

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 Trimble County Water District No. 1 (“District”) of a change in water rates for users of the District'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 District in the principal amount of \$1,174,000 to be evidenced by the issuance by the District of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the District 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	\$17.50 Minimum
Next 2,000 gallons	\$6.57 Per 1,000 gallons
Next 3,000 gallons	\$5.14 Per 1,000 gallons
Next 6,000 gallons	\$3.75 Per 1,000 gallons
All Over 12,000 gallons	\$3.60 Per 1,000 gallons
<u>3/4 Inch Meter</u>	
First 5,000 gallons	\$41.50 Minimum
Next 1,000 gallons	\$5.14 Per 1,000 gallons
Next 6,000 gallons	\$3.75 Per 1,000 gallons
All Over 12,000 gallons	\$3.60 Per 1,000 gallons
<u>1 Inch Meter</u>	
First 10,000 gallons	\$62.00 Minimum
Next 2,000 gallons	\$3.75 Per 1,000 gallons
All Over 12,000 gallons	\$3.60 Per 1,000 gallons
<u>1.5 Inch Meter</u>	
First 30,000 gallons	\$133.50 Minimum
All Over 30,000 gallons	\$3.60 Per 1,000 gallons
<u>2 Inch Meter</u>	
Fist 50,000 gallons	\$205.50 Minimum
All Over 50,000 gallons	\$3.60 Per 1,000 gallons
<u>Wholesale</u>	
First 50,000 gallons	\$205.50 Minimum
All Over 50,000 gallons	\$3.60 Per 1,000 gallons
<u>Bulk Rate</u>	\$5.00 Per 1,000 gallons

Proposed Monthly Water Rates

<u>5/8 x 3/4 Inch Meter</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 1,000 gallons	\$17.50	\$0.00	0%
Next 2,000 gallons	\$7.10	\$0.53	8%
Next 3,000 gallons	\$6.10	\$0.96	19%
Next 6,000 gallons	\$5.10	\$1.35	36%
All Over 12,000 gallons	\$4.10	\$0.50	14%
 <u>3/4 Inch Meter</u>			
First 5,000 gallons	\$43.90	\$2.40	6%
Next 1,000 gallons	\$6.10	\$0.96	19%
Next 6,000 gallons	\$5.10	\$1.35	36%
All Over 12,000 gallons	\$4.10	\$0.50	14%
 <u>1 Inch Meter</u>			
First 10,000 gallons	\$70.40	\$8.40	14%
Next 2,000 gallons	\$5.10	\$1.35	36%
All Over 12,000 gallons	\$4.10	\$0.50	14%
 <u>1.5 Inch Meter</u>			
First 30,000 gallons	\$154.40	\$20.90	16%
All Over 30,000 gallons	\$4.10	\$0.50	14%
 <u>2 Inch Meter</u>			
First 50,000 gallons	\$236.40	\$30.90	15%
All Over 50,000 gallons	\$4.10	\$0.50	14%
 <u>Wholesale</u>			
First 50,000 gallons	\$236.40	\$30.90	15%
All Over 50,000 gallons	\$4.10	\$0.50	14%
 <u>Bulk Rate</u>			
	\$5.00	\$0.00	0%

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 amount of average usage for all customers in the calendar year 2016 was 4,418 gallons per month thus generating an average monthly billing based on current rates of \$37.93. The proposed monthly rates will increase the average monthly billing to \$40.35 for an impact of \$2.42 or 6.3%. 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) Trimble County Water District No. 1 Office, 34 East Morgan Drive, Bedford KY 40006; (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 District 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 District 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 20,900 linear feet of 3, 4 and 6 inch water main replacement and extensions and associated appurtenances; (ii) replacement of existing meters with radio read meters including software; (iii) repainting of 2 existing water storage tanks; (iv) construction of a new storage facility for pipe and materials; and (v) automation of the chlorine system at the clearwell. Signed: Wayne Smith, Chairman, Trimble County Water District No. 1.