

M&M NEWSPAPERS, INC.

d/b/a

MT. STERLING ADVOCATE

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I, Matt Hall, publisher of the Mt. Sterling Advocate Newspaper, a newspaper printed and published in the State of Kentucky, County of Montgomery, hereby certify that the attached legal notice for Levee Road Water Association appeared in the Jan. 21, 2021 edition.

Matt Hall

Subscribed and sworn to before me, a Notary Public within and for the State and County aforesaid, by *Matt Hall* to me personally known, this *21* day of *January*, 2020.

My commission expires the *25* day of *September*, 20*21*.

County of *Montgomery* Notary Public *Martha B. Green*

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission ("PSC") as set out in 807 KAR 5:069, Section 3, notice is hereby given to the customers of the Levee Road Water Association ("Association") of a change in water rates for users of the Association's water system. The changes in water rates are required by the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with a loan by RD to the Association in the principal amount of \$1,050,000 to be evidenced by the issuance by the Association of its promissory note in such amount, which RD has agreed to purchase provided the Association meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>	<u>Monthly Rate</u>
First 1,000 gallons	\$11.45 Minimum
Next 2,000 gallons	\$5.05 Per 1,000 gallons
Next 3,000 gallons	\$4.35 Per 1,000 gallons
Next 19,000 gallons	\$3.60 Per 1,000 gallons
Next 25,000 gallons	\$3.25 Per 1,000 gallons
All Over 50,000 gallons	\$2.95 Per 1,000 gallons
Commercial Hauler	\$5.33 Per 1,000 gallons
Any individual with private loading unit	\$5.33 Per 1,000 gallons
All water purchased from water coin vendor	\$5.33 Per 1,000 gallons
Leak adjustment rate (Mt Sterling wholesale rate plus 10%)	\$3.49 Per 1,000 gallons

Proposed Monthly Water Rates

<u>Meter</u>	<u>Monthly Rate</u>
First 2,000 gallons	\$23.25 Minimum
Next 5,000 gallons	\$8.00 Per 1,000 gallons
Next 13,000 gallons	\$6.00 Per 1,000 gallons
All Over 20,000 gallons	\$5.50 Per 1,000 gallons
Leak adjustment rate (Mt Sterling wholesale rate plus 10%)	\$3.49 Per 1,000 gallons

Customer Class (Current and Proposed Rate Structure)	Average Monthly Usage Per Customer (Gallons)	Average Monthly Bill (Present Rates and Structure)	Average Monthly Bill (Proposed Rates and Structure)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
5/8" x 3/4" Meter All	4,015	\$21.62	\$39.37	\$17.75	82.1%
5/8" x 3/4" Meter (0-1,000 Current Bracket) 0-2000 Future Bracket	400	\$11.16	\$23.25	\$12.09	108%
5/8" x 3/4" Meter 1,000-3,000 Current Bracket 2000-7000 Future Bracket	2,150	\$16.64	\$24.25	\$7.61	45.7%
5/8" x 3/4" Meter 3,000-6,000 Current Bracket 2000-7000 Future Bracket	4,250	\$25.76	\$41.25	\$15.49	60.1%
5/8" x 3/4" Meter 6,000-25,000 Current Bracket 7000-20000 Future Bracket	9,850	\$45.61	\$80.35	\$34.74	76.1%
5/8" x 3/4" Meter 25,000-50,000 Current Bracket 20000+ Future Bracket	32,000	\$116.47	\$207.25	\$90.78	77.9%
5/8" x 3/4" Meter 50,000+ Current Bracket 20000+ Future Bracket	160,000	\$462.35	\$911.25	\$448.90	97.1%

The proposed monthly water rates shall be effective for water sold after the date of the final approving Order of the PSC, which Order is expected to be issued no later than 30 days of the filing of the Application. The Application for approval of the rate change has been filed with the PSC and may be examined during normal business hours at the following locations: (i) Levee Road Water Association Office, 4969 Levee Road Mt. Sterling, KY 40353; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., E.T.; and (iii) via the PSC website at <http://psc.ky.gov>. Comments regarding the Application may be submitted to the PSC via its website or by mail to PSC, P.O. Box 615, Frankfort, Kentucky 40602.

The proposed rates are required under the terms of an agreement between the Association and RD and KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between the Association and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement. The RD loan proceeds will be used to finance the costs of the (i) installation of approximately 3,700 linear feet of 6 inch water main improvements, replacement of customer's meters, installation of 19 hydrants, 9 valves, and associated appurtenances; (ii) purchase and renovation of a garage building for a new business office and installation of a chlorine booster station, (iii) rehabilitation of an existing ground water storage tank and access

road. With additional funds remaining the District will undertake the following improvements: (i) replacement of service tubing, meter boxes control valves, and purchase office equipment.

Signed: Artie Gibson, Chairman, Levee Road Water Association.