

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>WILLIAM C. HILL</b>	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>v.</b>	)	<b>CASE NO. 2017-00316</b>
	)	
<b>MUHLENBERG COUNTY WATER</b>	)	
<b>DISTRICT</b>	)	
	)	
<b>DEFENDANT</b>	)	

**NOTICE OF PROPOSED SETTLEMENT AND  
JOINT MOTION FOR RELIEF**

Muhlenberg County Water District (“Muhlenberg District”), William C. Hill (“Mr. Hill”), and Todd County Water District (“Todd District”) (collectively, the “Parties”) hereby notify the Kentucky Public Service Commission (“Commission”) of the Offer and Acceptance of Satisfaction executed by Muhlenberg District and Mr. Hill to resolve this matter. The Parties jointly move the Commission to accept the Offer and Acceptance of Satisfaction as a resolution to this case and relieve Muhlenberg District of its obligation to respond to the requests for information propounded by Mr. Hill on July 16, 2018. In support of this Motion, the Parties state as follows:

1. On August 17, 2018, Muhlenberg District and Mr. Hill executed the Offer and Acceptance of Satisfaction, which is attached as **Appendix A** to this Notice of Filing and Joint Motion for Relief. The Offer and Acceptance of Satisfaction is the product of weeks of negotiation between Muhlenberg District and Mr. Hill and represents a mutually agreeable resolution and settlement of the issues in this proceeding.

2. The Offer and Acceptance of Satisfaction acknowledges it cannot be fully effective until Muhlenberg District enters into a Wholesale Water Purchase Agreement (the “Agreement”) with Todd District. The Parties have discussed the terms of the proposed Agreement and believe Muhlenberg District and Todd District have reached an agreement in principle. Muhlenberg District and Todd District will continue negotiating in good faith and use their best efforts to finalize the remaining provisions of the proposed Agreement. It is contemplated that the Agreement will be reviewed and approved by both Todd District and Muhlenberg District at each of their Board of Commissioners meetings on August 27, 2018. Afterwards, the Agreement will be submitted to the Commission for its review and approval.

3. After the finalization and submission of the Agreement, the Parties will request the Commission to approve the Offer and Acceptance of Satisfaction and the Agreement and to dismiss the case.

4. In light of the mutually acceptable Offer and Acceptance of Satisfaction reached in this case, Muhlenberg District and Mr. Hill jointly move to relieve Muhlenberg District of its obligation to respond to the requests for information propounded by Mr. Hill on July 16, 2018, pending the Commission's review and approval of the Offer and Acceptance of Satisfaction and the Agreement.

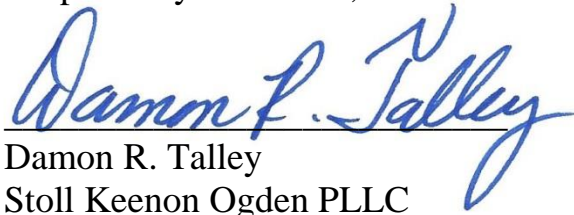
5. Muhlenberg District represents that it has prepared its responses to the Commission Staff's requests for information dated July 9, 2018. Muhlenberg District will file its Response later today.

6. This Notice of Filing and Joint Motion for Relief will avoid the need for a formal Hearing before the Commission and will expedite the Commission's decision. By reaching a mutually agreeable settlement in this proceeding, Muhlenberg District and Mr. Hill will save costs in answering and propounding discovery and preparing for and attending the hearing.

**WHEREFORE**, Muhlenberg District, Mr. Hill, and Todd District hereby notify the Commission of the mutually agreeable settlement in this proceeding reached by Muhlenberg District and Mr. Hill and respectfully request that the Commission relieve Muhlenberg District of its obligation to respond to the requests for information propounded by Mr. Hill on July 16, 2018.

Dated: August 17, 2018

Respectfully submitted,



Damon R. Talley  
Stoll Keenon Ogden PLLC  
P.O. Box 150  
Hodgenville, KY 42748-0150  
Telephone: (270) 358-3187  
Fax: (270) 358-9560  
damon.talley@skofirm.com

Mary Ellen Wimberly  
Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3047  
Fax: (859) 246-3647  
maryellen.wimberly.skofirm.com  
gerald.wuetcher@skofirm.com

*Counsel for Muhlenberg County Water  
District*

Dated: August 17, 2018

Respectfully submitted,



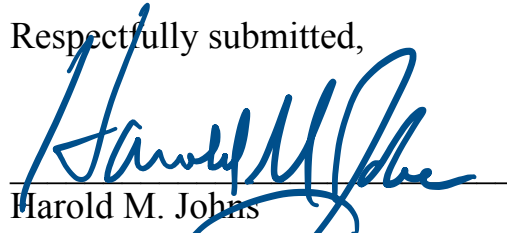
---

M. Evan Buckley  
GOSS SAMFORD, PLLC  
2365 Harrodsburg Road, Suite B-325  
Lexington, KY 40504  
Telephone: (859) 368-7740  
ebuckley@gosssamfordlaw.com

*Counsel for William C. Hill*

Dated: August 17, 2018

Respectfully submitted,



---

Harold M. Johns  
12 Public Square  
P.O. Box 746  
Elkton, KY 42220  
GOSS SAMFORD, PLLC  
Telephone: (270) 265-2912  
hmjohns@johnslawfirm.com

*Counsel for Todd County Water District*

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the electronic filing of this Notice of Proposed Settlement and Joint Motion for Relief is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on August 17, 2018; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of this Notice of Proposed Settlement and Joint Motion for Relief will be delivered to the Public Service Commission on or before August 21, 2018.

  
Damon R. Talley

# **APPENDIX A**



## **OFFER AND ACCEPTANCE OF SATISFACTION**

**Case No. 2016-00317**

This Offer and Acceptance of Satisfaction is entered into this 17th day of August 2018 by and between Muhlenberg County Water District (“Muhlenberg District”) and William C. Hill (“Mr. Hill” or “Complainant”). (Collectively, Muhlenberg District and Mr. Hill are the “Parties.”)

### **WITNESSETH:**

**WHEREAS**, on July 21, 2017, Mr. Hill filed with the Kentucky Public Service Commission (“Commission”) his Complaint seeking water service on his property on the south side of Lake Malone;

**WHEREAS**, on November 21, 2017, after Mr. Hill submitted additional information required by the Commission, the Commission issued an Order with a determination that Mr. Hill’s Complaint had established a *prima facie* case and opened Case No. 2017-00316;

**WHEREAS**, a Formal Prehearing Conference for the purpose of discussing the issues in the case took place on July 5, 2018;

**WHEREAS**, on July 17, 2018, the Commission issued an Order requiring the joinder of Todd County Water District (“Todd District”) as a party to Case No. 2017-00316;

**WHEREAS**, the Parties hereto unanimously desire to satisfy all the issues

pending before the Commission in this complaint proceeding;

**WHEREAS**, it is understood by both Parties hereto that this Offer and Acceptance of Satisfaction is subject to the approval of the Commission;

**WHEREAS**, all of the Parties agree that this Offer and Acceptance of Satisfaction, viewed in its entirety, is a fair, just, and reasonable resolution of all the issues in the complaint proceeding; and

**WHEREAS**, the Parties believe sufficient and adequate data and information contained in the record of this proceeding support this Offer and Acceptance of Satisfaction, and further believe the Commission should approve it and dismiss the complaint proceeding as required by 807 KAR 5:001, Section 20(2).

**NOW, THEREFORE**, for and in consideration of the promises and conditions set forth herein, Muhlenberg District makes the following offer of satisfaction pursuant to KRS 278.260 and 807 KAR 5:001, Section 20(2), which Mr. Hill accepts:

1. Muhlenberg District shall provide water service to Mr. Hill's property located on the south side of Lake Malone in Muhlenberg County, subject to the conditions set forth herein. Mr. Hill shall become a customer of Muhlenberg District and not a Todd District customer.

2. Mr. Hill agrees to construct a 3-inch diameter water line commencing

at the termination of the existing 3-inch diameter water line owned by Todd District (“Point A”), extending along McPherson County Road to its intersection with Forest Hills Drive (“Point B”), and then extending along Forest Hills Drive to a point just beyond Mr. Hill’s existing house (“Point C”), which is a distance of approximately 1.2 miles. **Exhibit 1**, which is attached hereto and incorporated herein by reference, depicts the proposed water line and Points A, B, and C.

3. The water line shall be constructed consistent with the design prepared by McGhee Engineering, Inc. in 2013 and in accordance with plans and specifications approved by Muhlenberg District, which approval shall not be unreasonably withheld or delayed.

4. The water line shall be constructed by a reputable, insured third-party contractor selected by Mr. Hill.

5. Mr. Hill, or his authorized agent, shall submit the water line plans and specifications to the Kentucky Division of Water (“DOW”) for approval prior to commencement of construction. Muhlenberg District shall cooperate with Mr. Hill to help facilitate and expedite the DOW approval.

6. The water line shall be constructed under the supervision of a licensed professional engineer selected by Mr. Hill. Mr. Hill shall be responsible for paying the cost of the construction inspection.

7. Muhlenberg District shall obtain a sufficient perpetual easement for

the construction, operation, maintenance, and replacement of the water line from Point A to Point B, a distance of approximately 400 feet.

8. Muhlenberg District shall install, at its own expense, a meter pit, vault, meter, and other appurtenances (“Metering Equipment”) at the intersection of McPherson Road and Forest Hills Drive (Point B) or at such other point along McPherson Road as may be mutually agreeable to Muhlenberg District and Todd District. The meter size shall be determined by Muhlenberg District. It shall be appropriately sized to provide adequate water flow and pressure to Mr. Hill’s property and proposed subdivision. As water usage increases in the proposed subdivision, the meter size shall be increased accordingly. This meter shall serve as the master meter to measure the volume of water supplied by Todd District to Muhlenberg District.

9. It is presumed by the Parties that the Metering Equipment will be owned, operated, and maintained by Todd District. In no event, however, shall Mr. Hill be responsible for owning, operating, and maintaining the Metering Equipment.

10. Upon completion of the 3” water line and at Mr. Hill’s reasonable request, Muhlenberg District shall install an individual meter at Mr. Hill’s house located near the end of the proposed water line. Mr. Hill shall pay the tap-on fee or connection charge that is in effect at that time and as set forth in Muhlenberg

District's Tariff on file with the Commission. Mr. Hill shall pay a monthly water bill based on his usage as registered by his individual meter in accordance with Muhlenberg District's approved Tariff. Currently the minimum monthly bill for 2,000 gallons is \$27.22.

11. The Parties acknowledge that it will be necessary, at least initially, to periodically flush the water line in order to maintain water purity and comply with applicable health regulations. Muhlenberg District shall install, at its own expense, a meter to measure the volume of water flushed through the flush hydrant located at Point C.

12. Initially, and subject to the limitation described in subparagraph (a) to this paragraph, Mr. Hill shall be responsible for paying for the volume of water flushed through the flushing hydrant located at Point C as measured by the meter located at Point C for the first flushing that occurs each calendar month. The cost of the water flowing through the flushing meter shall be the same amount as the wholesale rate charged by Todd District to Muhlenberg District at Point B without any mark-up. Currently, this cost is \$5.87 per 1,000 gallons. In the event Muhlenberg District elects to flush the water line more frequently than once per month, it shall be responsible for this cost.

(a) The amount Mr. Hill shall be charged or required to pay with respect to flushing each calendar month shall not exceed \$13.66.

13. Mr. Hill shall no longer be responsible for any flushing expense once the following events occur:

(a) A bona fide second customer shall have applied for water service at a location between Points B and C and shall have paid the tap-on fee or connection charge.

(b) Muhlenberg District shall have installed the individual water meter for this customer.

(c) The customer shall have commenced using water at this location.

14. Any customer who connects to the water line between Points B and C will become a Muhlenberg District customer regardless of whether legal title of the water line has actually been transferred to Muhlenberg District.

15. Initially, the portion of the water line from Point B to Point C shall be owned, operated, and maintained by Mr. Hill. It is the intent of the Parties that the portion of the water line between Points B and C shall eventually be transferred to Muhlenberg District. Thereafter, Muhlenberg District shall be responsible for owning, operating, and maintaining this portion of the water line.

16. The Parties acknowledge and agree that the Offer and Acceptance of Satisfaction cannot be fully effective until Muhlenberg District enters into a Wholesale Water Purchase Agreement (the "Agreement") with Todd District. The

Parties have discussed the terms of the proposed Agreement with counsel for Todd District and believe Muhlenberg District and Todd District have reached an agreement in principle. Muhlenberg District shall continue negotiating in good faith with Todd District and use its best efforts to finalize the remaining provisions of the proposed Agreement. It is contemplated that the Agreement will be reviewed and approved by both Todd District and Muhlenberg District at each of their Board of Commissioners meetings on August 27, 2018.

**17. Conditions Precedent for Transferring Water Line from Mr. Hill to Muhlenberg District.** The following events must occur before the portion of the water line between Points B and C shall be transferred to Muhlenberg District:

(a) The water line shall be constructed in accordance with the conditions described above.

(b) The easement where the water line has been installed shall have been maintained in a good state of repair.

(c) Mr. Hill shall prepare and record a subdivision plat in the Muhlenberg County Clerk's Office.

(d) The water line shall have been in service for one (1) year (length of contractor's warranty) and any leaks or defects that occurred while the contractor's warranty was in effect shall have been satisfactorily repaired.

(e) Mr. Hill shall grant or assign to Muhlenberg District an

easement across the property he owns or controls to enable Muhlenberg District to operate, maintain, repair, and replace the water line between Points B and C.

(f) At Muhlenberg District's reasonable request, Mr. Hill shall execute a Bill of Sale prepared by Muhlenberg District or its agent conveying the water line between Points B and C to Muhlenberg District.

18. If directed by the Commission, Muhlenberg District and Mr. Hill shall execute a Special Contract consistent with the provisions of this Offer and Acceptance of Satisfaction.

#### **MISCELLANEOUS PROVISIONS**

19. Except as specifically stated otherwise in this Offer and Acceptance of Satisfaction, entering into this Offer and Acceptance of Satisfaction shall not be deemed in any respect to constitute an admission by any of the Parties that any computation, allegation, assertion, or contention made by any other party in this complaint proceeding is true or valid.

20. The Parties hereto agree that the foregoing stipulations and agreements represent a fair, just, and reasonable resolution of the issues addressed in Mr. Hill's Complaint and the complaint proceeding, and request the Commission to approve the Offer and Acceptance of Satisfaction.

21. Following the execution of this Offer and Acceptance of Satisfaction, the Parties shall cause the Offer and Acceptance of Satisfaction to be filed with the



Commission on or about August 17, 2018.

22. This Offer and Acceptance of Satisfaction is subject to the acceptance of, and approval by, the Commission. The Parties agree to act in good faith and to use their best efforts to recommend to the Commission that this Offer and Acceptance of Satisfaction be accepted and approved as the complete disposition and resolution of Mr. Hill's Complaint. The Parties commit to immediately notify the other Party of any perceived violation of this provision so the Party may have an opportunity to cure any perceived violation, and both Parties commit to work in good faith to address and remedy promptly any such perceived violation. In all events, counsel for both Parties will represent to the Commission that the Offer and Acceptance of Satisfaction is a fair, just, and reasonable means of resolving all issues in Mr. Hill's Complaint, and will clearly and definitively ask the Commission to accept and approve the Offer and Acceptance of Satisfaction as such.

23. If the Commission issues an Order approving this Offer and Acceptance of Satisfaction in its entirety and without additional conditions, each of the Parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin Circuit Court with respect to such Order.

24. If the Commission does not accept and approve this Offer and

Acceptance of Satisfaction in its entirety, then any adversely affected Party may withdraw from the Offer and Acceptance of Satisfaction within the statutory periods provided for rehearing and appeal of the Commission's Order by (1) giving notice of withdrawal to all other Parties and (2) timely filing for rehearing or appeal. If any Party timely seeks rehearing of or appeals the Commission's Order, all Parties will continue to have the right to withdraw until the conclusion of all rehearings and appeals. Upon the latter of (1) the expiration of the statutory periods provided for rehearing and appeal of the Commission's Order and (2) the conclusion of all rehearings and appeals, all Parties that have not withdrawn will continue to be bound by the terms of the Offer and Acceptance of Satisfaction as modified by the Commission's Order.

25. The Offer and Acceptance of Satisfaction shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns.

26. The Offer and Acceptance of Satisfaction constitutes the complete agreement and understanding between the Parties, and any and all oral statements, representations, or agreements made prior hereto or contained contemporaneously herewith shall be null and void and shall be deemed to have been merged into the Offer and Acceptance of Satisfaction.

27. The Parties hereto agree that, for the purpose of the Offer and Acceptance of Satisfaction only, the terms are based upon the independent analysis

of the Parties to reflect a fair, just, and reasonable resolution of the issues herein and are the product of compromise and negotiation.

28. The Parties hereto agree that neither the Offer and Acceptance of Satisfaction nor any of the terms shall be admissible in any court or commission except insofar as such court or commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Offer and Acceptance of Satisfaction. This Offer and Acceptance of Satisfaction shall not have any precedential value in this or any other jurisdiction.

29. The signatories hereto warrant that they have appropriately informed, advised, and consulted their respective Parties in regard to the contents and significance of this Offer and Acceptance of Satisfaction and based upon the foregoing are authorized to execute this Offer and Acceptance of Satisfaction on behalf of their respective Parties.

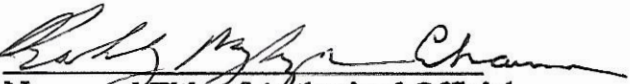
30. This Offer and Acceptance of Satisfaction has been approved by the Board of Commissioners of Muhlenberg District and the undersigned official has been duly authorized to execute this Offer and Acceptance of Satisfaction.

31. The Parties hereto agree that this Offer and Acceptance of Satisfaction is a product of negotiation between both Parties, and no provision of this Offer and Acceptance of Satisfaction shall be strictly construed in favor of or against any party.

**IN WITNESS WHEREOF**, the Parties have hereunto affixed their  
signatures.

**Muhlenberg County Water District**

**HAVE SEEN AND AGREED:**

By:   
Name and Title of Authorized Official


**William C. Hill**

**HAVE SEEN AND AGREED:**

By:   
William C. Hill

Muhlenberg County Water District

HAVE SEEN AND AGREED:

By:   
Damon R. Talley

William C. Hill

HAVE SEEN AND AGREED:

By:   
Evan Buckley

# **EXHIBIT 1**



POINT C:  
END PROPOSED  
3" WATER LINE

EXISTING  
HOUSE

LAKE MALONE

FOREST HILL DRIVE

PROPOSED 3"  
WATER LINE

POINT "A"  
CONNECT PROPOSED  
WATER LINE TO  
EXISTING WATER LINE

POINT "B"

EXISTING 3" PVC WATERLINE TODD  
COUNTY WATER DISTRICT PER  
KENTUCKY INFRASTRUCTURE  
AUTHORITY WATER RESOURCES  
INFORMATION (WRIS) MAPPING

MCPHERSON  
ROAD