

RECEIVED

DEC 10 2018

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE GREEN-TAYLOR)
WATER DISTRICT FOR THE ISSUANCE OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT AND FINANCE A) Case No. 2018-00368
WATER SYSTEM IMPROVEMENTS PROJECT)
PURSUANT TO KRS 278.020, KRS 278.300 AND)
807 KAR 5:001)

Response to Commission Staff's Request for Information

The Green-Taylor Water District (the "District"), by counsel, hereby files its Response to the Commission Staff's Request for Information, dated November 29, 2018, as follows:

Q 1. Refer to the application, page 9, which references the District's intention to create a Capital Improvement Plan for future projects. State whether the District has ever completed a Capital Improvement Plan. If so, provide to the Commission a copy of each Capital Improvement Plan with its respective date of creation.

WITNESS: Josh Pedigo, General Manager, Green-Taylor Water District

RESPONSE 1:

The District completed Capital Improvement Plans in August, 2017 and February, 2018. With the help of a tool, C.I.P. Plan to Pay, developed by the University of North Carolina's Environmental Finance Center, the District has looked at the practicality of projects over the past two years. However, through this process, the District has realized that they need to do more in-depth planning to ensure the viability both financially and operationally of the District's current assets moving forward. The District's August, 2017 and February, 2018 Plan to Pay: Capital Improvement Plans are attached hereto as **Exhibit "A"**.

Q 2. Refer to the Kentucky Infrastructure Authority ("KIA") Federally Assisted Drinking Water Revolving Fund Conditional Commitment Letter, dated September 28, 2018, Attachment A, Project Review. On page 3, KIA states, "The project will qualify for a 1.75 percent interest rate based on their status as a regional provider and the project's intent to address an Agreed Order." Identify the Agreed Order that KIA is referring to and how the proposed Project addresses that Agreed Order.

WITNESS: Josh Pedigo, General Manager, Green-Taylor Water District

RESPONSE 2:

The Commonwealth of Kentucky Energy and Environmental Cabinet; Division of Enforcement ("Cabinet") issued Agreed Order #150193 on February 2, 2016 between the Cabinet and the District (a copy of Agreed Order #150193 is attached hereto as **Exhibit "B"**). The proposed Project addresses the Agreed Order for Disinfection Byproducts in two ways. First, portions of the Project create loops in areas of the District's system that allows for water turnover which will keep the water in those portions of the system from aging unnecessarily and have better turnover to help with water age in those areas. Also, the Project strengthens portions of the system to allow for the District to purchase more water from other suppliers that do not have disinfection byproduct issues.

The undersigned has prepared this Response as Counsel to and on behalf of the Green-Taylor Water District, a governmental agency, and hereby certifies that this Response is true and accurate to the best of the undersign's knowledge, information and belief formed after a reasonable inquiry.

Respectfully Submitted:

Rubin & Hays

By 
W. Randall Jones, Esq., Counsel for the
Green-Taylor Water District
Kentucky Home Trust Building
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Louisville, Kentucky 40202
Telephone: (502) 569-7525
Fax: (502) 569-7555
Email: wrjones@rubinhays.com

Certificate of Service and Filing

The undersigned, Counsel to the Green-Taylor Water District, in Case No. 2018-00368, hereby certifies (i) that an original and ten copies of the foregoing were mailed via the United States Postal Service, first class, postage prepaid, to Ms. Gwen R. Pinson, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; and (ii) that true and accurate copies of the foregoing were mailed via the United States Postal Service, first class, postage prepaid to all parties of record, all on this December 4, 2018.

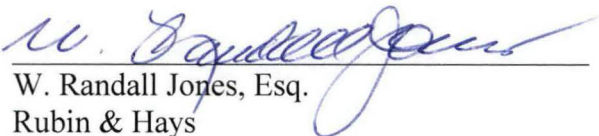

W. Randall Jones, Esq.
Rubin & Hays

EXHIBIT A-1

AUGUST, 2017 CAPITAL IMPROVEMENT PLAN

Plan to Pay: Scenarios to Fund your C.I.P.

Utility Operations and Characteristics

Next:
Enter C.I.P. Projects

View Fund Balance

View Dashboard



| Name of Utility |
|-----------------------------|
| Green-Taylor Water District |

| Type of Utility |
|-----------------|
| Water Only |

| Current Fiscal Year |
|---------------------|
| FY17 |

Only capital projects that start next year (i.e.: in FY18) for the next 20 years can be included in this Capital Improvement Plan.

| Water Only Rates in FY17 | |
|---|----------|
| Input the residential water rates at 5,000 gallons/month of use (or 6.7 ccf/month). Convert to monthly rates. | |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$ 8.50 |
| Monthly Base Charge ("Minimum Charge") | \$ 20.40 |
| Volume Included with the Base Charge (1,000's of gallons) | 2 |

Apprx. Residential Bill (5,000 gallons/month): \$ 45.90

Assuming uniform rates up to 5,000 gallons/month. This number is illustrative only.

Expected Revenue from Rates in FY17: \$ 2,699,940

| Existing Capital Reserves by End of FY17 | \$ 1,687,500 |
|--|--------------|
| Target Minimum Not Allocated to Future Cash-Financed Projects* | \$ 2,000,000 |
| Average Annual Interest Earnings on Reserves (%/year) | 0.99% |

* The target minimum non-allocated balance is equivalent to 47% of this year's non-capital expenditures (enough to pay for 5.6 months of day-to-day O&M expenditures)

| Expected Revenues and Expenses in FY17 | |
|---|--------------|
| Annual Operating and Non-operating Revenues | \$ 5,000,000 |
| Annual Non-Capital Expenditures (O&M, Admin., etc.) | \$ 4,250,000 |
| Expected Annual Inflation of Expenditures (%/year) | 2.7% |

| Usage Billed to Customers in FY17 | | |
|--|-------------|-----------------|
| | Residential | Non-residential |
| Number of Customers | 4,850 | 75 |
| Total Monthly Use (1,000's of gallons) | 22,500 | 2,000 |
| Annual Customer Base Growth (%/year) | 1.0% | 1.2% |
| Change in Average Water Use (%/year) | -2.0% | 0.0% |

Average Water Use (gallons/month): 4,639 26,667

Pre-Existing Debt Service

Input annual payments for debt incurred for all projects not listed in this C.I.P. (incl. past projects)

| | |
|------|------------|
| FY17 | \$ 327,633 |
| FY18 | \$ 654,860 |
| FY19 | \$ 660,442 |
| FY20 | \$ 576,540 |
| FY21 | \$ 573,837 |
| FY22 | \$ 580,530 |
| FY23 | \$ 565,155 |
| FY24 | \$ 577,950 |
| FY25 | \$ 610,085 |
| FY26 | \$ 601,770 |
| FY27 | \$ 485,120 |
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| FY29 | \$ 229,210 |
| FY30 | \$ 242,920 |
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| FY34 | \$ 216,690 |
| FY35 | \$ 229,415 |
| FY36 | \$ 152,947 |
| FY37 | \$ 79,180 |
| FY38 | \$ 76,765 |

This model estimates rate increases needed to pay for this CIP, but does not prescribe rate increases. Projections are purely illustrative. A rate study is still necessary. For example, a utility might choose to mitigate large future rate increases by spreading them out in the intervening period.

Capital Improvement Projects Starting in FY18 - FY37

Edit Inputs

[View the Dashboard](#)

Next:

View the 20 Year Fund

Tool developed by

[illegible]

1

[illegible]

BOGUES BANKS FY08 - FY12 PROJECTIONS

20-Year Projections

Plan to Pay: Scenarios to Fund your C.I.P.
20-Year Fund Balance and Estimated Rate Increase Projections

View-only. No edits are needed.

Edit Inputs

Edit C.I.P. Projects

Next:
View the Dashboard
of Long-Term Trends

Tool developed by

UNC
 GOVERNMENTAL
 FINANCE CENTER

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Estimated Rate Changes Needed to Maintain the Fund Balance | | | | | | | | | | | | | |
| 1-Year Increase (Decrease) in Rates (Base and Volumetric) | N/A | 21.2% | 0.3% | 0.3% | 0.0% | 0.0% | 0.0% | 1.9% | 3.9% | 3.7% | 1.8% | 0.8% | 3.1% |
| Increase (Decrease) in the Monthly Bill for 5,000 Gallons | N/A | \$9.73 | \$0.15 | \$0.15 | \$0.00 | \$0.00 | \$0.00 | \$1.09 | \$2.20 | \$2.20 | \$1.11 | \$0.52 | \$1.95 |
| Increase (Decrease) in the Monthly Base Charge | N/A | \$4.33 | \$0.07 | \$0.07 | \$0.00 | \$0.00 | \$0.00 | \$0.49 | \$1.00 | \$1.00 | \$0.50 | \$0.24 | \$0.68 |
| Monthly Base Charge ("Minimum Charge") | \$20.40 | \$24.73 | \$24.80 | \$24.87 | \$24.87 | \$24.87 | \$24.87 | \$25.36 | \$26.36 | \$27.36 | \$27.86 | \$28.10 | \$28.96 |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$8.50 | \$10.30 | \$10.33 | \$10.36 | \$10.36 | \$10.36 | \$10.36 | \$10.56 | \$10.96 | \$11.36 | \$11.56 | \$11.66 | \$12.01 |
| Volume Included with the Base Charge (1,000's of gallons) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Approximate Monthly Charge for 5,000 gallons (\$) | \$45.90 | \$55.63 | \$55.79 | \$55.94 | \$55.94 | \$55.94 | \$55.94 | \$57.03 | \$59.23 | \$61.44 | \$62.55 | \$63.07 | \$65.01 |
| Projected Fund Balance | | | | | | | | | | | | | |
| Total Revenues | \$ 5,000,000 | \$ 5,589,401 | \$ 5,603,555 | \$ 5,617,087 | \$ 5,619,689 | \$ 5,616,656 | \$ 5,621,833 | \$ 5,687,226 | \$ 5,813,843 | \$ 5,939,124 | \$ 6,003,451 | \$ 6,035,579 | \$ 6,147,123 |
| Base Charges | \$ 1,205,640 | \$ 1,476,053 | \$ 1,495,052 | \$ 1,514,283 | \$ 1,529,472 | \$ 1,544,814 | \$ 1,560,309 | \$ 1,607,225 | \$ 1,687,220 | \$ 1,768,659 | \$ 1,819,346 | \$ 1,853,152 | \$ 1,930,522 |
| Usage Charges | \$ 1,494,300 | \$ 1,773,511 | \$ 1,740,822 | \$ 1,708,126 | \$ 1,670,903 | \$ 1,633,870 | \$ 1,597,026 | \$ 1,590,292 | \$ 1,612,201 | \$ 1,631,447 | \$ 1,620,252 | \$ 1,593,067 | \$ 1,599,990 |
| Interest Earned from Previous Year's Positive Balance | N/A | \$ 16,706 | \$ 21,248 | \$ 24,707 | \$ 25,573 | \$ 20,220 | \$ 22,494 | \$ 23,210 | \$ 23,181 | \$ 22,788 | \$ 22,382 | \$ 22,397 | \$ 23,897 |
| Revenues from Other Sources Besides Charges | \$ 2,300,060 | \$ 2,323,131 | \$ 2,346,433 | \$ 2,369,969 | \$ 2,393,741 | \$ 2,417,752 | \$ 2,442,004 | \$ 2,466,499 | \$ 2,491,240 | \$ 2,516,230 | \$ 2,541,470 | \$ 2,566,964 | \$ 2,592,713 |
| Total Expenses, Including Capital | \$ 4,577,833 | \$ 5,130,665 | \$ 5,254,095 | \$ 5,529,702 | \$ 6,160,330 | \$ 5,386,949 | \$ 5,549,516 | \$ 5,690,158 | \$ 5,853,592 | \$ 5,980,122 | \$ 6,001,957 | \$ 5,884,006 | \$ 6,034,335 |
| Pre-Existing Non-Capital Expenses (O&M, admin, etc.) | \$ 4,250,000 | \$ 4,364,750 | \$ 4,482,598 | \$ 4,603,628 | \$ 4,727,926 | \$ 4,855,580 | \$ 4,986,681 | \$ 5,121,321 | \$ 5,259,597 | \$ 5,401,606 | \$ 5,547,450 | \$ 5,697,231 | \$ 5,851,056 |
| C.I.P. Projects: Additional Non-Capital Annual Expenses | \$ - | \$ - | \$ - | \$ - | \$ (240,000) | \$ (244,980) | \$ (251,564) | \$ (256,388) | \$ (265,364) | \$ (272,529) | \$ (279,887) | \$ (287,444) | \$ (295,205) |
| Pre-Existing Debt Service | \$ 327,633 | \$ 654,860 | \$ 660,442 | \$ 576,540 | \$ 573,637 | \$ 580,530 | \$ 565,155 | \$ 577,550 | \$ 610,085 | \$ 601,770 | \$ 485,120 | \$ 224,945 | \$ 229,210 |
| C.I.P. Projects: Debt Service | \$ - | \$ 111,055 | \$ 111,055 | \$ 195,818 | \$ 195,818 | \$ 195,818 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 |
| C.I.P. Projects: Cash-Financed from Capital Reserves | \$ - | \$ - | \$ - | \$ 153,715 | \$ 902,748 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Income | \$ 422,367 | \$ 458,736 | \$ 349,459 | \$ 87,386 | \$ (540,641) | \$ 229,707 | \$ 72,317 | \$ (2,932) | \$ (39,749) | \$ (40,998) | \$ 1,494 | \$ 151,573 | \$ 112,768 |
| Financial Reserves - Ending Balance | \$ 1,687,500 | \$ 2,146,236 | \$ 2,495,696 | \$ 2,583,061 | \$ 2,042,440 | \$ 2,272,147 | \$ 2,344,464 | \$ 2,341,533 | \$ 2,301,783 | \$ 2,260,785 | \$ 2,262,279 | \$ 2,413,853 | \$ 2,526,640 |
| Allocated for Future C.I.P. Cash-Financed Projects | \$ - | \$ 137,252 | \$ 423,524 | \$ 566,081 | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) |
| Not Allocated to Future C.I.P. Cash-Financed Projects | \$ 1,687,500 | \$ 2,008,984 | \$ 2,072,171 | \$ 2,027,000 | \$ 2,179,692 | \$ 2,409,399 | \$ 2,481,717 | \$ 2,478,785 | \$ 2,439,036 | \$ 2,398,037 | \$ 2,399,531 | \$ 2,551,105 | \$ 2,663,893 |
| * should exceed target set on first page: \$2,000,000 | | | | | | | | | | | | | |
| As Percent of Non-Capital Expenses | 40% | 46% | 46% | 44% | 49% | 52% | 52% | 51% | 49% | 47% | 46% | 47% | 48% |

20-Year Projections

[illegible]

20-Year Projections

20-Year Projections

BOGUES BANKS FY08 - FY12 PROJECTIONS

20-Year Projections

Plan to Pay: Sot
20-Year Fund Balance and

View-only. No edits are needed.

| | FY30 | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 | FY37 | Total |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| Estimated Rate Changes Needed to Maintain the Fund | | | | | | | | | |
| 1-Year Increase (Decrease) in Rates (Base and Volumetric) | 4.5% | 4.9% | 4.1% | 4.1% | 3.5% | 3.0% | 2.1% | 2.2% | |
| Increase (Decrease) in the Monthly Bill for 5,000 Gallons | \$2.92 | \$3.35 | \$2.90 | \$3.06 | \$2.73 | \$2.41 | \$1.71 | \$1.81 | |
| Increase (Decrease) in the Monthly Base Charge | \$1.33 | \$1.52 | \$1.32 | \$1.39 | \$1.24 | \$1.10 | \$0.78 | \$0.82 | |
| Monthly Base Charge ("Minimum Charge") | \$30.30 | \$31.82 | \$33.14 | \$34.53 | \$35.77 | \$36.87 | \$37.65 | \$38.47 | |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$12.54 | \$13.15 | \$13.68 | \$14.24 | \$14.74 | \$15.17 | \$15.49 | \$15.81 | |
| Volume Included with the Base Charge (1,000's of gallons) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| Approximate Monthly Charge for 5,000 gallons (\$) | \$67.94 | \$71.28 | \$74.19 | \$77.25 | \$79.98 | \$82.39 | \$84.10 | \$85.91 | |
| Projected Fund Balance | | | | | | | | | |
| Total Revenues | \$ 6,310,529 | \$ 6,495,681 | \$ 6,656,092 | \$ 6,824,014 | \$ 6,973,169 | \$ 7,104,523 | \$ 7,198,193 | \$ 7,296,680 | |
| Base Charges | \$ 2,039,079 | \$ 2,162,799 | \$ 2,274,980 | \$ 2,394,318 | \$ 2,505,184 | \$ 2,607,800 | \$ 2,689,603 | \$ 2,776,013 | |
| Usage Charges | \$ 1,627,715 | \$ 1,661,764 | \$ 1,681,879 | \$ 1,702,093 | \$ 1,711,623 | \$ 1,711,441 | \$ 1,694,635 | \$ 1,677,820 | |
| Interest Earned from Previous Year's Positive Balance | \$ 25,014 | \$ 26,127 | \$ 27,711 | \$ 29,281 | \$ 30,971 | \$ 32,552 | \$ 33,611 | \$ 34,611 | |
| Revenues from Other Sources Besides Charges | \$ 2,618,721 | \$ 2,644,990 | \$ 2,671,523 | \$ 2,698,322 | \$ 2,725,390 | \$ 2,752,730 | \$ 2,780,344 | \$ 2,808,235 | |
| Total Expenses, Including Capital | \$ 6,198,053 | \$ 6,335,678 | \$ 6,497,509 | \$ 6,653,339 | \$ 6,813,466 | \$ 6,997,573 | \$ 7,097,115 | \$ 7,204,110 | |
| Pre-Existing Non-Capital Expenses (O&M, admin, etc.) | \$ 6,009,034 | \$ 6,171,278 | \$ 6,337,903 | \$ 6,509,026 | \$ 6,684,770 | \$ 6,865,259 | \$ 7,050,621 | \$ 7,240,968 | |
| C.I.P. Projects: Additional Non-Capital Annual Expenses | \$ (303,176) | \$ (311,361) | \$ (319,768) | \$ (328,402) | \$ (337,269) | \$ (346,375) | \$ (355,727) | \$ (365,332) | |
| Pre-Existing Debt Service | \$ 242,920 | \$ 226,487 | \$ 230,100 | \$ 223,440 | \$ 216,690 | \$ 229,415 | \$ 152,947 | \$ 79,180 | |
| C.I.P. Projects: Debt Service | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | \$ 249,274 | |
| C.I.P. Projects: Cash-Financed from Capital Reserves | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Net Income | \$ 112,476 | \$ 160,003 | \$ 158,583 | \$ 170,675 | \$ 159,703 | \$ 106,950 | \$ 101,078 | \$ 92,569 | |
| Financial Reserves - Ending Balance | \$ 2,639,117 | \$ 2,799,119 | \$ 2,957,702 | \$ 3,128,377 | \$ 3,288,081 | \$ 3,395,030 | \$ 3,496,108 | \$ 3,588,676 | |
| Allocated for Future C.I.P. Cash-Financed Projects | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | \$ (137,252) | |
| Not Allocated to Future C.I.P. Cash-Financed Projects | \$ 2,776,369 | \$ 2,936,371 | \$ 3,094,955 | \$ 3,265,630 | \$ 3,425,333 | \$ 3,532,283 | \$ 3,633,361 | \$ 3,725,930 | |
| * should exceed target set on first page: \$2,000,000 | | | | | | | | | |
| As Percent of Non-Capital Expenses | 49% | 50% | 51% | 53% | 54% | 54% | 54% | 54% | |

20-Year Projections

| | | | | | | | | | | | | | | | | | | | | | | |
|---|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|---------|----|---------|----|------------|
| Capital Expenses on C.I.P.'s Projects (Debt Service + Cash) | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 249,274 | \$ | 5,605,142 |
| Cumulative Investment in C.I.P.'s Capital Projects | \$ | 3,860,223 | \$ | 4,109,497 | \$ | 4,358,771 | \$ | 4,608,045 | \$ | 4,857,320 | \$ | 5,106,594 | \$ | 5,355,868 | \$ | 5,605,142 | | | | | | |
| Expenses on All Capital Projects, Including Pre-Existing Debt | \$ | 492,194 | \$ | 475,761 | \$ | 479,374 | \$ | 472,714 | \$ | 465,964 | \$ | 478,689 | \$ | 402,221 | \$ | 328,454 | \$ | | | | | 14,227,602 |
| Cumulative Investment in Capital Projects, Incl. Pre-Existing | \$ | 10,771,220 | \$ | 11,246,981 | \$ | 11,726,355 | \$ | 12,199,069 | \$ | 12,665,034 | \$ | 13,143,723 | \$ | 13,545,944 | \$ | 13,874,396 | | | | | | |

Green-Taylor CIP

20-Year Projections

New Allocations Made for Future Cash-Financed Projects

Green-Taylor CIP

Dashboard for Green-Taylor Water District's 20-year Water Only C.I.P. starting in FY17

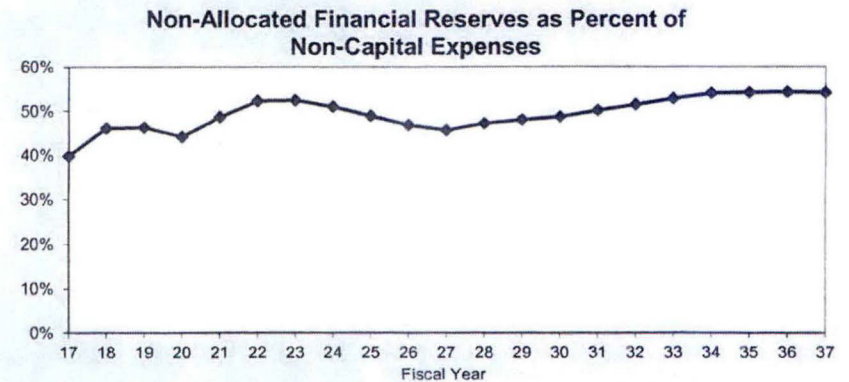
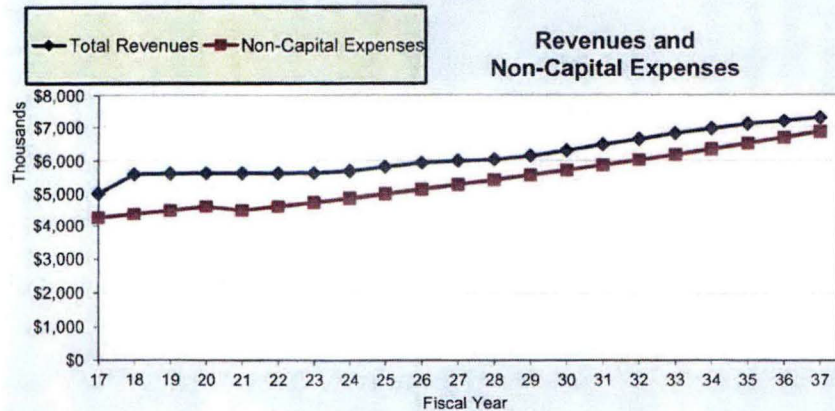
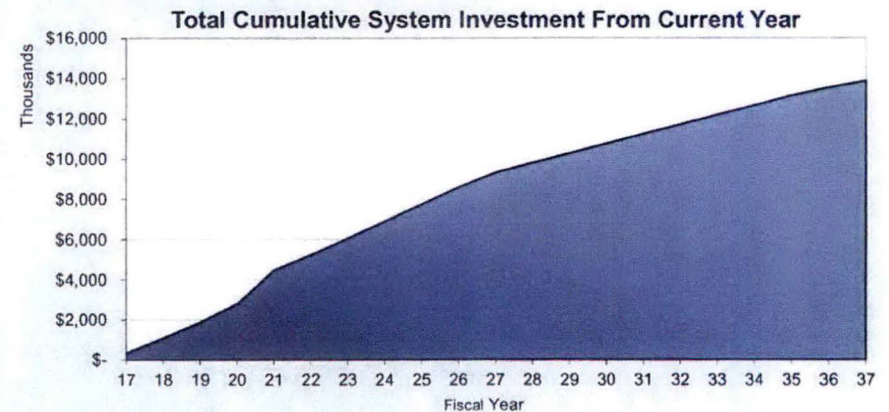
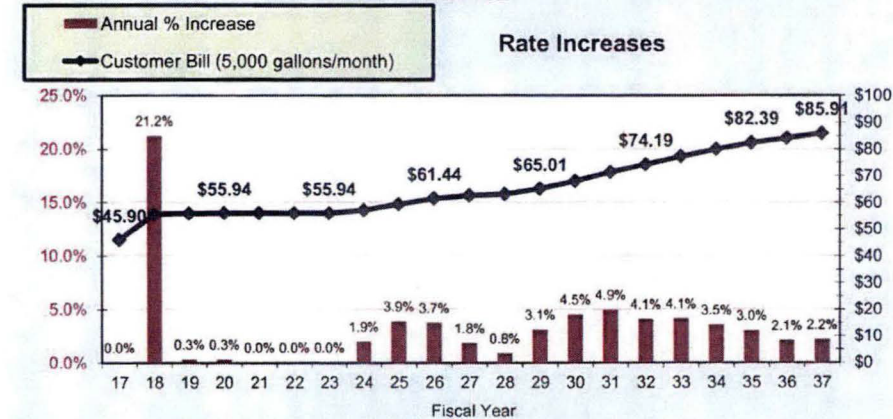
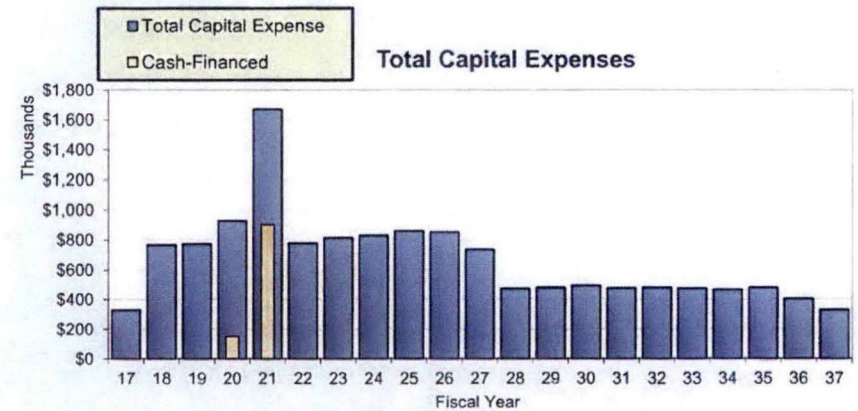
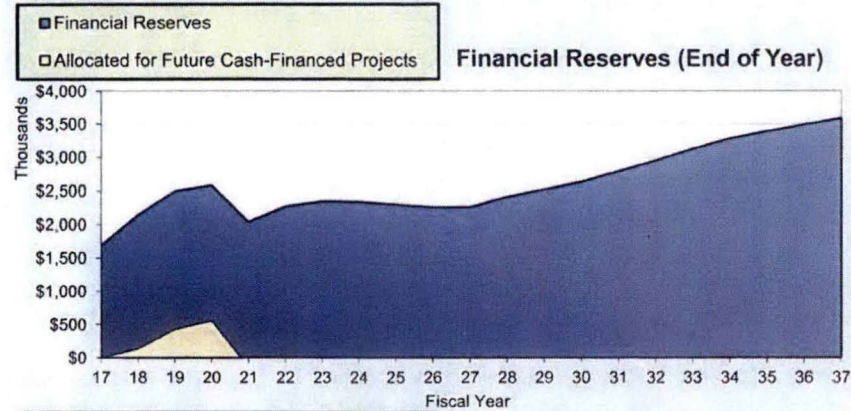


EXHIBIT A-2

FEBRUARY, 2018 CAPITAL IMPROVEMENT PLAN

Plan to Pay: Scenarios to Fund your C.I.P.

Utility Operations and Characteristics

Next:
Enter C.I.P. Projects

View Fund Balance

View Dashboard

Tool developed by



| Name of Utility |
|-----------------------------|
| Green-Taylor Water District |

| Type of Utility |
|-----------------|
| Water Only |

| Current Fiscal Year |
|---------------------|
| FY18 |

Only capital projects that start next year (i.e.: in FY19) for the next 20 years can be included in this Capital Improvement Plan.

| Water Only Rates in FY18 | |
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Apprx. Residential Bill (5,000 gallons/month): \$ 45.90

Assuming uniform rates up to 5,000 gallons/month. This number is illustrative only.

Expected Revenue from Rates in FY18: \$ 2,699,940

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* The target minimum non-allocated balance is equivalent to 47% of this year's non-capital expenditures (enough to pay for 5.6 months of day-to-day O&M expenditures)

| Expected Revenues and Expenses in FY18 | |
|---|--------------|
| Annual Operating and Non-operating Revenues | \$ 5,000,000 |
| Annual Non-Capital Expenditures (O&M, Admin., etc.) | \$ 4,250,000 |
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| Usage Billed to Customers in FY18 | | |
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| | Residential | Non-residential |
| Number of Customers | 4,850 | 75 |
| Total Monthly Use (1,000's of gallons) | 22,500 | 2,000 |
| Annual Customer Base Growth (%/year) | 1.0% | 1.2% |
| Change in Average Water Use (%/year) | -2.0% | 0.0% |

Average Water Use (gallons/month): 4,639 26,667

Pre-Existing Debt Service

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Plan to Pay: Scenarios to Fund your C.I.P.

Utility Operations and Characteristics

Next:
Enter C.I.P. Projects

View Fund Balance

View Dashboard

Tool developed by
 **UNC**
ENVIRONMENTAL
FINANCE CENTER

| Name of Utility |
|------------------------------------|
| Green-Taylor Water District |

| Type of Utility |
|-------------------|
| Water Only |

| Current Fiscal Year |
|---------------------|
| FY18 |

Only capital projects that start next year (i.e.: in FY19) for the next 20 years can be included in this Capital Improvement Plan.

| Water Only Rates in FY18 | |
|---|-----------------|
| Input the residential water rates at 5,000 gallons/month of use (or 6.7 ccf/month). Convert to monthly rates. | |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$ 8.50 |
| Monthly Base Charge ("Minimum Charge") | \$ 20.40 |
| Volume Included with the Base Charge (1,000's of gallons) | 2 |

Apprx. Residential Bill (5,000 gallons/month): \$ 45.90

Assuming uniform rates up to 5,000 gallons/month. This number is illustrative only.

Expected Revenue from Rates in FY18: \$ 2,699,940

| Existing Capital Reserves by End of FY18 | \$ 1,687,500 |
|--|---------------------|
| Target Minimum Not Allocated to Future Cash-Financed Projects* | \$ 2,000,000 |
| Average Annual Interest Earnings on Reserves (%/year) | 0.99% |

* The target minimum non-allocated balance is equivalent to 47% of this year's non-capital expenditures (enough to pay for 5.6 months of day-to-day O&M expenditures)

| Expected Revenues and Expenses in FY18 | |
|---|---------------------|
| Annual Operating and Non-operating Revenues | \$ 5,000,000 |
| Annual Non-Capital Expenditures (O&M, Admin., etc.) | \$ 4,250,000 |
| Expected Annual Inflation of Expenditures (%/year) | 2.7% |

| Usage Billed to Customers in FY18 | | |
|--|---------------|-----------------|
| | Residential | Non-residential |
| Number of Customers | 4,850 | 75 |
| Total Monthly Use (1,000's of gallons) | 22,500 | 2,000 |
| Annual Customer Base Growth (%/year) | 1.0% | 1.2% |
| Change in Average Water Use (%/year) | -2.0% | 0.0% |

Average Water Use (gallons/month): 4,639 26,667

Pre-Existing Debt Service
Input annual payments for debt incurred for all projects not listed in this C.I.P. (incl. past projects)

| | |
|------|-------------------|
| FY18 | \$ 327,633 |
| FY19 | \$ 654,860 |
| FY20 | \$ 660,442 |
| FY21 | \$ 576,540 |
| FY22 | \$ 573,837 |
| FY23 | \$ 580,530 |
| FY24 | \$ 565,155 |
| FY25 | \$ 577,950 |
| FY26 | \$ 610,085 |
| FY27 | \$ 601,770 |
| FY28 | \$ 485,120 |
| FY29 | \$ 224,945 |
| FY30 | \$ 229,210 |
| FY31 | \$ 242,920 |
| FY32 | \$ 226,487 |
| FY33 | \$ 230,100 |
| FY34 | \$ 223,440 |
| FY35 | \$ 216,690 |
| FY36 | \$ 229,415 |
| FY37 | \$ 152,947 |
| FY38 | \$ 79,180 |
| FY39 | \$ 76,765 |

This model estimates rate increases needed to pay for this CIP, but does not prescribe rate increases. Projections are purely illustrative. A rate study is still necessary. For example, a utility might choose to mitigate large future rate increases by spreading them out in the intervening period.

Plan to Pay: Scenarios to Fund your C.I.P.
20-Year Fund Balance and Estimated Rate Increase Projections

[Edit Inputs](#)

Next:
[View the Dashboard
of Long-Term Trends](#)



View-only. No edits are needed.

| | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Estimated Rate Changes Needed to Maintain the Fund Balance | | | | | | | | | | | | | |
| 1-Year Increase (Decrease) in Rates (Base and Volumetric) | N/A | 26.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 2.3% | 6.1% |
| Increase (Decrease) in the Monthly Bill for 5,000 Gallons | N/A | \$12.02 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1.35 | \$3.64 |
| Increase (Decrease) in the Monthly Base Charge | N/A | \$5.34 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.61 | \$1.65 |
| Monthly Base Charge ("Minimum Charge") | \$20.40 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$25.74 | \$26.36 | \$28.01 |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$8.50 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.73 | \$10.97 | \$11.64 |
| Volume Included with the Base Charge (1,000's of gallons) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Approximate Monthly Charge for 5,000 gallons (\$) | \$45.90 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$57.92 | \$59.27 | \$62.91 |
| Projected Fund Balance | | | | | | | | | | | | | |
| Total Revenues | \$ 5,000,000 | \$ 5,723,095 | \$ 5,728,729 | \$ 5,731,123 | \$ 5,728,881 | \$ 5,734,820 | \$ 5,739,635 | \$ 5,744,016 | \$ 5,747,645 | \$ 5,750,290 | \$ 5,752,308 | \$ 5,828,680 | \$ 6,031,420 |
| Base Charges | \$ 1,205,640 | \$ 1,536,708 | \$ 1,552,122 | \$ 1,567,691 | \$ 1,583,416 | \$ 1,599,298 | \$ 1,615,341 | \$ 1,631,544 | \$ 1,647,910 | \$ 1,664,440 | \$ 1,681,136 | \$ 1,738,352 | \$ 1,865,738 |
| Usage Charges | \$ 1,494,300 | \$ 1,846,550 | \$ 1,807,592 | \$ 1,768,841 | \$ 1,730,293 | \$ 1,691,943 | \$ 1,653,789 | \$ 1,615,827 | \$ 1,578,052 | \$ 1,540,461 | \$ 1,503,050 | \$ 1,499,413 | \$ 1,549,794 |
| Interest Earned from Previous Year's Positive Balance | N/A | \$ 16,706 | \$ 22,582 | \$ 24,622 | \$ 21,432 | \$ 25,826 | \$ 29,502 | \$ 30,146 | \$ 30,443 | \$ 29,160 | \$ 26,653 | \$ 23,951 | \$ 23,175 |
| Revenues from Other Sources Besides Charges | \$ 2,300,060 | \$ 2,323,131 | \$ 2,346,433 | \$ 2,369,969 | \$ 2,393,741 | \$ 2,417,752 | \$ 2,442,004 | \$ 2,466,499 | \$ 2,491,240 | \$ 2,516,230 | \$ 2,541,470 | \$ 2,566,964 | \$ 2,592,713 |
| Total Expenses, Including Capital | \$ 4,577,633 | \$ 5,129,565 | \$ 5,522,670 | \$ 6,053,402 | \$ 5,284,970 | \$ 5,484,601 | \$ 5,573,534 | \$ 5,713,993 | \$ 5,877,239 | \$ 6,003,575 | \$ 6,025,211 | \$ 5,907,056 | \$ 6,057,176 |
| Pre-Existing Non-Capital Expenses (O&M, admin, etc.) | \$ 4,250,000 | \$ 4,364,750 | \$ 4,482,598 | \$ 4,603,628 | \$ 4,727,626 | \$ 4,855,580 | \$ 4,988,681 | \$ 5,121,321 | \$ 5,259,597 | \$ 5,401,606 | \$ 5,547,450 | \$ 5,697,231 | \$ 5,851,056 |
| C.I.P. Projects: Additional Non-Capital Annual Expenses | \$ - | \$ - | \$ - | \$ (240,000) | \$ (244,980) | \$ (251,594) | \$ (258,388) | \$ (265,364) | \$ (272,529) | \$ (279,887) | \$ (287,444) | \$ (295,205) | \$ (303,176) |
| Pre-Existing Debt Service | \$ 327,633 | \$ 654,860 | \$ 660,442 | \$ 576,540 | \$ 573,837 | \$ 580,530 | \$ 565,155 | \$ 577,950 | \$ 610,085 | \$ 601,770 | \$ 485,120 | \$ 224,945 | \$ 229,210 |
| C.I.P. Projects: Debt Service | \$ - | \$ 109,955 | \$ 228,187 | \$ 228,187 | \$ 228,187 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 |
| C.I.P. Projects: Cash-Financed from Capital Reserves | \$ - | \$ - | \$ 151,443 | \$ 885,047 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Net Income | \$ 422,367 | \$ 593,530 | \$ 206,060 | \$ (322,280) | \$ 443,911 | \$ 270,219 | \$ 166,101 | \$ 30,023 | \$ (129,594) | \$ (253,284) | \$ (272,903) | \$ (78,376) | \$ (25,756) |
| Financial Reserves - Ending Balance | \$ 1,687,500 | \$ 2,281,030 | \$ 2,487,089 | \$ 2,164,810 | \$ 2,608,721 | \$ 2,878,940 | \$ 3,045,041 | \$ 3,075,064 | \$ 2,945,470 | \$ 2,692,186 | \$ 2,419,283 | \$ 2,340,907 | \$ 2,315,152 |
| Allocated for Future C.I.P. Cash-Financed Projects | \$ - | \$ 281,030 | \$ 410,617 | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) |
| Not Allocated to Future C.I.P. Cash-Financed Projects | \$ 1,687,500 | \$ 2,000,000 | \$ 2,076,473 | \$ 2,433,932 | \$ 2,877,843 | \$ 3,148,062 | \$ 3,314,164 | \$ 3,344,187 | \$ 3,214,593 | \$ 2,961,309 | \$ 2,688,406 | \$ 2,610,030 | \$ 2,584,274 |
| * should exceed target set on first page: \$2,000,000 | | | | | | | | | | | | | |
| As Percent of Non-Capital Expenses | 40% | 46% | 46% | 56% | 64% | 68% | 70% | 69% | 64% | 58% | 51% | 48% | 47% |

20-Year Projections

Green-Taylor CIP

20-Year Projections

Green-Taylor CIP

Plan to Pay: See
20-Year Fund Balance and

View-only. No edits are needed.

| | FY31 | FY32 | FY33 | FY34 | FY35 | FY36 | FY37 | FY38 | Total |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| Estimated Rate Changes Needed to Maintain the Fund | | | | | | | | | |
| 1-Year Increase (Decrease) in Rates (Base and Volumetric) | 7.3% | 6.2% | 4.0% | 4.1% | 3.5% | 2.2% | 2.0% | 1.3% | |
| Increase (Decrease) in the Monthly Bill for 5,000 Gallons | \$4.61 | \$4.21 | \$2.90 | \$3.06 | \$2.73 | \$1.75 | \$1.68 | \$1.07 | |
| Increase (Decrease) in the Monthly Base Charge | \$2.09 | \$1.91 | \$1.32 | \$1.39 | \$1.24 | \$0.79 | \$0.76 | \$0.49 | |
| Monthly Base Charge ("Minimum Charge") | \$30.10 | \$32.01 | \$33.33 | \$34.72 | \$35.96 | \$36.75 | \$37.52 | \$38.00 | |
| Volumetric Rate at 5,000 gallons/month (\$/1000 gallons) | \$12.48 | \$13.24 | \$13.77 | \$14.33 | \$14.82 | \$15.14 | \$15.45 | \$15.64 | |
| Volume Included with the Base Charge (1,000's of gallons) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| Approximate Monthly Charge for 5,000 gallons (\$) | \$67.53 | \$71.74 | \$74.64 | \$77.70 | \$80.43 | \$82.18 | \$83.85 | \$84.92 | |
| Projected Fund Balance | | | | | | | | | |
| Total Revenues | \$ 6,285,758 | \$ 6,516,999 | \$ 6,677,135 | \$ 6,844,774 | \$ 6,993,640 | \$ 7,089,928 | \$ 7,181,406 | \$ 7,240,797 | |
| Base Charges | \$ 2,025,310 | \$ 2,175,507 | \$ 2,287,763 | \$ 2,407,170 | \$ 2,518,099 | \$ 2,599,542 | \$ 2,680,105 | \$ 2,741,999 | |
| Usage Charges | \$ 1,618,806 | \$ 1,672,937 | \$ 1,692,712 | \$ 1,712,586 | \$ 1,721,776 | \$ 1,707,713 | \$ 1,690,312 | \$ 1,659,293 | |
| Interest Earned from Previous Year's Positive Balance | \$ 22,920 | \$ 23,564 | \$ 25,138 | \$ 26,696 | \$ 28,374 | \$ 29,943 | \$ 30,645 | \$ 31,270 | |
| Revenues from Other Sources Besides Charges | \$ 2,618,721 | \$ 2,644,990 | \$ 2,671,523 | \$ 2,698,322 | \$ 2,725,390 | \$ 2,752,730 | \$ 2,780,344 | \$ 2,808,235 | |
| Total Expenses, Including Capital | \$ 6,220,679 | \$ 6,358,083 | \$ 6,519,687 | \$ 6,675,283 | \$ 6,835,171 | \$ 7,019,032 | \$ 7,118,322 | \$ 7,115,102 | |
| Pre-Existing Non-Capital Expenses (O&M, admin, etc.) | \$ 6,009,034 | \$ 6,171,278 | \$ 6,337,903 | \$ 6,509,026 | \$ 6,684,770 | \$ 6,865,259 | \$ 7,050,621 | \$ 7,240,988 | |
| C.I.P. Projects: Additional Non-Capital Annual Expenses | \$ (311,361) | \$ (319,768) | \$ (328,402) | \$ (337,269) | \$ (346,375) | \$ (355,727) | \$ (365,332) | \$ (375,196) | |
| Pre-Existing Debt Service | \$ 242,920 | \$ 226,487 | \$ 230,100 | \$ 223,440 | \$ 216,690 | \$ 229,415 | \$ 152,947 | \$ 79,180 | |
| C.I.P. Projects: Debt Service | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 280,085 | \$ 170,130 | |
| C.I.P. Projects: Cash-Financed from Capital Reserves | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Net Income | \$ 65,080 | \$ 158,917 | \$ 157,449 | \$ 169,491 | \$ 158,469 | \$ 70,896 | \$ 63,084 | \$ 125,695 | |
| Financial Reserves - Ending Balance | \$ 2,380,231 | \$ 2,539,148 | \$ 2,696,597 | \$ 2,866,088 | \$ 3,024,557 | \$ 3,095,453 | \$ 3,158,537 | \$ 3,284,232 | |
| Allocated for Future C.I.P. Cash-Financed Projects | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | \$ (269,122) | |
| Not Allocated to Future C.I.P. Cash-Financed Projects | \$ 2,649,354 | \$ 2,808,270 | \$ 2,965,719 | \$ 3,135,210 | \$ 3,293,679 | \$ 3,364,575 | \$ 3,427,659 | \$ 3,553,354 | |
| * should exceed target set on first page: \$2,000,000 | | | | | | | | | |
| As Percent of Non-Capital Expenses | 46% | 48% | 49% | 51% | 52% | 52% | 51% | 52% | |

20-Year Projections

20-Year Projections

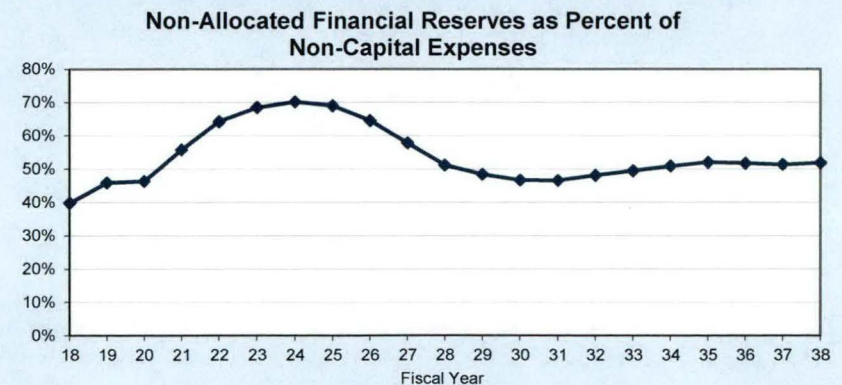
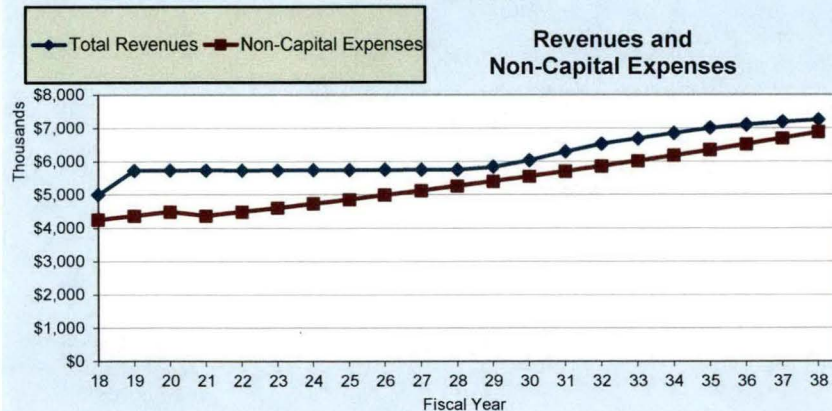
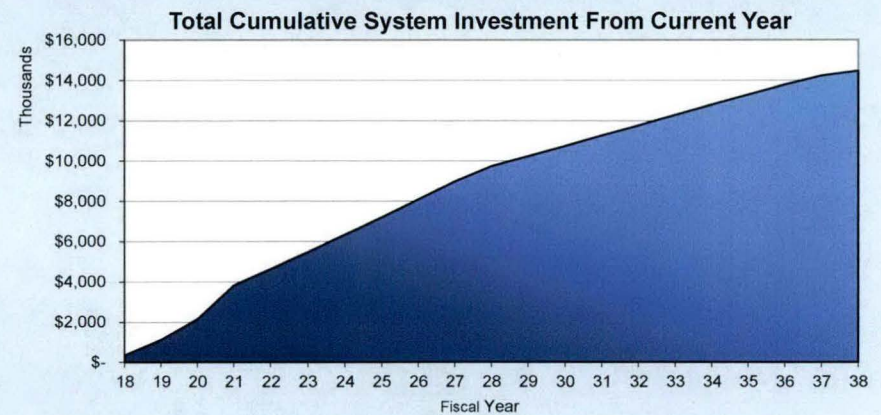
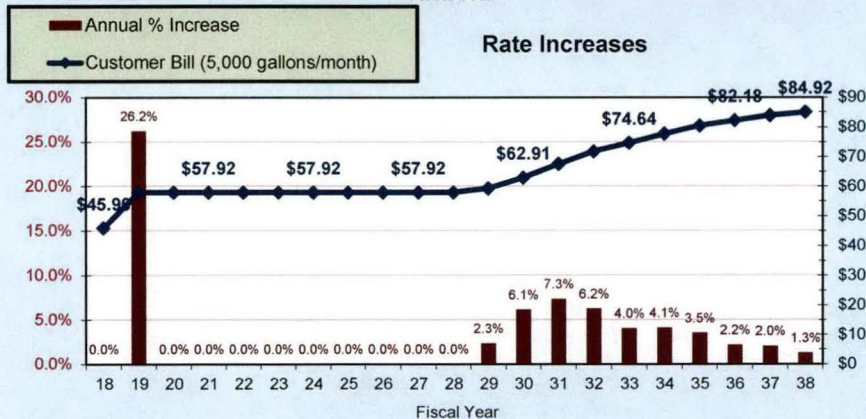
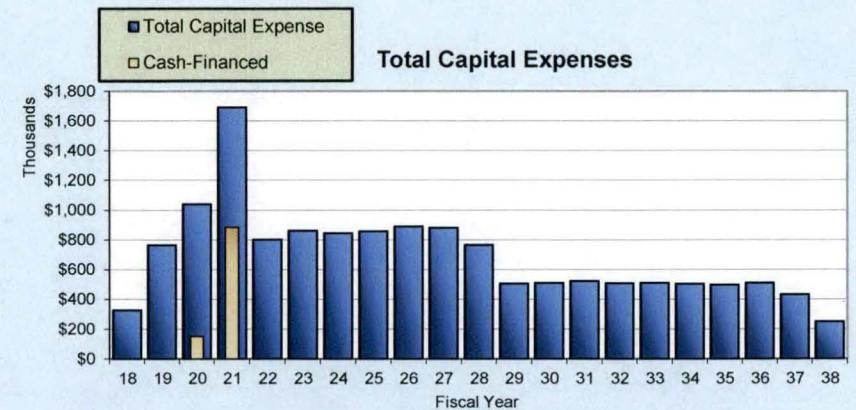
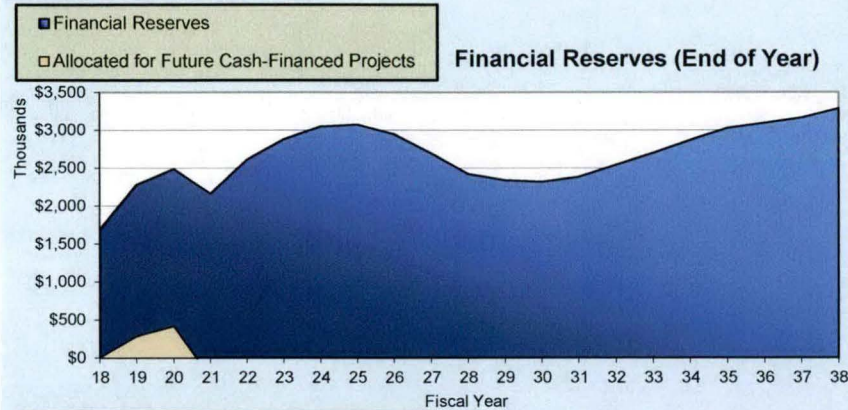
20-Year Projections

Green-Taylor CIP

[Edit Inputs](#)[Edit C.I.P. Projects](#)[View Projected 20-Yr Fund Balance](#)

Plan to Pay: Scenarios to Fund your C.I.P.

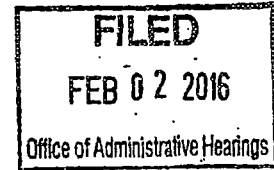
Dashboard for Green-Taylor Water District's 20-year Water Only C.I.P. starting in FY18



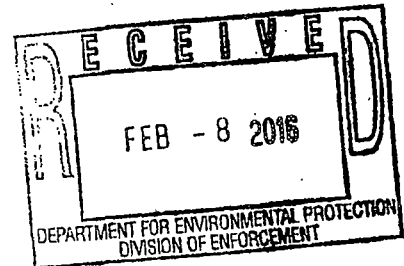
Cummins

DOW 150193

COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET
DIVISION OF ENFORCEMENT
CASE NO. DOW 150193



IN RE: Green Taylor Water District
250 Industrial Park Road
Greensburg, KY 42473
AI No. 33895
Activity ID No. ERF20150001



AGREED ORDER

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and the Green Taylor Water District (hereinafter "GTWD") state:

STATEMENTS OF FACT

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. GTWD is a surface water purchaser that operates a public drinking water system (hereinafter "facility"), located at 250 Industrial Park Road, Greensburg, Green County, Kentucky.
3. GTWD holds Public Water System Identification (hereinafter "PWSID") number KY0440167, registered with the Cabinet's Division of Water, for the facility described in paragraph 2.
4. On or about September 23, 2014, authorized representatives of the Cabinet conducted a review of GTWD's records for the facility described in paragraph 2, and identified a violation of KRS Chapter 224 and the regulations promulgated pursuant thereto. On October 30, 2014, the Cabinet issued GTWD a Notice of Violation for the following violation:

Jan

- a) 401 KAR 8:075 Section 2: GTWD failed to prepare and submit to the Department for Environmental Protection a Certification of the distribution of the report that conforms to the requirements of 401 KAR 8:075 for the calendar year. GTWD did not submit proof of notification for the eCCR that notifies customers of the URL to access the report. The lead 90th percentile was not reported in parts per billion.

5. On or about November 5 & 6, 2014, authorized representatives of the Cabinet conducted a review of GTWD's records for the facility described in paragraph 2, and identified violations of KRS Chapter 224 and the regulations promulgated pursuant thereto. On November 20, 2014, the Cabinet issued GTWD four (4) Notices of Violation for the following violations:

- a) 401 KAR 8:510: TTHM – GTWD exceeded the maximum contaminant level (hereinafter “MCL”) for locational running annual average (hereinafter “LRAA”) of samples for the specific contaminant in the compliance period 7/1/2014 – 9/30/2014.
- b) 401 KAR 8:510: HAA5 – GTWD exceeded the MCL for LRAA of samples for the specific contaminant in the compliance period 7/1/2014 – 9/30/2014.
- c) 401 KAR 8:510 Section 1(1): TTHM – GTWD failed to submit the operational evaluation level (hereinafter “OEL”) report for the compliance period 7/1/2014 – 9/30/2014.
- d) 401 KAR 8:510 Section 1(1): HAA5 - GTWD failed to submit the OEL report for the compliance period 7/1/2014 – 9/30/2014.

6. On or about February 5, 2015, authorized representatives of the Cabinet conducted a review of GTWD's records for the facility described in paragraph 2, and identified violations of KRS Chapter 224 and the regulations promulgated pursuant thereto. On March 1,

2015, the Cabinet issued GTWD two (2) Notices of Violation for the following violation:

- a) 401 KAR 8:510: HAA5 – GTWD exceeded the MCL for LRAA of samples for the specific contaminant for the compliance period 10/1/2014 – 12/31/2014.
- b) 401 KAR 8:510: TTHM – GTWD exceeded the MCL for LRAA of samples for the specific contaminant for the compliance period 10/1/2014 – 12/31/2014.

7. On or about May 11, 2015, authorized representatives of the Cabinet conducted a review of GTWD's records for the facility described in paragraph 2, and identified violations of KRS Chapter 224 and the regulations promulgated pursuant thereto. On May 29, 2015, the Cabinet issued GTWD two (2) Notices of Violation for the following violations:

- a) 401 KAR 8:510: TTHM – GTWD exceeded the MCL for LRAA of samples for the specific contaminant for the compliance period 1/1/2015 – 3/31/2015.
- b) 401 KAR 8:510: HAA5 – GTWD exceeded the MCL for LRAA of samples for the specific contaminant for the compliance period 1/1/2015 – 3/31/2015.

8. On or about August 6, 2015, authorized representatives of the Cabinet conducted a review of GTWD's records for the facility described in paragraph 2, and identified a violation of KRS Chapter 224 and the regulations promulgated pursuant thereto. On August 28, 2015, the Cabinet issued GTWD a Notice of Violation for the following violation:

- a) 401 KAR 8:510: HAA5 – GTWD exceeded the MCL for LRAA of samples for the specific contaminant for the compliance period 4/1/2015 – 6/30/2015.

9. Representatives of GTWD attended an administrative conference at the Cabinet's Division of Enforcement (hereinafter "DENF") in Frankfort, Kentucky on July 20, 2015. GTWD admitted to the violations listed above, and agreed to the entry of this Agreed Order to resolve the violations.

NOW THEREFORE, in the interest of settling all civil claims and controversies involving the violation described above, the parties hereby consent to the entry of this Agreed Order and agree as follows:

REMEDIAL MEASURES

10. GTWD shall perform the following remedial measures by the dates specified herein:

- a) Determine if Disinfection By-Products (hereinafter "DBP's") are being formed in the distribution system or if DBP's are elevated at the master meter by monitoring DBP levels at the master meter as well as various sample sites throughout the distribution system. The data collected from DBP monitoring shall be submitted to the Cabinet within thirty (30) days of execution of this Agreed Order. GTWD shall continue to conduct DBP monitoring at the plant tap and/or master meter during quarterly compliance monitoring, and submit the results as "special samples", for the duration of this Agreed Order;
- b) Within thirty (30) days of execution of this Agreed Order, develop and submit a Corrective Action Plan (hereinafter "CAP") to the Cabinet for review and acceptance. The CAP shall be based on the data submitted in paragraph 10a above. The CAP shall outline the steps GTWD will take to return to and maintain compliance with DBP parameters, and shall include implementation dates for the corrective actions to be taken, and a date by which the facility will have been in compliance with DBP parameters for four (4) consecutive quarters. The CAP may be developed using the following guidelines (these guidelines are not exclusive but are offered to assist in the development of the CAP):

- 1.) If DBP's are formed in the distribution system, evaluate tank operations and system hydraulics to decrease water age;
 - 2.) If DBPs are formed in the distribution system, evaluate the system's flushing plan;
 - 3.) If distribution system booster chlorination is practiced, determine if it contributes to elevated DBPs and whether the dosage is optimal;
 - 4.) If purchased water contributes to elevated DBPs, determine if the non-compliance is related to the producer by monitoring at the master meter or to practices within the out-of-compliance distribution system;
 - 5.) If elevated DBPs are related to a producer, consider coordinating a flushing program with said producer and/or update the purchasing contract that will address remedial measures needed to be taken by producer to allow purchaser to get back into compliance; and
 - 6.) Consider the benefits of receiving Targeted Technical Assistance or a DBP Performance Based Training or a system hydraulic analysis.
- c) If at any time either party determines it is necessary to amend the CAP in order to meet the goals or deadlines of the Agreed Order, the following will occur:
- 1.) If the Cabinet requests an amendment of the CAP, DENF shall notify GTWD in writing that an amendment is necessary and will outline the reasons for the request. The Cabinet shall give GTWD thirty (30) days to amend their CAP and resubmit the CAP to DENF. Upon resubmittal, the Cabinet may, in whole or in part, (1) approve, (2) disapprove, or (3) provide comments to GTWD identifying the deficiencies. Upon such resubmittal, if any part of the CAP is

disapproved, the Cabinet may deem GTWD to be out of compliance with this Agreed Order for failure to timely submit a CAP and may assess stipulated penalties pursuant to this Agreed Order; and

- 2.) If GTWD requests an amendment of the CAP, it shall notify the Cabinet in writing that an amendment request is forthcoming and shall outline the reasons why the amendment is necessary. GTWD shall then submit a draft amended CAP within thirty (30) days to the Cabinet. Upon review, the Cabinet may, in whole or in part, (1) approve, (2) disapprove, or (3) provide comments to GTWD identifying the deficiencies. Upon resubmittal, if any part of the CAP is disapproved, the Cabinet may deem GTWD to be out of compliance with this Agreed Order for failure to timely submit a CAP and may assess stipulated penalties pursuant to this Agreed Order.
- d) Until GTWD has demonstrated compliance for four (4) consecutive quarters, submit Quarterly Progress Reports to the Cabinet. The Quarterly Progress Reports shall include flushing program documentation, calculations of tank turnover levels, plant tap and/or master meter DBP monitoring data, and an update on the completion of corrective actions outlined in the CAP. The quarterly updates shall be submitted by the 15th day of the first month of each quarter;
- e) Commencing immediately and at all times, properly fill out and submit Consumer Confidence Reports (hereinafter "CCR") with CCR Certification to the Division of Water "hereinafter "DOW") by July 1st annually, in compliance with 401 KAR 8:075;

- f) Commencing immediately, if GTWD exceeds the OEL, GTWD must submit the OEL report within ninety (90) days of the end of the quarter when the exceedance occurred;
- g) Develop and maintain a scheduled flushing program, consecutive to wholesalers' flushing programs, in accordance with 401 KAR 8:020 Section 2(13). The plan shall be submitted to DENF within thirty (30) days of execution of this Agreed Order, for DOW review and approval;
- h) GTWD shall complete all of the corrective actions outlined in the CAP by the dates specified therein;
- i) GTWD shall demonstrate compliance with DBP parameters for four (4) consecutive quarters by the date specified in the CAP or Amended CAP that has been approved by the Cabinet; and
- j) All submittals required by the terms of the Agreed Order shall be submitted to:

Division of Enforcement
Attention: Director
300 Fair Oaks Lane
Frankfort, KY 40601

STIPULATED PENALTIES

11. GTWD shall pay the Cabinet a stipulated penalty in the amount of five hundred dollars (\$500) within thirty (30) days of receipt of written notice from the Cabinet, for each failure to comply with any remedial measure in paragraph 10 above. This penalty is addition to, and not in lieu of, any other penalty that could be assessed. The stipulated penalty will be waived upon termination of this Agreed Order, if GTWD has complied with the requirements of paragraph 10.

12. If GTWD believes request for payment of the stipulated penalty is erroneous or

contrary to law, GTWD may request a hearing in accordance with KRS 224.10-420(2). The request for hearing does not excuse timely payment of the penalty. If an order is entered pursuant to KRS 224.10-440 that excuses payment, the Cabinet will refund the payment. Failure to make timely payment shall constitute an additional violation.

13. Payment of the stipulated penalty(s) shall be by cashier's check, certified check, or money order, made payable to "Kentucky State Treasurer" and sent to the attention of the Director, Division of Enforcement, Department for Environmental Protection, 300 Fair Oaks Lane, Frankfort, Kentucky 40601; note "Case Number DOW 150193" on the instrument of payment.

MISCELLANEOUS PROVISIONS

14. This Agreed Order addresses only the violations specifically mentioned above. Other than those matters resolved by entry of this Agreed Order nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and GTWD reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and GTWD reserves its defenses thereto.

15. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to GTWD. GTWD reserves its defenses thereto, except that GTWD shall not use this Agreed Order as a defense.

16. GTWD waives its right to any hearing on the matters admitted herein. However,

failure by GTWD to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224, and the regulations promulgated pursuant thereto.

17. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. GTWD may request an amendment by writing the Director of the Division of Enforcement at 300 Fair Oaks Lane, Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

18. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that GTWD's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224, and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, GTWD shall remain solely responsible for compliance with the terms of KRS Chapter 224, and the regulations promulgated pursuant thereto, this Agreed Order and any permit and compliance schedule requirements.

19. GTWD shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of its now-existing facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory and regulatory requirements for a transfer. Whether or not a transfer takes place, GTWD shall remain fully responsible for payment of all civil penalties and response costs and for performance of all remedial measures identified in this Agreed Order.

20. The Cabinet agrees to allow the performance of the above-listed remedial measures and payment of civil penalties by GTWD to satisfy GTWD's obligations to the Cabinet generated by the violations described above.

21. The Cabinet and GTWD agree that the remedial measures agreed to herein are facility-specific and designed to comply with the statutes and regulations cited herein. This Agreed Order applies specifically and exclusively to the unique facility referenced herein and is inapplicable to any other facility.

22. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

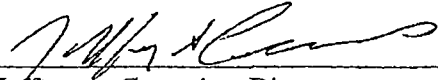
23. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which GTWD is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then GTWD is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

TERMINATION

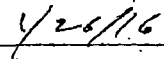
24. This Agreed Order shall terminate once GTWD has complied with all of the requirements described in this Agreed Order and maintained compliance with DBP parameters and 401 KAR Chapter 8, for four (4) consecutive quarters. GTWD may submit a written request for termination to the Cabinet when it believes all requirements have been performed. The Cabinet will notify GTWD in writing of whether it intends to agree with or object to termination. The Cabinet reserves its right to enforce this Agreed Order, and GTWD reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

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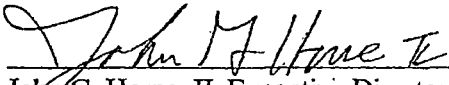
APPROVAL RECOMMENDED BY:



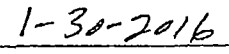
Jeffrey A. Cummins, Director
Division of Enforcement



Date



John G. Horne, II, Executive Director
Office of General Counsel



Date

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ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 2nd day of February, 2016.

ENERGY AND ENVIRONMENT CABINET



CHARLES G. SNAVELY, SECRETARY