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November 10, 2026

Mr. Justin McNeil.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: **East Logan Water District**
Case No. 2021-00063

Dear Mr. McNeil:

Enclosed for filing in the above-referenced matter is East Logan Water District's ("the District") Water Loss Report for the Third Quarter of Calendar Year 2026 (July 1 – September 30). Regarding its efforts to fund and construct the projects identified in its 2021 Capital Improvement Plan as updated in the 2026 Capital Improvements Plan Update, which was filed into the record of this proceeding on July 15, 2026, the District provides the following status report:

- On **November 5, 2026**, the Kentucky Infrastructure Authority ("KIA") approved a $6,000,000 Fund F Loan (KIA Loan F27-020) for the construction of the District's **System-Wide Upgrade Project**, which includes the Line Upgrade to Cemetery Tank Project; the replacement of over 1,300 existing service lines across six pressure zones; which is a significant component of the System-Wide Meter/Service Replacement Project; and the construction of approximately 2,000 linear feet of 6-inch waterline to provide an emergency interconnect to Warren County Water District's system.

- Therefore, KIA Loan F27-020 will provide total funding for one of the District's highest priority projects (**Line Upgrade to Cemetery Tank**), and

the bulk of the funding necessary to complete a second high-priority project (**System-Wide Meter/Service Replacement Project**).

- KIA Loan F27-020 has a 20-year term, a 1.75 percent interest rate, a 0.30 percent administrative fee, and qualifies for $1,875,095 of principal forgiveness.

- The District anticipates seeking financing approval and a certificate of public convenience and necessity from the Commission once other necessary permits are in place and an advertisement for bids has been published.

In Accordance with 807 KAR 5:001, Section 8, and the Kentucky Public Service Commission Order of July 22, 2021 in Case No. 2020-00085, I certify that currently no party in this proceeding has been excused by the Commission from electronic filing procedures.

Respectfully,

/s/Tina C. Frederick
Tina Frederick

TCF
Enclosure

PUBLIC SERVICE COMMISSION
Monthly Water Loss Report

Water Utility: East Logan Water District **PWSID:** KY0710951

For the Month of: July **Year:** 2026

LINE #	ITEM		GALLONS (Omit 000's)
1	**WATER PRODUCED AND PURCHASED**		
2	Water Produced		0
3	Water Purchased		28,250
4		**TOTAL PRODUCED AND PURCHASED**	**28,250**
5			
6	**WATER SALES**		
7	Residential		22,035
8	Commercial		0
9	Industrial		0
10	Bulk Loading Stations		0
11	Wholesale		0
12	Public Authorities		0
13	Other Sales (explain)	0	0
14		**TOTAL WATER SALES**	**22,035**
15			
16	**OTHER WATER USED**		
17	Utility and/or Water Treatment Plant		0
18	Wastewater Plant		0
19	System Flushing		75
20	Fire Department		0
21	Other Usage (explain)	0	0
22		**TOTAL OTHER WATER USED**	**75**
23			
24	**WATER LOSS**		
25	Tank Overflows		0
26	Line Breaks		1,236
27	Line Leaks		0
28	Excavation Damages		0
29	Theft		0
30	Other Loss (explain)	Unknown Loss	4,905
31		**TOTAL LINE LOSS**	**6,140**
32			
33	Note: Line 14 + Line 22 + Line 31 Must Equal Line 4		
34			
35	**WATER LOSS PERCENTAGE**		
36	**(Line 31 Divided by Line 4)**		**21.74%**

Board and Management
Monthly Water Use Report

Water Utility: East Logan Water District **PWSID:** KY0710951

For the Month of: August **Year:** 2026

Billing Period: 7/1/2022 to 8/1/2022

1	**PRODUCTION COST PER THOUSAND**	(insert cost)		
2	**PURCHASE COST PER THOUSAND**		$3.33	
	WATER PRODUCED or PURCHASED		**GALLONS**	
3	Water Produced			0.0%
4	Water Purchased	$98,950.95	29,715,000	100.0%
5	**TOTAL PRODUCED AND PURCHASED**		29,715,000	
6	**TOTAL COST**	#VALUE!		
	WATER SOLD			
7	Residential		22,837,400	
8	Commercial			
9	Industrial			
10	Bulk Loading Stations			
11	Wholesale (other water systems, special contracts, etc.)			
12	Public Authorities (fire departments, public pools, parks, etc.)			
13	Other Sales (explain)			
14	**TOTAL WATER SOLD**		22,837,400	76.9%
15	**TOTAL WATER NOT SOLD**		6,877,600	**23.1%**
	BREAKDOWN OF WATER USAGE			
16	Water Treatment Plant			
17	Wastewater Treatment Plant			
18	System Flushing (routine and complaint flushing)		70,000	#VALUE!
19	DBP Flushing (forced tank overflows and hydrant flushing)		0	
20	Fire Department (documented for firefighting and training)		0	
21	Other Usage (explain)			
22	**TOTAL USAGE**		70,000	
	BREAKDOWN OF WATER LOST			
23	Tank Overflows (other than for DBP maintenance)			
24	Main Line Breaks (long term leakage during current month)		328,262	#VALUE!
25	Service Line Breaks (repaired during current month)		533,793	#VALUE!
26	Line Leaks (calculated line leakage, meter inaccuracies, etc.)			
27	Excavation Damage Loss (short term leakage)		0	
28	Theft (documented)			
29	**TOTAL DOCUMENTED WATER LOST**		**862,055**	
30	**COST OF DOCUMENTED WATER LOST**		**#VALUE!**	

	"UNKNOWN LOSS" FLOW RATE AND COST:		
31	"Unknown Loss"	5,945,545	
32	% "Unknown Loss"	**20.0%**	
33	Number of Days in Period	31	
34	"Unknown Loss" per Day (Gallons per Day)	191,792	
35	"Unknown Loss" per Minute (GPM)	133.19	
36	"Unknown Loss" Cost for Month	**#VALUE!**	
37	**WATER LOSS PERCENTAGE FOR PSC RATEMAKING PURPOSES**		**22.91%**

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PUBLIC SERVICE COMMISSION
Monthly Water Loss Report

Water Utility: East Logan Water District **PWSID:** KY0710951

For the Month of: September **Year:** 2026

LINE #	ITEM		GALLONS (Omit 000's)
1	**WATER PRODUCED AND PURCHASED**		
2	Water Produced		0
3	Water Purchased		31,648
4		**TOTAL PRODUCED AND PURCHASED**	**31,648**
5			
6	**WATER SALES**		
7	Residential		24,337
8	Commercial		0
9	Industrial		0
10	Bulk Loading Stations		0
11	Wholesale		0
12	Public Authorities		0
13	Other Sales (explain)	0	0
14		**TOTAL WATER SALES**	**24,337**
15			
16	**OTHER WATER USED**		
17	Utility and/or Water Treatment Plant		0
18	Wastewater Plant		0
19	System Flushing		360
20	Fire Department		0
21	Other Usage (explain)	0	0
22		**TOTAL OTHER WATER USED**	**360**
23			
24	**WATER LOSS**		
25	Tank Overflows		0
26	Line Breaks		2,069
27	Line Leaks		0
28	Excavation Damages		0
29	Theft		0
30	Other Loss (explain)	Unknown Loss	4,882
31		**TOTAL LINE LOSS**	**6,951**
32			
33	Note: Line 14 + Line 22 + Line 31 Must Equal Line 4		
34			
35	**WATER LOSS PERCENTAGE**		
36	**(Line 31 Divided by Line 4)**		**21.96%**

October 26, 2026

Sandy Williams, Executive Director
Kentucky Infrastructure Authority
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601

Re: F27-020
East Logan Water District--33995
Activity ID: FGL20260003

Dear Mrs. Williams:

The Division of Water (DOW) hereby certifies that the East Logan Water District is eligible to receive $6,000,000.00 from the Drinking Water State Revolving Fund. The DOW certifies that the project scope is consistent with the scope that was used to rank the project on the Intended Use Plan-Project Priority List.

The East Logan Water District's status relative to the Drinking Water State Revolving Fund General Conditions is provided below:

1. Project specific environmental information is expected to be submitted to DOW in November 2026.
2. Plans and specifications are expected to be submitted to DOW in February 2027.
3. Construction bids are expected to be opened in April 2027.

Upon compliance with the general conditions, the DOW will issue a final project certification prior to authorizing the loan agreement. A preconstruction and project management conference with the DOW must be held prior to commencement of construction. If you have any questions concerning this letter, please contact Mitzi Hubbard, Project Manager, at (502) 782-3388.

Sincerely,

Recoverable Signature

Hollie A. Delaney
For: Sarah C. Marshall, Director
Division of Water

SM/HD:mh
c: Julie Bickers, KIA; Christopher Wilcutt, PE, McGhee Engineering, Inc.
Earn Brown, East Logan Water District

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND F, FEDERALLY ASSISTED DRINKING WATER
REVOLVING LOAN FUND

Reviewer	John Brady
Date	November 5, 2026
KIA Loan Number	F27-020
WRIS Number	WX21141095

BORROWER	EAST LOGAN WATER DISTRICT LOGAN COUNTY

BRIEF DESCRIPTION

The East Logan Water District is requesting a Fund F loan in the amount of $6,000,000 for the System-Wide Upgrade Project. This is a multi-purpose project to address the system's aging infrastructure. Approximately 11,000 linear feet (LF) of 10" transmission main will be installed and run to the Cemetery Tank. The existing 6" line that will be replaced is undersized. Over 1,300 existing service lines across six pressure zones will also be replaced. The line replacements will remove sections of pipeline that have caused ongoing water loss and disruptions. The project also includes the installation of approximately 2,000 LF of a 6" waterline to provide an emergency interconnect to the Warren County Water District's system.

PROJECT FINANCING		PROJECT BUDGET	
Fund F Loan	$6,000,000	Administrative Expenses	$4,000
		Legal Expenses	10,000
		Land, Easements	15,000
		Planning	75,000
		Eng - Design / Const	331,500
		Eng - Insp	172,500
		Construction	4,901,850
		Contingency	490,150
TOTAL	$6,000,000	TOTAL	$6,000,000

REPAYMENT	Rate	1.75%	Est. Annual Payment	$257,706
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	McGhee Engineering, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Apr-27		
	Construction Start	Jun-27		
	Construction Stop	Mar-28		
DEBT PER CUSTOMER	Existing	$42		
	Proposed	$1,116		
OTHER DEBT		See Attached		

RESIDENTIAL RATES		Users	Avg. Bill	
	Current	3,739	$42.43	(for 4,000 gallons)

REGIONAL COORDINATION This project is consistent with regional planning recommendations.

CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2023	571,703	42,395	529,308	13.5
Audited 2024	513,327	41,641	471,686	12.3
Audited 2025	388,785	41,219	347,566	9.4
Projected 2026	405,362	40,796	364,566	9.9
Projected 2027	386,575	41,311	345,264	9.4
Projected 2028	352,412	169,617	182,795	2.1
Projected 2029	332,866	298,861	34,005	1.1
Projected 2030	312,929	265,871	47,058	1.2

Reviewer: John Brady
Date: November 5, 2026
Loan Number: F27-020

KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
EAST LOGAN WATER DISTRICT, LOGAN COUNTY
PROJECT REVIEW
WX21141095

I. PROJECT DESCRIPTION

The East Logan Water District is requesting a Fund F loan in the amount of $6,000,000 for the System-Wide Upgrade Project. This is a multi-purpose project to address the system's aging infrastructure. Approximately 11,000 linear feet (LF) of 10" transmission main will be installed and run to the Cemetery Tank. The existing 6" line that will be replaced is undersized. Over 1,300 existing service lines across six pressure zones will also be replaced. The line replacements will remove sections of pipeline that have caused ongoing water loss and disruptions. The project also includes the installation of approximately 2,000 LF of a 6" waterline to provide an emergency interconnect to the Warren County Water District's system.

The District currently serves 3,691 residential customers and 48 commercial customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	$ 4,000
Legal Expenses	10,000
Land, Easements	15,000
Planning	75,000
Engineering Fees - Design	232,000
Engineering Fees - Construction	99,500
Engineering Fees - Inspection	172,500
Construction	4,901,850
Contingency	490,150
Total	**$ 6,000,000**

III. PROJECT FUNDING

	Amount	%
Fund F Loan	$ 6,000,000	100%
Total	**$ 6,000,000**	**100%**

IV. KIA DEBT SERVICE

Construction Loan	$ 6,000,000
Less: Principal Forgiveness	1,875,095
Amortized Loan Amount	$ 4,124,905
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	$ 245,331
Administrative Fee (0.30%)	12,375
Total Estimated Annual Debt Service	**$ 257,706**

V. PROJECT SCHEDULE

Bid Opening:	April 2027
Construction Start:	June 2027
Construction Stop:	March 2028

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,691
Commercial	48
Industrial	0
Total	3,739

B) Rates

	Current	Prior
Date of Last Rate Increase	01/01/25	08/01/20
Minimum (First 2,000 Gallons)	$21.77	$21.67
Next 2,000 Gallons (Per 1,000)	10.33	10.28
Cost for 4,000 Gallons	$42.43	$42.23
Increase %	0.5%	
Affordability Index (Rate/MHI)	0.8%	0.8%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2020-2024, the Utility's service area population is 8,364 with a Median Household

Income (MHI) of $62,214. The MHI for the Commonwealth is $63,726. The loan will qualify for a 1.75% interest rate.

VIII. 2026 CAPITALIZATION GRANT EQUIVALENCIES

1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.

2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 31.3% of the assistance amount, not to exceed $1,875,095, will be credited to the loan balance.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2023 through December 31, 2025. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total water revenues increased 5.3% from $2.21 million in 2023 to $2.33 million in 2025 due to a minor rate adjustment and increased water consumption. Operating expenses increased 17.5% from $1.75 million to $2.06 million during the same period due to salary increases and a new professional services contract. The debt coverage ratio was 13.5, 12.3, and 9.4 in 2023, 2024, and 2025.

The balance sheet reflects a current ratio of 4.8, a debt-to-equity ratio of 0.1, 31.6 days of sales in accounts receivable, and 7.8 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

1) Water revenues will remain flat in projected years.
2) Operating expenses will increase 2% annually due to inflation.
3) Debt service coverage is 1.1 in 2029 when the first full year of principal and interest repayment begins.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

The East Logan Water District is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the $6,000,000 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% ($300,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually ($15,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
USDA Bonds	$ 158,000	2030
Total	**$ 158,000**	

XI. CONTACTS

Legal Applicant	
Entity Name	East Logan Water District
Authorized Official	Harris Dockins (Chairman)
County	Logan
Email	harrisdockins1954@gmail.com
Phone	(270) 717-0991
Address	333 S Franklin St Russellville, KY 42276

Applicant Contact	
Name	Earn Brown
Organization	East Logan Water District
Email	earn@eastloganwater.com
Phone	(270) 717-0991
Address	333 S Franklin St Russellville, KY 42276

Consulting Engineer	
PE Name	Chris Wilcutt
Firm Name	McGhee Engineering, Inc.
Email	chris.wilcutt@mcgheeengineering.com
Phone	(270) 426-9143
Address	PO Box 267 Guthrie, KY 42234

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

EAST LOGAN WATER DISTRICT

FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2023	Audited 2024	Audited 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030
Balance Sheet								
Assets								
Current Assets	2,546,888	2,790,622	2,778,361	2,851,554	2,920,607	2,957,166	2,963,967	2,973,379
Other Assets	8,184,961	7,986,306	8,764,198	8,609,211	8,438,782	13,988,378	13,418,942	12,859,948
Total	10,731,849	10,776,928	11,542,559	11,460,765	11,359,389	16,945,544	16,382,909	15,833,327
Liabilities & Equity								
Current Liabilities	522,154	456,667	576,429	582,947	588,547	801,492	774,292	771,192
Long Term Liabilities	192,000	158,000	123,000	86,000	48,000	3,926,660	3,712,415	3,506,169
Total Liabilities	714,154	614,667	699,429	668,947	636,547	4,728,152	4,486,707	4,277,362
Net Assets	10,017,695	10,162,261	10,843,130	10,791,818	10,722,842	12,217,392	11,896,202	11,555,966
Cash Flow								
Revenues	2,212,614	2,270,559	2,328,861	2,331,700	2,331,700	2,331,700	2,331,700	2,331,700
Operating Expenses	1,752,342	1,909,081	2,059,768	2,078,187	2,096,974	2,131,137	2,150,683	2,170,620
Other Income	111,431	151,849	119,692	151,849	151,849	151,849	151,849	151,849
Cash Flow Before Debt Service	571,703	513,327	388,785	405,362	386,575	352,412	332,866	312,929
Debt Service								
Existing Debt Service	42,395	41,641	41,219	40,796	41,311	40,764	41,155	8,165
Proposed KIA Loan	0	0	0	0	0	128,853	257,706	257,706
Total Debt Service	42,395	41,641	41,219	40,796	41,311	169,617	298,861	265,871
Cash Flow After Debt Service	529,308	471,686	347,566	364,566	345,264	182,795	34,005	47,058
Ratios								
Current Ratio	4.9	6.1	4.8	4.9	5.0	3.7	3.8	3.9
Debt to Equity	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.4
Days Sales in Accounts Receivable	28.9	27.5	31.6	31.6	31.6	31.6	31.6	31.6
Months Operating Expenses in Unrestricted Cash	8.2	9.0	7.8	8.1	8.5	8.6	8.6	8.5
Debt Coverage Ratio	13.5	12.3	9.4	9.9	9.4	2.1	1.1	1.2