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**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Meade County Water District

(Name of Utility)

1003 Armory Place

(Business Mailing Address - Number and Street, or P.O. Box)

Brandenburg, KY 40108

(Business Mailing Address - City, State, and Zip)

270-422-5006

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Tim Gossett, General Manager

(Name)

1003 Armory Place

(Address - Number and Street or P.O. Box)

Brandenburg, KY 40108

(Address - City, State, Zip)

270-422-5006

(Telephone Number)

mcwattg@bbtel.com

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2017.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 91,800 and total revenues from service rates of \$ 2,358,030. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 4,940 +/- customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)** Deviation Requested
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)** Deviation Requested
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). Deviation Requested
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. Deviation Requested

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u> - 0 - </u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed *Tim Gossett*
 Officer of the Company/Authorized Representative
 Title General Manager
 Date MARCH 11, 2019

COMMONWEALTH OF KENTUCKY
 COUNTY OF Meade

Before me appeared Tim Gossett, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Jessie Nevitt
 Notary Public
 My commission expires: 09/01/2020



LIST OF ATTACHMENTS
Meade County Water District

1. Customer Notice of Proposed Rate Adjustments
2. Reasons for Rate Increase
3. Current and Proposed Rates
4. Statement of Adjusted Operations and Revenue Requirements Calculation with the following attachments:
 - a. References
 - b. Table A - Purchased Water Adjustment Worksheet
 - c. Table B - Debt Service Schedule
5. Statements of Disclosure of Related Party Transactions
6. Board Resolution

NOTE:

A deviation has been requested to omit the following since these items are not pertinent to the Purchased Water Adjustment method used in this application:

- Current Billing Analysis
- Proposed Billing Analysis
- Depreciation Schedule
- Outstanding Debt Instruments
- Amortization Schedules

CUSTOMER NOTICE

Notice is hereby given that the Meade County Water District expects to file an application on or about March 18, 2019 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Retail Rates

<u>All Meters</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
First 2,000 Gallons	\$ 17.94	\$ 18.60	\$ 0.66	3.7%
Next 5,000 Gallons	8.68	9.01	0.33	3.8%
Next 10,000 Gallons	8.35	8.68	0.33	4.0%
Next 20,000 Gallons	7.58	7.91	0.33	4.4%
Over 37,000 Gallons	6.50	6.83	0.33	5.1%
Bulk Sales	6.00	6.33	0.33	5.5%

Wholesale Rates

Doe Valley Water	3.89	4.22	0.33	8.5%
Otter Creek Water	4.01	4.34	0.33	8.2%

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$35.30 to \$36.62. This is an increase of \$1.32 or 3.74%.

If the proposed rates are approved, the monthly bill for wholesale customer Doe Valley using an average of 5,225,000 gallons per month will increase from \$20,325 to \$22,050. This is an increase of \$1,725 or 8.48%. If the proposed rates are approved, the monthly bill for wholesale customer Otter Creek using an average of 394,000 gallons per month will increase from \$1,580 to \$1,710. This is an increase of \$130 or 8.23%.

The rates contained in this notice are the rates proposed by Meade County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Meade County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this

application at the District's office located at 1003 Armory Place, Brandenburg, KY 40108. You may contact the office at 270-422-5006.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, 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 Public Service Commission may take final action on the application.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

Current Rates

Retail Rates

All Meters

First 2,000 Gallons	\$17.94
Next 5,000 Gallons	8.68 per 1,000 gallons
Next 10,000 Gallons	8.35 per 1,000 gallons
Next 20,000 Gallons	7.58 per 1,000 gallons
Over 37,000 Gallons	6.50 per 1,000 gallons

Bulk Sales 6.00 per 1,000 gallons

Wholesale Rates

Doe Valley Water	3.89 per 1,000 gallons
Otter Creek Water	4.01 per 1,000 gallons

Proposed Rates

Retail Rates

All Meters

First 2,000 Gallons	\$ 18.60
Next 5,000 Gallons	9.01 per 1,000 gallons
Next 10,000 Gallons	8.68 per 1,000 gallons
Next 20,000 Gallons	7.91 per 1,000 gallons
Over 37,000 Gallons	6.83 per 1,000 gallons

Bulk Sales 6.33 per 1,000 gallons

Wholesale Rates

Doe Valley Water	4.22 per 1,000 gallons
Otter Creek Water	4.34 per 1,000 gallons

STATEMENT OF REASONS FOR RATE INCREASE

Introduction. The sole reason for filing this Alternative Rate Filing (“ARF”) case is to enable the Meade County Water District (“MCWD”) to recover **\$90,138** per year. This sum represents the annual increase in purchased water expense incurred by MCWD. It was forced to stop buying a portion of its water from the City of Brandenburg (“Brandenburg”) and to commence purchasing all of its water from Hardin County Water District No. 1 (“HCWD1”) at a higher rate.

Background. MCWD provides potable water to most of Meade County, except for Brandenburg and the City of Muldraugh. MCWD is a water distribution system. It does not own a water treatment plant. In the past MCWD has purchased water from two suppliers: from Brandenburg to supply the central section of MCWD’s distribution system, and from HCWD1 to supply the remainder of MCWD’s distribution system.

Switch from Chlorine to Chloramines. Previously both suppliers used chlorine as a disinfectant. A few years ago, HCWD1 decided to start the process of converting from chlorine to chloramines. Most wholesale water providers in our area have made the conversion from chlorine to chloramines. Brandenburg, however, decided not to convert to chloramines. The decisions of HCWD1 and Brandenburg to use different disinfectants placed MCWD in a dilemma. Since a utility cannot “mix” chlorine treated water with chloramine treated water, MCWD had two options. One option was to separate its distribution system into two (2) completely separate distribution systems so the Brandenburg water would not mix with the HCWD1 water. The second option was to purchase all of its water from a single supplier.

MCWD could not separate its distribution system into two (2) separate distribution systems. Therefore, the first option was not a viable option.

Although Brandenburg’s wholesale rate was cheaper than HCWD1’s rate, Brandenburg did not have sufficient system capacity to meet MCWD's existing and future water demands. Thus, MCWD could not purchase all of its water from Brandenburg. The only remaining option was for MCWD to purchase all of its water from HCWD1, which is the more costly supplier.

There are some advantages; however, to MCWD purchasing all of its water from HCWD1: (1) improvement of water quality; (2) reduction of disinfection byproducts in the

drinking water; (3) elimination of the need to separate its water distribution system into two (2) separate systems; and (4) commitment from HCWD1 to supply all of MCWD's water needs for the foreseeable future.

Transmission System Improvements. To facilitate this change, MCWD was required to make substantial transmission system improvements. In 2016, MCWD obtained a \$2.0 million loan from Rural Development. After engineering work was completed and construction bids were received, MCWD applied to the Public Service Commission for a Certificate of Public Convenience and Necessity ("CPCN"). The PSC granted the CPCN to MCWD in Case No. 2017-00380. The required transmission system improvements were placed into service in late October 2018. At that time, MCWD began purchasing all of its water from HCWD1.

Summary. The price of water purchased from HCWD1 is \$0.56 per 1,000 gallons higher than the water that was previously purchased from Brandenburg. Based upon the quantity of water formerly purchased from Brandenburg during the calendar year 2017, the annual increased cost to MCWD will be **\$90,138**. MCWD proposes passing this additional cost on to its customers through this Alternative Rate Filing. **The additional cost of purchased water is the only adjustment included in the proposed increased rates.**

SCHEDULE OF ADJUSTED OPERATIONS

Meade County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Water Sales	\$ 2,178,596	\$ (337,201)	a.	
		162,020	b.	\$ 2,003,415
Sales for Resale		239,545	a.	
		23,270	b.	262,815
Other Water Revenues:				
Forfeited Discounts		47,691	a.	47,691
Other Water Revenues		49,965	a.	49,965
Total Operating Revenues	\$ 2,178,596			\$ 2,363,886
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	448,477			448,477
Salaries and Wages - Officers	30,000			30,000
Employee Pensions and Benefits	190,814			190,814
Purchased Water	674,710	138,205	c.	
		(2,658)	d.	810,257
Purchased Power	37,000	(121)	d.	36,879
Chemicals	0			0
Materials and Supplies	67,222			67,222
Contractual Services	19,343			19,343
Rental of Equipment	1,129			1,129
Transportation Expenses	20,257			20,257
Insurance - General Liability & Other	19,135			19,135
Insurance - Workers Comp	6,181			6,181
Miscellaneous Expenses	63,690			63,690
Total Operation and Mnt. Expenses	1,577,958			1,713,384
Depreciation Expense	576,885			576,885
Taxes Other Than Income	48,640			48,640
Total Operating Expenses	\$ 2,203,483			\$ 2,338,909
Net Operating Income	\$ (24,887)			\$ 24,977

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 2,338,909
Plus: Avg. Principal and Interest Payments	e. 365,448
Additional Working Capital	f. 73,090
Total Revenue Requirement	2,777,447
Less: Other Operating Revenue	97,656
Interest Income	1,181
Non-utility Income	86
Revenue Required From Retail Rates	2,678,524
Less: Revenue from Sales at Present Rates	2,266,230
Required Revenue Increase	g. \$ 412,294
Percent Increase	g. 18.2%

REFERENCES

- a. All of the District's revenue was reported as Metered Water Revenue. Adjustments are made to separate revenue into various categories with the balance being an estimate of actual residential and commercial Total Metered Water Sales.
- b. During the test year the District twice increased retail and wholesale water rates. In May a Purchased Water Adjustment was implemented which passed through an increase in the rate charged by Hardin County Water District #1 and in October a general rate increase associated with an RD funded construction project was approved. Adjustments to sales revenue are made to estimate totals for a full year with these changes in place.
- c. As described in detail in the Reasons for Rate Increase document, in October 2018 the District began purchasing all water from Hardin County Water District #1. This adjustment is to reflect the difference in actual costs incurred in 2017 versus future costs under this new scenario. See Table A.
- d. The District's test year water loss was 15.327 percent. The PSC's maximum allowable loss for rate-making purposes is 15.0 percent. Therefore, the expenses for Purchased Water and Power related to water purchased and pumped above the 15 percent limit must be deducted.
- e. The annual debt service payments for the District's bonds and loans are shown in Table B. The 5 year average of these payments is included in the revenue requirement calculation.
- f. The amount shown in Table B for coverage on long term debt is required by the bond resolutions. This is included in the Revenue Requirement as Additional Working Capital.
- g. Although this cursory computation of Revenue Requirements indicates a revenue increase of \$412,294 or 18.2 percent may be justified, the District is only requesting an increase of \$0.33 per 1,000 gallons by using the Purchased Water Adjustment method shown in Table A. Based on gallons sold in 2017, this results in a total revenue increase of approximately \$91,800.

TABLE A
PURCHASED WATER ADJUSTMENT WORKSHEET

Twelve Month Purchased Water Cost After 2017 Wholesale Rate Increase									
	Hardin County Water District #1					City of Brandenburg			
	Gals. Purchased	Rate/1,000	Usage Charge	Cust. Charge	Total Charges	Gals. Purchased	Rate/1,000	Total Charges	
Jan '17	13,647,200	2.36	\$ 32,207	\$ 775.99	\$ 32,983	13,707,000	1.80	\$ 24,673	
Feb	12,787,000	2.36	30,177	775.99	30,953	13,436,000	1.80	24,185	
Mar	14,880,300	2.36	35,118	775.99	35,893	11,220,000	1.80	20,196	
Apr	12,387,700	2.36	29,235	775.99	30,011	12,486,000	1.80	22,475	
May	12,437,600	2.36	29,353	775.99	30,129	13,812,000	1.80	24,862	
June	14,696,000	2.36	34,683	775.99	35,459	16,240,000	1.80	29,232	
July	15,150,100	2.36	35,754	775.99	36,530	14,790,000	1.80	26,622	
Aug	16,567,100	2.36	39,098	775.99	39,874	15,592,000	1.80	28,066	
Sept	18,206,200	2.36	42,967	775.99	43,743	12,674,000	1.80	22,813	
Oct	16,359,700	2.36	38,609	775.99	39,385	12,572,000	1.80	22,630	
Nov	15,510,500	2.36	36,605	775.99	37,381	12,415,000	1.80	22,347	
Dec	15,468,200	2.36	36,505	775.99	37,281	13,920,000	1.80	25,056	
	178,097,600				\$ 429,622	162,864,000		\$ 293,155	
Grand Total Gallons Purchased				340,961,600	Grand Total Cost			\$ 722,777	

Future Twelve Month Purchased Water Cost					
	Hardin County Water District #1				
	Gals. Purchased	Rate/1,000	Usage Charge	Cust. Charge	Total Charges
Jan '17	27,354,200	2.36	\$ 64,556	\$ 687.14	\$ 65,243
Feb	26,223,000	2.36	61,886	687.14	62,573
Mar	26,100,300	2.36	61,597	687.14	62,284
Apr	24,873,700	2.36	58,702	687.14	59,389
May	26,249,600	2.36	61,949	687.14	62,636
June	30,936,000	2.36	73,009	687.14	73,696
July	29,940,100	2.36	70,659	687.14	71,346
Aug	32,159,100	2.36	75,895	687.14	76,583
Sept	30,880,200	2.36	72,877	687.14	73,564
Oct	28,931,700	2.36	68,279	687.14	68,966
Nov	27,925,500	2.36	65,904	687.14	66,591
Dec	29,388,200	2.36	69,356	687.14	70,043
Totals	340,961,600				\$ 812,915

	Meade Co. WD Gallons Sold
Jan '17	23,454,996
Feb	19,487,027
Mar	20,051,716
Apr	24,049,583
May	20,901,735
June	29,192,240
July	29,626,683
Aug	25,784,344
Sept	26,447,055
Oct	19,433,610
Nov	20,030,792
Dec	19,613,392
Total	278,073,173

	Revised to	
	Adjust for Excess	
	Water Loss *	
Future 12 Month Cost of Water Purchased	\$ 812,915	\$ 810,257
Less: Normalized 2017 Cost of Water	(722,777)	(720,414)
Power Cost Adjustment	-	(121)
Increased Cost of Water	90,138	89,722
Increased Cost of Water	\$ 90,138	\$ 89,722
Divided by Gallons Sold / 1,000	278,073	278,073
Purchased Water Adjustment Factor	\$ 0.3242	\$ 0.3227

Requested Rate Increase by PWA Method Rounded to \$ 0.33 per 1,000 gallons

* The District's test year water loss percentage exceeded by 0.327% the percentage allowed by the PSC for rate making purposes

TABLE B
DEBT SERVICE SCHEDULE
Meade County Water District
 CY 2019 - 2023

	2019		2020		2021		2022		2023		TOTALS (Prin. & Int.)
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
1992 Bond Issue - RD	13,000	13,600	13,000	12,950	14,000	12,300	15,000	11,600	16,000	10,850	132,300
2001 Bond Issue - KRW/FC	38,000	10,731	41,000	8,549	44,000	6,283	47,000	3,940	49,000	1,468	249,970
Bond Issue - KIA	10,000	11,581	10,000	11,138	10,000	10,688	5,000	5,231	-	-	73,638
2005 KIA Loan	22,250	4,154	22,922	3,482	23,615	2,789	24,329	2,075	25,064	1,340	132,020
2009 KIA Loan	36,593	15,804	37,699	12,698	38,839	11,559	40,012	10,385	41,222	9,175	253,986
2010 Bond Issue - RD	30,000	52,529	31,500	51,845	32,500	50,847	34,000	49,955	36,000	49,017	418,194
2017 Bond Issue - RD	30,500	55,514	31,500	54,161	32,000	53,295	33,000	52,415	34,000	51,535	427,920
Meade Co. Bank Note	138,756	458	-	-	-	-	-	-	-	-	139,215
TOTALS	\$ 319,099	\$ 164,372	\$ 187,621	\$ 154,823	\$ 194,953	\$ 147,760	\$ 198,341	\$ 135,602	\$ 201,286	\$ 123,385	\$ 1,827,242
TOTAL ANNUAL AVERAGE PRINCIPAL AND INTEREST											\$ 365,448
COVERAGE ON LONG TERM DEBT											\$ 73,090

**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 Meade County Water District ("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."

Michael W. Chris Chris Medley
 (Print Name) (Signed)

Commissioner
 (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.

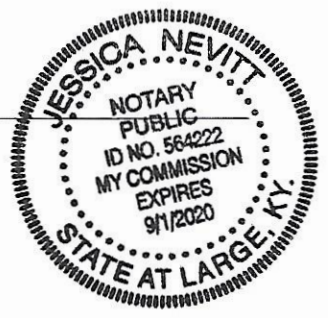
COMMONWEALTH OF KENTUCKY

COUNTY OF Meade

Subscribed and sworn to before me by Michael Chism
(Name)

this 26 day of February, 2019.

Jessica Nevitt
NOTARY PUBLIC
State-at-Large



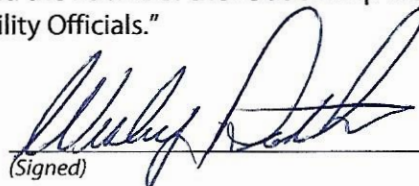
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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 Meade County Water District ("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."

WESTLEY PRATHER
(Print Name)


(Signed)

COMMISSIONER
(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 Meade

Subscribed and sworn to before me by Wesley Prather
(Name)

this 26 day of February, 2019.

Jessica Nevitt
NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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Allen Stivers
(Print Name)

Allen Stivers
(Signed)

Commissioner - Treasurer
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Meade

Subscribed and sworn to before me by Allen Stivers
(Name)

this 26 day of February, 2019.

Jessica Nevitt
NOTARY PUBLIC
State-at-Large



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NORMAN K. BOOTHE
(Print Name)

Norman K. Boothe
(Signed)

Secretary
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Meade

Subscribed and sworn to before me by Norman Boothe
(Name)

this 26 day of February, 2019.

Jessie Nevitt
NOTARY PUBLIC
State-at-Large



COMMONWEALTH OF KENTUCKY

COUNTY OF Meade

Subscribed and sworn to before me by Douglas Cornett
(Name)

this 26 day of February, 2019.

Jessica Nevitt
NOTARY PUBLIC
State-at-Large



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TIMOTHY D GOSSETT
(Print Name)


(Signed)

GENERAL MANAGER
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Meade

Subscribed and sworn to before me by Tim Gossett
(Name)

this 26 day of February, 2019.

Jessica Nevitt
NOTARY PUBLIC
State-at-Large



A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MEADE COUNTY WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS GENERAL MANAGER TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the Meade County Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

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

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;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MEADE COUNTY WATER DISTRICT 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 District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The General Manager is hereby authorized and directed to prepare,

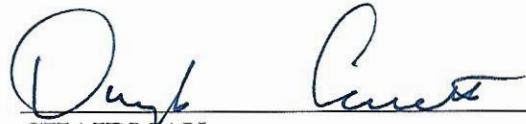
execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, General Manager, and all other appropriate District Staff 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 this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF MEADE COUNTY WATER DISTRICT

at a meeting held on February 26, 2019, signed by the Chairman, and attested by the Secretary.



CHAIRMAN

ATTEST:



SECRETARY

CERTIFICATION

I, Secretary of the Meade County Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on February 26, 2019, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 26th day of February, 2019.



SECRETARY

APPENDIX A

CURRENT AND PROPOSED RATES
Meade County Water District

<u>Current Rates</u>		<u>Proposed Rates</u>	
<u>Retail Rates</u>		<u>Retail Rates</u>	
<u>All Meter Sizes</u>	<u>Charge per 1,000 gals.</u>	<u>All Meter Sizes</u>	<u>Charge per 1,000 gals.</u>
First 2,000 Gallons (Minimum Bill)	\$ 17.94	First 2,000 Gallons (Minimum Bill)	\$ 18.60
Next 5,000 Gallons	8.68	Next 5,000 Gallons	9.01
Next 10,000 Gallons	8.35	Next 10,000 Gallons	8.68
Next 20,000 Gallons	7.58	Next 20,000 Gallons	7.91
Over 37,000 Gallons	6.50	Over 37,000 Gallons	6.83
Bulk Water Sales	\$ 6.00	Bulk Water Sales	\$ 6.33
<u>Wholesale Rates</u>		<u>Wholesale Rates</u>	
Doe Valley Water	\$ 3.89	Doe Valley Water	\$ 4.22
Otter Creek Water	\$ 4.01	Otter Creek Water	\$ 4.34