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DEC 15 2020

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission

(Attn: Board Members)

Case # 2020-00290

Kentucky Public Service Commission

**P.O. Box 615
211 Sower Blvd.
Frankfort, Kentucky 40602-0615**

1-800-772-4636

Dear Board Members:

--- I will try to be as brief as possible.

Eleven years ago, my wife and I purchased our residence of 210 Bel-Aire Drive, Mayfield, Kentucky.... (in the Randview Subdivision). Our property is located in the county section of Graves County. We are a distance of approximately 250 feet from the city limits of Mayfield, and on the same Bel Aire Drive. Both of our nearest neighbors on Bel Aire Drive, one immediately across the street and one next to our house (on the same side) are also located in the COUNTY SECTION of Graves, and outside the city limits. However, HERE is the difference – Both of my above mentioned neighbors within the Randview Subdivision are on the city of Mayfield sewer system, whereas our property is on the Randview lagoon sewer system, only 75 feet from the Mayfield system.

Upon learning of the difference at the time of purchase, my wife and I were concerned with this different sewer situation. We considered reaching out to the city of Mayfield to discuss the possibility of joining their system. We decided to wait on that action until we had met and talked with Ralph T. Waldrop, the administrator and trustee of the lagoon system already in-place at our residence. After that meeting and receipt of his terms for the agreement to use the lagoon system, along with his words of encouragement, we decided to accept the situation that was already in-place.

(PLEASE see Appendix A – for a copy of those lagoon system agreements).

Please note --- We have always been a party in good-standing over these 11 years, paying our bills on time and abiding by any/all conditions as set forth in the agreement. Over this time, there has been only one modest increase in our monthly rates for service. This increase was requested by the Trustee to make needed repairs and to cover increased costs of upkeep to the lagoon to provide continued services. We paid the increased rate for services without objection, believing that the increase was warranted to maintain a proper adequate lagoon sewer service.

On November 23 of this year (2020), my wife and I received correspondence dated November 19, 2020 (**warning that we had only 30 days to reply to YOU**) from a man named Josiah Cox, president of Bluegrass Water Utility Operating Company, a limited liability corporation (LLC) from St. Louis, Missouri.

(PLEASE see Appendix B – for a copy of those two letters of correspondence)

My wife and I had never heard of that gentleman or his company before November 23, 2020. He introduced himself by telling us that we were his **"CUSTOMER"**. Again, we had never sought or requested his, or his company's, services in the past. In his letter, he told us a little about his Bluegrass Water Company. To our great surprise, he also described the present condition of our Randview wastewater system, which he claimed is **"unable to properly treat wastewater because of the system's failing lagoon"**, one which is **"causing illegal wastewater discharge that threatens the community's health and environment."**

We were shocked by his words ! Could this be true? Why would our Trustee allow this to occur?!! ... and why would the county of Graves and the state of Kentucky not act to stop and correct this unlawful situation ?

The gentleman (Josiah Cox) continues in his letters to inform us that his company plans to invest \$324,000 in our lagoon system to correct the failing system in order to make it a **“clean, safe, and reliable sewer system --- something that has not been the case for residents in your (our) area for many years.”**

We, my wife and I, were astonished by this man's words, as president of his company and as a total stranger to us. Bluegrass water was (and is) saying that the agreement that we residents thought we had with the Randview system and its Trustee, Ralph T. Waldrop, was broken and/or not being adhered to. Essentially, the money that we (and other residents) have been paying for sewer services for the past several years, according to Bluegrass Water, was not being used to provide an effective lagoon sewer system, as had been promised in our agreement with Trustee Ralph T. Waldrop.

The gentleman (Josiah Cox) continues further in his correspondence to enumerate the specific things that Bluegrass would do to address the problems of our lagoon sewer system. He also informs us of his company's services being employed in many other areas of the state of Kentucky, as well as the plans for several million dollars to be spent in order to make **“improvements to systems across the state, including ours.”**

He then informs us, his “CUSTOMER”, of what will take place in billing for their services, **“once acquisition takes place”**. ... --- basically how we are to be billed and how we are to pay. Additionally, the gentleman (Josiah Cox) provides what he terms a **“rate comparison table”**, enumerating the fees his company is asking to be approved by **YOUR COMMISSION**. **Please note --- For the Randview Subdivision, our current rate/fee is \$25.00 per month, And Bluegrass is wanting YOU to approve an increase of \$71.14 to make it a total of \$96.14 per month, a 284.6% increase to the current fee !!**

We, along with nearly ALL of the residents of the Randview system, are outraged by their demand for service and the price they are asking !! My wife and I remain shocked !! **Most of the residents are on fixed incomes, and with that fact alone are not expecting to receive any increase in their incomes to reasonably meet such an increased expense.** It was at this time, my wife and I decided to check with the city of Mayfield (The Mayfield Electric and Water Company). **We discovered that their rates (of course) are based on a true sense of reality. That is, Mayfield City bills each resident according to their individual usage amount of water.... i.e. if a residence uses 4,000 gallons of water per month, then their sewer bill is \$22.90 per month.....their minimum is set for 2,000 gallons of water usage per month, yielding a sewer bill of just \$17.01 per month. (As I said, this is reality !)**

Note: In review of the proposed rates of Bluegrass Water, they are asking for an excessive amount of \$96.14 per month from all residents of our Randview lagoon sewer system (not based on any water usage rate). Even more unrealistic, Bluegrass is asking for the SAME RATE to be applied to ALL RESIDENTS for ALL LAGOONS across the state that they own..... regardless of water usage and, I suppose, regardless of the number of residents using any specific lagoon (Sounds more like cable TV, doesn't it?.....but then again, even with Cable TV, you can get different levels of payment based upon the levels of channels you ask for). TWO QUESTIONS arise from the actions of Bluegrass Water: 1). Why ask for the **excessive “special amount”** of \$96.14 from all residents on all lagoons across the state ? and 2) How soon will the “gentleman” from Missouri (Bluegrass Water) be asking for MORE MONEY than that ?

After finishing the reading of the Bluegrass Water correspondence, and following several hours of discussion and evaluation of the present situation (which is, in our opinion, no longer viable), my wife and I decided to further investigate the possibility of approaching the city of Mayfield, as a better alternative to providing sewer services to our community. We reasoned that Mayfield City could offer us a better service at a reasonable economical price, and would be a lot more stable than another LLC lagoon service, especially one that is from out of our state. Bluegrass Water has no ties to our community of residences other than the term "CUSTOMER", and we have no guarantee for proper service regardless of any surety bonds they may have to post.

I made an initial contact with the mayor of Mayfield, Kathy S. O'Nan, and breached the subject to her through a telephone conversation on Wednesday, December 2, 2020. I followed up with my letter, concerning the same, on Thursday, December 3, along with copies of the correspondence sent to us by Bluegrass Water.

(PLEASE see Appendix C – for a copy of my letter to Mayor O'Nan)

To this date, we continue in our discussion with fellow community members that are on the Randview lagoon sewer system. We are encouraging all members to check their water bills they have with The Mayfield Electric and Water Company of Mayfield, Kentucky, and calculate their sewer bills based on their water usage each month, and to contact the utility to verify their calculations. They can, therefore, determine what their sewer fee would be each month under the city of Mayfield. My wife and I have done so, and determined that connecting with the city of Mayfield for sewer services would be the better economical choice for us by far.

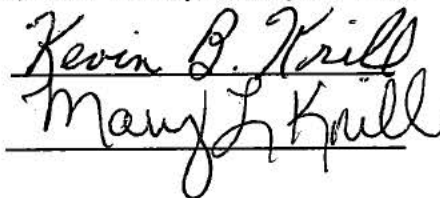
As far as the technical issues, we are certain that Mayfield Electric and Water has the technical knowledge to take over our present lagoon system, make the required repairs, and continue to operate the system in an acceptable manner, until they could install the normal city sewer piping in the near future. The entire community, the city of Mayfield, the county of Graves, as well as the state of Kentucky would benefit from keeping this investment (dollars) here.... And not sending out to Missouri or any other state LLC business.

My wife and I submit this writing to you Board Members for your consideration. I am also copying this correspondence to the mayor of the city of Mayfield for her consideration as well, noting to her that the vast majority of people whom we have talked to would be in support of a connection to her city sewer services.

Respectfully submitted, and I thank you for your time.

Kevin B. Krill

Mary L. Krill

Handwritten signatures of Kevin B. Krill and Mary L. Krill. The signature for Kevin B. Krill is written above a horizontal line, and the signature for Mary L. Krill is written below another horizontal line.

**cc: Mayor Kathy S. O'Nan, City of Mayfield, Kentucky
(along with several copies of this letter to fellow members of the
Randview Lagoon Sewer System).**

SEPTIC EFFLUENT AGREEMENT

Appendix
A

Septic, Inc., by Ralph T. Waldrop, President, 935 Paris Road, Mayfield, KY 42066, party of the second part.

For the consideration of \$ ^{Already} ~~pd~~ said sum considered a fee for the privilege of hooking to the system and a monthly fee of \$12.50 per living unit paid by the property owners, parties of the first part, the Randview Septic Corporation, party of the second part, agrees to accept the effluent that is given off from the owner's state approved septic tank and discharge it into the state approved septic lagoon now in operation on the property.

The parties of the first part property owners agree to:

- 1) Not allow any liquid other than the septic tank effluent to go into the drain lines.
- 2) Deposit annually with the office at 935 Paris Road, 12 post dated checks for \$12.50 per unit at the beginning of the calendar year for each and every year the system is used.
- 3) In the unlikely event of the state disapproving the system at some future date, the property owner agrees to install its own field tile for his or her own home.
- 4) Will not allow any other person or household to hook up to his system without notifying Randview Septic, Inc.
- 5) In the unlikely event of a non-payment by the property owner of the monthly fee, then Randview Systems, Inc. can sever the hook up line of the property owner and the property owner will be obliged to install its own field tile with state health Dept. approval.

APPENDIX
A - CONTINUED

- 6) Party of the first part will allow Randview Septic Corp. to inspect their effluent as it leaves their septic tank and before connection to our four inch line. In the event more than water effluent is being emitted, then Randview Septic Corp. will request that the property owner have their septic pumped out. Failure to comply by the party of the first part will authorize Randview Septic Corp. to have their septic pumped at the property owner's expense.

The party of the second part, Randview Septic, Inc. agrees to maintain the lines, pumps and pay all electrical charges for the operation of the system.

- 1) Abide by all state regulations.
- 2) Replace or repair all pumps, electrical circuits, pipes, etc. in connection with the operation of the system.
- 3) Maintain the effluent lagoon in connection with the system.
- 4) Fulfill all state requirements that might associate itself with the system and its operation.
- 5) In the unlikely event of new state regulations or natural disaster that would demand serious additional expense then and only then, would the original hook up fee or the monthly use fee be allowed to be increased and only after a thorough breakdown of the new additional cost be explained and documented with no profit increase ever.

November 19, 2020

Dear Customer,

As of November 19, 2020, Bluegrass Water Utility Operating Company, Inc. (Bluegrass Water), a Central States Water Resources (CSWR) company, is your new sewer services provider. We are committed to bringing you safe, reliable services today, and every day, 365 days a year.

Who is Bluegrass Water?

Waterborne illness and unsafe environmental conditions caused by aging wastewater systems are on the rise. Bluegrass Water is committed to bringing safe, reliable and environmentally responsible water resources to every community we serve. We transform how water and sewer utilities work by using technology and innovation to quickly assess and invest in reliable infrastructure that meets stringent state and federal safety standards, ensuring your community has access to safe and reliable water resources while protecting the aquifers, lakes, rivers and streams that are essential to our world.

About Our Investment in Your Community:

Currently, the Randview wastewater system is unable to properly treat wastewater because of the system's failing lagoon. Both lagoon cells are overgrown with vegetation, making needed maintenance impossible. The lift stations are inaccessible due to overgrowth – posing a danger when it comes to emergencies and regular maintenance. The lagoon's drainage field is not functioning properly, causing illegal wastewater discharge that threatens the community's health and the environment. Also, poor access to the plant, no all-weather access road, debris and trash around the site poses an increased danger when it comes to emergencies and regular maintenance.

We have submitted a request to the Kentucky Public Service Commission to acquire Randview. Bluegrass Water plans to invest more than \$324,000 in the Randview system to ensure you have access to clean, safe and reliable sewer systems – something that has not been the case for residents in your area for many years.

If approved, we plan to make improvements to address the issues with your sewer system, including:

- Clearing area around the system so operators can safely and properly have access.
- Replacing components and repairing the system from erosion so the waste moves properly through the treatment system.
- Hiring and training of professional operators.
- Providing 24/7 Customer Service and emergency response.

Since Bluegrass Water acquired its first systems in Kentucky, the company has invested more than \$2.5 million to improve and upgrade facilities used to provide service. This investment is part of a larger plan to invest approximately \$7.6 million more on additional improvements to systems across the state, including in Randview.

This plan is part of a request Bluegrass Water submitted to the Kentucky Service Commission (PSC) to increase water and wastewater rates to its existing customers to cover the investments made to bring clean, safe and reliable water services to Kentuckians.

Bluegrass Water Utility Operating Company is regulated by the Kentucky Public Service Commission (PSC). You have the opportunity to provide comments to the PSC and Office of Public Counsel regarding Bluegrass Water's request within 30 days of the date of this notice.

APPENDIX B
(LETTER 1 continued)



BLUEGRASS WATER
Utility Operating Company
A CSWR Managed Utility

Your comments should include a reference to case number 2020-00290. The Public Commission will review all customer comments submitted in response to this notice. All comments will be filed in the official case file for review by the commissioners.

You may contact the Kentucky Public Service Commission at 1-800-772-4636 or P.O. Box 615, 211 Sower Blvd., Frankfort, Kentucky 40602-0615 or visit <https://psc.ky.gov/home/contact>

Once Acquisition Takes Place:

At Bluegrass Water, our operations and maintenance professionals are here to serve you. We also provide 24-hour emergency services for major utility issues. If you notice a problem, call our toll-free emergency number at 1-866-752-8982.

At this time, your wastewater rates will not change, although there may be an increase in rates once repairs and improvements of the sewer system are approved by the state's public service commission.

Soon, you will be receiving a new sewer bill in a monthly cycle which includes a new customer service telephone line available for questions about your bill or account status. You will receive your bill in the mail for the previous month during the first week of each month; bills are due the last business day of each month. Late fees are assessed before the next billing cycle. The customer service and account information will be included on the bill for reference.

Please mail payments to:

Bluegrass Water Utility Operating Company, LLC
P.O. Box 790379
St. Louis, MO 63179

Or make payments online at bluegrasswateruoc.com by setting up a customer account. Set up an on-line account by clicking on the 'Pay online by clicking here' button and following the prompts. The security code will be found on your bill. After opening the account, you are able to pay your bill on-line, set up auto pay, check your account balance and account history, change your billing address, sign up to receive e-bills, check to make sure your payment has been accepted, etc. Call toll-free at 1-866-752-8982 8 a.m. – 5 p.m. from Monday through Friday with 24-hour messaging services. Or send us an email at: support@bluegrasswateruoc.com. You can also visit us online at www.bluegrasswateruoc.com.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Josiah Cox'.

Josiah Cox
President
Bluegrass Water Utility Operating Company

APPENDIX B
(LETTER 2)



BLUEGRASS WATER
Utility Operating Company
A CSWR Managed Utility

November 19, 2020

Dear Bluegrass Customer:

We're writing to you about the wastewater services in your community.

Bluegrass Water Utility Operating Company, LLC (Bluegrass Water) has asked the Kentucky Public Service Commission (Commission) to acquire the system that serves your community. The Commission case number for that application is 2020-00028.

On September 30, 2020, Bluegrass Water submitted to the Commission a request for a general adjustment of rates charged for service. The request seeks to increase annual sewer operating revenues by \$2,177,052 (Case # 2020-00290). Since last year, Bluegrass Water has invested nearly \$2.5 million in urgently needed improvements in the Kentucky communities it serves to ensure access to clean, safe and reliable drinking water and wastewater systems. Over the next 18 months, Bluegrass Water intends to invest approximately \$5 million more in its Kentucky systems to ensure they are able to provide safe and reliable service. Increased costs attributable to these and other improvements make it necessary to seek a rate increase at this time.

As of November 19, 2020, Bluegrass Water Utility Operating Company, Inc. (Bluegrass Water), a Central States Water Resources (CSWR) company, is your new sewer services provider. We are committed to bringing you safe, reliable sewer services today, and every day, 365 days a year.

Please take notice of the following information about the proposed rate adjustment that is described below and presented on the enclosed table:

The table compares current rates for communities served by Bluegrass Water to the increased rates the company is requesting and shows the proposed increases as both a percentage and a dollar amount. The Commission, the state agency that regulates all utility services in Kentucky, will rule on this request and may order rates to be charged that differ from the proposed rates found in this notice. The average customer usage is unknown and the average bill in each service area relates directly to the current rates per month shown in the enclosed sheet. The date the proposed rates were filed with the Commission was September 30, 2020, with a proposed effective date of October 30, 2020. On October 30, 2020, the Commission suspended the proposed rates for six months while it reviews the application. As a result, the proposed rates will not go into effect before May 1, 2021.

By prior arrangement, you may examine Bluegrass Water's application at the offices of McBrayer PLLC, 201 East Main Street, Suite 900, Lexington, Kentucky. Please contact Bluegrass Water at 1-866-752-8982 to arrange to examine the application. Bluegrass Water's application also may be examined at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>. Comments regarding the rate application (case # 2020-00290) or timely requests for intervention (that establish the grounds for the request, including the status and interest of the requester) may be submitted to the Commission through its website or by mail to:

Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602

If the Commission does not receive a written request for intervention establishing the grounds for the request (including the status and interest of the party) within thirty (30) days of the initial mailing of this notice, it may take final action on the application.

Josiah Cox

President

Bluegrass Water Utility Operating Company, LLC.

APPENDIX B
(LETTER 2
CONTINUED)



BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Rate Comparison Table

Type of Charge	Service Area	Present Rates (per month)	Proposed Rates (per month)	Change Requested	
				\$	%
Total Monthly Sewer – Single Residential per unit					
	Airview Estates	\$41.36	\$96.14	\$54.78	132.4%
	Brocklyn Subdivision- Single Unit	\$40.00	\$96.14	\$56.14	140.4%
	Fox Run Estates	\$55.85	\$96.14	\$40.29	72.1%
	Great Oaks Subdivision	\$28.84	\$96.14	\$67.30	233.4%
	Golden Acres Subdivision	\$39.57	\$96.14	\$56.57	143.0%
	Kingswood Development	\$38.84	\$96.14	\$57.30	147.5%
	Lake Columbia Estates	\$50.32	\$96.14	\$45.82	91.1%
	Longview and Homestead Subdivisions	\$30.00	\$96.14	\$66.14	220.5%
	Persimmon Ridge Subdivision	\$35.00	\$96.14	\$61.14	174.7%
	City of River Bluff and environs	\$58.16	\$96.14	\$37.98	65.3%
	Timberland Subdivision	\$34.71	\$96.14	\$61.43	177.0%
	Arcadia Pines Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	Carriage Park Subdivision	\$16.00	\$96.14	\$80.14	500.9%
	Marshall Ridge Subdivision	\$15.00	\$96.14	\$81.14	540.9%
	Randview Subdivision	\$25.00	\$96.14	\$71.14	284.6%
	I-75 & Delaplain Road interchange area (Scott County)	\$12.50	\$96.14	\$83.64	669.1%
	Herrington Haven and Woodland Estates	\$49.66	\$96.14	\$46.48	93.6%
	Springcrest Sewer (Jessamine County)	\$27.43	\$96.14	\$68.71	250.5%
	Woodland Acres	\$19.47	\$96.14	\$76.67	393.8%
Total Monthly Sewer – Multi Residential per unit					
	Brocklyn Subdivision – Multi Unit	\$30.40	\$72.11	\$41.71	137.2%
	Randview Subdivision — Duplex	\$25.00	\$72.11	\$47.11	188.4%
Total Monthly Sewer Bill – Commercial (Flat)					
	Persimmon Ridge Subdivision	\$35.00 per residential equivalent of 12,000 gallons	\$240.36	\$205.36	234.7%
	Randview Subdivision	\$25 per residential equivalent	\$240.36	\$215.36	661.4%
Total Monthly Sewer – Industrial/Commercial (Metered)					
	I-75 & Delaplain Road interchange area (Scott County)	\$8.89 per 1000 gal	\$25.65 per 1000 gal	\$16.76 per 1000 gal	188.5%
Total Monthly Water Bill - Residential					
	Center Ridge	\$22.79	\$105.84	\$83.05	364.4%

December 3, 2020

Appendix C

Dear Mayor Kathy S. O'Nan,

Here with my note are the two letters sent to us (my wife and I) recently regarding the matter I spoke to you about yesterday. Again, this correspondence was the initial contact from this company to us regarding the subject.

Some things that I have learned since yesterday:

- 1). Our subdivision contains residential properties falling in three categories.
 - A. Those who participate in the present (Waldrop) lagoon sewer system.
 - B. Those who are on their own private septic system.
 - C. Those who are on the Mayfield City sewer system already (but maintain a Graves county identification).

ALL residential properties, as far as I am aware of, are on the Mayfield City Water system (city water).

- 2). Thus far in my neighborhood contacts, nearly all are "open" to the idea of switching from their lagoon sewer system onto the Mayfield City sewer system, and coming into the city identification. Those who are currently on their private septic system are less inclined to switch, unless the state were to mandate such. Those few others, (group C above) appear to be quite happy to maintain their status quo.
- 3) We are currently trying to discover the total number of residential properties who are on the lagoon system (as we are), and identify by their addresses. As soon as we have that information, we will finish our canvass of those who would be willing to switch over to the Mayfield sewer system, and then will contact you further.

Again, we certainly appreciate your willingness to listen to our concerns, and your openness to discuss this issue. Hopefully, we will be able to find a resolution to this problem soon..... one which will be amenable to all. Please feel free to call me if you might have any questions (Kevin 270-705-1665)

Thank you.

Sincere regards,



Kevin & Mary Lynne Krill
210 Bel-Aire Drive
Mayfield, KY. 42066