

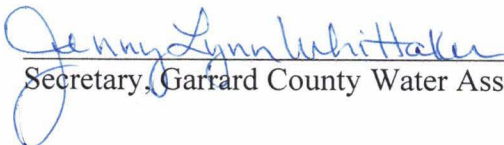
Garrard County Water Association, Inc.

Rate Sufficiency Review Policy

It is the policy of the Garrard County Water Association, Inc. (“Association”) to review the sufficiency of its rates on an annual basis. The review shall be conducted as follows:

- 1) The Association shall prepare, or cause to be prepared, an annual report setting forth its financial condition on an annual basis. This report shall be filed with the Kentucky Public Service Commission (“Commission”) in accordance with the Commission’s annual report filing requirements.
- 2) Within thirty (30) days of filing its annual report, the Association shall prepare, or cause to be prepared, a revenue report that analyzes the sufficiency of its revenues during the prior calendar year. Unless otherwise stated, the revenue report shall conform as closely as possible to the ARF Form 1 – Attachment RR-OR (copy attached) with any necessary notes included.
- 3) The Association’s Board shall review the revenue report at its first regularly scheduled meeting following the preparation of the revenue report and shall consider a recommendation from management as to whether an adjustment of rates is necessary or advisable. The decision of the Board as to whether the current rates are sufficient or should be adjusted shall be recorded in the minutes of the Board’s meeting.

Adopted this 2 day of August 2022.


Secretary, Garrard County Water Association, Inc.

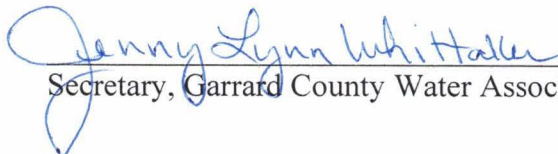
Garrard County Water Association, Inc.

Water Loss Management and Reduction Policy

It is the policy of the Garrard County Water Association, Inc. ("Association") to manage and reduce its water losses in a reasonable manner. This effort shall be conducted as follows:

- 1) The Association shall maintain and operate appropriate metering facilities to determine the amount of water losses occurring within the various districts of its system and, to the extent that additional metering resources are available, such districts shall be sub-metered to provide additional information as to the relative location and volume of water loss.
- 2) The Association's management will compile and prepare water loss reports on a monthly basis. Any material changes in water losses (positive or negative) shall be noted and analyzed by management to determine the cause. Management shall make recommendations to the Board as necessary as to what measures may be adopted to further reduce water losses.
- 3) The Association's Board will review water loss reports on at least a quarterly basis and shall consider any recommendations of management as to how water losses may be mitigated.
- 4) The Association will devote reasonable attention to finding and eliminating water leaks on its system.
- 5) The Association shall, to the extent permitted by law, prioritize and make use of available funding sources to replace or upgrade aging infrastructure in areas that demonstrate the highest amount of water loss.
- 6) The Association will communicate with its customers at least once per year on the subject of water losses and will emphasize how water leaks may be detected and how the public can inform the Association of any suspected leaks.

Adopted this 2 day of August 2022.


Secretary, Garrard County Water Association, Inc.