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June 26, 2019

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

RECEIVED

JUN 28 2019

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 a periodic update and our last letter was sent at the end of 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.

Attached to this update is a copy of the letter the attorney for the City of Murray, Warren Hopkins, sent to the No. 2 Water District. It confirms the city is pursuing the necessary steps to acquire the water district. The City Attorney had two specific requests for the Water District, a written notification to its customers of the proposed acquisition and rate increase.

Also attached to this update is a copy of the letter from the No. 2 Water District to its customers and a copy of the City of Murray's water rate schedule. This should satisfy the City of Murray's requirements from the No. 2 Water District and they are currently waiting on the City to see if there is anything else they require prior to the City Council acquiring the district.

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,

A handwritten signature in blue ink, appearing to read 'D. Perlow', with a long horizontal flourish extending to the right.

David J. Perlow, Esq.

RECEIVED

JUN 28 2019

PUBLIC SERVICE

COMMISSION  
Rebecca Garth, Attorney

HOPKINS LAW OFFICE

405 Maple Street, Suite B  
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Warren K. Hopkins, Attorney

Telephone (270) 759-9504

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March 29, 2019

Marty Futrell, Chairman  
Murray No. 2 Water District  
201 New Providence Road  
Murray, KY 42071

Re: City of Murray Proposed Acquisition of Murray No. 2 Water District

Dear Mr. Futrell,

At your request, the City of Murray is pursuing the necessary steps to acquire Murray No. 2 Water District. Before going further in this process, the City requests you take the following measures:

1. Notify, in writing, all customers of Murray No. 2 Water District, of the proposed acquisition and the fact that current rates they are paying are lower than the current rates charged by the City of Murray. Further, notify all customers that upon the City acquiring Murray No. 2 Water District, all customers' water rates will increase in accordance with the City of Murray's current water rate schedule. A copy is enclosed herewith.
2. Notify the Public Service Commission of the new estimated rate, specifically, the attached City of Murray's current water rate schedule.

The City seeks to insure that all interested parties are fully informed so as not to give the impression that the City acquired the water district and then, without notice, raised rates. Again, the rates currently charged are below the standard rates charged by the City and therefore, future rates will be increased in accordance with the attached current water rate schedule.

Please provide proof to my office that all customers, as well as the Public Service Commission, have received proper notice of the proposed acquisition and estimated rate increase.

Very truly yours,



Warren K. Hopkins  
Attorney at Law

WKH/clm  
Cc: Client



MURRAY WATER AND SEWER SYSTEM (Effective JULY 2018)

WATER RATE SCHEDULE

OUTSIDE CITY CUSTOMERS

RATE	CHARGE				
	MINIMUM BILL				20.54
FOR THE FIRST	2,000	GALLONS PER MONTH			20.54
FOR THE NEXT	4,000	GALLONS PER MONTH PER 1000	GALLONS	5.77	
FOR THE NEXT	4,000	GALLONS PER MONTH PER 1000	GALLONS	4.87	
FOR THE NEXT	50,000	GALLONS PER MONTH PER 1000	GALLONS	4.03	
ALL OVER	60,000	GALLONS PER MONTH PER 1000	GALLONS	3.75	

**TO ALL CUSTOMERS OF MURRAY #2 WATER DISTRICT  
JUNE 2019**

The Water Board of Murray #2 Water District has been in negotiations with the City of Murray, whom we purchase our water from, for the last three years to transfer the water district ownership and operation over to the City of Murray. Due to ever changing rules, regulations and restrictions, it is becoming very difficult for small districts like Murray #2 to remain in existence and operate properly and efficiently. Since the City of Murray is our water supplier and does our maintenance, we felt it most feasible and more sensible to turn the district over to them. This letter is to inform all of our customers of this transition in advance. We are hopeful that this transition will take place sometime during 2019; however, we aren't certain of a date as of yet since approval is required by the Kentucky Public Service Commission.

Once this transition is completed and the City of Murray is in operation of Murray #2 Water District, the water rates will increase to the same rates that the City of Murray charges all its "outside the city" customers. Those rates are as follows:

First 2000 gal (minimum bill)	\$20.54 per month
Next 4000 gal	\$5.77 per 1000 gal used
Next 4000 gal	\$4.87 per 1000 gal used
Next 50,000 gal	\$4.03 per 1000 gal used
All over 60,000 gal	\$3.75 per 1000 gal used

The current rate for Murray #2 for a 2000 gal water bill is \$11.67; the City of Murray rate for an "outside the city" customer for a 2000 gal water bill is \$20.54. The increase on a 2000 gal water bill is approximately \$9.00 per month plus applicable state and local taxes.

Again the purpose of this letter is to inform the customers of Murray #2 Water District well in advance of this rate increase and transfer. If you have any questions, please call Marty Futrell, Chairman at (270) 293-2828.

Thank you, 6-13-19



Marty Futrell, Chairman  
Murray #2 Water District