

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC JOINT APPLICATION OF )  
GREEN RIVER VALLEY WATER )  
DISTRICT AND EDMONSON COUNTY )  
WATER DISTRICT FOR AN ORDER )  
APPROVING THE TRANSFER OF )  
OWNERSHIP OF EDMONSON COUNTY )  
WATER DISTRICT'S HART COUNTY )  
SYSTEM AND THE WAX WATER )  
TREATMENT PLANT AND APPROVING )  
GREEN RIVER VALLEY WATER )  
DISTRICT'S ASSUMPTION OF CERTAIN )  
DEBT OBLIGATIONS OF EDMONSON )  
COUNTY WATER DISTRICT PURSUANT )  
TO THE PROVISIONS OF KRS 278.020, )  
KRS 278.300 AND 807 KAR 5:001 )**

**CASE NO.  
2025-00329**

**EDMONSON COUNTY WATER DISTRICT'S RESPONSE TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Edmonson County Water District submits its Response to Commission Staff's  
Second Request for Information.

Dated: June 2, 2026

Respectfully submitted,

/s/ E. Kenly Ames

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## **CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this electronically filed document was transmitted to the Public Service Commission on June 2, 2026 and that there is currently no party in this proceeding that the Public Service Commission has excused from participation by electronic means.

*/s/ E. Kenly Ames* \_\_\_\_\_

E. Kenly Ames



## Edmonson County Water District

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Witness: Kevin Shaw

**Q 1. Refer to the Application, page 24-25, paragraphs 54-57. Given that a current Edmonson County residential retail customer's bill that uses an average of 3,000 gallons per month, would increase from \$31.04 to \$32.62 if the proposed acquisition is granted, an increase in the monthly bill of approximately 5.09 percent, explain in detail what material benefits this customer would receive for transferring from Edmonson County to Green River Valley Water District (Green River Valley District)**

A 1. Edmonson District respectfully submits that the rate comparison cited by Commission Staff reflects a very modest increase – only \$1.58 per month. It does not reflect a complete or accurate picture of the economic circumstances for customers of Edmonson District's Hart County System. The \$31.04 current monthly bill for the customer in the Commission Staff's example does not take into account the capital investment that would be required for Edmonson District to adequately address the upgrades required in the Wax Water Treatment facility, the Brownsville Intake, the Brownsville Water Treatment facility, and the Hart County System to continue providing safe, reliable, and sustainable water service to those customers on a long-term basis.

For years, Edmonson District's past Board and prior management prioritized keeping rates low, despite growth in demand and customer base and despite maintenance and infrastructure needs. Edmonson District therefore found itself facing an estimated capital investment requirement of approximately \$80 million to bring its overall system — including the Wax Water Treatment Plant and Hart County System — to a level capable of properly and reliably serving all of its existing customers. This investment need has not been incorporated into Edmonson District's current rates. Had Edmonson District undertaken the necessary capital improvements and sought Commission approval

to recover those costs through its rate structure over the years, the resulting rate impact on Edmonson District customers, including those in the Hart County System, would likely have exceeded the rates proposed under the transfer to Green River Valley District. Accordingly, the 5.09% rate differential cited by Staff substantially understates the true cost of maintaining the status quo for affected customers.

Edmonson District believes that Green River Valley District is best positioned to explain in detail the material benefits the customer would receive as a result of Green River Valley District's acquisition of the Hart County System and the Wax Water Treatment Plant and respectfully refers the Commission to Green River Valley District's Answer to Question 1 of the Commission's Third Request for Information. Edmonson District generally concurs that Green River Valley is better positioned to address issues with the Wax Water Treatment Plant and Hart County System. Edmonson District believes that Green River Valley District has the financial and operational resources to continue to address those issues and improve service to the customers of the Hart County System on a long-term, sustainable basis.

In summary, while the monthly bill for affected customers will increase slightly upon transfer, that reflects the true cost of receiving safe, reliable, and high-quality water service — a cost that Edmonson District's current rates do not capture. Edmonson District believes that the proposed rates under Green River Valley District represent a sound investment in the long-term reliability and safety of water service for those customers.

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**Q 2. Refer to the Application, pages 25-27, paragraphs 58-59, and to KRS 74.361 and KRS 224A.300 generally:**

a. Describe how the proposed transfer is in furtherance of either of the aforementioned Kentucky statutes.

b. Describe whether Edmonson District has considered merging with Green River Valley District, Grayson County Water District, or both. If not, explain why not. If yes, explain what the outcome of these considerations were.

c. Explain whether Edmonson District is seeking to cease providing utility service or otherwise divest itself of utility operations, and if so, describe its long-term plans regarding continued operations.

A 2(a). KRS 74.361 reflects the Kentucky General Assembly's policy favoring the consolidation and cooperative operation of water districts where such arrangements will improve the efficiency, reliability, and financial stability of water utility service to the public. KRS 224A.300 similarly reflects state policy supporting the orderly development, improvement, and consolidation of water and wastewater systems to ensure the provision of safe and adequate public water service throughout the Commonwealth.

The proposed transfer of the Hart County System and Wax Water Treatment Plant to Green River Valley District is directly in furtherance of both statutes for at least the following reasons:

First, the transfer will result in a more efficient and financially sustainable delivery of water service to customers of the Hart County System. Edmonson District has been unable, due to financial, operational, and staffing limitations, to adequately maintain and invest

in the Hart County System and Wax Water Treatment Plant. The transfer consolidates operational responsibility for those customers in a district — Green River Valley District — that has the resources and infrastructure to provide improved service at a sustainable cost.

Second, the transfer advances the public policy goal of ensuring safe and reliable potable water service. Faced with an estimated \$80 million capital investment requirement across its system, and substantial issues with the Wax Water Treatment Plant specifically, Edmonson District approached both Grayson District and Green River Valley District seeking a solution that would improve reliability, service quality, and financial viability for affected customers. The resulting proposed transfer represents the outcome of that cooperative process and aligns with the legislative intent underlying both statutes.

Third, the transfer avoids unnecessary duplication of infrastructure and administrative costs, furthering the efficiency objectives contemplated by KRS 74.361 and KRS 224A.300.

A 2(b). Edmonson District has not considered merger. Edmonson District, Grayson District and Green River Valley District met several times to consider regionalization and obtained a cost estimate. The estimated \$300 million cost was not feasible. Instead, after significant consideration by all three entities of how to best serve customers in Edmonson, Grayson and Hart Counties, the result was the agreement that is the subject of the Joint Application currently before the Commission, which proposes the targeted transfer of the Hart County System and Wax Water Treatment Plant to Green River Valley District.

Under this approach, Edmonson District will supply all of its Edmonson County customers from the Brownsville Water Treatment Plant, which has ample capacity to do that. That shift reduces the demand on the Wax Water Treatment plant and frees up capacity there. Green River Valley District has assumed operation of the Wax Water Treatment Plant, which now has enough capacity to supply the Hart County System and to supply water to Grayson District on a wholesale basis for a substantial percentage of the Grayson County System customers. This redistribution of sources works to the advantage of all three districts and all customers served.

This approach was determined by all three parties to be the most efficient, practical, and beneficial structure for the customers of the Hart County System, while appropriately recognizing the respective service territories, infrastructure, and operational capacities of the districts involved.

- A 2(c). Edmonson District is **NOT** seeking to cease providing utility service or otherwise divest itself of utility operations. It intends to continue to operate the Brownsville Water Treatment Plant and to serve its Edmonson County customers. Historically, Edmonson District took on the burden of providing water service to areas of Hart County and Grayson County near Nolin Lake that would otherwise not have been served. Those areas were outside of Edmonson District's core service area. The sale of the Grayson County System to Grayson District and the sale of the Hart County System and Wax Water Treatment Plant to Green River Valley District are intended to enable Edmonson District to right-size its water operations and to focus on improving service to Edmonson County customers. As set out in Answer 1-7(f) of Edmonson District's Response to Commission's First Data Request, the sale will also relieve Edmonson District of debt service for \$4,355,500 in bonds that Green River Valley District will assume and will result in a cash payment to Edmonson District of approximately \$4,525,680 for the Grayson County System. That money will be placed in an interest bearing account and used to service the Edmonson District's remaining debt (approximately \$547,138 per year) and to make improvements to the Brownsville Water Treatment Plant. In addition, Edmonson is in the process of applying to the Kentucky Infrastructure Authority for a proposed \$14,000,000 project to improve infrastructure and reduce water loss and is also pursuing funding through USDA Rural Development for additional system improvements. As set out in Answer 3(e) below, Edmonson District's new Board and management have been working to turn things around, have made good progress, and intend to continue to do so.

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**Q 3. Refer to Green River Valley District's response to Staff's First Request, Item 2.**

a. Describe whether Edmonson District believes it currently provides safe and reliable water service to its Hart County Systems customers, including any known operations, water quality, staffing, or infrastructure concerns.

b. Explain what concerns about the current water service were raised by members of the public at the July 22, 2025 public meeting at Cub Run Elementary School in Hart County, including more details regarding reports of bad tasting water and concerns regarding water quality. If available, include any written comments or summaries of comments.

c. If available, provide copies of any complaints received related to water quality including poor taste.

d. Explain what deferred maintenance Edmonson District currently has on its Hart County System.

e. Explain any additional outstanding deferred maintenance on any portion of Edmonson District's water system.

f. Explain the factors that have limited Edmonson District's ability to address its deferred maintenance.

A 3(a). Edmonson District believes it currently provides safe and reliable water service to the Hart County System customers. While Edmonson District's system was placed under an agreed order by the Kentucky Division of Water, Edmonson District developed a corrective action plan and has met all requirements of the plan on or before the expected completion dates. See Exhibit 25 to the Joint Application. Green River

Valley District has operated the Wax Water Treatment Plant since July 2025 and Grayson District has operated the Grayson County System since August 2025, both under written operating agreements with Edmonson District. See Exhibit 5 to the Joint Application in this case and Exhibit 5 to the Joint Application in Case No. 2025-00330. Green River Valley District and Grayson District have already undertaken improvements that have improved service, and these arrangements have permitted Edmonson District to focus on the Brownsville Water Treatment Plant and the Edmonson County portion of its system.

- A 3(b). The July 22, 2025 public meeting was organized by Green River. Edmonson District was not involved. Green River will be better able to respond to this request.
- A 3(c). Green River Valley District has been operating the Hart County System since July 2025 under a written operating agreement with Edmonson District. See Exhibit 5 to the Joint Application. Green River will be better able to respond to this request.
- A 3(d). Green River Valley District has been operating the Wax Water Treatment Plant and the Hart County System since July 2025 under a written operating agreement with Edmonson District. See Exhibit 5 to the Joint Application. Edmonson District understands that Green River Valley District has been addressing deferred maintenance items. Therefore, Green River Valley District will be better able to respond to this request regarding what deferred maintenance there is currently on the Hart County System.
- A 3(e). For the entire Edmonson water system, Edmonson District has worked to address deferred maintenance over the last two years (since a new Board and management took over) and has made substantial progress. Among other things, a \$2,000,000 project was bid and completed in 2025 to completely renovate three water storage tanks, which were sandblasted, repainted, and had mixing systems installed. Two pump stations were replaced with new stations and another station had pumps and controls updated. Four miles of pipes were updated where service was inadequate, and source meters were installed. All tanks were inspected by an outside company, and any recommendations that company made for immediate maintenance were completed. Contracts have been awarded to work on two more tanks in 2026, including

adding a mixing system to one of them. All other pump stations have been renovated, with most receiving new pumps, motors and variable frequency drives. Four backup generators have been installed. Grayson District has addressed deferred maintenance on the Grayson County System since it took over operations in August 2025. Green River Valley District has addressed deferred maintenance at the Wax Water Treatment Plant and Hart County System since it took over operations in July 2025. Deferred maintenance is not as critical a concern as it was two years ago, when Edmonson District's new Board and management took over. The main focus going forward will be on the Edmonson County distribution system, including installing more source meters and reducing water loss.

- A 3(f). Edmonson District fell behind on maintenance because the system grew substantially, adding customers at a faster rate than prior management anticipated and becoming one of the largest rural water districts in the state (serving all of Edmonson County and large parts of Hart and Grayson Counties). Prior management prioritized keeping rates low rather than investing for the future and generally took a reactive, rather than proactive, approach to issues. All of that snowballed and resulted in a district that did not have the resources it needed to address serious issues when they surfaced. That has changed. The new Board and new management are committed to right-sizing the system and focusing on delivering safe and reliable drinking water to the customers in the Edmonson County portion of the system over the long term.

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**Q 4. Refer to Green River Valley District's response to Staff's First Request, Item 2, page 10, paragraph 2, which states: "Green River Valley District has adequate certified staff to operate the Wax WTP and Edmonson District does not."**

a. Describe the efforts undertaken by Edmonson District to obtain adequate staffing, such as a certified water treatment plan operator, prior to Green River Valley District assuming operation of the Wax WTP.

b. Describe staff retention difficulties experience by Edmonson Water, if any.

A 4(a). As of March 2024, when new management took over at Edmonson District, the system was under an agreed order with the Kentucky Division of Water. All of the past lead operators for the Wax Water Treatment Plant had left or their employment had been terminated due to their role in the circumstances that led to the agreed order, leaving Edmonson District without adequate certified operators to staff the Wax Water Treatment Plant. Efforts to recruit new certified operators included advertising in local news outlets in all three counties and obtaining authorization from the new Board to increase the pay for the position to 110% of the average pay across Kentucky, according to data from a Kentucky Rural Water Association survey. One certified operator was hired but left after two months. Edmonson District was unable to attract any other experienced certified operators. Instead, it began the process of training operators who were new to the field. The new operators hired to work at Wax Water Treatment Plant remain employed by Green River Valley District and are working toward their certifications.

A 4(b). In general, retaining staff has not been a significant issue in the last two years, since the new Board and management took over at Edmonson District. The bigger issue was trying to hire certified operators, which turned out not to be possible.