

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 Wood Creek Water District ("District") of a change in sewer rates for users of the District's sewer system. The changes in sewer 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 \$896,000 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 sewer rates as set forth below:

Current Monthly Sewer Rates

<u>5/8" x 3/4" Meters</u>		<u>Monthly Rate</u>	
First	2,000 gallons	\$24.22	Minimum
Next	1,500 gallons	\$8.78	Per 1,000 gallons
Next	1,500 gallons	\$8.14	Per 1,000 gallons
Next	2,500 gallons	\$7.29	Per 1,000 gallons
All Over	7,500 gallons	\$6.36	Per 1,000 gallons
 <u>1" Meters</u>		 <u>Monthly Rate</u>	
First	5,000 gallons	\$49.60	Minimum
Next	2,500 gallons	\$7.29	Per 1,000 gallons
All Over	7,500 gallons	\$6.36	Per 1,000 gallons
 <u>2" Meters</u>		 <u>Monthly Rate</u>	
First	20,000 gallons	\$147.30	Minimum
All Over	20,000 gallons	\$6.36	Per 1,000 gallons
 <u>3" Meters</u>		 <u>Monthly Rate</u>	
First	30,000 gallons	\$210.87	Minimum
All Over	30,000 gallons	\$6.36	Per 1,000 gallons
 <u>6" Meters</u>		 <u>Monthly Rate</u>	
First	100,000 gallons	\$655.85	Minimum
All Over	100,000 gallons	\$6.36	Per 1,000 gallons

Proposed Monthly Sewer Rates

<u>5/8" x 3/4" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 2,000 gallons	\$25.86	\$1.64	6.77%
Next 1,500 gallons	\$9.37	\$0.59	6.72%
Next 1,500 gallons	\$8.69	\$0.55	6.76%
Next 2,500 gallons	\$7.78	\$0.49	6.72%
All Over 7,500 gallons	\$6.79	\$0.43	6.76%

<u>1" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 5,000 gallons	\$52.96	\$1.61	6.77%
Next 2,500 gallons	\$7.78	\$0.49	6.72%
All Over 7,500 gallons	\$6.79	\$0.43	6.76%
<u>2" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 20,000 gallons	\$157.28	\$9.98	6.78%
All Over 20,000 gallons	\$6.79	\$0.43	6.76%
<u>3" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 30,000 gallons	\$225.15	\$14.28	6.77%
All Over 30,000 gallons	\$6.79	\$0.43	6.76%
<u>6" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 100,000 gallons	\$700.28	\$45.86	6.77%
All Over 100,000 gallons	\$6.79	\$0.43	6.76%

The proposed monthly sewer 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 5,685 gallons per month thus generating an average monthly billing based on current rates of \$54.59. The proposed monthly rates will increase the average monthly billing to \$58.28 for an impact of \$3.69 or 6.76%. 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) Wood Creek Water District Office, 1670 E. Hal Rogers Parkway, London, KY 40741; (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 installation of (i) approximately 8,800 linear feet of 2 and 3" sewer force main plus all necessary appurtenances along KY 1225 (Slate Lick Road) and through Binder Subdivision, and the purchase and delivery of 300 individual grinder pumps and a trailer-mounted generator. Signed: Glenn Williams, Chairman, Wood Creek Water District.