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Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

JUN 04 2018

PUBLIC SERVICE
COMMISSION

Re: Case No. 2016-00400

To Whom It May Concern,

Pursuant to the Order issued by the Commission in the above captioned case it is our understanding that you wanted an update beginning June 1, 2018 as to the ultimate issue of the City of Murray taking control of the Murray No. 2 Water District. I have spoken to Marty Futrell, Chairman of Murray No. 2 Water District, and he has relayed the following information to me for your notification.

He has received verbal confirmation from the Director of Public Works for the City of Murray that they intend on acquiring the Murray No. 2 Water District. The issue is currently on the desk of the City of Murray's Attorney Warren Hopkins who is researching and reviewing this proposed transaction.

Additionally, the engineering firm of Bacon, Farmer, Workman, Engineering and Testing, Inc., has completed an evaluation of the District and found it appropriate for the City of Murray to complete the acquisition.

The only caveat it appears by the City of Murray that could delay this transaction is that prior to a transfer, the City would like for the District to proceed with a rate increase equivalent to the amount that the wholesale rates had increased with the PSC since 2006. The District was in hopes that the City would do this, but they are requesting the District handle this issue. The District is in the process of completing the necessary paperwork to file with the PSC for this increase.

I hope that this serves as an appropriate update, if you need additional information or need further clarification please feel free to contact myself or Marty Futrell. Thank You for your patience in this matter.

Sincerely,



David J. Perlow, Esq.