Crossroads of Three Counties'



Fountain Run Water District #1
Serving Allen, Barren, and Monroe Counties

**RESOLUTION
OF
FOUNTAIN RUN WATER DISTRICT
TO APPLY TO THE KENTUCKY PUBLIC SERVICE COMMISSION FOR
AUTHORITY TO ADJUST RATES FOR WATER SERVICE**

WHEREAS, a regular meeting of the Fountain Run Water District was held at the offices of the District at 226 Main Street, Fountain Run, Kentucky at 6 p.m. Central Time on May 15, 2018 and

WHEREAS Chairman Joe Cornwell presided over said meeting and the following duly qualified and acting Commissioners of the District, and being all such Commissioners, were present:

Joe Cornwell
Frances Howard
Raven Propes
Brenda Turner

along with Louise Veach, Office Manager who recorded the minutes of said meeting; Amanda Frye, Utility Billing Clerk; and Chris Veach, DW Operator.

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges;

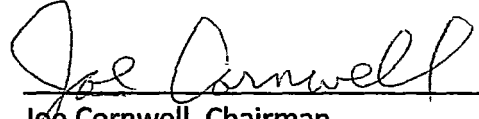
WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

WHEREAS, upon motion by Raven Propes and seconded by Frances Howard, it was unanimously passed and resolved that:

- (a) 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;
- (b) The District proposes to adjust its monthly water rates as set forth in Appendix A, which is incorporated herein by reference as part of this Resolution. The proposed rates set forth in Appendix A are subject to any adjustments that might be made by the Public Service Commission. The proposed rate adjustment shall not become effective until PSC approval has been obtained.
- (c) The Chairman and the Office Manager are hereby and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (ARF) Application, Tariff Sheets, and all other documents that may be required by the PSC.
- (d) The Chairman, Office Manager, and all other appropriate District Staff are hereby further authorized and directed to take any and all other actions to execute and


deliver any and all other documents as may be reasonably necessary to implement this Resolution.

ADOPTED BY THE BOARD OF COMMISSIONERS OF FOUNTAIN RUN WATER DISTRICT at a meeting held on May 15, 2018, signed by the Chairman, and attested by the Secretary.



Joe Cornwell, Chairman

ATTEST:



Frances Howard, Secretary Pro-Tem

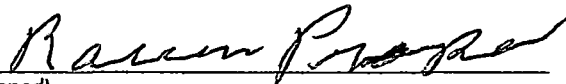
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Fountain Run Water District #1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Raven Propes
(Print Name)


(Signed)

Fountain Run Water District #1 Vice Chairman
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

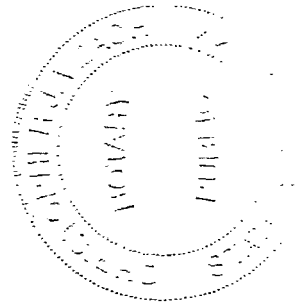
COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Raven Popes
(Name)

this 21st day of June, 2018.

Christopher J. Veach
Christopher J. Veach, NOTARY PUBLIC State-at-Large




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Francis Howard
(Print Name)


(Signed)

Fountain Run Water District #1 Commissioner
(Position/Office)

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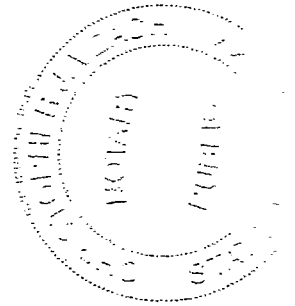
COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Francis Howard
(Name)

this 21st day of June, 2018.

Christopher J. Veach
Christopher J. Veach, NOTARY PUBLIC State-at-Large



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Brenda Turner
(Print Name)

Brenda Turner
(Signed)

Fountain Run Water District #1 Treasurer
(Position/Office)

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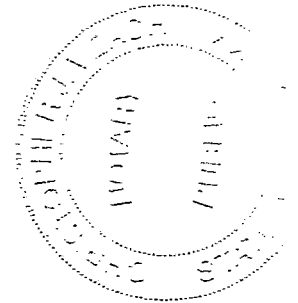
COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Brenda Turner
(Name)

this 21st day of June, 2018.

Christopher J. Veach
Christopher J. Veach, NOTARY PUBLIC State-at-Large



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Novis Lancaster
(Print Name)

Novis Lancaster
(Signed)

Fountain Run Water District #1 Secretary
(Position/Office)

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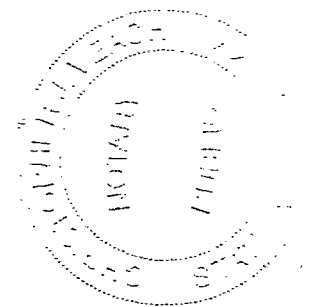
COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Novis Lancaster
(Name)

this 21st day of June, 20 18.

Christopher J. Veach
Christopher J. Veach, NOTARY PUBLIC, State-at-Large



To be Published in the
Glasgow Daily Times
 Friday, June 22, 2018
Tompkinsville News
 Thursday, June 28, 2018
 Thursday, July 5, 2018
 Thursday, July 12, 2018
The Citizen Times
 Thursday, June 28, 2018

PUBLIC NOTICE
 Fountain Run Water District #1

Fountain Run Water District No. 1 applied to the Public Service Commission for an adjustment of rates in the total amount of \$276,231.84 on an annual basis, which is an increase of \$46,072.56 or approximately 20 percent over normalized revenues from water sales of \$230,159.28 on June 19, 2018 to be put into effect upon review and approval by Order of the Kentucky Public Service Commission.

The comparison of the present and proposed rates of the Fountain Run Water District No. 1 is as follows:

	Existing Rates	Proposed Rates	Difference Dollar	Difference Percentage
First 2000 gallons	\$16.72 minimum	\$20.06 minimum	\$3.34	20%
Next 3000 gallons	\$ 5.84 per thousand	\$ 7.01 per thousand	\$1.17	20%
Next 5000 gallons	\$ 5.43 per thousand	\$ 6.52 per thousand	\$1.09	20%
Next 10,000 gallons	\$ 4.66 per thousand	\$ 5.59 per thousand	\$0.93	20%
All Over 20,000 gallons	\$ 3.98 per thousand	\$ 4.78 per thousand	\$0.80	20%

If the Public Service Commission approves the proposed rates, then the monthly bill for residential customer using an average of 4,000 gallons per month will increase from \$28.40 to \$34.08. This is an increase of \$5.68 or 20%.

The rates contained in this Notice are the rates proposed by Fountain Run Water District No. 1 however, the Public Service Commission may order rates to be charged different from the proposed rates contained in this Notice.

Any corporation, association, or person with a substantial interest in the matter may submit a timely written request to intervene to the Public Service Commission at the address shown below establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the application. Copies of the application may be obtained at no charge by contacting Fountain Run Water District No. 1. Any person may examine the rate application and any other filings at the offices of Fountain Run Water District No. 1 or the Public Service Commission.

Fountain Run Water District No. 1
 226 Main Street
 P.O. Box 118
 Fountain Run, KY 42133

Public Service Commission
 211 Sower Boulevard
 P.O. Box 615
 Frankfort, KY 40601

Persons may also view and download a copy of the rate application through the Public Service Commission's website at <http://psc.ky.gov>.