COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF GRAYSON COUNTY WATER DISTRICT AND EDMONSON COUNTY WATER DISTRICT FOR AN ORDER APPROVING THE TRANSFER OF OWNERSHIP OF EDMONSON COUNTY WATER DISTRICT'S GRAYSON COUNTY DISTRIBUTION SYSTEM AND AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES BY GRAYSON COUNTY WATER DISTRICT PURSUANT TO THE PROVISIONS OF KRS 278.020, KRS 278.300, AND 807 KAR 5:001	)	**CASE NO. 2025-00330**

JOINT APPLICATION

Grayson County Water District ("Grayson District") and Edmonson County Water District ("Edmonson District") (collectively, the "Joint Applicants"), file this Petition, pursuant to KRS 278.020, KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and request the Kentucky Public Service Commission (the "Commission") to enter an Order: (i) authorizing Grayson District to acquire Edmonson District's Grayson County water distribution system (the "Grayson County System") pursuant to the Asset Purchase Agreement (the "Agreement"); (ii) approving the Agreement between Grayson District and

Edmonson District; and (iii) authorizing Grayson District to issue securities, through a proposed loan from the Kentucky Infrastructure Authority ("KIA"), to finance the asset purchase and necessary improvements to the Grayson County System to ensure Grayson County System customers are provided with the same quality of service as is currently being provided to Grayson District existing customers.

In support of the Joint Application, and in compliance with the rules and regulations of the Commission, the Joint Applicants state as follows:[1]

GENERAL INFORMATION

1. The full name and post office address of Grayson District is: Grayson County Water District, 21 Shull White Road, Leitchfield, Kentucky 42754. Its email address is jwoosley@graysonwater.com.

2. The full name and post office address of Edmonson District is: Edmonson County Water District, 1128 Hwy 259 North, P.O. Box 208, Brownsville, Kentucky 42210. Its email address is kevin.shaw@ecwdwater.com.

3. Grayson District is a water district organized pursuant to the provisions of KRS Chapter 74. Grayson District is now, and has been since its inception, regulated by the Commission. All records and proceedings of the Commission with reference to Grayson District are incorporated in this Joint Application by reference.

[1] To facilitate the Public Service Commission's initial review of this Joint Application, Grayson District has attached to this Joint Application two "Filings Requirements Lists," one regarding the proposed asset transfer from Edmonson District to Grayson District (**Exhibit 1**) and the other regarding Grayson District's request for approval of financing through KIA loan (**Exhibit 2**). The Filings Requirements Lists set forth each relevant statutory and regulatory requirement and identifies the exhibit or paragraph of the Joint Application that satisfies the requirement.

4. Grayson District is not a corporation, limited liability company, or limited partnership. It has no articles of incorporation or partnership agreements.

5. The governing body of Grayson District is its Board of Commissioners. The Board of Commissioners is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070 and all other applicable laws.

6. A general description of Grayson District's water system property, together with a statement of the original cost, is contained in Grayson District's Annual Report for 2024 which is on file with the Commission. The Annual Report is incorporated by reference.

7. Edmonson District is a water district organized pursuant to the provisions of KRS Chapter 74. Edmonson District is now, and has been since its inception, regulated by the Commission. All records and proceedings of the Commission with reference to Edmonson District are incorporated in this Joint Application by reference.

8. The governing body of Edmonson District is its Board of Commissioners. The Board of Commissioners is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070 and all other applicable laws.

9. A general description of Edmonson District's water system property,

together with a statement of the original cost, is contained in Edmonson District's Annual Report for 2024 which is on file with the Commission. The Annual Report is incorporated by reference.

10. Pursuant to 807 KAR 5:001, Section 4(8), copies of all orders, pleadings, and other communications related to this proceeding should be directed to:[2]

Grayson County Water District

Jeremy Woosley, District Manager
21 Shull White Road
Leitchfield, Kentucky 42754
Phone: (270) 259-2917
Fax: (270) 200-4302
jwoosley@graysonwater.com

Lindsay Durbin
Deitz, Shields, Freeburger & Durbin, LLP
101 First Street
P. O. Box 21
Henderson, Kentucky 42419
Phone: (270) 213-2022
Fax: (270) 827-1492
ldurbin@dsf-atty.com

Edmonson County Water District

Kevin Shaw, General Manager
1128 Hwy 259 North
P.O. Box 208
Brownsville, Kentucky 42210

[2] On October 6, 2025, the Joint Applicants' Notice of Election of Use of Electronic Filing Procedures, pursuant to 807 KAR 5:001, Section 8, was filed on the Commission's website.

Phone: (270) 597-2165
Fax: (270) 597-2166
Kevin.shaw@ecwdwater.com

E. Kenly Ames
English, Lucas, Priest & Owsley, LLP
1101 College Street
P.O. Box 770
Bowling Green, Kentucky 42102-0770
Phone: (270) 781-6500
Fax: (270) 782-7782
kames@elpolaw.com

BACKGROUND

11. Grayson District currently owns and operates drinking water production, treatment, and distribution facilities ("Grayson District's System").

12. As of December 31, 2024, Grayson District provided retail water service to approximately 7679 residential customers and 356 commercial customers in Grayson County, Kentucky.[3]

13. Grayson District focuses primarily on retail water service to its customers in Grayson County, Kentucky.

14. Grayson District owns and operates water treatment facilities in Grayson County ("Grayson County WTP"), which treats water from Rough River Lake.

[3] *Annual Report of Grayson County Water District to the Kentucky Public Service Commission for the Calendar Year Ended December 31, 2024* ("*2024 Annual Report*") at 49.

15. Edmonson District currently owns and operates water production and treatment facilities in Edmonson and Grayson Counties, Kentucky and is engaged in the distribution and sale of water in Edmonson, Grayson and Hart Counties, Kentucky.

16. Edmonson provides retail water service to approximately 3,500 customers located in the southeastern portion of Grayson County, including the communities of Anneta, Peonia, Wax, and Broadford (the "Grayson County System").

17. Edmonson District owns the Wax Water Treatment Plant and related facilities (the "Wax WTP"), which is located in Grayson County near the Grayson-Hart county line. Edmonson has entered into an agreement with Green River Valley to operate the Treatment Plant, pursuant to the transactions herein contemplated. The Wax WTP provides potable water to Edmonson District's customers in its Hart County System, as well as to Edmonson District's customers in Grayson County.

18. Grayson District's system is adjacent to and interconnected with Edmonson District's system. A map depicting the respective Grayson County service areas of Edmonson District and Grayson District is attached to this Application and incorporated by reference as **Exhibit 3**.

19. Grayson District seeks to acquire Edmonson District's Grayson County System to provide efficient and reliable water service to customers in that area.

20. Both Grayson District's Board of Commissioners and the Board of Commissioners for Edmonson District have determined that combining Edmonson District's Grayson County System with Grayson District's System will result in economies of scale, and it will enable Grayson District to manage, operate, and maintain the combined system in a more cost-effective manner.

21. On May 29, 2025, Grayson District and Edmonson District executed a Statement of Intent, pursuant to which Grayson District expressed its intent to acquire Edmonson District's Grayson County System and Edmonson District expressed its intent to transfer and convey its Grayson County System to Grayson District. A copy of the Statement of Intent is attached to this Application and incorporated by reference as **Exhibit 4**.

22. On August 1, 2025, under the authority granted to water districts in KRS 74.414, Grayson District and Edmonson District executed an Operating Agreement for Edmonson District's Grayson County System. Pursuant to the terms of this Operating Agreement, Grayson District began managing, operating, repairing, and maintaining Edmonson's Grayson County System on August 1, 2025. A copy of the Operating Agreement is attached to this Application and is incorporated by reference as **Exhibit 5**.

23. On September 24, 2025, Grayson District and Edmonson District entered into an Asset Purchase Agreement (the "Agreement") whereby Edmonson District

will sell and transfer its Grayson County System to Grayson District in exchange for a cash payment of forty-eight (48) percent of the outstanding principal balance, plus accrued interest, of the total amount of the debt obligations incurred by Edmonson District for the purpose of constructing extensions and improvements to Edmonson District's water system. Grayson District proposes to finance this purchase through a loan from the Kentucky Infrastructure Authority ("KIA"). A copy of the Agreement is attached to this Application and is incorporated by reference as **Exhibit 6**.

24. The closing of the proposed transaction (the "Closing") shall take place at a mutually convenient date, time, and place (the "Closing Date") once all the Closing Requirements, set forth in paragraph 16 of the Asset Purchase Agreement (Exhibit 6 to this Application), are satisfied.

25. On September 22, 2025, Grayson District adopted Resolution No. 09-22-2025 authorizing the acquisition of Edmonson District's Grayson County System and approving the Agreement. A copy of Grayson District's Resolution is attached to this Application and incorporated by reference as **Exhibit 7**.

26. On September 23, 2025, Edmonson District adopted Resolution No. 2025-09-023.1 authorizing the transfer of its Grayson County System to Grayson District and approving the Agreement. A copy of Edmonson District's Resolution is attached to this Application and incorporated by reference as **Exhibit 8**.

27. Pursuant to KRS 278.020(6), Edmonson District cannot transfer ownership of its Grayson County System to Grayson District without Commission approval. Likewise, pursuant to KRS 278.020(6) Grayson District cannot acquire ownership of Edmonson's Grayson County System unless the Commission finds that it has the financial, technical, and managerial abilities to provide reasonable service and approves the acquisition.

28. Furthermore, Grayson District cannot issue securities to finance the acquisition without Commission approval pursuant to KRS 278.300.

THE PROPOSED TRANSACTION

29. The Agreement provides that Edmonson District shall sell and transfer to Grayson District its Grayson County System and related assets. The assets being transferred to Grayson District include, but are not limited to the following:

A. **Peonia 1 & 2 Tanks.** The water storage tanks designated as Peonia 1 and Peonia 2, which are located near Jarboe Road, Clarkson, Kentucky, all appurtenances, and the parcels of real estate on which the tanks are located (See Deed Book 189, Page 092, and Deed Book 309, Page 116, of record in the Office of the Grayson County Clerk);

B. **Nolin Estates Tank.** The water storage tank designated as Nolin Estates, which is located at Sassafras Drive, Clarkson, Kentucky, all appurtenances, and the parcel of real estate on which the tank is located

(See Deed Book 219, Page 140, of record in the Office of the Grayson County Clerk);

C. **Howell Tank.** The water storage tank designated as Howell, which is located at 12517 Peonia Road, Clarkson, Kentucky, all appurtenances, and the parcel of real estate on which the tank is located (See Deed Book 370, Page 419, of record in the Office of the Grayson County Clerk);

D. **Highway 88 Tank and Pump Station.** The water storage tank and booster pump station designated as Highway 88, which are located near Peonia Road, Clarkson, Kentucky, all appurtenances, and the parcels of real estate on which the tank and pump station are located (See Deed Book 241, Page 003, and Deed Book 267, Page 521, of record in the Office of the Grayson County Clerk);

E. **Sleepy Hollow Pump Station.** The booster pump station designated as the Sleepy Hollow Pump Station, which is located at 200 Twin Cove Road, Clarkson, Kentucky, all appurtenances, and the License Agreement and Easements dated October 10, 1989, pursuant to which the station was constructed and is maintained;

F. **Grayson Highway 259 Pump Station.** The booster pump station designated as the Grayson Highway 259 Pump Station, which is located

at 4751 Anneta Road, Leitchfield, Kentucky, all appurtenances, and the parcel of real estate on which the pump station is located (See Deed Book 530, Page 486, of record in the Office of the Grayson County Clerk);

G. All other real estate easements and the improvements thereon, licenses, encroachment permits, rights-of-way, Deeds, or other interests in real estate presently owned by Edmonson District in Grayson County and used or which could be used in the operation of the Grayson County System;

H. Edmonson District's entire Grayson County System including, but not limited to, the following: all transmission mains, distribution lines, valves, meter vaults, meters, fire hydrants, flush hydrants, tap installations, and fittings presently owned by Edmonson District and used in the operation of the Edmonson District's Grayson County System;

I. All maps, drawings, operating manuals, engineering reports, digital drawings, and "As Built" plans from current or previous engineering firms in Edmonson District's possession pertaining to the Edmonson District's Grayson County System;

J. Copies of all business records pertaining to Edmonson District's Grayson County System, including, but not limited to, all customer records and customer agreements; and

K. Any and all other tangible and intangible rights, permits, licenses or authorizations owned by Edmonson District and used in the operation of its Grayson County System.

29. As consideration for the transfer of Edmonson's Grayson County System, at Closing Grayson District shall pay to Edmonson District **forty-eight (48) percent** of the outstanding principal balance, plus accrued interest, of the total amount of the debt obligations incurred by Edmonson District for the purpose of constructing extensions and improvements to its water system.[4] These debt obligations are evidenced by six different series of revenue bonds issued by Edmonson District, purchased by United States Department of Agriculture, Rural Development ("RD"), and held by RD (the "Outstanding RD Water Bonds"), which currently have an outstanding principal balance of **$4,658,500**. In addition, Edmonson District has three debt obligations which are owed to the Rural Water Financing Agency (the "RWFA"), which is the successor to the Kentucky Rural Water Finance Corporation. These debt obligations are evidenced by loans and are identified as the "RWFA Loans." The outstanding principal balance of the RWFA

[4] Agreement at 6-7, paragraph 3.

Loans is currently **$4,770,000.** Thus, the total current principal balance of the RD Bonds and the RWFA loans is **$9,428,500.** Attached as **Exhibit 9** and incorporated by reference is a description of the Outstanding RD Water Bonds and attached as **Exhibit 10** and incorporated by reference is a description of the RWFA Loans. Because Edmonson District will continue making payments on the Outstanding RD Water Bonds and the RWFA Loans until the Closing, the final purchase price shall be determined as of the date of Closing in accordance with the terms of the Agreement.

30. Grayson District will pay cash to Edmonson District for the purchase price at closing.. Grayson proposes to finance the Project with a portion of the proceeds of a loan from the Kentucky Infrastructure Authority ("KIA"). Grayson received a Loan Invitation from KIA and is optimistic that a Conditional Commitment Letter is likely given the timeliness of their project and application. If Grayson is not offered KIA funds, Grayson will seek a loan from Rural Development.

31. Pursuant to the provisions of its various Bond Resolutions, Edmonson District has established, maintained, and acknowledges its obligation to make monthly transfers to its Bond Sinking Fund. The current amount of the required monthly transfer to the Bond Sinking Fund for all six Outstanding RD Water Bonds is **$24,045.21**. Up to the date of Closing, Edmonson District shall continue making

the required monthly transfers to its Bond Sinking Fund and shall use the accumulated funds to make the required principal and interest payments on its Outstanding RD Water Bonds. At the Closing, Edmonson District shall retain the funds in the Bond Sinking Fund. For purposes of calculating the final purchase price due to Edmonson District as of the date of Closing, the Parties shall deduct the amount of funds in the Bond Sinking Fund from the outstanding principal and accrued interest owed on the Outstanding RD Water Bonds at that time to arrive at the total amount outstanding on the Outstanding RD Water Bonds.

32. Pursuant to the provisions of its various RWFA Assistance Agreements, Edmonson District has established, maintained, and acknowledges its obligation to make monthly transfers to its RWFA Sinking Fund held by Regions Bank, as Trustee for RWFA. The current amount of the required monthly transfer to the RWFA Sinking Fund is **$44,470.04**. Up to the date of Closing, Edmonson District shall continue making the required monthly transfers to its RWFA Sinking Fund and shall use the accumulated funds to make the required principal and interest payments on its RWFA Loans. Grayson District will not be assuming any of the RWFA Loans, and Edmonson District shall retain the funds in the RWFA Sinking Fund. For purposes of calculating the final purchase price due to the Edmonson District as of the date of Closing, the Joint Applicants shall deduct the amount of funds in the RWFA Sinking Fund from the outstanding principal and accrued interest

owed on the RWFA Loans at that time to arrive at the total amount outstanding on the RWFA Loans.

33. Grayson District's current District Manager is familiar with the condition of Edmonson District's Grayson County System because Grayson District has been managing, operating, repairing, and maintaining the Grayson County System since August 1, 2025.

FINANCIAL INFORMATION

34. Grayson District has the financial, technical, and managerial abilities to provide reasonable water service for the existing water customers of the Grayson County System without placing a financial burden on those customers or Grayson District's existing customers or adversely affecting the quality of service presently afforded the existing customers of Grayson District or the Grayson County System customers.

35. In the immediate past calendar year (the 12-month period ending December 31, 2024), Grayson District had less than $5,000,000 in gross annual revenues.

36. Pursuant to 807 KAR 5:001, Section 12(1)(b), and Section 18, Grayson District includes with this Application **Exhibit 11**, a copy of Grayson District's most recent annual report on file with the Commission, the 2024 Annual Report.

37. Exhibit 11, the 2024 Annual Report, contains a detailed income statement and balance sheet for the 12-month period ending December 31, 2024, as required by 807 KAR 5:001, Section 12(2)(i), and the Bond information required by 807 KAR 5:001, Section 12(2)(e).

38. No material changes in Grayson District's operations have occurred since December 31, 2024, other than the agreement contemplated herein.

39. Since the amendment of 807 KAR 5:001, Section 12 in 2014,[5] the Commission has consistently accepted the use of a utility's most recently filed annual report as a financial exhibit provided that the utility had less than $5,000,000 in gross annual revenue in the immediate past calendar year and the application contains a statement that no material changes have occurred since the end of that 12-month period.[6]

[5] Ky. Admin. Reg. 686, 690 (Sept. 2013) (creating an exception to financial exhibit requirements for utilities with gross annual revenues of less than $5,000,000); 40 Ky. Admin Reg 1109, 1113 (final version of amended regulation)

[6] *See, e.g.*, *Electronic Application of Knox County Utility Commission for Authorization to Execute An Assistance Agreement with the Kentucky Infrastructure Authority and for A Certificate of Public Convenience and Necessity to Construct the Barbourville Connection-KY 225 Project*, Case No. 2023-00003 (Ky. PSC filed Jan. 30, 2023); *Electronic Application of McCreary County Water District for Authorization to Execute A Supplemental Assistance Agreement with the Kentucky Infrastructure Authority to Increase the Amount Borrowed Under An Existing Assistance Agreement and for Approval of Changes To A Plan of Construction*, Case No. 2022-00247 (Ky. PSC filed Aug. 18, 2022); *Electronic Application of Morgan County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct A Water System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001*, Case No. 202200245 (Ky. PSC filed Aug. 9, 2022); *Electronic Application of the Adair County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct A Water System Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 and 807 KAR 5:001*, Case No. 2021-00176 (Ky. PSC Apr. 27, 2021); *Electronic Application of the Adair County Water District for the Issuance of A Certificate of Public Convenience and Necessity to Construct Sewer System*

40. Pursuant to KAR 5:001, Section 12, Grayson District states as follows:

A. **Section 12(2)(a) Stock Authorized:** None. Grayson District is a Water District. Therefore, this provision is not applicable;

B. **Section 12(2)(b) Stock Issued & Outstanding:** None. Grayson District is a Water District. Therefore, this provision is not applicable;

C. **Section 12(2)(c) Preferred Stock Preference:** None. Grayson District is a Water District. Therefore, this provision is not applicable;

D. **Section 12(2)(d) Mortgages:** None. Grayson District does not have any mortgages or trust deeds in effect as of the date of this Application;

E. **Section 12(2)(e) Bonds:** A schedule setting forth all bonds which have been authorized and issued by Grayson District, and which are still outstanding is set forth as **Exhibit 12**. Grayson District is the public entity which issued these revenue bonds (the "Bonds"). The Bonds are all secured by a pledge of Grayson District's water system revenues. The total amount of interest paid by Grayson District during the fiscal year January 1, 2024 – December 31, 2024 was $61,375. **Exhibit 12** also itemizes the amount of interest paid on each separate Bond issue;

F. **Section 12(2)(f) Notes Outstanding:** A schedule setting forth all notes issued by Grayson District, and which are still outstanding is set forth as **Exhibit 13**. The total amount of interest paid by Grayson District during the fiscal year January 1, 2023 – December 31, 2024 was $147,619. Exhibit 13 also itemizes the amount of interest paid on each separate note;

G. **Section 12(2)(g) Other Indebtedness:** None.

H. **Section 12(2)(h) Dividends:** None. Grayson District is a Water District. Therefore, this provision is not applicable; and

I. **Section 12(2)(i) Income Statement & Balance Sheet:** Grayson

Improvements Project and An Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 and 807 KAR 5:001, Case No. 2021-00156 (Ky. PSC Apr. 14, 2021).

District's detailed Income Statement for the twelve (12) month period ending on December 31, 2024 and Grayson District's Balance Sheet, as of December 31, 2024 are attached as **Exhibit 14** and **Exhibit 15,** respectively, and are incorporated by reference.

41. A copy of Grayson District's audited financial statements for the years ended December 31, 2024 and 2023 are attached as **Exhibit 16** and are incorporated by reference.

42. Grayson District seeks authority to incur new debt from a proposed KIA loan of approximately $7,500,000. Approximately $4,525,680 will be used to fund this asset transfer and $2,974,320 will be used to fund needed updates to the acquired assets to improve the functionality and safety of the assets to a standard similar to the existing Grayson District assets. Approximately $2,661,045 of that original loan amount is anticipated to be forgiven by KIA. When the new debt is combined with Grayson District's existing debt of $17,064,143 (see **Exhibits 12 and 13**), it results in a combined debt of $21,903,098. **Exhibit 17**, which is attached, displays Grayson District's existing debt, the new proposed KIA loan, the combined debt after the proposed acquisition, and the debt per customer. Grayson District's debt per customer will be approximately $1,905 following the acquisition.

43. Pursuant to KAR 5:001, Section 18, Grayson District hereby states as follows:

A. **Section 18(1)(b) Applicant's Property:** A general description of Grayson District's water system property, together with a statement of the original cost, is contained in Grayson District's Annual Report

for 2024 which is on file with the Commission. Grayson District's 2024 Annual Report is incorporated by reference in this Joint Application.

B. **Section 18(1)(c) Stock to be Issued:** None. Grayson District does not propose to issue any stock.

C. **Section 18(1)(d) Use of Proceeds:** As further explained in paragraph 29-30, Grayson District proposes to obtain a loan from KIA to finance the purchase of Edmonson District's Grayson County System. The KIA loan proceeds will be used to acquire Edmonson District's Grayson County System ($4,525,680) and to fund needed updates to the acquired assets ($2,974,320) to improve the functionality and safety of the assets to a standard similar to the existing Grayson District asset.

D. **Section 18(1)(e) Property to be Acquired:** Grayson District is acquiring Edmonson District's Grayson County System. A detailed description of the property being acquired is set forth in the Agreement (see paragraph 2 of the Agreement). The net book value of the property being acquired is **$ 3,640,472.** A schedule itemizing the book value of each of the major components of Edmonson District's Grayson County System is set forth in **Exhibit 18**;

E. **Section 18(1)(f): Discharge or Refund Obligations :**Not applicable.

F. **Section 18(1)(g) State Local Debt Officer Notification:** Upon approval of the KIA loan, Grayson will submit **Exhibit 19** as Grayson District's notification to the State Local Debt Officer. This letter, together with the attachments, will constitute Grayson District's written notification to the State Local Debt Officer and compliance with KRS 65.117;

G. **Section 18(2)(a) Financial Exhibit:** See paragraphs 35-39 of this Joint Application for Grayson District's Financial Exhibit;

H. **Section 18(2)(b) Trust Deeds or Mortgages:** None. Grayson District does not have any mortgages or trust deeds in effect as of the date of this Joint Application;

I. **Section 18(2)(c) Map:** Attached as **Exhibit 20** is a map, which depicts the location of the major properties (e.g. water storage tanks, pump stations etc.) that Grayson District will be acquiring from Edmonson District; and

J. **Section 18(2)(c) USOA Account Number: Exhibit 18** is a table arranged by USOA account number, which sets forth the book value of each of the major components of the Grayson County System which are being acquired by Grayson District.

44. Grayson District believes that the financial information submitted with this Joint Application is sufficient to enable the Commission to adequately, effectively, and efficiently review this Joint Application.

45. Grayson District submits that no Certificate of Public Convenience and Necessity is required under KRS 278.020 for the approximately $2,974,320 in expenditures to fund needed updates to the acquired assets to improve the functionality and safety of the assets to a standard similar to the existing Grayson District assets. With the loan forgiveness anticipated from KIA, the improvements will cost Grayson District an estimated net cost of $313,275. These expenditures do not involve the establishment of new service or the construction of new facilities to serve customers, but rather represent necessary investments to bring the existing Grayson County System infrastructure to safe and functional operational standards commensurate with Grayson District's existing system. Such expenditures fall within the usual course of business for a water utility maintaining and upgrading its

existing facilities to ensure reliable service delivery. As Grayson District has been managing, operating, repairing, and maintaining the Grayson County System since August 1, 2025, these improvements are routine operational expenditures necessary to integrate the acquired assets into Grayson District's system and maintain consistent service standards across its entire service territory. The rehabilitation work ensures that all customers receive water service through infrastructure that meets uniform safety and operational standards.

WHOLESALE WATER PURCHASES FROM GREEN RIVER WATER DISTRICT

45. In contemplation of acquiring Edmonson District's customers and water distribution assets located in Grayson County and desiring a supplemental source of potable water with which to serve its customers, Grayson County Water District ("Grayson District") executed a Water Purchase Agreement with Green River District (the "WPA") on May 29, 2025. A copy of the WPA is attached as **Exhibit 21**.[7]

46. Under the terms of the WPA Green River District will supply finished water to Grayson District via utilization of the Wax WTP. The point of delivery is the Wax WTP.

[7] Green River District has filed the WPA with the Commission for review via the Electronic Tariff Filing System.

47. The WPA is for a 10-year term. For approximately five years, until October 1, 2030, Grayson District must purchase a minimum of 150,000 gallons a day. After October 1, 2030, the minimum purchase requirement is reduced to 100,000 gallons per day.

48. The maximum purchase amount is 400,000 gallons per day for the term of the WPA.

49. Green River District and Grayson District have agreed that the wholesale rate to be charged to Grayson District is Green River District's wholesale rate as shown on its tariff on file with the Commission. Assuming only the minimum purchase amount and the current wholesale rate, Grayson District will pay approximately $164,798 in additional annual expenses for wholesale water purchases from Green River District.[8]

50. The additional water purchases will serve the requirements of the customers Grayson District is acquiring from Edmonson District. Assuming the average retail customer of the Grayson County System uses 3,000 gallons of water each month,[9] Grayson District will increase its revenue from retail water sales by $1,511,580 per year by virtue of the transfer of the Grayson County System.

---

[8] 150,000 gallons per day x 365 days = 54,750,000 gallons. 54,750,000 gallons x $0.00301 = $164,797.50

[9] This was the reported usage by an average customer in Edmonson District's last rate proceeding. *See* Case No. 2024-00219, Application, Attachment 1, Customer Notice (filed July 19, 2024).

51. No rate adjustment for Grayson District's existing customers is expected as a result of this acquisition; however, Grayson District does anticipate a need for increased rates notwithstanding this transaction as discussed in Item 59 below. The proposed acquisition will generate positive cash flow, which should enable Grayson District to pay all operational and maintenance expenses incurred for the Grayson County System, service the proposed KIA debt, and maintain adequate reserves.

RATES

52. Grayson District will be acquiring assets with a Book Value of **$3,640,472** (see **Exhibit 18**) and making needed investments of approximately $2,974,320 while incurring $4,525,680 in new proposed KIA debt associated with this acquisition. This transaction will strengthen Grayson District's Balance Sheet by more than $2,000,000 as a result of the anticipated KIA loan forgiveness.

53. Grayson District does not anticipate a future need to hire additional employees to operate the Grayson County System. Grayson District has been operating the Grayson County System since August 1, 2025. Grayson has hired 2 new employees to support the acquisition since beginning operation of the Grayson County System and anticipates that this will be sufficient for future operations.

54. Grayson District employs 12 individuals who hold valid drinking

Water Distribution Operator licenses and 5 individuals who hold valid Water Treatment Plant Operator licenses issued by the Kentucky Board of Certification of Water and Wastewater System Operators. A list of the names, qualifications, and license numbers of Grayson District's Certified Water Distribution System and Treatment Plant Operators is attached as **Exhibit 22** to this Joint Application.

55. **Exhibit 23** sets forth Edmonson District's current rates, which the Commission approved by Order dated March 10, 2025, in Case No. 2024-00219.

56. **Exhibit 24** sets forth Grayson District's current rates, which the Commission approved by Order dated June 10, 2023 in Case No. 2023-00175.

57. Upon the transfer of the Grayson County System from Edmonson District to Grayson District, Grayson District will charge the customers it acquires by virtue of the transfer its Commission approved rates for water service. Attached as **Exhibit 25** is a side-by-side comparison of Edmonson District's current rates and Grayson District's current rates organized by meter size.

58. A bill comparison table for water service using a 5/8 x 3/4-inch meter is attached as **Exhibit 26**. As is illustrated by Exhibits 25 and 26 the rates charged by Grayson District are not substantially different from the rates charged by Edmonson District. For a residential retail customer using an average of 3,000 gallons per month the bill will be $4.95 more per month under Grayson District's rate schedule than the bill under Edmonson District's rate schedule.

59. Grayson District currently faces a debt service coverage ratio deficiency under its existing USDA Rural Development loan agreements, which requires remediation through a rate increase filing regardless of whether the proposed acquisition proceeds. However, the acquisition of Edmonson County Water District's Grayson County system would actually improve Grayson District's debt service coverage ratio and is expected to generate positive cash flow, with no rate adjustment anticipated for Grayson District's existing customers due to this acquisition. The acquisition would enhance Grayson District's long-term financial stability by spreading fixed costs over a larger customer base and generating additional revenue that would ultimately benefit all customers served by the District. Importantly, Grayson District's need for a rate increase to address its USDA compliance requirements exists independently of this acquisition transaction and is not driven by the proposed transaction.

BENEFITS OF TRANSFER

60. The public policy of the Commonwealth, as declared in KRS 224A.300(1) and KRS 74.361(1) and (10) is to encourage regionalization, consolidation, and merger of water utilities wherever feasible. Grayson District's proposed acquisition of Edmonson District’s Grayson County System is consistent with, and in furtherance of, this public policy. After the transfer both Grayson District and Edmonson District will continue to operate as separate utilities and no

reduction in the number of water utilities in Kentucky will be achieved by this transfer. However, the transfer will result in the consolidation of water service in Grayson County. Currently, Grayson District, Edmonson District, and the City of Leitchfield provide retail water service in Grayson County. Following the transfer, only Grayson District and the municipality will provide retail water service in Grayson County. The retail customers that Grayson District will acquire by virtue of the transfer will be receiving water service from a utility headquartered in their home county. This proximity of Grayson District to the Grayson County System retail customers will have a positive effect on customer service as well as furthering the public policy of consolidation of water utilities.

61. The transfer of the Grayson County System to Grayson District will provide Grayson District with additional customers and infrastructure in its home county, enabling more efficient operations and improved service reliability for both existing and new customers in the future.

62. The transfer of the Grayson County System will provide Grayson District with additional water storage capacity strategically located to serve customers throughout Grayson County.

63. Grayson District, pursuant to KRS 74.100 and other applicable laws, is authorized to expand its existing water system by acquiring Edmonson District's Grayson County System.

64. Both Grayson District's Board of Commissioners and Edmonson District's Board of Commissioners have determined that it is economically feasible, desirable, beneficial and in the best interests of Grayson District's customers, Edmonson District's customers, and the general public for the proposed transfer of assets to take place.

65. Grayson District has the financial, technical, and managerial abilities to provide reasonable water service to the customers of Edmonson District's Grayson County System without causing a financial burden on Grayson District's existing customers or adversely affecting the quality of service presently afforded the existing customers of Grayson District or Edmonson District.

66. The proposed KIA loan will **not** be a burden on Grayson District's existing customers. Following the acquisition, Grayson District will owe $21,903,098 and will have 11,500 customers. This equates to a debt of $1,905 per customer, which is a reduction in the debt per customer as of December 31, 2024 of $228 per customer. The proposed KIA loan is expected to have an interest rate of 0.25% which is roughly 1.4% lower that the average debt held by Grayson District.

67. Grayson District's proposed acquisition of Edmonson District's Grayson County System will not adversely impact Grayson District's ability to provide adequate, reasonable, and reliable service to its existing customers. Indeed, just the opposite is true. The proposed acquisition will enhance Grayson District's

capacity to provide water service within its home county and enhance Grayson District's long-term financial strength by growing its customer base, thus allowing fixed costs to be shared among additional customers. See the attached Exhibit 27 – Direct Testimony of Jeremy Woosley, Exhibit 28 – Direct Testimony of Kyle Cannon and Exhibit 29 - Direct Testimony of Kevin Shaw for further discussion.

68. **The Joint Applicants have scheduled a Tentative Closing Date for June 15, 2026.**

69. No rate adjustment will be necessary for Grayson District's existing customers as a result of this transaction.

70. All the Exhibits which are attached to this Joint Application are hereby incorporated by reference.

WHEREFORE, the Joint Applicants respectfully request that the Commission take the following actions:

1. Place this Joint Application for asset transfer and securities authorization by Grayson District at the head of the docket as provided by KRS 278.300(2);

2. Authorize Grayson District to acquire Edmonson District's Grayson County System pursuant to the Asset Purchase Agreement;

3. Approve the Asset Purchase Agreement between Grayson District and the Edmonson District;

4. Authorize Grayson District to issue securities to finance the acquisition and needed system improvements through the proposed KIA loan; and

5. Grant Grayson District any and all other appropriate relief.

Dated: October___, 2025

Respectfully submitted,

/s/ Lindsay Durbin
Lindsay Durbin
Deitz, Shields, Freeburger & Durbin, LLP
101 First Street
P. O. Box 21
Henderson, Kentucky 42419
Phone: (270) 213-2022
Fax: (270) 827-1492
ldurbin@dsf-atty.com

Counsel for Grayson County Water District

/s/ E. Kenly Ames
E. Kenly Ames
English, Lucas, Priest & Owsley, LLP
1101 College Street
P.O. Box 770
Bowling Green, Kentucky 42102-0770
Phone: (270) 781-6500
Fax: (270) 782-7782
kames@elpolaw.com

Counsel for Edmonson County Water District

GRAYSON COUNTY WATER DISTRICT'S VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF GRAYSON)

The undersigned, Nancy Cain, being duly sworn, deposes and states that she is the Chairman of Grayson County Water District, one of the Joint Applicants in the above proceeding; that she has read this Verified Joint Application and has noted its contents; that the same is true of her own knowledge, except as to those matters which are stated on information or belief, and as to those matters, she believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this 29th day of October 2025.

Nancy Cain

Nancy Cain, Chairman
Grayson County Water District

Subscribed and sworn to before me, a Notary Public in and for said County and State, by Nancy Cain, in her capacity as Chairman of Grayson County Water District, on this 29th day of October 2025.

Notary Public, State at Large

Notary ID: KYNP44526

My Commission expires: 2/10/2026

EDMONSON COUNTY WATER DISTRICT

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF EDMONSON)

The undersigned, Darren Dennison, being duly sworn, deposes and states that he is the Chairman of Edmonson County Water District, one of the Joint Applicants in the above proceeding; that he has read this Verified Joint Application and has noted its contents; that the same is true of his own knowledge, except as to those matters which are stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this 31ST day of October 2025.

Darren Dennison, Chairman
Edmonson County Water District

Subscribed and sworn to before me, a Notary Public in and for said County and State, by Darren Dennison, in his capacity as Chairman of Edmonson County Water District, on this 31ST day of October 2025.

Notary Public, State at Large

Notary ID: KYNP90516

My Commission expires: 07-18-2028

DYLAN RAY HAZELWOOD
NOTARY PUBLIC
COMMONWEALTH OF KENTUCKY
ID # KYNP90516
MY COMMISSION EXPIRES JULY 18, 2028

CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on October 31, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

/s/ Lindsay Durbin
Lindsay Durbin
Counsel for Grayson County Water District

TABLE OF EXHIBITS

Exhibit No.	Description
1.	Filing Requirements Checklist – Transfer of Assets
2.	Filing Requirements Checklist – Financing Approval
3.	Map – Edmonson and Grayson Districts' Grayson County Service Areas
4.	Statement of Intent
5.	Operating Agreement
6.	Asset Purchase Agreement
7.	Resolution of Grayson District Approving Asset Purchase Agreement
8.	Resolution of Edmonson District Approving Asset Purchase Agreement
9.	Schedule of Edmonson District's RD Water Bonds
10.	Schedule of Edmonson District's RWFA Loans
11.	Grayson District's 2024 Annual Report
12.	Schedule of Grayson District's Outstanding Bonds
13.	Schedule of Grayson District's Outstanding Loans
14.	Income Statement of Grayson District for Fiscal Year Ending December 31, 2024
15.	Balance Sheet of Grayson District for Fiscal Year Ending December 31, 2024

16. Audit Report of Grayson District for Fiscal Years Ending December 31, 2023 and December 31, 2024

17. Total Grayson District Debt After Acquisition

18. Book Value of Property Being Acquired

19. Notification to State Local Debt Officer

20. Map – Edmonson's Grayson County System

21. Water Purchase Agreement with Green River District

22. Schedule of Certified Operators

23. Schedule of Edmonson District's Current Water Rates

24. Schedule of Grayson District's Current Water Rates

25. Schedule of Edmonson District and Grayson District's Current Water Rates

26. Bill Comparison Using Edmonson District and Grayson District's Current Water Rates

27. Direct Testimony – Jeremy Woosley, District Manager, Grayson County Water District

28. Direct Testimony – Kyle Cannon, Administration and Accounting, Grayson County Water District

29. Direct Testimony – Kevin Shaw, Manager, Edmonson County Water District

EXHIBIT 1

FILING REQUIREMENTS LIST FOR AN APPLICATION FOR AUTHORITY TO TRANSFER OWNERSHIP OR CONTROL

Source Authority	Requirement	Location
807 KAR 5:001 § 14(1)	Applicant's name, mailing address, and e-mail address	Page 2, Paras 1 and 2
807 KAR 5:001 § 14(1)	Statutory reference – KRS 278.020(5) or (6)	Page 1
807 KAR 5:001 § 4(3)	Signature of Applicant's attorney	Page 29
807 KAR 5:001 § 4(3)	Name, address, telephone number, fax number, and e-mail address of Applicant's attorney	Page 29
807 KAR 5:001 § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Pages 2-3, Paras 3-8 Not Applicable
807 KAR 5:001 § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Pages 2-3, Paras 3-8 Not Applicable
807 KAR 5:001 § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Pages 2-3, Paras 3-8 Not Applicable
Not required but recommended	Signed Purchase/Sale Agreement, or other writing memorializing the terms of transfer	Exhibit 6
KRS 278.020(5)	The names and qualifications of operating personnel, and any other evidence to show new owners have financial, technical, and managerial abilities to operate system, e.g. income tax records, financial statements, etc.	Page 15, Paras 34-37 Page 23, Para 54 Exhibits 14, 15, 16
KRS 278.020(6)	Application verified by oath or affirmation.	Pages S-1 and S-2

EXHIBIT 2

FILING REQUIREMENTS LIST FOR AN APPLICATION FOR AUTHORITY TO ISSUE SECURITIES OR EVIDENCES OF INDEBTEDNESS

Source Authority	Requirement	Location
807 KAR 5:001 § 14(1)	Applicant's name, mailing address, and e-mail address	Page 2, Paras 1 and 2
807 KAR 5:001 § 14(1)	Statutory reference – KRS 278.300	Page 1
807 KAR 5:001 § 4(3)	Signature of Applicant's attorney	Page 29
807 KAR 5:001 § 4(3)	Name, address, telephone number, fax number, and e-mail address of Applicant's attorney	Page 29
807 KAR 5:001 § 14(2)	If Applicant is corporation: State and date of incorporation, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Pages 2-3, Paras 3-8 Not Applicable
807 KAR 5:001 § 14(3)	If Applicant is a limited liability company: State and date of organization, attestation of good standing in state of incorporation, statement regarding authorization to transact business in Kentucky	Pages 2-3, Paras 3-8 Not Applicable
807 KAR 5:001 § 14(4)	If the Applicant is a limited partnership: a certified copy of limited partnership agreement and all amendments or statement identifying prior Commission proceedings in which limited partnership agreement and all amendments filed	Pages 2-3, Paras 3-8 Not Applicable
KRS 278.300(2)	Application is made under oath and signed on utility's behalf by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility	Pages S-1 and S-2
807 KAR 5:001 § 18(1)(a)	Information required by 807 KAR 5:001 § 14	See above

Source Authority	Requirement	Location
807 KAR 5:001 § 18(1)(b)	Description of Applicant's property and the field of its operation	Pages 3-4, Paras 6 and 9 Exhibits 3 and 20
807 KAR 5:001 § 18(1)(b)	Statement of original cost of Applicant's property and the cost to the Applicant, if different	Pages 3-4, Paras 6 and 9 Exhibit 18
807 KAR 5:001 § 18(1)(c)	Description of amount and kinds of stock to be issued	Page 19, Para 43(B) Not Applicable
807 KAR 5:001 § 18(1)(c)	Description of amount, terms and interest rate of bond or note	Page 18, Para 42 Exhibits 12, 13, 17
807 KAR 5:001 § 18(1)(c)	Description of how bond or note will be secured	Page 18, Para 42
807 KAR 5:001 § 18(1)(d)	Statement of how proceeds are to be used	Page 19 Para 43(C) Exhibit 9
807 KAR 5:001 § 18(1)(e)	If proceeds will be used to acquire, construct, improve, or extend property: a detailed description of property and all contracts	Page 19, Para 43(D) Exhibit 18
807 KAR 5:001,§ 18(1)(f)	(If proceeds are to refund outstanding obligations) Statement of nature and description of obligation	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding obligations) Statement of par value of original obligations	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding obligations) Statement of the amount for which original obligation sold	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding obligations) Statement of associated expenses	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding obligations) Statement of the application of proceeds from the sale	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding notes) Time the original obligation held	Page 19, Para 43(E) Not Applicable

Source Authority	Requirement	Location
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding notes) Interest rate of original obligation	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(f)	(If proceeds are to refund outstanding notes) Payee	Page 19, Para 43(E) Not Applicable
807 KAR 5:001 § 18(1)(g)	Applicant's written notification to state local debt officer regarding proposed issuance	Page 19, Para 43(F) Exhibit 17
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(1)	Financial Exhibit	Page 15, Para 36 Exhibit 11
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(a)-(c)	Financial Exhibit – Information regarding stock	Page 17 Para 40(A) - 40(C) Not Applicable
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(d)	Financial Exhibit – Description of mortgage	Page 17, Para 40(D)
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(e)	Financial Exhibit – Description of bonds	Page 17, Para 40(E) Exhibit 12
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(f)	Financial Exhibit – Statement regarding outstanding notes	Page 17, Para 40(F) Exhibit 13
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(g)	Financial Exhibit – Statement regarding other indebtedness	Page 17, Para 40(G) Not Applicable
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(h)	Financial Exhibit – Statement regarding dividends	Page 17, Para 40(H) Not Applicable
807 KAR 5:001 § 18(2)(a) 807 KAR 5:001 § 12(2)(i)	Financial Exhibit – Detailed income statement and balance sheet	Page 17, Para 40(I) Exhibit 14 and 15
807 KAR 5:001 § 18(2)(b)	Copies of trust deeds or mortgages	Page 19, Para 43(H)
807 KAR 5:001 § 18(2)(c)	If property acquired: maps and plans of property	Page 20 Para 43(I) Exhibit 20
807 KAR 5:001 § 18(2)(c)	If property acquired: detailed estimates by USOA account number	Page 20, Para 43(J) Exhibit 18

EXHIBIT 3

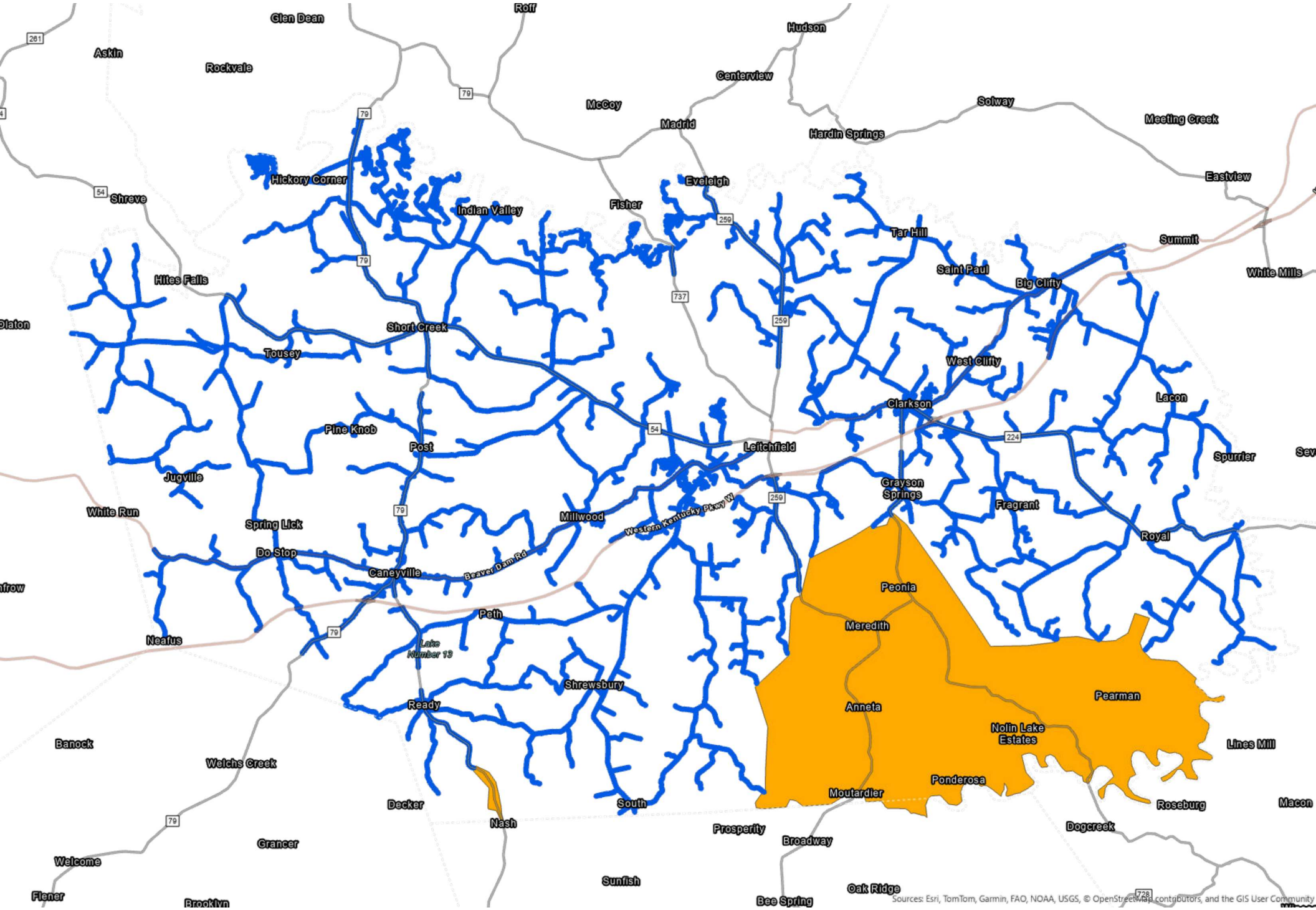

Glen Dean
Roff
Hudson
Askin
Rockvale
Centerview
McCoy
Madrid
Solway
Meeting Creek
Hardin Springs
Hickory Corner
Shreve
Indian Valley
Fisher
Eveleigh
Eastview
Tar Hill
Summit
Saint Paul
Big Clifty
White Mills
Hites Falls
Short Creek
Tousey
West Clifty
Lacon
Clarkson
Pine Knob
Post
Leitchfield
Spurrier
Jugville
Grayson Springs
White Run
Fragrant
Spring Lick
Millwood
Western Kentucky Pkwy W
Royal
Do Stop
Caneyville
Beaver Dam Rd
Peonia
Peth
Meredith
Neafus
Lake Number 13
Shrewsbury
Pearman
Ready
Anneta
Nolin Lake Estates
Banock
Lines Mill
Welchs Creek
Ponderosa
Moutardier
Decker
South
Roseburg
Macon
Nash
Prosperity
Dogcreek
Broadway
Grancer
Welcome
Sunfish
Flener
Brooklyn
Oak Ridge
Bee Spring
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

EXHIBIT 4

STATEMENT OF INTENT

This Statement of Intent, having an effective date of 5-29, 2025, is made and entered into by and between the **EDMONSON COUNTY WATER DISTRICT** ("Edmonson") and the **GRAYSON COUNTY WATER DISTRICT** ("Grayson") (collectively, the "Parties"):

WITNESSETH

WHEREAS, Edmonson is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Edmonson currently owns and operates both water treatment and water distribution facilities (the "Edmonson Water System");

WHEREAS, Grayson is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Grayson currently owns and operates both water treatment and water distribution facilities (the "Grayson Water System");

WHEREAS, the Grayson Water System includes assets located in Grayson County, Kentucky, and Grayson provides retail water service to customers in Grayson County, Kentucky;

WHEREAS, the Grayson Water System is adjacent to and interconnected with the Edmonson Water System;

WHEREAS, the Edmonson Water System consists of assets located in Edmonson, Grayson, and Hart Counties, Kentucky. Edmonson's water distribution assets located in Grayson County shall be referred to as "Edmonson's Grayson County System;"

WHEREAS, Edmonson provides retail water service to customers located in Edmonson, Grayson, and Hart Counties, Kentucky;

WHEREAS, Edmonson provides retail water service to approximately 3,500 customers located in the Southeastern portion of Grayson County, including the communities of Moutardier, Anneta, Peonia, and Broadford;

WHEREAS, it appears that transferring Edmonson's Grayson County System assets to the Grayson Water System will result in economies of scale. Furthermore, it will enable Grayson to manage, operate, and maintain its combined system in a more cost-effective manner;

WHEREAS, it appears that Grayson has the financial, technical, and managerial abilities to provide adequate and reliable water service to Edmonson's existing Grayson County water customers without adversely affecting the quality of service presently afforded Grayson's existing customers;

WHEREAS, certain representatives of Edmonson and certain representatives of Grayson have negotiated the preliminary terms of a Statement of Intent whereby Edmonson expresses its intent to transfer and convey Edmonson's Grayson County

System to Grayson and Grayson expresses its intent to acquire Edmonson's Grayson County System, subject to the approval and execution of this Statement of Intent by the governing bodies of Edmonson and Grayson; and

WHEREAS, Edmonson desires to state its intention to transfer and convey Edmonson's Grayson County System to Grayson, and Grayson desires to state its intention to acquire Edmonson's Grayson County System, subject to the terms, conditions, and provisions hereinafter set forth.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the benefits to their ratepayers and the mutual benefits to be derived from transferring the ownership of Edmonson's Grayson County System to Grayson, Edmonson and Grayson state as follows:

1. **Agreement.** Edmonson and Grayson formally declare and state their intent to negotiate the terms of, and enter into, an Asset Purchase Agreement (the "Agreement"). The Agreement will contain the detailed provisions for the transfer of Edmonson's Grayson County System to Grayson.

2. **Transfer of Assets.** Subject to the terms and conditions of the Agreement, Edmonson hereby states its intent to transfer and convey to Grayson, and Grayson hereby states its intent to acquire from Edmonson, Edmonson's Grayson County System.

3. **Consideration.** As consideration for the transfer of Edmonson's Grayson County System, Grayson states its intent to pay at the time of the closing **forty-eight (48) percent** of the debt obligations incurred by Edmonson for the purpose of constructing extensions and improvements to its water system. These debt obligations are evidenced by six (6) different series of revenue bonds issued by Edmonson, purchased by U.S.D.A., Rural Development ("RD"), and held by RD (the "Outstanding RD Bonds"), which have an approximate outstanding principal balance of **$4,658,500**. In addition, Edmonson also has three (3) debt obligations which are owed to the Rural Water Financing Agency (the "RWFA"), which is the successor to the Kentucky Rural Water Finance Corporation. These debt obligations are evidenced by loans and are identified as the "RWFA Loans." The approximate outstanding principal balance of the RWFA Loans is **$5,150,000**. Thus, the total approximate principal balance of RD Bonds and the RWFA loans is **$9,808,500**.

4. **Closing.** Transfer of ownership of Edmonson's Grayson County System and final closing of the transaction contemplated by this Statement of Intent (the "Closing") cannot take place until: (a) the Parties negotiate and execute an Asset Purchase Agreement; (b) RD, RWFA, and the Kentucky Public Service Commission (the "PSC") approve the proposed transfer of Edmonson's Grayson County System; and (c) certain other closing requirements have been satisfied, including that Edmonson and Green River Valley Water District ("Green River") are ready, willing

and able and have satisfied all conditions to finally close the transaction by which Green River is to acquire Edmonson's water assets located in Hart County and the Wax Water Treatment Plant.

5. **Operating Agreement.** The Parties have determined that it will be mutually advantageous if Grayson commences managing, operating, repairing, and maintaining Edmonson's Grayson County System as soon as practicable while the Parties are negotiating the detailed terms of the Agreement and awaiting approval of the proposed transfer of Edmonson's Grayson County System assets by RD, RWFA, and PSC. The Parties contemplate entering into a written Operating Agreement whereby Grayson will commence managing, operating, repairing, and maintaining Edmonson's Grayson County System. The Operating Agreement will specify the scope of services to be performed by Grayson and its compensation for performing these services. Grayson will provide a certified water distribution system operator. The Operating Agreement shall terminate once ownership of Edmonson's Grayson County System has been formally transferred to Grayson at the Closing.

6. **Emergency Interconnection.** The Parties agree to install one (1) emergency interconnection near the intersection of Highway 259 and Highway 2067 at a suitable location mutually agreed upon by the Parties. The metering equipment shall be capable of measuring the flow of water in either direction so that Edmonson can supply water to Grayson and Grayson can supply water to Edmonson at each of

these locations. The Parties shall each bear 50% of the cost of purchasing, installing, maintaining, and testing the metering equipment.

7. **Exclusive Negotiations.** Edmonson and Grayson agree to engage in good faith negotiations exclusively with each other, and that neither Edmonson nor Grayson shall engage in talks, discussions, communications, or the like with any other water utility or entity concerning the proposed transfer of Edmonson's Grayson County System assets.

8. **Cooperation.** Edmonson and Grayson agree: (a) to cooperate and assist each other with engineering studies and any other evaluations of Edmonson's Grayson County System assets that Grayson may need to conduct, but such cooperation does not require any financial obligation by Edmonson; (b) to facilitate and expedite negotiations which are intended to result in a mutually advantageous Agreement and the ultimate transfer of Edmonson's Grayson County System, and its related assets to Grayson as contemplated by this Statement of Intent; (c) to exchange information; and (d) to promptly take all other necessary actions.

[Rest of page intentionally left blank]

IN TESTIMONY WHEREOF, this Statement of Intent has been approved by the Board of Commissioners of Edmonson and the Board of Commissioners of Grayson. It has been executed by the duly authorized officers of both parties.

EDMONSON COUNTY WATER DISTRICT

By: _____
Darren Dennison, Chairman

Attest:

_____
Blake Aubrey, Secretary

GRAYSON COUNTY WATER DISTRICT

By: _____
Nancy Cain, Chairman

Attest:

_____
Michael Kipper, Secretary

EXHIBIT 5

OPERATING AGREEMENT

This is an Operating Agreement, having an effective date of 5-29, 2025, made and entered into by and between the **EDMONSON COUNTY WATER DISTRICT** hereinafter referred to as "Edmonson" and **GRAYSON COUNTY WATER DISTRICT** hereinafter referred to as "Grayson," and collectively referred to as the "Parties."

WITNESSETH

WHEREAS, Edmonson is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Edmonson currently owns and operates both water treatment and water distribution facilities (the "Edmonson Water System");

WHEREAS, Grayson is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Grayson County currently owns and operates both water treatment and water distribution facilities (the "Grayson Water System");

WHEREAS, the Grayson Water System includes assets located in Grayson, County, and Grayson provides retail and wholesale water service in Grayson County;

WHEREAS, the Grayson Water System is adjacent to and interconnected with the Edmonson Water System;

WHEREAS, the Edmonson Water System consists of assets located in Edmonson, Grayson, and Hart Counties, Kentucky. Edmonson's water assets located in Grayson County shall be referred to as "Edmonson's Grayson System;"

WHEREAS, Edmonson provides retail water service to customers located in Edmonson, Grayson, and Hart Counties, Kentucky;

WHEREAS, Edmonson provides retail water service to approximately 3,500 customers located in the southeastern portion of Grayson County, including the communities of Annetta, Peonia, Wax, and Broadford;

WHEREAS, it appears that transferring Edmonson's Grayson System assets to the Grayson Water System will result in economies of scale. Furthermore, it will enable Grayson to manage, operate, and maintain its combined system in a more cost-effective manner;

WHEREAS, it appears that Grayson has the financial, technical, and managerial abilities to provide adequate and reliable water service to Edmonson's existing Grayson County water customers without adversely affecting the quality of service presently afforded Grayson's existing customers;

WHEREAS, on May ___, 2025, the Parties executed a Statement of Intent whereby Edmonson declared and stated its intent to transfer and convey Edmonson's

Grayson System to Grayson and Grayson declared and stated its intent to acquire Edmonson's Grayson System, subject to the terms, conditions, and provisions set forth in the Statement of Intent;

WHEREAS, KRS 74.414 authorizes the Board of Commissioners of a water district to contract with another water district to provide for the operation of all or a portion of that water district's water system regardless of whether the water district has or will acquire any ownership rights in the water system;

WHEREAS, subject to the limitations contained in this Operating Agreement, Grayson is willing and has the ability, pursuant to KRS 74.414, to manage, operate, repair, and maintain Edmonson's Grayson System until the assets of Edmonson's Grayson System have been formally transferred to Grayson at the Closing;

WHEREAS, as set forth in paragraph 5 of the Statement of Intent, the Parties have determined it will be mutually advantageous if Grayson commences, as soon as practicable, managing, operating, repairing, and maintaining Edmonson's Grayson System while the Parties are negotiating the terms of the Asset Purchase Agreement and awaiting approval of the proposed transfer of Edmonson's Grayson System assets by U.S.D.A. Rural Development ("RD"), the Rural Water Financing Agency (the "RWFA"), and the Kentucky Public Service Commission (the "PSC");

WHEREAS, it is uncertain when approval of the proposed transfer by RD,

RWFA, and the PSC will be obtained;

WHEREAS, Grayson has made plans and taken steps to commence managing and operating Edmonson's Grayson System as soon as practicable; and

WHEREAS, the Parties desire for Grayson to manage, operate, repair, and maintain Edmonson's Grayson System beginning as soon as practicable.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions contained herein and in the Statement of Intent, the Parties agree as follows:

1. **Defined Terms.** The terms used in this Operating Agreement and not defined herein shall have the meanings assigned to them in the Statement of Intent.

2. **Affirmation of Preamble.** The facts, recitals, and statements contained in the foregoing preamble of this Operating Agreement are true and correct and are hereby affirmed and incorporated as a part of this Operating Agreement.

3. **General Benefits.** In accordance with KRS 74.414, Edmonson's Board of Commissioners and Grayson's Board of Commissioners have each independently determined, and do hereby declare, that it is necessary, desirable, in the public interest, in the best interests of their customers, and mutually advantageous for the Parties for Edmonson to contract with Grayson to manage, operate, repair, and maintain Edmonson's Grayson System before Edmonson's Grayson System is transferred and conveyed to Grayson.

4. **Ownership of Assets.** During the Term of this Operating Agreement, Edmonson shall retain ownership of all of Edmonson's Grayson System assets, but Grayson shall be the beneficial owner.

5. **Closing.** Transfer of ownership of Edmonson's Grayson System and final closing of the transaction contemplated by the Statement of Intent (the "Closing") cannot take place until: (a) the Parties negotiate and execute an Asset Purchase Agreement; (b) RD, RWFA, and the PSC approve the proposed transfer of Edmonson's Grayson System assets; (c) and certain other Closing requirements have been satisfied, including that Edmonson and Green River Valley Water District ("Green River") are ready, willing and able and have satisfied all conditions to finally close the transaction by which Green River is to acquire Edmonson's water assets located in Hart County and the Wax Water Treatment Plant.

6. **Term.** The Term of this Operating Agreement shall commence on August 1, 2025 or such other date as the Parties may agree in writing (the "Operation Commencement Date"), and shall continue until the Closing as defined in the preceding paragraph of this Operating Agreement; PROVIDED, HOWEVER, that if the Parties have not successfully negotiated and executed an Asset Purchase Agreement by September 30, 2025, this Operating Agreement shall expire on that date, unless the Parties negotiate a new Operating Agreement or agree to extend this Operating Agreement; and PROVIDED FURTHER, in the event no Closing occurs

before September 30, 2026, this Operating Agreement shall expire on that date unless the Parties agree to extend this Operating Agreement or negotiate a new Operating Agreement.

7. **Operation and Maintenance of Assets.** Subject to the limitations set forth below, Grayson shall manage, operate, repair, and maintain Edmonson's Grayson System beginning on the Operation Commencement Date and continuing throughout the Term of this Operating Agreement. Grayson shall be responsible, except as stated below in this Operating Agreement, for all expenses it incurs in the management, operation, repair, and maintenance of Edmonson's Grayson System.

8. **Compensation.** Grayson shall be compensated for managing, operating, repairing, and maintaining Edmonson's Grayson System during the Term of this Operating Agreement as set forth below:

9. **Revenues.** During the Term of this Agreement Grayson shall receive all revenues for retail water service provided to customers of Edmonson's Grayson System.

10. **Payments to Edmonson.** To compensate Edmonson for permitting Grayson to receive the revenues from the operation of Edmonson's Grayson System, Grayson shall pay Edmonson, on a monthly basis, a sum equivalent to forty-eight (48) percent of the monthly principal and interest payments which Edmonson is currently obligated to make on its debt obligations to RD and RWFA. Payment for

the first month during which Grayson operates Edmonson's Grayson System shall be due thirty (30) days after the date of the first bill rendered by Grayson to customers located within Edmonson's Grayson System. Payment for each month thereafter during the Term of this Operating Agreement and any renewal or extension thereof shall be due and payable on or before the 10th day of the month.

11. **Edmonson's Duties and Responsibilities.** During the Term of this Operating Agreement, Edmonson shall:

a. Remain responsible for making its required Debt Service payments, and payments required by its Bond Resolutions and loan agreements, as well as making all required transfers to its Depreciation Reserve Fund and other Sinking Funds as set forth in **Paragraph 14** of this Agreement; and

b. Maintain insurance as set forth in **Paragraph 19** of this Agreement;

c. Coordinate with Grayson concerning customer accounts to be transferred, maintain customer deposit amounts, and other information necessary to enable a smooth transition from Edmonson to Grayson; and

d. Grant permission for Edmonson's billing software company to communicate with Grayson and its billing software company to enable a smooth transition of customer information (e.g. customer names, addresses, usage, payment history, etc.) and meter data to Grayson.

e. Meet all current and ongoing obligations of the Kentucky Division of Water (the "DOW").

12. **Grayson's Duties and Responsibilities.** During the Term of this

Operating Agreement and in relation to Edmonson's Grayson System, Grayson shall:

a. Operate and manage Edmonson's Grayson System;

b. Read the water meters, bill the customers, and collect the water revenues associated with Edmonson's Grayson System;

c. Open new customer accounts;

d. Answer customer inquiries and respond to customer complaints;

e. Perform all other customer service functions;

f. Perform routine service work, including, but not limited to:

(1) Re-connect and disconnect meters;

(2) Investigate low or high pressure issues;

(3) Investigate calls about water leaks;

(4) Replace damaged meters; and

(5) Make waterline repairs.

g. Perform normal system maintenance of water storage tanks, pump stations, meters, and other facilities appurtenant to Edmonson's Grayson System;

h. Install new water meters, meter boxes, setters, and service lines from the main line to the meters as necessary;

i. Repair leaks;

j. Locate water lines or other underground facilities in response to 811 Locate Requests;

k. Meet all obligations of the Kentucky Division of Water (the

"DOW"); and

l. Comply with all applicable environmental law, regulations and permits.

13. **Utilities.** Grayson shall be responsible for the costs of all utility services incurred during the Term of this Operating Agreement.

14. **Debt Service.** During the Term of this Operating Agreement, Edmonson shall remain responsible for making: (a) all its required monthly or semi-annual debt service payments; (b) all required transfers to its Depreciation Reserve Fund and other Sinking Funds; and (c) all other transfers or payments required by its Bond Resolutions and loan agreements.

15. **Capital Improvements.** Grayson may commence, at its own expense, to make major repairs and capital improvements (the "Capital Improvements") to Edmonson's Grayson System during the Term of this Operating Agreement. Edmonson hereby consents to, and authorizes Grayson to make, these Capital Improvements. Grayson acknowledges that it will be making these Capital Improvements at its own risk and expense. Grayson shall not seek reimbursement from Edmonson for the cost of these Capital Improvements.

16. **Emergency Interconnection.** The Parties agree to install one (1) emergency interconnection near the intersection of Highway 259 and Highway 2067 at a suitable location mutually agreed upon by the Parties. The metering equipment shall be capable of measuring the flow of water in either direction so that Edmonson

can supply water to Grayson and Grayson can supply water to Edmonson at each of these locations. The Parties shall each bear 50% of the cost of purchasing, installing, maintaining, and testing the metering equipment.

17. **Cooperation.** Edmonson and Grayson agree: (a) to cooperate and assist each other with engineering studies and any other evaluations of Edmonson's Grayson System that Grayson may need to conduct, but such cooperation does not require any financial obligation by Edmonson; (b) to facilitate and expedite negotiations which are intended to result in a mutually advantageous Asset Purchase Agreement and the ultimate transfer of Edmonson's Grayson System and its related assets to Grayson; (c) to exchange information; and (d) to promptly take all other necessary actions.

18. **Customer Deposits.** Edmonson shall **NOT** transfer any customer deposits attributable to Edmonson's Grayson System to Grayson during the Term of this Operating Agreement and will refund to customers said deposits upon Closing.

19. **Insurance.** During the Term of this Operating Agreement, Edmonson shall, at its expense, keep Edmonson's Grayson System insured with an insurance company or companies against fire and such other hazards as are included within extended coverage in an amount at least equal to the amount that Edmonson currently carries on Edmonson's Grayson System. All such insurance policies shall name Grayson as an additional insured or certificate holder. Grayson shall, at its

expense, maintain comprehensive public liability insurance in an amount not less than $1,000,000 combined single limits for each occurrence for claims for bodily injury or death and property damage along with excess liability coverage (umbrella policy) of not less than $3,000,000. All such insurance policies shall name Edmonson as an additional insured or certificate holder.

20. **Indemnification by Grayson.** Grayson hereby agrees to indemnify Edmonson for, and hold Edmonson harmless from, any and all losses, liabilities, costs, and expenses (including, but not limited to, regulatory compliance and reasonable attorneys' fees) incurred by Edmonson for claims asserted by third parties as a result of any negligence or willful misconduct by Grayson, its employees, contractors, and agents, arising from Grayson's management, operation, repair, and maintenance of Edmonson's Grayson System pursuant to the provisions of this Operating Agreement. To that end, immediately upon notification by Edmonson, Grayson shall assume, at its own cost, the defense of any such action or suit which may be brought against Edmonson by any third party because of Grayson's negligent or willful misconduct in the management, operation, repair and maintenance of Edmonson's Grayson System

21. **Indemnification by Edmonson.** Edmonson hereby agrees to indemnify Grayson for, and hold Grayson harmless from, any and all losses, liabilities, costs, and expenses (including, but not limited to, regulatory compliance

and reasonable attorneys' fees) incurred by Grayson for claims asserted by third parties as a result of any negligence or willful misconduct by Edmonson, its employees, contractors, and agents, arising from Edmonson's management, operation, repair, and maintenance of Edmonson's Grayson System prior to the Operation Commencement Date. To that end, immediately upon notification by Grayson, Edmonson shall assume, at its own cost, the defense of any such action or suit which may be brought against Grayson by any third party because of Edmonson's negligent or willful misconduct in the management, operation, repair and maintenance of Edmonson's Grayson System prior to the Operation Commencement Date.

22. **No Transfer of Ownership or Control.** This Operating Agreement does not transfer ownership of any of Edmonson's Grayson System nor does it grant Grayson any right to control Edmonson as "control" is defined in KRS 278.020(6) and (7). Once the Parties negotiate the terms of the Asset Purchase Agreement and it has been approved by their respective governing bodies, the Parties shall file a joint application with the PSC seeking approval of the transfer of ownership of Edmonson's Grayson System as described in paragraph 2 of the Statement of Intent.

23. **No Assignment.** Grayson shall not assign this Operating Agreement.

IN TESTIMONY WHEREOF, this Operating Agreement has been executed in multiple counterparts, each of which is deemed to be an original, by the duly authorized officers and officials of the Parties, as of its effective date.

EDMONSON COUNTY WATER DISTRICT

By: _____
Darren Dennison, Chairman

Attest:

_____
Blake Aubrey, Secretary

GRAYSON COUNTY WATER DISTRICT

By: _____
Nancy Cain, Chairman

Attest:

_____
Michael Kipper, Secretary

OPERATING AGREEMENT
Table of Contents

1. **Defined Terms.** 4

2. **Affirmation of Preamble.** 4

3. **General Benefits.** 4

4. **Ownership of Assets.** 5

5. **Closing** 5

6. **Term.** 5

7. **Operation and Maintenance of Assets.** 6

8. **Compensation.** 6

9. **Revenues.** 6

10. **Payments to Edmonson.** 6

11. **Edmonson's Duties and Responsibilities.** 7

12. **Grayson's Duties and Responsibilities.** 7

13. **Utilities.** 9

14. **Debt Service.** 9

15. **Capital Improvements.** 9

16. **Cooperation.** 10

17. **Customer Deposits.** 10

18. **Insurance.** 10

19. **Indemnification.** 11

20. **No Transfer of Ownership or Control.** 12

21. **No Assignment.** 12

EXHIBIT 6

ASSET PURCHASE AGREEMENT

BETWEEN

EDMONSON COUNTY

WATER DISTRICT

AND

GRAYSON COUNTY

WATER DISTRICT

September 23, 2025

TABLE OF CONTENTS

Edmonson County Water District – Grayson County Water District

1. TRANSFER OF CERTAIN ASSETS. 3
2. ASSETS BEING TRANSFERRED. 3
3. CONSIDERATION. 6
4. CELL ANTENNA AND STORM SIREN LEASES. 7
5. SINKING FUND PAYMENTS FOR RD BONDS 8
6. SINKING FUND PAYMENTS FOR RWFA LOANS. 8
7. CONTINUED OPERATION OF SYSTEM 9
8. NO TRANSFER OF OWNERSHIP OR CONTROL 10
9. REGULATORY AGENCY APPROVALS. 10
10. SELLER'S REPRESENTATIONS AND WARRANTIES. 10
11. BUYER'S REPRESENTATIONS AND WARRANTIES. 17
12. CLOSING. 21
13. ACCESS TO BOOKS 21
14. CLOSING REQUIREMENTS. 21
15. CONVEYANCE AND TRANSFERS 23
16. DUE AT CLOSING 23
17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. 26
18. RESPONSIBLE PARTIES. 26
19. ENTIRE AGREEMENT 27

EXHIBIT 1 RD WATER BONDS
EXHIBIT 2 RWFA LOANS
EXHIBIT 3 SELLER'S CURRENT RATES
EXHIBIT 4 BUYER'S CURRENT RATES

ASSET PURCHASE AGREEMENT

This is an Asset Purchase Agreement ("Agreement"), to be effective as of September 23, 2025, made and entered into by and between the **EDMONSON COUNTY WATER DISTRICT**, 1128 Highway 259 North, Brownsville, Kentucky 42210, hereinafter referred to as the "SELLER" and the **GRAYSON COUNTY WATER DISTRICT**, 21 Shull White Road, Leitchfield, Kentucky 42754, hereinafter referred to as the "BUYER" (collectively, the "Parties").

WITNESSETH

WHEREAS, the SELLER is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 67.0802(4)(a);

WHEREAS, the SELLER currently owns and operates both water treatment facilities and water distribution facilities (the "SELLER's Water System");

WHEREAS, the BUYER is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 67.0802(4)(a);

WHEREAS, the BUYER currently owns and operates both water treatment and water distribution facilities (the "BUYER's Water System");

WHEREAS, the BUYER's Water System includes assets located in Grayson County, Kentucky, and Grayson provides retail water service to customers in Grayson County, Kentucky;

WHEREAS, the BUYER's Water System is adjacent to and interconnected with the SELLER's Water System;

WHEREAS, the SELLER's Water System consists of assets located in Edmonson, Grayson, and Hart Counties, Kentucky. SELLER's water system assets located in Grayson County shall be referred to as the "Grayson County System;"

WHEREAS, the SELLER provides retail water service to customers located in Edmonson, Grayson, and Hart Counties, Kentucky;

WHEREAS, the SELLER provides retail water service to approximately 3,500 customers located in the Southeastern portion of Grayson County, including the communities of Anneta, Peonia, Wax, and Broadford;

WHEREAS, it appears that transferring the SELLER's Grayson County System to the BUYER's Water System will result in economies of scale. Furthermore, it will enable the BUYER to manage, operate, and maintain its combined system in a more cost-effective manner;

WHEREAS, the BUYER has the financial, technical, and managerial abilities to provide adequate and reliable water service to the SELLER's existing Grayson County customers without adversely affecting the quality of service presently afforded the BUYER's existing customers; and

WHEREAS, the SELLER desires to sell and transfer and the BUYER desires to purchase and acquire, subject to the terms, conditions, and provisions hereinafter set forth, the SELLER's Grayson County System.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises, covenants, and conditions contained herein, it is agreed by and between the Parties as follows:

1. **TRANSFER OF CERTAIN ASSETS.** Subject to the terms and conditions of this Agreement, the SELLER hereby agrees to sell and transfer to the BUYER and the BUYER hereby agrees to purchase and acquire from the SELLER those assets described in paragraph 2 of this Agreement for the consideration set forth in paragraph 3 of this Agreement.

2. **ASSETS BEING TRANSFERRED.** At the Closing, the SELLER shall transfer to the BUYER its Grayson County System. The assets being transferred to the BUYER (the "Assets") include, but are not limited to, the following:

A. **Peonia 1 & 2 Tanks.** The water storage tanks designated as Peonia 1 and Peonia 2, which are located near Jarboe Road, Clarkson, Kentucky, all appurtenances, and the parcels of real estate on which the tanks are located (See Deed Book 189, Page 092, and Deed Book 309, Page 116, of record in the Office of the Grayson County Clerk);

B. **Nolin Estates Tank.** The water storage tank designated as Nolin Estates, which is located at Sassafras Drive, Clarkson, Kentucky, all appurtenances, and the parcel of real estate on which the tank is located (See Deed Book 219, Page 140, of record in the Office of the Grayson County Clerk);

C. **Howell Tank.** The water storage tank designated as Howell, which is located at 12517 Peonia Road, Clarkson, Kentucky, all appurtenances, and the parcel of real estate on which the tank is located (See Deed Book 370, Page 419, of record in the Office of the Grayson County Clerk);

D. **Highway 88 Tank and Pump Station.** The water storage tank and booster pump station designated as Highway 88, which are located near Peonia Road, Clarkson, Kentucky, all appurtenances, and the parcels of real estate on which the tank and pump station are located (See Deed Book 241,

Page 003, and Deed Book 267, Page 521, of record in the Office of the Grayson County Clerk);

E. **Sleepy Hollow Pump Station.** The booster pump station designated as the Sleepy Hollow Pump Station, which is located at 200 Twin Cove Road, Clarkson, Kentucky, all appurtenances, and the License Agreement and Easements dated October 10, 1989, pursuant to which the station was constructed and is maintained;

F. **Grayson Highway 259 Pump Station.** The booster pump station designated as the Grayson Highway 259 Pump Station, which is located at 4751 Anneta Road, Leitchfield, Kentucky, all appurtenances, and the parcel of real estate on which the pump station is located (See Deed Book 530, Page 486, of record in the Office of the Grayson County Clerk);

G. All other real estate easements and the improvements thereon, licenses, encroachment permits, rights-of-way, Deeds, or other interests in real estate presently owned by the SELLER in Grayson County and used or which could be used in the operation of the SELLER's Grayson County System;

H. The SELLER's entire Grayson County System including, but not limited to, the following: all transmission mains, distribution lines, valves,

meter vaults, meters, fire hydrants, flush hydrants, tap installations, and fittings presently owned by the SELLER and used in the operation of the SELLER's Grayson County System;

I. All maps, drawings, operating manuals, engineering reports, digital drawings, and "As Built" plans from current or previous engineering firms in SELLER'S possession pertaining to the SELLER's Grayson County System;

J. Copies of all business records pertaining to the SELLER's Grayson County System, including, but not limited to, all customer records and customer agreements; and

K. Any and all other tangible and intangible rights, permits, licenses or authorizations owned by the SELLER and used in the operation of its Grayson County System.

3. **CONSIDERATION.** As consideration for the transfer of the SELLER's Grayson County System, at Closing the BUYER shall pay to the SELLER **forty-eight (48) percent** of the outstanding principal balance, plus accrued interest, of the total amount of the debt obligations incurred by SELLER for the purpose of constructing extensions and improvements to its water system. These debt obligations are evidenced by six (6) different series of revenue bonds issued by

SELLER, purchased by United States Department of Agriculture, Rural Development ("RD"), and held by RD (the "Outstanding RD Water Bonds"), which currently have an outstanding principal balance of **$4,658,500**. In addition, SELLER has three (3) debt obligations which are owed to the Rural Water Financing Agency (the "RWFA"), which is the successor to the Kentucky Rural Water Finance Corporation. These debt obligations are evidenced by loans and are identified as the "RWFA Loans." The outstanding principal balance of the RWFA Loans is currently **$4,770,000.** Thus, the total current principal balance of the RD Bonds and the RWFA loans is **$9,428,500.** Attached as **Exhibit 1** and incorporated by reference is a description of the Outstanding RD Water Bonds and attached as **Exhibit 2** and incorporated by reference is a description of the RWFA Loans. Because the SELLER will continue making payments on the Outstanding RD Water Bonds and the RWFA Loans until the Closing, the final purchase price shall be determined as of the date of Closing in accordance with the terms of this Agreement.

4. **CELL ANTENNA AND STORM SIREN LEASES.** SELLER represents and warrants that there are no written agreements in effect granting any third party the right to install, maintain, or operate antennae, relays, sirens or other telecommunications equipment on SELLER's Grayson County System.

5. **SINKING FUND PAYMENTS FOR RD BONDS.** Pursuant to the provisions of its various Bond Resolutions, the SELLER has established, maintained, and acknowledges its obligation to make monthly transfers to its Bond Sinking Fund. The current amount of the required monthly transfer to the Bond Sinking Fund for all six (6) Outstanding RD Water Bonds is $24,045.21. Up to the date of Closing, the SELLER shall continue making the required monthly transfers to its Bond Sinking Fund and shall use the accumulated funds to make the required principal and interest payments on its Outstanding RD Water Bonds. The BUYER will not be assuming any of the Outstanding RD Water Bonds, and the SELLER shall retain the funds in the Bond Sinking Fund. For purposes of calculating the final purchase price due to the SELLER as of the date of Closing, the Parties shall deduct the amount of funds in the Bond Sinking Fund from the outstanding principal and accrued interest owed on the Outstanding RD Water Bonds at that time to arrive at the total amount outstanding on the Outstanding RD Water Bonds.

6. **SINKING FUND PAYMENTS FOR RWFA LOANS.** Pursuant to the provisions of its various RWFA Assistance Agreements, the SELLER has established, maintained, and acknowledges its obligation to make monthly transfers to its RWFA Sinking Fund held by Regions Bank, as Trustee for RWFA. The current amount of the required monthly transfer to the RWFA Sinking Fund is $44,470.04.

Up to the date of Closing, the SELLER shall continue making the required monthly transfers to its RWFA Sinking Fund and shall use the accumulated funds to make the required principal and interest payments on its RWFA Loans. The BUYER will not be assuming any of the RWFA Loans, and the SELLER shall retain the funds in the RWFA Sinking Fund. For purposes of calculating the final purchase price due to the SELLER as of the date of Closing, the Parties shall deduct the amount of funds in the RWFA Sinking Fund from the outstanding principal and accrued interest owed on the RWFA Loans at that time to arrive at the total amount outstanding on the RWFA Loans.

7. **CONTINUED OPERATION OF SYSTEM.** The Parties have entered into an Operating Agreement, effective May 29, 2025 (the "Operating Agreement"), pursuant to which the BUYER commenced on August 1, 2025, managing, operating, repairing, maintaining and collecting the revenues from the SELLER's Grayson County System and remitting to the SELLER, on a monthly basis, a sum equivalent to forty-eight (48) percent of the monthly principal and interest payments that the SELLER is currently obligated to make on the Outstanding RD Water Bonds and the RWFA Loans, and the BUYER will continue to provide these services and make those payments until the Closing; PROVIDED, HOWEVER, that in the event no Closing occurs before September 30, 2026, the

Operating Agreement will expire unless the Parties agree to extend the current Operating Agreement or negotiate a new Operating Agreement.

8. **NO TRANSFER OF OWNERSHIP OR CONTROL.** The Operating Agreement does not transfer ownership of any of the SELLER's Grayson County System and does not grant the BUYER any right to control the SELLER, as "control" is defined in KRS 278.020(6) and (7). Upon approval from the Parties' respective governing bodies and execution of this Agreement, the Parties shall file a Joint Application with the Kentucky Public Service Commission ("PSC") seeking approval of the transfer of ownership of the SELLER's Grayson County System.

9. **REGULATORY AGENCY APPROVALS.** Both the SELLER and the BUYER shall be jointly responsible for the following: (a) obtaining all the necessary approvals from regulatory agencies, including the PSC and the Kentucky Division of Water; (b) obtaining the transfer of all other necessary permits and licenses from the SELLER to the BUYER; and (c) taking other necessary actions to facilitate the transfer of the SELLER's Grayson County System to the BUYER. The BUYER shall initiate all the proceedings to obtain these necessary approvals and transfers. The SELLER pledges its full cooperation and assistance to expedite these matters and to ensure a smooth transition.

10. **SELLER'S REPRESENTATIONS AND WARRANTIES.** The

SELLER represents and warrants to the BUYER as follows:

A. That it is a duly organized and existing water district.

B. That the execution and delivery of this Agreement and the consummation of the transactions herein contemplated have been duly authorized by its Board of Commissioners.

C. The execution, delivery, performance, and the consummation of the transactions contemplated in this Agreement do not and will not: (1) conflict with or result in a violation or breach of any of the terms, conditions, or provisions of or constitute a default of any instrument, agreement, mortgage, judgment, order, writ, award, decree, or other restriction to which either the SELLER is a Party, or to which any of the SELLER's Assets are subject, or by which the SELLER is bound, or any statute or regulatory provision affecting the SELLER; (2) require the approval, consent, or authorization of any federal, state, or local court, governmental authority, or regulatory body, except for the PSC and appropriate fiscal court(s), or of any creditor of the SELLER, except for RD and RWFA, or of any other person or entity; nor (3) give any Party with rights under any instrument, agreement, mortgage, judgment, order, writ, award, decree,

or other restriction the right to terminate, modify, or otherwise change the SELLER's rights or obligations thereunder.

D. SELLER is solely responsible for remedying all ground shifting, soil instability, and system repair caused by water system failures/flooding conditions in April 2025, regardless of FEMA funding decisions on Application Claim Number DR4864KY. This obligation survives Closing, and SELLER shall indemnify BUYER against all related claims and expenses.

E. The SELLER has complied with all existing laws, rules, regulations, ordinances, orders, judgments, and decrees now or hereafter applicable to the SELLER's Assets, except as previously disclosed by SELLER in writing. The SELLER is not aware of any proposed laws, rules, regulations, ordinances, orders, judgments, decrees, governmental takings, condemnations, or other proceedings which would be applicable to the SELLER's Assets or which might adversely affect the SELLER's Assets either before or after the date of this Agreement.

F. The SELLER has not received any notice or notification from any court or governmental agency, authority, or body that it is in

violation of, or not in compliance with, any federal, state, or local law, statute, ordinance, rule, regulation, decree, order, or permit relating to its Grayson County System other than that contained in the previously disclosed Notice of Noncompliance and Concerns and the Administrative Compliance Order (Docket No. SDWA-04-2025-5004), both issued by the United States Environmental Protection Agency on August 26, 2025, to which SELLER is in the process of responding.

G. The SELLER is the true and lawful owner of the Assets and has good, marketable, and insurable title to all Assets. None of the Assets will, after Closing, be subject to any mortgage, pledge, lien, charge, security interest, encumbrance, restriction, lease, license, easement, liability, or adverse claim of any nature whatsoever, direct or indirect, whether accrued, absolute, contingent, or otherwise. All Assets are sold "as is" and "where is."

H. Upon execution and delivery of the necessary deeds, bills of sale, easements, assignments, and other instruments of transfer by the SELLER pursuant to this Agreement, the BUYER shall acquire good and valid title to the Assets, free and clear of all claims, liens,

security interests, agreements, restrictions, charges, and encumbrances of any nature whatsoever.

I. No other person or entity, except for the BUYER, now has, nor at any time prior to the Closing will have, the right to purchase, own, use, or sell any of the Assets.

J. The SELLER is not insolvent as of the date of this Agreement. The SELLER can meet all business obligations as they become due and will not be insolvent or unable to meet its business obligations as a result of completing the transactions described herein.

K. There is no claim, legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any order, decree, or judgment in progress, pending or in effect, or threatened, against or relating to the SELLER, its officers, commissioners, employees, or utility business, the Assets, or the transactions contemplated by this Agreement (other than the claims asserted in a letter dated July 23, 2025 from counsel for the owners of the properties located at 413, 444 and 445 Ridgecrest Drive, Nolin Lake Estates, Clarkson, Kentucky asserting that their properties were damaged on or about April 5 or 6, 2025 by Edmonson's allegedly

negligent failure to maintain and repair a water main in that area, and other than that contained in the previously disclosed Notice of Noncompliance and Concerns and the Administrative Compliance Order (Docket No. SDWA-04-2025-5004), both issued by the United States Environmental Protection Agency on August 26, 2025, to which SELLER is in the process of responding), and the SELLER neither knows nor has reason to be aware of any basis for the same. SELLER shall retain all liability for and shall indemnify BUYER against any claims, damages, or expenses arising from the exceptions disclosed in this paragraph, and such obligation shall survive Closing.

L. Prior to the Closing, the SELLER shall not, without the BUYER's prior written approval, lower its rates or charges, institute any new methods of accounting or operation or engage in any transaction or activity in relation to its Grayson County System, nor shall the SELLER enter into any agreement or make any commitment with respect to its Grayson County System, except in the ordinary course of business and consistent with past practice.

M. Prior to the Closing, the SELLER shall not permit any of the Assets to be subjected to a mortgage, pledge, lien, or encumbrance,

without notice to, and approval of, the BUYER, and further shall not dispose of any of the Assets.

N. The SELLER shall maintain, up to the date of Closing, the insurance policies presently in effect on the Assets and shall name BUYER as additional insured on all such policies. SELLER shall provide BUYER with certificates of insurance evidencing such coverage within 5 business days after both parties have executed this Agreement.

O. The SELLER's current rates for water service are set forth in **Exhibit 3**.

P. The SELLER shall not perform any act or omit to perform any act or permit any act or omission that will cause a breach or default in this Agreement.

Q. No representation or warranty by the SELLER in this Agreement, nor any statement or certificate furnished or to be furnished by it to the BUYER or its representatives in connection herewith or pursuant hereto, contains or will contain any untrue statement of material fact or will omit a statement of any material fact required to make the statements herein or therein contained not misleading. The

SELLER has disclosed to the BUYER in writing all material adverse facts known to it relating to the SELLER, its Grayson County System, or the Assets. The SELLER is not aware of any circumstances or facts which could be detrimental to its Grayson County System other than those disclosed to the BUYER in writing.

R. To the best of SELLER's knowledge, all minute books, books and records, and other documents maintained by the SELLER with respect to the Assets are true, complete, and accurate.

S. All representations and warranties of the SELLER contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall be true as of the Closing as well as of the date of this Agreement.

11. **BUYER'S REPRESENTATIONS AND WARRANTIES.** The BUYER represents and warrants to the SELLER as follows:

A. That it is a duly organized and existing water district.

B. That the execution and delivery of this Agreement and the consummation of the transactions herein contemplated have been duly authorized by its Board of Commissioners.

C. That it has the financial, technical, and managerial abilities

to provide reasonable water service to the SELLER's existing Grayson County customers and will continue to provide such service following the Closing.

D. The execution, delivery, performance, and the consummation of the transactions contemplated in this Agreement do not and will not: (1) conflict with or result in a violation or breach of any of the terms, conditions, or provisions of or constitute a default of any instrument, agreement, mortgage, judgment, order, writ, award, decree, or other restriction to which the BUYER is a Party or by which the BUYER is bound, or any statute or regulatory provision affecting the BUYER; (2) require the approval, consent, or authorization of any federal, state, or local court, governmental authority, or regulatory body, except for the PSC and appropriate fiscal court(s), or of any creditor of the BUYER, except for RD and RWFA, or of any other person or entity; nor (3) give any Party with rights under any instrument, agreement, mortgage, judgment, order, writ, award, decree, or other restriction the right to terminate, modify, or otherwise change the BUYER's rights or obligations thereunder.

E. The BUYER has complied with all existing laws, rules,

regulations, ordinances, orders, judgments, and decrees now or hereafter applicable to the BUYER's operation of the Grayson County System since August 1, 2025.

F. The BUYER has not received any notice or notification from any court or governmental agency, authority, or body that it is in violation of, or not in compliance with, any federal, state, or local law, statute, ordinance, rule, regulation, decree, order, or permit relating to its operation of the Grayson County System since August 1, 2025.

G. The BUYER is not insolvent as of the date of this Agreement. The BUYER can meet all business obligations as they become due and will not be insolvent or unable to meet its business obligations as a result of completing the transactions described herein.

H. There is no claim, legal action, suit, arbitration, governmental investigation, or other legal or administrative proceeding, nor any order, decree, or judgment in progress, pending or in effect, or threatened, against or relating to the BUYER, its officers, commissioners, employees, or utility business, the BUYER's operation of the Grayson County System since August 1, 2025, or the transactions contemplated by this Agreement, and the BUYER neither knows nor

has reason to be aware of any basis for the same.

I. The BUYER'S current rates for water service are set forth in **Exhibit 4**.

J. The BUYER shall not perform any act or omit to perform any act or permit any act or omission that will cause a breach or default in this Agreement.

K. No representation or warranty by the BUYER in this Agreement, nor any statement or certificate furnished or to be furnished by it to the SELLER or its representatives in connection herewith or pursuant hereto, contains or will contain any untrue statement of material fact or will omit a statement of any material fact required to make the statements herein or therein contained not misleading. The BUYER has disclosed to the SELLER in writing all material adverse facts known to it relating to the Grayson County System, the Assets, or the BUYER's operation of the Grayson County System since August 1, 2025.

L. All representations and warranties of the BUYER contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall be true as of

the Closing as well as of the date of this Agreement.

12. **CLOSING.** The closing of this transaction (the "Closing") shall take place at a mutually convenient date, time, and place (the "Closing Date") once all the Closing Requirements set forth in paragraph 14 of this Agreement are satisfied.

13. **ACCESS TO BOOKS.** Between the date of this Agreement and the Closing, the BUYER and its authorized representatives shall have the right to examine and to obtain copies of any and all pertinent books, plats, maps, plans, and records of the SELLER related to the Grayson County System upon reasonable notice and at mutually convenient times.

14. **CLOSING REQUIREMENTS.** The obligations of the Parties are expressly conditioned on the following, each of which is a condition precedent to the validity and enforcement of this Agreement:

A. The representations and warranties of each of the Parties shall be true and correct as of the Closing, as though such representations and warranties were made at, and as of, the Closing.

B. Each of the Parties to this Agreement shall have performed and complied in all material respects with all its respective obligations under this Agreement which are due to be performed or complied with by such Party prior to or at the Closing.

C. At and as of the Closing, no litigation, proceedings, investigations, or inquiries shall be pending or threatened by any person, firm, corporation, governmental agency, or governmental official to enjoin or prevent the consummation of this transaction.

D. The PSC shall have entered a final order approving the transfer of the SELLER's Grayson County System to the BUYER without the addition of any requirement or condition which either the SELLER or the BUYER deems objectionable.

E. RWFA shall have released its lien on the revenue stream from the Grayson County System and any other security interests it may have in the Grayson County System, or any other Assets being transferred to the BUYER.

F. RD shall have released its lien on the revenue stream from the Grayson County System and any other security interests it may have in the Grayson County System, or any other Assets being transferred to the BUYER.

G. The Grayson County Judge/Executive shall have entered an Order expanding the territorial boundaries of the BUYER to include all territory within the SELLER's Grayson County System.

15. **CONVEYANCE AND TRANSFERS.** The SELLER shall not convey, lease, or in any other way dispose of the Assets until the Closing. At the Closing, the SELLER shall execute and deliver to the BUYER such deeds, assignments, bills of sale, easements, and other instruments of transfer as are necessary or requested by the BUYER to vest the BUYER with good and marketable, unencumbered (except to the extent set out in this Agreement) title to the Assets, without the need for further approval or consent by any other person or entity.

16. **DUE AT CLOSING.**

A. **DUE FROM SELLER TO BUYER:** Unless the BUYER provides a written waiver of any item listed herein, the SELLER shall deliver to the BUYER at Closing the following:

(1) Special warranty deeds and an Assignment of Easements, all dated as of the Closing Date, conveying SELLER's ownership interests in the real property described in paragraph 2 of this Agreement;

(2) Such bills of sale, assignments, and other instruments of transfer, all dated as of the Closing Date, as shall be necessary or requested by the BUYER to vest the BUYER with good and marketable, unencumbered (except to the extent set out in this Agreement) title to the Assets;

(3) Unless provided prior to Closing, a schedule which

contains a current listing of the name, address, account number, meter identification number, meter reading, and amount still on deposit for each water customer in the Grayson County System;

(4) An opinion from the SELLER's counsel, dated as of the Closing Date and in a form satisfactory to the BUYER, as to the representations, warranties, and other matters set forth in paragraph 10 of this Agreement;

(5) A certificate, signed by the Chairman of the Board of the SELLER and dated as of the Closing Date, representing and warranting to the BUYER (i) that the representations, warranties, and other matters set forth in paragraph 10 of this Agreement are true and correct as of the Closing, as though such representations and warranties were made at, and as of, the Closing, and (ii) that the Closing Requirements set forth in paragraph 14 of this Agreement have been fully satisfied;

(6) A certified copy of the SELLER's resolution approving this Agreement, authorizing the Chairman to execute and deliver this Agreement, and further authorizing the appropriate officials to take all actions necessary to consummate the transactions contemplated by this Agreement;

(7) Unless provided prior to Closing, copies of all records for the water customers of the Grayson County System;

(8) Possession of the Assets; and

(9) Such other documents as may be necessary to effectuate the transactions contemplated by this Agreement.

B. **DUE FROM BUYER TO SELLER**: Unless the SELLER provides a written waiver of any item listed herein, the BUYER shall deliver to the SELLER at Closing the following:

(1) A certified or cashier's check for the final purchase price;

(2) A certified copy of the BUYER's resolution approving this Agreement, authorizing the Chairman to execute and deliver this Agreement, and further authorizing the appropriate officials to take all actions necessary to consummate the transactions contemplated by this Agreement;

(3) An opinion from counsel to the BUYER, dated as of the Closing Date and in a form satisfactory to the SELLER, as to the representations, warranties, and other matters set forth in paragraph 11 of this Agreement;

(4) A certificate, signed by the Chairman of the Board of the BUYER and dated as of the Closing Date, representing and warranting to the SELLER (i) that the representations, warranties, and other matters set forth in paragraph 11 of this Agreement are true and correct as of the Closing, as though such representations and warranties were made at, and as of, the Closing, and (ii) that the Closing Requirements set forth in paragraph 14 of this Agreement have been fully satisfied;

(5) Such receipts as may be reasonably requested by the SELLER and such other documents as may be necessary to effectuate the transactions contemplated by this Agreement; and

(6) Such other documents as may be necessary to effectuate the transactions contemplated by this Agreement.

17. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES.** The representations, warranties, and agreements of the Parties contained in this Agreement, or in any certificate or other writing delivered pursuant hereto, shall survive the making of this Agreement and the Closing.

18. **RESPONSIBLE PARTIES.** The SELLER shall be solely responsible for any loss, claim, action, suit, proceeding, deficiency, or expense, including reasonable attorneys' fees, relating to or arising from or in connection with (a) any misrepresentation, breach of representation, warranty or obligation, covenant or agreement or default by the SELLER under this Agreement, including the exhibits, or any documents delivered to the BUYER in connection with this Agreement; (b) any claims of negligence, strict liability, or any other liability arising from or related to the operation, maintenance, or condition of the Grayson County System prior to August 1, 2025, including but not limited to environmental liabilities, employee claims, and regulatory compliance matters; and (c) all contingent liabilities relating to the SELLER, its Grayson County System, or the Assets with respect to any state of facts or occurrences existing prior to August 1, 2025.

The BUYER shall be responsible only for any loss, claim, action, suit,

proceeding, deficiency, or expense, including reasonable attorneys' fees, relating to or arising from or in connection with (a) any misrepresentation, breach of representation, warranty or obligation, covenant or agreement or default by the BUYER under this Agreement, including the exhibits, or any documents delivered to the SELLER in connection with this Agreement, and (b) any claims of negligence, strict liability, or any other liability arising from or relating to the operation, maintenance, or condition of the Grayson County System on and after August 1, 2025, including but not limited to environmental liabilities, employee claims, and regulatory compliance matters, arising solely from the BUYER's operation of the Grayson County System on and after August 1, 2025.

19. **ENTIRE AGREEMENT.** This Agreement, including all its exhibits, which are hereby incorporated by reference, and the Operating Agreement constitute the entire agreement of the Parties with respect to the subject matter thereof and may not be modified or amended or terminated except by written agreement specifically referring to this Agreement and the Operating Agreement, and signed by all the Parties hereto.

[Signature Page to Follow]

IN TESTIMONY WHEREOF, this Agreement has been executed in multiple counterparts, each of which is deemed to be an original, by the duly authorized officers of the Parties, as of the effective date of this Agreement.

SELLER:

EDMONSON COUNTY WATER DISTRICT

By: _____
Darren Dennison, Chairman

Date: 9-23-2025

Attest: _____
Josh Brooks, Secretary

BUYER:

GRAYSON COUNTY WATER DISTRICT

By: _____
Nancy Cain, Chairman

Date: 9.22.2025

Attest: _____
Michael Kipper, Secretary

EXHIBIT LIST

ASSET PURCHASE AGREEMENT BETWEEN EDMONSON COUNTY WATER DISTRICT AND GRAYSON COUNTY WATER DISTRICT

1. Outstanding RD Water Bonds Owed by the SELLER

2. RWFA Loans Owed by the SELLER

3. SELLER'S Current Rates

4. BUYER'S Current Rates

EXHIBIT 1

WATER REVENUE BONDS

OWED BY EDMONSON COUNTY WATER DISTRICT TO RURAL DEVELOPMENT

Bond Issue	RD Loan Number	Original Principal Amount	Maturity	Interest Rate	Outstanding Principal Balance
2001A	99391-20	$3,837,000	1/1/2041	3.25%	$2,185,000
2010A	99393-35	$ 570,000	1/1/2050	2.25%	$ 434,000
2010B	99394-37	$ 700,000	1/1/2050	2.25%	$ 533,000
2013A	99395-39	$ 504,000	1/1/2054	2.1250%	$ 418,000
2013B	99396-41	$ 160,000	1/1/2054	3.00%	$ 137,500
2019	99397-43	$1,032,000	1/1/2060	1.50%	$ 951,000
Note: Outstanding Principal Balances as of August 1, 2025				**TOTAL:**	**$4,658,500**

EXHIBIT 2

EDMONSON COUNTY WATER DISTRICT
EXISTING RURAL WATER FINANCING AGENCY LOANS

Description of Debt	Delivery Date	Original Principal Amount	Maturity	Interest Rate	First Call Date	Outstanding Principal Balance
Series 2012D	5/30/2012	$2,900,000	1/1/2036	3.6% to 4.0%	Currently Callable	$1,435,000
Series 2013B	2/27/2013	$1,960,000	1/1/2028	3.05% to 3.30%	Currently Callable	$ 455,000
Series 2020C	3/17/2020	$3,325,000	1/1/2048	2.2% to 5.2%	2/1/2028	$2,880,000
Note: Outstanding Principal Balances as of August 1, 2025					**TOTAL:**	**$4,770,000**

EXHIBIT 3

AREA Entire Service Area

PSC KY NO. 1

4th SHEET NO. 17b

Edmonson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

3rd SHEET NO. 17

RULES AND REGULATIONS
Monthly Water Rates

5/8- X 3/4-Inch Meter			
First	1,500 Gallons	$18.18 Minimum Bill	(I)
Over	1,500 Gallons	0.00857 Per Gallon	(I)
1-Inch Meter			
First	5,000 Gallons	$49.30 Minimum Bill	(I)
Over	5,000 Gallons	0.00857 Per Gallon	(I)
1 1/2-Inch Meter			
First	10,000 Gallons	$93.32 Minimum Bill	(I)
Over	10,000 Gallons	0.00857 Per Gallon	(I)
2-Inch Meter			
First	16,000 Gallons	$147.78 Minimum Bill	(I)
Over	16,000 Gallons	0.00857 Per Gallon	(I)
3-Inch Meter			
First	30,000 Gallons	$289.59 Minimum Bill	(I)
Over	30,000 Gallons	0.00857 Per Gallon	(I)
4-Inch Meter			
First	50,000 Gallons	$487.99 Minimum Bill	(I)
Over	50,000 Gallons	0.00857 Per Gallon	(I)
Wholesale Rate		0.00333 Per Gallon	(I)

DATE OF ISSUE March 10, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE March 10, 2025
MONTH / DATE / YEAR

ISSUED BY Kevin Shaw
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO 2024-00219 DATED March 10, 2025

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
3/10/2025
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Entire Service Area

PSC KY NO. 1

4th SHEET NO. 17a

Edmonson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

3rd SHEET NO. 17

RULES AND REGULATIONS

Connection Charges		
Tap Fee for 5/8-inch x 3/4-inch Meter Service	$1,427.00	(I)
Tap Fee for Larger Meter Services	Actual Cost ($200 payment with application)	
Fire Hydrant Installation	$200 plus Actual Cost ($1,000 payment with application)	
Fill Hydrant Installation	$175 plus Actual Cost ($1,000 payment with application)	
Non-Recurring Charges		
Reconnect Charge	$10.00	
Meter Test Charge	$10.00	
Returned Check Charge	$ 0.00	
Returned Bank Draft Charge	$ 0.00	
Service Call/Investigation	$10.00	(I)
Membership Charge	$25.00	
Meter Relocation (or Resitting) Charge	Actual Cost	
Water Line Relocation or Lowering Charge	Actual Cost	

DATE OF ISSUE March 10, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE March 10, 2025
MONTH / DATE / YEAR

ISSUED BY Ken Shaw
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO 2024-00219 DATED March 10, 2025

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
3/10/2025
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 4

AREA Grayson County, Kentucky

PSC KY NO. 1

9th Revised SHEET NO. 4.0

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

8th Revised SHEET NO. 4.0

Monthly Water Rates

5/8-Inch Meter		
First	1,500 Gallons	$21.02 Minimum Bill
Next	8,500 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon
3/4-Inch Meter		
First	3,000 Gallons	$35.97 Minimum Bill
Next	7,000 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon (I)
1-Inch Meter		
First	5,000 Gallons	$55.93 Minimum Bill
Next	5,000 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon
1 1/2-Inch Meter		
First	10,000 Gallons	$105.81 Minimum Bill
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon

DATE OF ISSUE July 17, 2023
MONTH / DATE / YEAR

DATE EFFECTIVE June 10, 2023
MONTH / DATE / YEAR

ISSUED BY /s/Nancy Cain
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2023-00175 DATED July 12, 2023

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
6/10/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Grayson County Water District
(NAME OF UTILITY)

2-Inch Meter	
First 16,000 Gallons	$159.86 Minimum Bill
Next 34,000 Gallons	0.00901 Per Gallon
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
3-Inch Meter	
First 30,000 Gallons	$285.97 Minimum Bill
Next 20,000 Gallons	0.00901 Per Gallon
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
4-Inch Meter	
First 50,000 Gallons	$466.13 Minimum Bill
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
6-Inch Meter	
First 100,000 Gallons	$868.11 Minimum Bill
Next 50,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
8-Inch Meter	
First 150,000 Gallons	$1,270.09 Minimum Bill
Over 150,000 Gallons	0.00710 Per Gallon
10-Inch Meter	
First 250,000 Gallons	$1,980.37 Minimum Bill
Over 250,000 Gallons	0.00710 Per Gallon

(I)

(D)

DATE OF ISSUE July 17, 2023
MONTH / DATE / YEAR

DATE EFFECTIVE June 10, 2023
MONTH / DATE / YEAR

ISSUED BY /s/Nancy Cain
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2023-00175 DATED July 12, 2023

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
6/10/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Grayson County, Kentucky

PSC KY NO. 1

First Revised SHEET NO. 5

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

Original SHEET NO. 5

DEPOSITS:

Residential Customers	$ 70.00	(N)
Non-Residential Customers	$ 270.00	(N)
		(I)

For purposes of determining the required deposit, all customers served through a 5/8-inch meter will be consider as a residential customer. Those customers served through a larger sized meter will be considered a non-residential customer. (T)

DATE OF ISSUE April 4, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE May 4, 2019
MONTH / DATE / YEAR

ISSUED BY /s/John Tomes
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY
PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE
5/4/2019
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Grayson County, Kentucky

PSC KY NO. 1

First Revised SHEET NO. 6

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

Original SHEET NO. 6

A. Meter Connection/Tap-On Charges

5/8-Inch x 3/4-Inch Meter	$1,230	(I)
All Larger Meters	Actual Cost	

DATE OF ISSUE April 4, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE May 4, 2019
MONTH / DATE / YEAR

ISSUED BY /s/John Tomes
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY
PUBLIC SERVICE COMMISSION
Gwen R. Pinson
Executive Director
Gwen R. Pinson
EFFECTIVE
5/4/2019
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Grayson County, Kentucky

PSC KY NO. 1

Second Revised SHEET NO. 7

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

First Revised SHEET NO. 7

A. Special Non-Recurring Charges

Connection/Turn-on Charge	15.00	(R)
Connection/Turn-on Charge (After Hours)	113.00	(R)
Field Collection Charge	15.00	(R)
Late Payment Penalty	10%	
Meter Relocation Charge	Actual Charge	
Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)	Actual Charge	
Meter Re-read Charge	15.00	(R)
Meter Re-read Charge (After Hours)	113.00	(R)
Meter Test Charge	15.00	(R)
Reconnection Fee	30.00	(R)
Reconnection Fee (After Hours)	170.00	(R)
Returned Check Charge	10.00	(R)
Service Call/Investigation	15.00	(R)
Service Call/Investigation (After Hours)	113.00	(R)
Service Line Inspection Fee (In Lieu of Plumber)	15.00	(R)

NOTE: Regular working hours for the Utility's Maintenance Staff is 7:30 a.m. to 4:00 p.m. excluding holidays and weekends. Upon customer request, and subject to availability of Maintenance Staff, services may be performed outside regular working hours at the after-hours rate. Maintenance Staff who are called in after hours are guaranteed to be paid for a minimum of 2 hours.

DATE OF ISSUE January 31, 2022
MONTH / DATE / YEAR

DATE EFFECTIVE December 14, 2021
MONTH / DATE / YEAR

ISSUED BY /s/Nancy Cain
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00191 DATED Dec.14, 2021 and Jan. 5 and 28, 2022

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
12/14/2021
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 7

RESOLUTION No. 09-22-2025

RESOLUTION OF THE GRAYSON COUNTY WATER DISTRICT AUTHORIZING THE ACQUISITION OF THE EDMONSON COUNTY WATER DISTRICT DISTRIBUTION ASSETS LOCATED IN GRAYSON COUNTY; APPROVING THE ASSET PURCHASE AGREEMENT BETWEEN EDMONSON COUNTY WATER DISTRICT, AS SELLER, AND GRAYSON COUNTY WATER DISTRICT, AS BUYER; AND AUTHORIZING THE CHAIRMAN TO EXECUTE THE ASSET PURCHASE AGREEMENT AND OTHER DOCUMENTS NECESSARY TO CONSUMMATE THE ACQUISITION

WHEREAS, Grayson County Water District ("Grayson") is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Grayson currently owns and operates both water treatment and water distribution facilities ("Grayson's System");

WHEREAS, Grayson's System includes assets located in Grayson County, and Grayson provides retail and wholesale water service in Grayson County;

WHEREAS, Edmonson County Water District ("Edmonson") is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 82.083(4)(a);

WHEREAS, Edmonson currently owns and operates both water treatment

and water distribution facilities (the "Edmonson Water System");

WHEREAS, Grayson's System is adjacent to and interconnected with the Edmonson Water System;

WHEREAS, the Edmonson Water System consists of assets located in Edmonson, Grayson, and Hart Counties, Kentucky. Edmonson's water distribution assets located in Grayson County shall be referred to as "Edmonson's Grayson System;"

WHEREAS, Edmonson provides retail water service to customers located in Edmonson, Grayson, and Hart Counties, Kentucky;

WHEREAS, Edmonson provides retail water service to approximately 3,500 customers located in the southeastern portion of Grayson County, including the communities of Annetta, Peonia, Wax, and Broadford;

WHEREAS, Edmonson owns and operates the Wax Water Treatment Plant and related facilities, which is located in Grayson County near the Grayson-Hart County line. The Wax WTP provides potable water to Edmonson's Hart County and Grayson County customers;

WHEREAS, Grayson will not be acquiring Edmonson' s Wax WTP;

WHEREAS, it appears that transferring Edmonson's Grayson System assets to Grayson's System will result in economies of scale. Furthermore, it will enable Grayson to manage, operate, and maintain its combined system in a more cost-effective manner;

WHEREAS, Grayson has the financial, technical, and managerial abilities to provide adequate and reliable water service to Edmonson's existing Grayson County water customers without adversely affecting the quality of service presently afforded Grayson's existing customers;

WHEREAS, Grayson and Edmonson have executed a Statement of Intent dated May 29, 2025, in which Grayson expressed its intent to purchase and acquire Edmonson's Grayson County System and Edmonson expressed its intent to sell and transfer its Grayson County System to Grayson;

WHEREAS, certain representatives of Grayson and certain representatives of Edmonson have negotiated the detailed terms of an Asset Purchase Agreement (the "Agreement") whereby Edmonson will sell and transfer to Grayson and Grayson will purchase and acquire from Edmonson certain assets as set forth in the Agreement, subject to the approval and execution of the Agreement by Grayson, the approval and execution of the Agreement by Edmonson, and the approval by the Kentucky Public Service Commission (the "PSC"); and

WHEREAS, Grayson desires to approve the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE GRAYSON COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. It is hereby determined and declared to be in the public interest for Grayson to acquire Edmonson's Grayson County System. The Agreement, in substantially the form submitted to Grayson with such minor modifications as the Chairman may subsequently approve, as evidenced by her signature thereon, is hereby approved, and the Chairman is authorized and directed to execute and deliver the Agreement for and on behalf of Grayson.

Section 3. The Chairman is also hereby authorized and directed to file an application with the PSC requesting approval of the Agreement.

Section 4. The Chairman, District Manager, and all other appropriate officers, officials, employees or representatives of Grayson are hereby authorized and directed to take any further actions and to execute and deliver all documents as may be reasonably necessary to effectuate the acquisition and consummation of the transactions contemplated by the Agreement.

Section 5. This Resolution shall take effect upon its adoption.

[Remainder of page intentionally left blank]

Adopted by the Board of Commissioners of Grayson County Water District at a meeting held on September 22, 2025, signed by the Chairman, and attested by the Secretary of the Board of Commissioners.

Signed:

Nancy Cain

Nancy Cain, Chairman

ATTEST:

Michael E. Kipper

Michael Kipper, Secretary

CERTIFICATION

The undersigned Secretary of Grayson County Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on September __, 2025, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and now in full force and effect.

WITNESS my hand this 22 day of September, 2025.

Michael R. Kipper

Michael Kipper, Secretary

EXHIBIT 8

RESOLUTION No. 2025-09-23.1

RESOLUTION OF THE EDMONSON COUNTY WATER DISTRICT AUTHORIZING THE ACQUISITION OF THE GRAYSON COUNTY SYSTEM ASSETS BY THE GRAYSON COUNTY WATER DISTRICT; APPROVING THE ASSET PURCHASE AGREEMENT BETWEEN EDMONSON COUNTY WATER DISTRICT, AS SELLER, AND GRAYSON COUNTY WATER DISTRICT, AS BUYER; AND AUTHORIZING THE CHAIRMAN TO EXECUTE THE ASSET PURCHASE AGREEMENT AND OTHER DOCUMENTS NECESSARY TO CONSUMMATE THE ACQUISITION

WHEREAS, Edmonson County Water District ("Edmonson") is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 67.0802(4)(a);

WHEREAS, Edmonson currently owns and operates both water treatment and water distribution facilities (the "Edmonson Water System");

WHEREAS, Grayson County Water District ("Grayson") is a water district organized under the provisions of KRS Chapter 74 and is also a governmental agency within the meaning of KRS 67.0802(4)(a);

WHEREAS, Grayson currently owns and operates both water treatment and water distribution facilities ("Grayson's System");

WHEREAS, Grayson's System includes assets located in Grayson County, Kentucky, and Grayson provides retail water service to customers in Grayson County, Kentucky;

WHEREAS, Grayson's System is adjacent to and interconnected with the Edmonson Water System;

WHEREAS, the Edmonson Water System consists of assets located in Edmonson, Grayson, and Hart Counties, Kentucky. Edmonson's water assets located in Grayson County shall be referred to as the "Grayson County System;"

WHEREAS, Edmonson provides retail water service to customers located in Edmonson, Grayson, and Hart Counties, Kentucky;

WHEREAS, Edmonson provides retail water service to approximately 3,500 customers located in the Southeastern portion of Grayson County, including the communities of Anneta, Peonia, Wax and Broadford;

WHEREAS, it appears that transferring Edmonson's Grayson County System to Grayson's System will result in economies of scale. Furthermore, it will enable Grayson to manage, operate, and maintain its combined system in a more cost-effective manner;

WHEREAS, Grayson has the financial, technical, and managerial abilities to provide adequate and reliable water service to Edmonson's existing Grayson County

customers without adversely affecting the quality of service presently afforded Grayson's existing customers;

WHEREAS, Grayson and Edmonson have executed a Statement of Intent dated May 29, 2025, in which Grayson expresses its intent to purchase and acquire Edmonson's Grayson County System and Edmonson expresses its intent to sell and transfer its Grayson County System to Grayson;

WHEREAS, certain representatives of Grayson and certain representatives of Edmonson have negotiated the detailed terms of an Asset Purchase Agreement (the "Agreement") whereby Edmonson will sell and transfer to Grayson and Grayson will purchase and acquire from Edmonson certain assets as set forth in the Agreement, subject to the approval and execution of the Agreement by Grayson, the approval and execution of the Agreement by Edmonson, and the approval by the Kentucky Public Service Commission (the "PSC"); and

WHEREAS, Edmonson desires to approve the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE EDMONSON COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. It is hereby determined and declared to be in the public interest

for Grayson to acquire Edmonson's Grayson County System. The Agreement, in substantially the form submitted to Edmonson with such minor modifications as the Chairman may subsequently approve, as evidenced by his signature thereon, is hereby approved, and the Chairman is authorized and directed to execute and deliver the Agreement for and on behalf of Edmonson.

Section 3. The Chairman is also hereby authorized and directed to file an application with the PSC requesting approval of the Agreement.

Section 4. The Chairman, General Manager, and all other appropriate officers, officials, employees or representatives of Edmonson are hereby authorized and directed to take any further actions and to execute and deliver all documents as may be reasonably necessary to effectuate the acquisition and consummation of the transactions contemplated by the Agreement.

Section 5. This Resolution shall take effect upon its adoption.

[Remainder of page intentionally left blank]

Adopted by the Board of Commissioners of Edmonson County Water District at a meeting held on September 23, 2025, signed by the Chairman, and attested by the Secretary.

Darren Dennison, Chairman

ATTEST:

Josh Brooks, Secretary

CERTIFICATION

The undersigned Secretary of Edmonson County Water District (the "District") does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the District's Board of Commissioners at a meeting properly held on September 23, 2025, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and now in full force and effect.

WITNESS my hand this 23rd day of September 2025.

Josh Brooks, Secretary

EXHIBIT 9

WATER REVENUE BONDS

OWED BY EDMONSON COUNTY WATER DISTRICT TO RURAL DEVELOPMENT

Bond Issue	RD Loan Number	Original Principal Amount	Maturity	Interest Rate	Outstanding Principal Balance
2001A	99391-20	$3,837,000	1/1/2041	3.25%	$2,185,000
2010A	99393-35	$ 570,000	1/1/2050	2.25%	$ 434,000
2010B	99394-37	$ 700,000	1/1/2050	2.25%	$ 533,000
2013A	99395-39	$ 504,000	1/1/2054	2.1250%	$ 418,000
2013B	99396-41	$ 160,000	1/1/2054	3.00%	$ 137,500
2019	99397-43	$1,032,000	1/1/2060	1.50%	$ 951,000
Note: Outstanding Principal Balances as of August 1, 2025				**TOTAL:**	**$4,658,500**

EXHIBIT 10

EDMONSON COUNTY WATER DISTRICT
EXISTING RURAL WATER FINANCING AGENCY LOANS

Description of Debt	Delivery Date	Original Principal Amount	Maturity	Interest Rate	First Call Date	Outstanding Principal Balance
Series 2012D	5/30/2012	$2,900,000	1/1/2036	3.6% to 4.0%	Currently Callable	$1,435,000
Series 2013B	2/27/2013	$1,960,000	1/1/2028	3.05% to 3.30%	Currently Callable	$ 455,000
Series 2020C	3/17/2020	$3,325,000	1/1/2048	2.2% to 5.2%	2/1/2028	$2,880,000
Note: Outstanding Principal Balances as of August 1, 2025					**TOTAL:**	**$4,770,000**

EXHIBIT 11

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	Grayson County Water District	21 Shull White Rd		LEITCHFIELD	KY	42754

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Principal Payment and Interest Information

	Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	$397,500.00		
Is Principal Current?		Y	
Is Interest Current?		Y	
Has all long-term debt been approved by the Public Service Commission?		Y	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	Y		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit	X		
Compilation	X		
Review			
Date of Audit			4/1/2025
Please enclose a copy of the accountant’s report with annual report.			

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	Grayson County Water District	www.graysonwater.com
Contact Name and Email Address		
	Jeremy Woosley, Manager	jwoosley@graysonwater.com
	Kyle Cannon, Assistant Manager	kcannon@graysonwater.com

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Additional Information Required

	Case Num	Date	Explain

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.	
For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.	
Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers):	Phase 2: East/West Connection. This project will provide a connection from the Western part of our system where our Water Treatment Plant is located to the Eastern part of our system where we currently purchase water.
Projected Costs and Funding Sources/Amounts:	$10,911,690.00. Kentucky Infrastructure Authority and Rural Development
Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)	Application has been filed and approved.
Location: (community, area or nearby roads)	Grayson County, KY

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.
(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)
Grayson County Water District

22000 Grayson County Water District 01/01/2024 - 12/31/2024

History-Location (Ref Page: 4)

	Name	Address	City	State	Zip	Phone
Give the location,including street and number, and TELEPHONE NUMBER of the principal office in KY.						
principal office in KY	Grayson County Water District	21 Shull White Rd.	LEITCHFIELD	KY	42754	(270) 259-2917
Give name, title, address and TELEPHONE NUMBER of the officer						
to whom correspondence concerning this report should be addressed.						
Location where books are located	Grayson County Water District	21 Shull White Rd.	LEITCHFIELD	KY	42754	
Name of the Headquartered County	Grayson					

History-Date Organized (Ref Page: 4)

	Date
Date of Organization	7/1/1974

History-Laws of Organization (Ref Page: 4)

		List
If a consolidated or merger company, name all contigent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	NA	
Date and Authority for each consolidation and each merger.	NA	

History-Departments (Ref Page: 4)

	List
State whether respondent is a water district or association	District
Name all operating departments other than water	NA

History - Counties (Ref Page: 5)

Grayson

22000 Grayson County Water District 01/01/2024 - 12/31/2024

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	16
Number of Part-time employees	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	County of Residence
Person to send correspondence:	Assistant Manager	Cannon	Kyle	21 Shull White Rd., Leitchfield, KY 42754			
Person who prepared this report	Assistant Manager	Cannon	Kyle	21 Shull White Rd., Leitchfield, KY 42754			
Managers							
	Manager	Woosley	Jeremy	21 Shull White Rd., Leitchfield, KY 42754	$130,822.00		

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Commissioners (Water Districts Only)

Item	Explain
Have visited the Water Commissioner site using the link provided below.	Yes
Attest Commissioners listed below are correct for the report period and current commissioner details are up to date.	Yes

Commissioners during Report

Title	First Name	Last Name	Appointment	TermExpires	County Of Residence	Salary
Commissioner	Keith	Brooks	12/22/2022	12/18/2026	Grayson	6000.00
Chairperson	Nancy	Cain	3/3/2022	1/1/2026	Grayson	6000.00
Commissioner	Roger	Constant	4/6/2021	4/5/2025	Grayson	6000.00
Secretary	Michael	Kipper	6/21/2023	6/21/2027	Grayson	6000.00
Vice Chairperson	Kenneth	Sharp	2/25/2023	2/25/2027	Grayson	6000.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	$45,820,208.00	$49,801,822.00
Less: Accumulated Depreciation and Amortization (108-110)	$17,961,680.00	$18,921,915.00
Net Plant	$27,858,528.00	$30,879,907.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	$27,858,528.00	$30,879,907.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)	$1,092,002.00	$1,153,207.00
Other Special Funds (127)	$479,615.00	$496,317.00
Total Other Property and Investments	$1,571,617.00	$1,649,524.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	$1,926,510.00	$1,230,106.00
Special Deposits (132)		
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	$460,925.00	$341,333.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	$334,353.00	$749,544.00
Stores Expense (161)		
Prepayments (162)	$65,346.00	$85,184.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)	$180,917.00	$198,471.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)		
Total Current and Accrued Assets	$2,968,051.00	$2,604,638.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extaordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Develpment Expenditure (187)		
Total Deffered Debits		
TOTAL ASSETS AND OTHER DEBITS	$32,398,196.00	$35,134,069.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	$5,776,434.00	$5,791,614.00
Donated Capital (215.2)	$10,224,235.00	$10,425,068.00
Total Equity Capital	$16,000,669.00	$16,216,682.00
LONG-TERM DEBT		
Bonds (221)	$3,148,500.00	$3,081,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	$11,339,264.00	$13,983,143.00
Total Long Term Debt	$14,487,764.00	$17,064,143.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	$115,847.00	$73,358.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	$70,870.00	$65,050.00
Accrued Taxes (236)	$19,353.00	$5,267.00
Accrued Interest (237)	$97,945.00	$93,311.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)		
Misc. Current and Accrued Liabilities (242)	$153,951.00	$191,526.00
Total Current and Accrued Liabilities	$457,966.00	$428,512.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)	$335,318.00	$308,254.00
Advances for Construction (252)	$1,116,479.00	$1,116,479.00
Other Deferred Credits (253)		
Total Deferred Credits	$1,451,797.00	$1,424,733.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	$32,398,196.00	$35,134,070.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	$4,512,626.00	$4,725,127.00
Operating Expenses (401)	$3,280,195.00	$3,810,936.00
Depreciation Expenses (403)	$931,913.00	$960,235.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	$87,542.00	$102,098.00
Utility Operating Expenses	$4,299,650.00	$4,873,269.00
Utility Operating Income	$212,976.00	($148,142.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	$212,976.00	($148,142.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	$886.00	$1,171.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	$1,119,883.00	$353,863.00
Miscellaneous Nonutility Expenses (426)	$5,330.00	$7,013.00
Total Other Income and Deductions	$1,115,439.00	$348,021.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	$176,922.00	$184,699.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	$176,922.00	$184,699.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	$1,151,493.00	$15,180.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Statement of Retained Earnings (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	$5,776,434.00
Balance transferred from Net Income Before Contributions (435)	$15,180.00
Changes to account:	
Appropriations of Retained Earnings (436)	
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	$5,791,614.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	$3,763,209.00	$6,461,017.00	$0.00	$10,224,226.00
Credits				
Proceeds from capital contributions (432)	$145,627.00	$55,206.00	$0.00	$200,833.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	$3,908,836.00	$6,516,223.00	$0.00	$10,425,059.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	$37,611,251.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	
Construction Work in Progress (105)	$12,190,571.00
Completed Construction Not Classified (106)	
Total Utility Plant	$49,801,822.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	$17,961,680.00
Credit during year	
Accruals Charged to Account 108.1	$960,235.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Acccounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	$960,235.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	$18,921,915.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	$431,941.00	$0.00	$18,750.00	$413,191.00	$0.00	$0.00	$241,558.00	$0.00	$171,633.00
Structures and Improvements (304)	$1,538,361.00	$0.00	$0.00	$1,538,361.00	$0.00	$0.00	$3,897.00	$0.00	$1,534,464.00
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	$362,794.00	$36,150.00	$0.00	$398,944.00	$0.00	$398,944.00	$0.00	$0.00	$0.00
Water Treatment Equipment (320)	$6,442,642.00	$6,750.00	$0.00	$6,449,392.00	$0.00	$0.00	$6,449,392.00	$0.00	$0.00
Distribution Reservoirs and Standpipes (330)	$3,365,282.00	$0.00	$0.00	$3,365,282.00	$0.00	$0.00	$0.00	$3,365,282.00	$0.00
Transmission and Distribution Mains (331)	$17,654,905.00	$6,174.00	$0.00	$17,661,079.00	$0.00	$0.00	$0.00	$17,661,079.00	$0.00
Services (333)	$1,744,818.00	$0.00	$0.00	$1,744,818.00	$0.00	$0.00	$0.00	$1,744,818.00	$0.00
Meters and Meter Installations (334)	$3,481,446.00	$651,888.00	$0.00	$4,133,334.00	$0.00	$0.00	$0.00	$4,133,334.00	$0.00
Hydrants (335)	$156,635.00	$0.00	$0.00	$156,635.00	$0.00	$0.00	$0.00	$156,635.00	$0.00
Backflow Prevention Devices (336)									

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	$470,862.00	$0.00	$0.00	$470,862.00	$0.00	$0.00	$0.00	$0.00	$470,862.00
Office Furniture and Equip. (340)	$128,070.00	$0.00	$0.00	$128,070.00	$0.00	$0.00	$0.00	$0.00	$128,070.00
Transportation Equipment (341)	$693,245.00	$71,116.00	$0.00	$764,361.00	$0.00	$0.00	$0.00	$0.00	$764,361.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)	$68,498.00	$0.00	$0.00	$68,498.00	$0.00	$0.00	$0.00	$0.00	$68,498.00
Laboratory Equipment (344)									
Power Operated Equipment (345)									
Communication Equipment (346)	$11,122.00	$18,895.00	$0.00	$30,017.00	$0.00	$0.00	$0.00	$0.00	$30,017.00
Miscellaneous Equipment (347)	$275,605.00	$12,800.00	$0.00	$288,405.00	$0.00	$0.00	$0.00	$0.00	$275,605.00
Other Tangible Plant (348)									
Total Water Plant	$36,826,226.00	$803,773.00	$18,750.00	$37,611,249.00	$0.00	$398,944.00	$6,694,847.00	$27,061,148.00	$3,443,510.00

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)	$231,619.00	$41,482.00	$0.00	$0.00	$0.00	$273,101.00
Collecting and Impounding Reservoirs (305)						
Lake, River and Other Intakes (306)						
Wells and Springs (307)						
Infiltration Galleries and Tunnells (308)						
Supply Mains (309)						
Power Generating Equipment (310)						
Pumping Equipment (311)	$225,387.00	$10,340.00	$0.00	$0.00	$0.00	$235,727.00
Water Treatment Equipment (320)	$2,736,090.00	$163,913.00	$0.00	$0.00	$0.00	$2,900,003.00
Distributions Reservoirs and Standpipes (330)	$1,733,885.00	$84,314.00	$0.00	$0.00	$0.00	$1,818,199.00
Transmission and Distribution Mains (331)	$9,513,977.00	$432,287.00	$0.00	$0.00	$0.00	$9,946,264.00
Services (333)	$942,952.00	$43,620.00	$0.00	$0.00	$0.00	$986,572.00
Meters and Meter Installations (334)	$1,334,631.00	$106,601.00	$0.00	$0.00	$0.00	$1,441,232.00
Hydrants (335)	$54,711.00	$3,916.00	$0.00	$0.00	$0.00	$58,627.00
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)	$177,093.00	$8,229.00	$0.00	$0.00	$0.00	$185,322.00
Office Furniture and Equip. (340)	$159,509.00	$21,940.00	$0.00	$0.00	$0.00	$181,449.00
Transportation Equipment (341)	$498,022.00	$34,655.00	$0.00	$0.00	$0.00	$532,677.00
Stores Equipment (342)						

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)	$83,205.00	$3,616.00	$0.00	$0.00	$0.00	$86,821.00
Laboratory Equipment (344)						
Power Operated Equipment (345)						
Communication Equipment (346)	$10,326.00	$1,102.00	$0.00	$0.00	$0.00	$11,428.00
Miscellaneous Equipment (347)	$260,314.00	$4,222.00	$0.00	$0.00	$0.00	$264,536.00
Other Tangible Plant (348)						
Totals	$17,961,721.00	$960,237.00	$0.00	$0.00	$0.00	$18,921,958.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

	Description	Total
Acquistion Adjustments (114)		
(specify)		
Total Plant Acquisition Adjustments		
Accumulated Amortization (115)		
(specify)		
Total Accumulated Amortization		
Net Aquisition Adjustments		

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	$617,027.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	$617,027.00
Accumultated Provision for Uncollectible Accounts (143)	
Balance First of Year	$264,287.00
Add:	
Provision for uncollectibles for current year	$11,407.00
Collections of accounst previously written off	
Other	
(specify)	
Total Additions	$11,407.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	
Balance end of Year	$275,694.00
Total Accounts and Notes Receivable - Net	$341,333.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Investments and Special Funds (Ref Page: 17)

	Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)			
Total Investment in Associated Companies			
Utility Investments (124)			
Total Utility Investments			
Other Investments (125)			
Total Other Investments			
Sinking Funds (126)			
	Sinking Funds	$0.00	$1,153,207.00
Total Sinking Funds		$0.00	$1,153,207.00
Other Special Funds (127)			
	Depreciation Fund	$0.00	$496,317.00
Total Other Special Funds		$0.00	$496,317.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	$749,544.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	$749,544.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Prepayments (Acct. 162) (Ref Page: 19)

	Description	Total
Prepaid Insurance		$47,279.00
Prepaid Rents		
Prepaid Interest		
Prepaid Taxes		
Other Prepayments		
(Specify)	Prepaid Chemicals	$8,678.00
(Specify)	Prepaid Service Contracts	$29,227.00
Total Prepayments		$85,184.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

	Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)			
Total Unamortized Debt Discount and Expense			
Unamortized Premium on Debt (251)			
	Premium on 2019 and 2021 Refinance	$27,064.00	$308,254.00
Total Unamortized Premium on Debt		$27,064.00	$308,254.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	
Total Extraordinary Property Losses	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	$1,116,479.00
Add credits during year	
Deduct charges during year	
Balance end of year	$1,116,479.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Long Term Debt (Ref Page: 22)

	Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
	KRW LOAN	2013	1-2027	3.5000	$14,621.00	$400,000.00
	KRW LOAN	2019	1-2040	2.7500	$35,460.00	$890,000.00
	KRW LOAN	2021	7-2034	2.2500	$81,190.00	$1,750,000.00
	KRW INTERIM FINANCIING	2023	8-2025	2.5000	$0.00	$4,031,382.00
	KIA	2023	12-2053	0.2500	$16,348.00	$6,911,761.00
Total				0.0000	$147,619.00	$13,983,143.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	$525,000.00	$525,000.00	$0.00	$430,000.00	$9,138.00	$9,249.00
	$900,000.00	$900,000.00	$0.00	$724,500.00	$14,490.00	$14,680.00
	$712,000.00	$712,000.00	$0.00	$641,500.00	$16,038.00	$16,194.00
	$539,000.00	$539,000.00	$0.00	$500,000.00	$8,750.00	$8,838.00
	$256,000.00	$256,000.00	$0.00	$238,000.00	$4,165.00	$4,204.00
	$568,000.00	$568,000.00	$0.00	$547,000.00	$8,130.00	$8,210.00
Total	$3,500,000.00	$3,500,000.00	$0.00	$3,081,000.00	$60,711.00	$61,375.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Schedule of Bond Maturities (Ref Page: 23)

	Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaing Bonds Outstanding (12)
	2012	7-2051	4.0000	$440,500.00	$10,500.00	$430,000.00
	2012	7-2052	4.0000	$743,500.00	$19,000.00	$724,500.00
	2018	1-2057	2.5000	$654,000.00	$12,500.00	$641,500.00
	2020	1-2060	1.7500	$510,000.00	$10,000.00	$500,000.00
	2020	1-2060	1.7500	$242,500.00	$4,500.00	$238,000.00
	2021	1-2060	1.7500	$558,000.00	$11,000.00	$547,000.00
			0.0000	$0.00	$0.00	$0.00
Total				$3,148,500.00	$67,500.00	$3,081,000.00
(The total of Column 12 must agree with the total of col 4)						

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Notes Payable (Accts 232 and 234) (Ref Page: 24)

	Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable						
Total Account 232						
Account 234 - Notes Payable to Associated Companies						
Total Account 234						

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

	Description	Total
Show Payable to Each Associated Company Seperately		
(Specify)		
Total		

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	$19,353.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	$7,013.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$95,085.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	$102,098.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	$7,013.00
Property taxes (408.11)	
Payroll taxes (employer`s portion) (408.12)	$109,171.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	$116,184.00
Balance end of year	$5,267.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Accrued Interest (Account 237) (Ref Page: 25)

	Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:					
	RD 2012	$4,681.00	$9,138.00	$9,249.00	$4,570.00
	RD 2012	$7,435.00	$14,490.00	$14,680.00	$7,245.00
	RD 2018	$8,175.00	$16,038.00	$16,194.00	$8,019.00
	RD 2020	$4,462.00	$8,750.00	$8,838.00	$4,374.00
	RD 2020	$2,122.00	$4,165.00	$4,204.00	$2,083.00
	RD 2021	$4,145.00	$8,130.00	$8,210.00	$4,065.00
Notes Payable:					
		$0.00	$0.00	$0.00	$0.00
		$0.00	$0.00	$0.00	$0.00
	KRW 2013B	$8,370.00	$12,500.00	$14,621.00	$6,249.00
		$0.00	$0.00	$0.00	$0.00
	KRW 2019B	$17,730.00	$34,420.00	$35,460.00	$16,690.00
	KRW 2021D	$40,595.00	$77,420.00	$81,190.00	$36,825.00
	KIA 2023	$0.00	$16,348.00	$16,348.00	$0.00
	KRW INTERIM	$0.00	$7,156.00	$7,156.00	$0.00
Customer Deposits:					
	CUSTOMER DEPOSIT	$229.00	$3,208.00	$211.00	$3,190.00
Other					
	ADJ FOR BOND PREMIUM	$0.00	($27,064.00)	$0.00	$0.00
Total Acct. No 237		$97,944.00	$184,699.00	$216,361.00	$93,310.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

	Description	Balance End Year
	KY SALES TAX PAY	$1,820.00
	UTILITY TAX PAY	$12,565.00
	VACATION LEAVE PAY	$109,814.00
	RETIREMENT PAY	$8,991.00
	ACCURED PAYROLL	$55,274.00
	UNITED WAY PAY	$3,062.00
Total Miscellaneous Current and Accrued Liabilities		$191,526.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

	Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
Total					

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	7,521	7,679	$3,813,907.00
Sales to Commercial Customers (461.2)	359	356	$676,421.00
Sales to Industrial Customers (461.3)			
Sales to Public Authorities (461.4)			
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	7,880	8,035	$4,490,328.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (465)	90	90	$115,846.00
Sales for Resale (466)	0	1	$35,031.00
Interdepartmental Sales (467)			
Total Sales of Water	7,970	8,126	$4,641,205.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			$60,263.00
Miscellaneous Service Revenues (471)			$23,659.00
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			
Total Other Water Revenues			$83,922.00
Total Water Operating Revenues			$4,725,127.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)	$1,300,314.00	$170,075.00	$0.00	$307,501.00	$0.00	$149,322.00	$123,097.00	$365,038.00	$185,281.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	$30,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$30,000.00
Employee Pensions and Benefits (604)	$463,702.00	$58,500.00	$0.00	$106,743.00	$0.00	$55,135.00	$38,547.00	$126,221.00	$78,555.00
Purchased Water (610)	$675,904.00	$673,975.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,929.00
Purchased Power (615)	$192,860.00	$51,874.00	$0.00	$137,522.00	$0.00	$3,464.00	$0.00	$0.00	$0.00
Fuel for Power Production (616)									
Chemicals (618)	$133,895.00	$0.00	$0.00	$133,895.00	$0.00	$0.00	$0.00	$0.00	$0.00
Materials and Supplies (620)	$270,064.00	$9,595.00	$0.00	$87,164.00	$0.00	$21,730.00	$0.00	$89,645.00	$61,930.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)									
Contractual Services - Legal (633)									
Contractual Services - Management Fees (634)									
Contractual Serves - Water Testing (635)									
Contractual Services - Other (636)	$394,472.00	$1,000.00	$0.00	$70,172.00	$0.00	$78,145.00	$14,786.00	$146,434.00	$83,935.00
Rental of Bld./Real Property (641)									

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)									
Transportation Expenses (650)	$88,066.00	$7,021.00	$0.00	$2,458.00	$0.00	$28,896.00	$9,120.00	$33,550.00	$7,021.00
Insurance - Vehicle (656)									
Insurance - General Liability (657)									
Insurance - Worker`s Compensation (658)									
Insurance - Other (659)	$76,300.00	$16,131.00	$0.00	$14,937.00	$0.00	$14,937.00	$0.00	$0.00	$30,295.00
Advertising Expenses (660)									
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)	$11,459.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$11,459.00
Miscellaneous Expenses (675)	$173,900.00	$0.00	$0.00	$10,024.00	$0.00	$47,427.00	$0.00	$10,881.00	$105,568.00
Total	$3,810,936.00	$988,171.00	$0.00	$870,416.00	$0.00	$399,056.00	$185,550.00	$771,769.00	$595,973.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000`s) (b)	Water Pumped from Wells (Omit 000`s) (c)	Total Water Pumped and Purchased (Omit 000`s) (d)	Water Sold To Customers (Omit 000`s) (e)
January	15,414	21,085	36,499	29,550
February	17,351	22,097	39,448	32,434
March	16,001	19,001	35,002	29,041
April	14,238	17,600	31,838	27,484
May	16,149	21,928	38,077	31,662
June	18,199	21,495	39,694	34,573
July	19,063	23,511	42,574	36,885
August	20,638	27,198	47,836	37,486
September	22,726	25,028	47,754	38,928
October	18,230	25,383	43,613	32,854
November	16,284	19,670	35,954	29,857
December	17,180	18,453	35,633	29,530
Total for the year	211,473	262,449	473,922	390,284

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000`s)	1,274	12/22/2024
Minimum Gallons pumped by all methods in any one day (Omit 000`s)	353	9/28/2024

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part three (Ref Page: 29)

	List
If water is purchased indicate the following:	
Vendor	Leitchfield Utilities
Point of Delivery	Eight (8) Metering Points

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Pumping and Water Statistics - part four (Ref Page: 29)

	Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract			
to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.			
	EDMONSON COUNTY WATER DISTRICT	UNLIMITED	UNLIMITED

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000`s)	Avg. Rate Per 1000 Gallons (Cents)	Amount
	EDMONSON CO WATER DISTRCIT	9,056	$3.84	$34,775.00
Total		9,056		$34,775.00

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Water Statistics (Ref Page: 30)

	Description	Gallons (Omit 000`s)	Percent
1. Water Produced, Purchased and Distributed			
2. Water Produced		211,473	
3. Water Purchased		262,449	
4. Total Produced and Purchased		473,922	
6. Water Sales:			
7. Residential		295,306	
8. Commercial		75,049	
9. Industrial			
10. Bulk Loading Stations			
11. Wholesale		9,056	
12. Public Authorities			
13. Other Sales (explain)	Agricultural	10,873	
14. Total Water Sales		390,284	
16. Other Water Used			
17. Utility/water treatment plant		5,784	
18. Wastewater plant			
19. System flushing		20,388	
20. Fire department		240	
21. Other Usage (explain)			
22. Total Other Water Used		26,412	
24. Water Loss			
25. Tank Overflows		2,861	
26. Line Breaks		37,197	
27. Line Leaks		17,168	
28. Excavation Damages			
29. Theft			
30. Other Loss (Explain)			
31. Total Water Loss		57,226	
Note: Line 14 + Line 22 + Line 31 must equal Line 4			
Water Loss Percentage			
Line 31 divided by Line 4			12.0750

Plant Statistics (Ref Page: 31)

	Give the following information
Number of fire hydrants, by size	5 1/4" - 160, 4 1/2" - 7
Number of private fire hydrants, by size	None
If produced whether water supply is river, impounded streams, well,springs,artificial lake,or collector well	Lake
If produced whether supply is by gravity, pumping or a combination	Pumping
Type, capacity, and elevation of reservoirs at overflow and ground level	ELEVATED: BIG CLIFTY, CAPACITY: 150,000 GALLONS, OVERFLOW: 960 FEET, GROUND LEVEL: 799 FT/ELEVATED TANK: CLARKSON, CAPACITY: 200,000 GALLONS, OVERFLOW: 870FT, GROUND LEVEL: 742.2FT/GROUND STORAGE: DUFF, CAPACITY: 500,000 GALLONS, OVERFLOW: 931 FT, GROUND LEVEL: 891.5 FT/GROUND STORAGE: HWY 185, CAPACITY: 100,000 GALLONS, OVERFLOW: 933 FT, GROUND LEVEL: 835 FT/STANDPIPE: SHREWSBURY, CAPACITY: 116,000 GALLONS, OVERFLOW: 930FT, GROUND LEVEL 860FT/GROUND STORAGE: LONEHILL TANK, CAPACITY: 500,000 GAL, OVERFLOW: 902.5FT, GROUND LEVEL, 813.5 FT/ELEVATED TANK: DETENTION CENTER, CAPACITY: 500,000 OVERFLOW: 930FT, GROUND LEVEL: 793FT/ELEVATED TANK: CONKLIN SCHOOL, CAPACITY: 100,000 GALLONS, OVERFLOW: 905FT, GROUND LEVEL: 792.5FT
Miles of main by size and kind	2" PVC - 0.6 MILES, 3" PVC - 6.8 MILES, 4" PVC - 350.1 MILES, 6" PVC - 160.4 MILES, 8" PVC 28.4 MILES, 10" PVC - 5 MILES, 12" PVC - 7.8 MILES, 16" PVC - 3.9 MILES, TOTAL MILES OF PIPE - 563 MILES
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	GRAVITY - TWO(2) UNITS, 16 GPM/SQ FT
Type of disinfectant, number of units and capacity in pounds per 24 hours	GAS CHLORINE - FOUR(4) UNITS 200LBS/DAY
Station Equpment. List each pump,giving type and capacity, HP of driving unit and character of driving unit(steam/electric/int. combustion) also whether pump is high/ low duty	NA
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals.,and electric in KWH	NA
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	NA
Capacity of clear well	300,000 GALLONS/DAY
Peak month, in gallons of water sold	JUNE
Peak day, in gallons of water sold	

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Plant Statistics - Part B (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply	Combination

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Plant Statistics - Part C (Ref Page: 31)

	Type
Choose one to indicate the type of Water Supply Method	Combination

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distrubuted for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	49801822.00	49801822.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	18921915.00	18921958.00	NO	ROUNDING
Accts 114-115 Utility Plant Acquistion Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	1153207.00	1153207.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	496317.00	496317.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance141-144	341333.00	341333.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	749544.00	749544.00	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	85184.00	85184.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	5791614.00	5791614.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	10425068.00	10425059.00	NO	ROUNDING
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	3081000.00	3081000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	3081000.00	3081000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	13983143.00	13983143.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0	OK	

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	19353.00	19353.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	5267.00	5267.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	97944.00	97945.00	NO	ROUNDING
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	93311.00	93310.00	NO	ROUNDING
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	191526.00	191526.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	308254.00	308254.00	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	1116479.00	1116479.00	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	35134070.00	35134069.00	NO	ROUNDING
Comparitive Operating Statement (ref pg 10)				

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	4725127.00	4725127.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	3810936.00	3810936.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	102098.00	102098.00	OK	
Sum of Accts 408.1and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	102098.00	102098.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	184699.00	184699.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transfered from Income (Acct 435)	15180.00	15180.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	37611251.00	37611249.00	NO	ROUNDING
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				Yes
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				Yes
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transfered to 186.1	0	0	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				Yes

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				Yes
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				Yes
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				Yes
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				Yes
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				Yes
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	473922	473922	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	390284	390284	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	9056	9056	OK	
Schedule Water Statistics (ref pg 30) Lines 14,22 and 31 must equal Line 4	473922	473922	OK	
Have visited the Water Commissioner site. (Water Districts ONLY)				Yes
Attest Commissioners listed on the Commissioner Schedule are correct for the report period and current commissioner details are up to date. (Water Districts ONLY)				Yes
Oath Page Has been Completed				Yes

22000 Grayson County Water District 01/01/2024 - 12/31/2024

Upload supporting documents

Document	Description	Supports
SD_22000_2024_1.pdf	2024 Compiled Financials	Audit Report
SD_22000_2024_2.pdf	2024 Audited Financials Statements	Audit Report

Utility ID: 22000

OATH

Commonwealth of Kentucky)
) ss:
County of Grayson)

Jeremy Woosley makes oath and says
(Name of Officer)

that he/she is Manager of
(Official title of officer)

Grayson County Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2024 , to and including December 31, 2024

(Signature of Officer)

subscribed and sworn to before me, a Notary Public , in and for

the State and County named in the above this 31st day of March, 2025

(Apply Seal Here)

My Commission expires 2/10/2026 # KYNP44526

(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under

EXHIBIT 12

Grayson County Water District
Schedule of Outstanding Bonds
December 31, 2024

Description	Authorized	Issued	Issue Date	Date of Maturity	Secured	Interest Rate	Interst Paid	Balance
USDA RD Bond 2012	525,000	525,000	2012	Jul-51	Government Guarantee	4.00%	9,249	430,000
USDA RD Bond 2012	900,000	900,000	2012	Jul-52	Government Guarantee	4.00%	14,680	724,500
USDA RD Bond 2018	712,000	712,000	2018	Jan-57	Government Guarantee	2.50%	16,194	641,500
USDA RD Bond 2020	539,000	539,000	2020	Jan-60	Government Guarantee	1.75%	8,838	500,000
USDA RD Bond 2020	256,000	256,000	2020	Jan-60	Government Guarantee	1.75%	4,204	238,000
USDA RD Bond 2021	568,000	568,000	2021	Jan-61	Government Guarantee	1.75%	8,210	547,000
							61,375	3,081,000

EXHIBIT 13

Grayson County Water District
Schedule of Outstanding Loans
December 31, 2024

Description of Obligation	Issue Date	Mature Date	Interest Rate	Interest Paid	Balance
KRW	2013	Jan-27	3.50%	14,621.00	400,000.00
KRW	2019	Jan-40	2.75%	35,460.00	890,000.00
KRW	2012	Jan-34	2.25%	81,190.00	1,750,000.00
KRW Interim Finance	2023	Aug-25	2.50%	-	4,031,382.00
KIA Loan	2023	Dec-53	0.25%	16,348.00	6,911,761.00
				147,619.00	13,983,143.00

EXHIBIT 14

Grayson County Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2024

Operating revenues		
Residential metered sales	$	3,813,907
Commercial metered sales		676,421
Agricultural metered sales		115,846
Resale metered sales		35,031
Forfeited Discounts		60,263
Miscellaneous service revenue		23,659
Total operating revenues	$	4,725,127
Operating expenses		
Purchased water	$	673,975
Supply and pumping expenses		
Purchased power	$	51,874
Materials and supplies		9,595
Insurance		16,131
Transportation		7,021
Payroll and contractual services		241,456
Miscellaneous		1,000
Total supply and pumping expense	$	327,077
Water treatment expense		
Purchased power	$	137,522
Materials and supplies		221,059
Insurance		14,937
Transportation		2,458
Payroll and contractual services		482,321
Professional services		25,598
Miscellaneous		10,024
Total Water treatment expense	$	893,919
General distribution expense		
Purchased power	$	3,464
Materials and supplies		21,730
Insurance		14,937
Transportation		28,896
Payroll and contractual services		276,823
Miscellaneous		65,346
Total general distribution expense	$	411,196
Maintenance expense		
Transportation	$	9,120
Payroll and contractual services		170,131
Distributions		9,877
Services		4,909
Total maintenance expense	$	194,037

Grayson County Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2024
(Continued)

Customer accounts expense		
Bad debt expense		11,459
Materials and supplies		89,645
Transportation		33,550
Payroll and contractual services		519,051
Customer records		146,434
Miscellaneous		10,881
Total customer accounts expense	$	811,020
Administrative and general expense		
Materials and supplies	$	61,930
Insurance		30,295
Transportation		7,021
Payroll and contractual services		327,647
Professional services		67,420
Miscellaneous		107,497
Total administrative and general expense	$	601,810
Depreciation expense	$	960,235
Total operating expenses	$	4,873,269
Total operating revenues (expenses)	$	(148,142)
Non-operating revenues (expenses)		
Grant income	$	276,036
Rent income		77,827
Interest income		1,171
Interest expense		(184,699)
PSC taxes		(7,013)
Total non-operating revenues (expenses)	$	163,322
Income (loss) before capital contributions	$	15,180
Capital contributions		
Contributions in aid of construction	$	200,833
Total capital contributions	$	200,833
Change in net position	$	216,013
Total net position - Beginning of year		17,117,147
Total net position - End of year	$	17,333,160

The accompanying notes are an integral part of the financial statements.

EXHIBIT 15

Grayson County Water District
Statement of Net Position - Proprietary Fund
December 31, 2024

Assets		
Current assets		
Cash and cash equivalents	$	1,230,106
Accounts receivable, net		341,333
Unbilled receivables		198,471
Prepaid expenses		85,184
Inventory		749,544
Total current assets	$	2,604,638
Noncurrent assets		
Restricted cash and cash equivalents	$	1,649,524
Capital assets, net		30,879,907
Total noncurrent assets	$	32,529,431
Total assets	$	35,134,069
Liabilities and net position		
Current Liabilities		
Accounts payable	$	73,358
Payroll and related liabilities		72,595
Vacation leave payable		109,813
Interest payable from restricted assets		90,121
Customer deposits		68,240
School and sales taxes payable		14,385
Bonds and loans payable, net		436,564
Total current liabilities	$	865,076
Noncurrent liabilities		
Bonds and loans payable, net	$	16,935,833
Total noncurrent liabilities	$	16,935,833
Total liabilities	$	17,800,909
Net position		
Net investment in capital assets	$	13,815,764
Restricted for		
Debt service		496,317
Depreciation reserves		1,153,207
Unrestricted		1,867,872
Total net position	$	17,333,160
Total liabilities and net position	$	35,134,069

The accompanying notes are an integral part of the financial statements.

EXHIBIT 16

Grayson County Water District
Audited Financial Statements and
Required Supplementary Information
December 31, 2024

Jones & Associates CPAs, PSC
Certified Public Accountants

121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

Table of Contents

Page

Independent Auditor's Report ..... 1 – 3

Financial Statements – Proprietary Fund 4

Statement of Net Position – Proprietary Fund 5

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund ..... 6 – 7

Statement of Cash Flows – Proprietary Fund 8

Notes to the Financial Statements ..... 9 – 16

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 17 – 18

Reports Required by the *Uniform Guidance* 19

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the *Uniform Guidance* ..... 20 – 22

Schedule of Findings and Questioned Costs 23

Schedule of Expenditures of Federal Awards 24

Notes to the Schedule of Expenditures of Federal Awards 25

Jones & Associates CPAs, PSC
Certified Public Accountants

121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

To Management and the Board of
Grayson County Water District
21 Shull White Road
Leitchfield, KY 42754

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Grayson County Water District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Grayson County Water District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Grayson County Water District as of December 31, 2024, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grayson County Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grayson County Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Report on the Audit of the Financial Statements *(Continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grayson County Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grayson County Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Report on the Audit of the Financial Statements *(Continued)*

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025, on our consideration of Grayson County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grayson County Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grayson County Water District's internal control over financial reporting and compliance.

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, Kentucky

September 9, 2025

Financial Statements

Grayson County Water District
Statement of Net Position - Proprietary Fund
December 31, 2024

Assets		
Current assets		
Cash and cash equivalents	$	1,230,106
Accounts receivable, net		341,333
Unbilled receivables		198,471
Prepaid expenses		85,184
Inventory		749,544
Total current assets	$	2,604,638
Noncurrent assets		
Restricted cash and cash equivalents	$	1,649,524
Capital assets, net		30,879,907
Total noncurrent assets	$	32,529,431
Total assets	$	35,134,069
Liabilities and net position		
Current Liabilities		
Accounts payable	$	73,358
Payroll and related liabilities		72,595
Vacation leave payable		109,813
Interest payable from restricted assets		90,121
Customer deposits		68,240
School and sales taxes payable		14,385
Bonds and loans payable, net		436,564
Total current liabilities	$	865,076
Noncurrent liabilities		
Bonds and loans payable, net	$	16,935,833
Total noncurrent liabilities	$	16,935,833
Total liabilities	$	17,800,909
Net position		
Net investment in capital assets	$	13,815,764
Restricted for		
Debt service		496,317
Depreciation reserves		1,153,207
Unrestricted		1,867,872
Total net position	$	17,333,160
Total liabilities and net position	$	35,134,069

The accompanying notes are an integral part of the financial statements.

Grayson County Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2024

Operating revenues		
Residential metered sales	$	3,813,907
Commercial metered sales		676,421
Agricultural metered sales		115,846
Resale metered sales		35,031
Forfeited Discounts		60,263
Miscellaneous service revenue		23,659
Total operating revenues	$	4,725,127
Operating expenses		
Purchased water	$	673,975
Supply and pumping expenses		
Purchased power	$	51,874
Materials and supplies		9,595
Insurance		16,131
Transportation		7,021
Payroll and contractual services		241,456
Miscellaneous		1,000
Total supply and pumping expense	$	327,077
Water treatment expense		
Purchased power	$	137,522
Materials and supplies		221,059
Insurance		14,937
Transportation		2,458
Payroll and contractual services		482,321
Professional services		25,598
Miscellaneous		10,024
Total Water treatment expense	$	893,919
General distribution expense		
Purchased power	$	3,464
Materials and supplies		21,730
Insurance		14,937
Transportation		28,896
Payroll and contractual services		276,823
Miscellaneous		65,346
Total general distribution expense	$	411,196
Maintenance expense		
Transportation	$	9,120
Payroll and contractual services		170,131
Distributions		9,877
Services		4,909
Total maintenance expense	$	194,037

Grayson County Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2024
(Continued)

Customer accounts expense		
Bad debt expense		11,459
Materials and supplies		89,645
Transportation		33,550
Payroll and contractual services		519,051
Customer records		146,434
Miscellaneous		10,881
Total customer accounts expense	$	811,020
Administrative and general expense		
Materials and supplies	$	61,930
Insurance		30,295
Transportation		7,021
Payroll and contractual services		327,647
Professional services		67,420
Miscellaneous		107,497
Total administrative and general expense	$	601,810
Depreciation expense	$	960,235
Total operating expenses	$	4,873,269
Total operating revenues (expenses)	$	(148,142)
Non-operating revenues (expenses)		
Grant income	$	276,036
Rent income		77,827
Interest income		1,171
Interest expense		(184,699)
PSC taxes		(7,013)
Total non-operating revenues (expenses)	$	163,322
Income (loss) before capital contributions	$	15,180
Capital contributions		
Contributions in aid of construction	$	200,833
Total capital contributions	$	200,833
Change in net position	$	216,013
Total net position - Beginning of year		17,117,147
Total net position - End of year	$	17,333,160

The accompanying notes are an integral part of the financial statements.

Grayson County Water District
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows from operating activities		
Receipts from customers	$	4,639,326
Payments to suppliers		(2,330,634)
Payments for payroll and contractual services		(2,038,598)
Other receipts (payments)		(10,664)
Net cash provided (used) by operating activities	$	259,430
Cash flows from capital and related financing activities		
Grant income	$	463,875
Proceeds from capital debt		2,973,878
Capital contributions		(397,500)
Principal repayments of capital debt		200,833
Purchase of capital assets		(4,000,364)
Rent Income		77,827
Proceeds on sale of capital assets		18,750
Interest paid on capital debt		(219,358)
Additions to interest on customer deposits		2,961
Net cash flows from capital and related financing activities	$	(879,098)
Cash flows from investing activities		
Interest income	$	1,171
Net cash flows from investing activities	$	1,171
Net increase (decrease) in cash and cash equivalents	$	(618,497)
Cash and cash equivalents - Beginning		3,498,127
Cash and cash equivalents - Ending	$	2,879,630
Cash and cash equivalents reported in the Statement of Net Position		
Cash and cash equivalents	$	1,230,106
Restricted cash and cash equivalents		1,649,524
Total cash and cash equivalents reported in the Statement of Net Position	$	2,879,630
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$	(148,142)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activites		
Depreciation expense		960,235
PSC taxes		(7,013)
Changes in assets and liabilities		
Net (increase) decrease in accounts receivable		(68,247)
Net (increase) decrease in unbilled revenue		(17,554)
Net (increase) decrease in prepaid expenses		(19,838)
Net (increase) decrease in inventory		(415,191)
Net increase (decrease) in accounts payable		(42,489)
Net increase (decrease) in accrued liabilites		21,320
Net increase (decrease) in school and sales taxes payable		2,169
Net increase (decrease) in customer deposits		(5,820)
Net cash provided (used) by operating activities	$	259,430

The accompyanying notes are an integral part of the financial statements.

Grayson County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1. Description of Entity and Summary of Significant Accounting Policies

A. Description of Entity

The Grayson County Water District (District) is a tax-exempt division of county government organized under KRS 74.010. The District provides a municipal water system to citizens located in the geographic area of the system.

B. Basis of Presentation and Accounting

The financial statements are presented in accordance with the provisions of the Governmental Accounting Standards Board (GASB). The accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. All of the activities are accounted for as an enterprise fund (a proprietary fund) for financial reporting purposes.

C. Proprietary Fund

The District is a single-enterprise proprietary fund that operates in a manner similar to a private business enterprise and for which a periodic determination of revenues earned, expenses incurred, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. District activities are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized as soon as they result in liabilities for the benefits provided.

Proprietary funds distinguish operating revenues and expenses from nonoperating items as follows:

- Operating revenues generally result from providing services in connection with the proprietary fund's principal ongoing operations;
- Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization of capital assets; and
- Nonoperating revenues and expenses consist of federal, state, and local assistance used to finance operations and expenses not related to the provision of water and sewer services.

It is the District's policy to apply restricted resources when an obligation is incurred for which both restricted and unrestricted net position are available for use.

D. Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. Nonexchange transactions are transactions in which the District receives value without directly giving equal value in return. Revenue from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include the following: (1) timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; (2) matching requirements, in which the District must provide local resources to be used for a specified purpose; and (3) expenditure requirements, in which resources are provided to the District on a reimbursement basis.

Note 1. Description of Entity and Summary of Significant Accounting Policies *(Continued)*

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with an initial maturity date within 3 months or less of the date acquired by the District.

F. Accounts Receivable

Management uses the direct write off method for accounts considered uncollectable. All accounts written off are separately tracked.

G. Prepaid Expenses

Prepaid expenses consist of normal operating expenses, such as insurance, for which payment is due in advance, and an expense is recognized when the benefit is received.

H. Inventories

Inventories consist of supplies held for consumption and are recorded as an expense at the time individual items are used. They are reported at the lower of cost or market, using a first in, first out basis.

I. Capital Assets

Capital assets, which include property, facilities, and equipment, are capitalized at historical cost, or estimated historical cost, provided such cost exceeds $5,000 and the expected useful life of the asset is more than 1 year. Depreciation is recorded for all depreciable capital assets on a straight-line basis over the estimated useful lives of the assets, which range from 2 to 50 years.

J. Debt

Long-term debt is reported at face value, net of any premium or discount on the bond issuance and net of bond issue costs. Bond premiums, discounts, and bond issuance costs are amortized as interest expense over the life of the bonds.

K. Compensated Absences

The District's policy permits employees to accumulate earned but unused vacation leave. Upon termination of employment, individuals will receive the full amount of their accrued vacation.

L. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; general liability claims; and natural disasters. The District manages these risks through the purchase of insurance.

Note 1. Description of Entity and Summary of Significant Accounting Policies *(Continued)*

M. Net Position

Net position classifications are defined as follows:

- *Net investment in capital assets*: This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets;
- *Restricted*: This component consists of funds with external constraints placed on net position imposed by creditors (such as through debt covenants), contributors, or laws, or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation; and
- *Unrestricted net position:* This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

N. Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses. Actual results could differ from those estimates.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (reduction of an expense) until that time.

P. Retirement Plan

The district contributes 5% to a deferred compensation plan for eligible employees.

Q. Contributions in Aid of Construction

These revenues were obtained from placement of meters at previously unsubscribed locations and from government grants.

Note 1. Description of Entity and Summary of Significant Accounting Policies *(Continued)*

R. Accounts Receivable

Customer accounts receivable arise from monthly water usage. Based on District policy, water meters are read monthly, with billings occurring five to ten days subsequent to the reading. Once billed the customer has fourteen days to pay the amount due. If payment is made after the due date a late fee of 10% is assessed to water charges. After a twenty-four-hour grace period, customers are given fourteen days before the meter is shut off. If not paid after an additional 7 days, the account will become inactive, and the customer deposit held will be applied to amounts owed. If collection is considered unlikely, the balances are charged off as bad debt expense in the period in which they were deemed uncollectible. Management's periodic evaluation of accounts receivable is based on past experience and other conditions that may affect the customer's ability to render payment.

Note 2. Deposits and Restricted Cash and Cash Equivalents

A. Deposits

The District maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by Kentucky Revised Statutes (KRS). The District had other deposits which were not covered by FIDC. Kentucky Revised Statute 66.480 provides for investment of governmental funds into certain investment types including, but not limited to, obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of the Commonwealth of Kentucky and its agencies, insured savings and loans, or interest-bearing deposits of insured national or state banks. The deposits in excess of insurance coverage must be fully collateralized.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a depository institution's failure, the District's deposits may not be returned. At December 31, 2024, the District held deposits in the amount of $2,699,969 that were fully collateralized by FDIC insurance and securities pledged by financial institutions in the amount of $3,417,369. However, other deposits in the amount of $346,459 were unsecured and uncollateralized at December 31, 2024.

B. Restricted Cash and Cash Equivalents

Restricted cash consists of the following:

Bond and note, sinking fund	$	496,317
Depreciation Reserve		1,153,207
Total restricted cash	$	1,649,524

The bond and note accounts are restricted and held for use for payment of interest and principal on bonds. The depreciation reserve is for repairs and maintenance to the water and sewer system.

Note 3. Capital Assets

Capital assets consists of the following:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land and land rights	$ 431,941	$	$ (18,750)	$ 413,191
Construction in progress	8,993,980	3,196,591		12,190,571
Total capital assets not being depreciated	9,425,921	3,196,591	(18,750)	12,603,762
Other capital assets:				
Utility plant and lines	35,204,970	713,762		35,918,732
Utility equipment and other	1,189,317	90,011		1,279,328
Total other capital assets at historical cost	$ 36,394,287	$ 803,773	$	$ 37,198,060
Less: Accumulated depreciation	(17,961,680)	(960,235)		(18,921,915)
Capital assets, net	$ 27,858,528	$ 3,040,129	$ (18,750)	$ 30,879,907

Note 4. Retirement Plan

As of January 1, 2017, the District has provided a deferred compensation plan for eligible employees. The plan is administered by the Kentucky Public Employees' Deferred Compensation Authority in association with Nationwide Retirement Solutions. The two-tier plan provides a 5% District contribution regardless of employee participation beginning with an employee's second year of employment. District contributions to the plan were $116,406 for 2024.

Note 5. Long-Term Debt

A. Changes in Long-term Debt

The following reflects the long-term debt activity for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	$ 6,518,500	$	$ 397,500	$ 6,121,000	$ 409,500
Unfinalized debt	7,969,265	2,973,878		10,943,143	
Total	$ 14,487,765	$ 2,973,878	$ 397,500	$ 17,064,143	$ 409,500

Note 5. Long-Term Debt *(Continued)*

B. Bonds and Notes Payable

Bonds and notes payable consist of the following as of December 31, 2024:

USDA Rural Development Series 2012 A – Revenue Bonds, interest at 2.125% with a maturity date of January 1, 2052.	$	430,000
USDA Rural Development Series 2012 B – Revenue Bonds, interest at 2% with a maturity date of January 1, 2052.		724,500
USDA Rural Development Series 2018 Revenue Bonds, interest at 2.5% with a maturity date of January 1, 2057.		641,500
Kentucky Rural Water Finance Corporation Series 2020 A – Revenue Bonds, interest at 1.750% with a maturity date of January 1, 2060.		238,000
Kentucky Rural Water Finance Corporation Series 2020 B – Revenue Bonds, interest at 1.750% with a maturity date of January 1, 2060.		500,000
USDA Rural Development Series 2021 – Revenue Bonds, interest at 1.5% with a maturity date of January 1, 2062.		547,000
Kentucky Rural Water Finance Corporation Loan, interest ranging from 2.3% to 3.3% with a maturity date of February 1, 2027.		400,000
Kentucky Rural Water Finance Corporation Loan, interest ranging from 3.2% to 5.2% with a maturity date of July 1, 2039.		890,000
Kentucky Rural Water Finance Corporation Loan, interest ranging from 2.2% to 5.2% with a maturity date of July 1, 2034.		1,750,000
Total bonds and notes payable before premium	$	6,121,000
Unamortized Premium		308,254
Total bonds and notes payable	$	6,429,254
Less: Current maturities		409,500
Total long-term bonds and notes payable	$	6,019,754

Note 5. Long-Term Debt *(Continued)*

B. Bonds and Notes Payable *(Continued)*

Principal and interest are due as follows for bonds and notes payable:

Year Ending December 31,	Interest	Principal
2025	$ 177,386	$ 436,563
2026	161,620	437,563
2027	145,510	439,064
2028	130,657	324,564
2029	117,503	336,064
2030 – 2034	412,841	1,746,818
2035 – 2039	241,341	822,618
2040 – 2044	161,272	486,500
2045 – 2049	109,968	539,000
2050 – 2054	55,565	481,000
2055 – 2059	18,542	298,000
2060 – 2062	1,753	81,500
Total	$ 1,733,958	$ 6,429,254

C. Bond Collateralization and Event of Default Consequence

According to bond documents, the bonds shall be payable solely out of the gross revenues of the District. Upon the occurrence of an Event of Default, and upon the filing of a suit by any Owner of said bonds, any court having jurisdiction of the action may appoint a receiver to administer said District with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses, for payment of principal of and interest on the prior bonds and current bonds, and apply the income and revenues in conformity with the Resolution and with the laws of the Commonwealth of Kentucky.

D. Unfinalized Debt

Unfinalized debt consists of the following as of December 31, 2024:

Kentucky Rural Water Financing, maturity date of August 1, 2025	$ 4,031,382
Kentucky Infrastructure Authority, interest at .25%	6,911,761
Total long-term bonds and notes payable	$ 10,943,143

Interest only is paid until the loans are finalized, which is expected to occur in 2025. Interest expected to be paid in 2025 is $67,789.

Note 6. Related Parties

During 2024, the District paid Future Designs, Inc., owned by a board member, $2,253 and owed them $253 at year end. They also paid Woosley Welding, Inc., owned by the son of the District Manager, $6,750. These transactions were consummated on terms equivalent to those that prevail in an arms-length transaction.

Note 7. Subsequent Events

The District has evaluated and considered the need to recognize or disclose subsequent events through September 9, 2025, the date which the financial statements were available to be issued. Subsequent events past this date have not been evaluated by the District.

The Grayson County Water District has an agreement to take ownership of the Caneyville Water System when Caneyville completes their current Rural Development funded construction project. The District entered into an operating agreement with the City of Caneyville to run their water system in April of 2021. The District filed a formal intent to purchase at that time. Since the project is in process, the District cannot officially take ownership but the District did assume beneficial ownership during 2022. The project and the acquisition are expected to be completed by the end of 2025, with $787,500 of debt expected to be assumed.

The Grayson County Water District has entered into an agreement to purchase territory from the Edmonson County Water District that is in Grayson County. The purchase price is approximately $4,600,000 and will add an estimated 3,500 customers. A loan and a grant from KIA has been approved to complete the purchase. On August 1, 2025 the District entered into an operating agreement to manage this portion of Edmonson County Water District’s system until the purchase can be finalized.

Jones & Associates CPAs, PSC
Certified Public Accountants

121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

To Management and the Board of
Grayson County Water District
21 Shull White Road
Leitchfield, KY 42754

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Grayson County Water District, as of and for the year ended December 31, 2024, and related notes to the financial statements, which collectively comprise Grayson County Water District's basic financial statements and have issued our report thereon dated September 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grayson County Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grayson County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Grayson County Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grayson County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance

Report on Compliance and Other Matters *(Continued)*

with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, Kentucky

September 9, 2025

Reports Required by the *Uniform Guidance*

Jones & Associates CPAs, PSC
Certified Public Accountants

121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

To Management and the Board of
Grayson County Water District
21 Shull White Road
Leitchfield, KY 42754

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the *Uniform Guidance*

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grayson County Water District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Grayson County Water District's major federal program for the year ended December 31, 2024. Grayson County Water District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Grayson County Water District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Grayson County Water District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Grayson County Water District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Grayson County Water District's federal programs.

Report on Compliance for Each Major Federal Program *(Continued)*

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Grayson County Water District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Grayson County Water District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grayson County Water District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Grayson County Water District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Grayson County Water District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Board of Commissioners of
Grayson County Water District
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the *Uniform Guidance*
(Continued)

Report on Internal Control over Compliance *(Continued)*

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, Kentucky

September 9, 2025

Grayson County Water District
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Summary of Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Grayson County Water District.

2. No significant deficiencies are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No material weaknesses are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

4. No instances of noncompliance material to the financial statements of Grayson County Water District were disclosed during the audit.

5. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the *Uniform Guidance*.

6. The auditor's report on compliance for the major federal award program for Grayson County Water District expresses an unmodified opinion on the major program.

7. There are no audit findings required to be reported in accordance with the Uniform Guidance.

8. The following was tested as a major program: Coronavirus State and Local Fiscal Recovery Funds (21.027).

9. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

10. Grayson County Water District does not qualify as a low-risk auditee.

Findings – Financial Statement

There were no financial statement findings.

Findings and Questioned Costs – Major Federal Award Program

There were no federal award findings and questioned costs.

Summary Schedule of Prior Audit Findings

There were no prior year audit findings related to major programs.

Grayson County Water District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assist-ance Listing Number	Pass-Through Grantors Number	Passed Through to Subrecipients	Federal Award Expenditures	Federal Program and/or Cluster Total
U.S. Department of the Treasury					
Passed through Department for Local Government					
Coronavirus State and Local Fiscal Recovery Funds	21.027	21CWW240	$	$ 276,036	
Coronavirus State and Local Fiscal Recovery Funds	21.027	22CWW316			
Total U.S. Department of Treasury				758,405	$ 1,034,441 *
Total Federal Awards			$		$ 1,034,441

* Major program

See the accompanying Notes to the Schedule of Expenditures of Federal Awards.

Grayson County Water District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1. Basis of Presentation

The Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Grayson County Water District and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this Schedule may differ from amounts presented or used in the preparation of the financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

There were no awards passed through to subrecipients for the year ended December 31, 2024.

Note 4. Indirect Cost Rate

Grayson County Water District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5. Other

There were no Federal awards expended for loan or loan guarantee programs or for other noncash awards.

GRAYSON COUNTY WATER DISTRICT

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2023

GRAYSON COUNTY WATER DISTRICT
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
PROPRIETARY FUND FINANCIAL STATEMENTS	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Fund Net Position	4-5
Statement of Cash Flows	6
NOTES TO THE FINANCIAL STATEMENTS	7-15
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	16-17

Buckles, Travis & Hart, PLLC

Certified Public Accountants

DENNIS R. BUCKLES, CPA
BRAD K. TRAVIS, CPA/PFS
ROBIN G. HART, CPA

www.graysoncpas.com

211 West White Oak Street
Post Office Box 4069
Leitchfield, KY 42755-4069
Phone 270-259-5604
Fax 270-259-5603

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Grayson County Water District
Leitchfield, KY 42754

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Grayson County Water District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Grayson County Water District, as of December 31, 2023, and the respective changes in financial position, and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Prior-Year Comparative Information

We have previously audited Grayson County Water District's financial statements, and we expressed unmodified opinions on the respective financial statements in our report dated March 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2024, on our consideration of the Grayson County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grayson County Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Grayson County Water District's internal control over financial reporting and compliance.

Respectfully submitted,

Buckles, Travis & Hart, PLLC

Buckles, Travis & Hart, PLLC
Certified Public Accountants
Leitchfield, Kentucky
March 20, 2024

	DECEMBER 31, 2023	DECEMBER 31, 2022 SUMMARY
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 115,847	$ 145,849
Accrued liabilities	161,088	151,297
School and sales taxes payable	12,216	12,844
Interest payable from restricted assets	97,716	103,777
Interest payable - Customer deposits	229	172
Customer deposits	70,870	69,230
Current portion of long-term debt	497,569	386,000
TOTAL CURRENT LIABILITIES	955,535	869,169
NONCURRENT LIABILITIES		
Bonds and loans payable	14,487,765	6,904,500
Less: Current portion of long-term debt	(497,569)	(386,000)
Bond premium, net of amortization of $70,682 and $43,619	335,318	362,381
TOTAL NONCURRENT LIABILITIES	14,325,514	6,880,881
TOTAL LIABILITIES	15,281,049	7,750,050
NET POSITION		
Net investment in capital assets	13,370,763	13,775,886
Restricted for		
Debt service	479,615	543,794
Depreciation reserves	1,092,002	1,051,961
Unrestricted	2,174,767	239,092
TOTAL NET POSITION	17,117,147	15,610,733
TOTAL LIABILITIES AND NET POSITION	$ 32,398,196	$ 23,360,783

Accompanying notes to the financial statements are an integral part of this statement.

GRAYSON COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	DECEMBER 31, 2023	DECEMBER 31, 2022 SUMMARY
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Operation and maintenance	$ 61,648	$ 71,556
Revenue	1,862,888	147,841
Construction	1,974	1,974
Accounts receivable		
Customer accounts receivable, net of allowance for uncollectibles of $264,287 and $234,674	273,086	343,261
Grants receivable	187,839	0
Other accounts receivable	0	27,823
Unbilled revenue	180,917	168,334
Prepaid expenses	65,346	57,365
Inventory	334,353	266,488
TOTAL CURRENT ASSETS	2,968,051	1,084,642
NONCURRENT ASSETS		
Restricted cash and cash equivalents		
Bond and note sinking funds	479,615	543,794
Depreciation fund	1,092,002	1,051,961
Capital assets		
Land and land rights	431,941	431,941
Construction in progress	8,993,980	1,455,598
Utility plant and lines	35,204,970	34,725,881
Utility equipment and other	1,189,317	1,096,733
Less: Accumulated depreciation	(17,961,680)	(17,029,767)
TOTAL NONCURRENT ASSETS	29,430,145	22,276,141
TOTAL ASSETS	$ 32,398,196	$ 23,360,783

(CONTINUED)

GRAYSON COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	FOR THE YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022 SUMMARY
OPERATING REVENUES		
METERED SALES		
Residential	$ 3,626,455	$ 3,268,370
Commercial	691,150	572,459
Agriculture	113,614	85,241
Resale	328	96,502
TOTAL METERED SALES	4,431,547	4,022,572
FORFEITED DISCOUNTS	59,343	49,374
MISCELLANEOUS SERVICE REVENUE	21,736	21,639
TOTAL OPERATING REVENUES	4,512,626	4,093,585
OPERATING EXPENSES		
PURCHASED WATER	556,007	388,415
SUPPLY AND PUMPING EXPENSE		
Purchased power	52,194	41,601
Materials and supplies	12,142	8,458
Insurance	16,274	15,238
Transportation	5,909	8,505
Miscellaneous	0	0
Payroll and contractual services	168,315	151,421
TOTAL SUPPLY AND PUMPING EXPENSE	254,834	225,223
WATER TREATMENT EXPENSE		
Purchased power	127,157	134,719
Materials and supplies	283,987	226,706
Insurance	15,069	15,238
Transportation	2,069	2,835
Miscellaneous	4,145	4,588
Payroll and contractual services	439,156	454,860
Professional services	21,539	23,571
TOTAL WATER TREATMENT EXPENSE	893,122	862,517
GENERAL DISTRIBUTION EXPENSE		
Purchased power	3,281	1,587
Legal and consultants	0	3,200
Materials and supplies	16,402	9,729
Insurance	15,069	19,306
Transportation	24,319	20,340
Miscellaneous	11,613	13,470
Payroll and contractual services	227,669	254,818
TOTAL GENERAL DISTRIBUTION EXPENSE	298,353	322,450
MAINTENANCE EXPENSE		
Transportation	7,676	8,966
Payroll and contractual services	173,622	178,465
Distributions	5,728	7,655
Services	3,922	12,440
TOTAL MAINTENANCE EXPENSE	190,948	207,526

(CONTINUED)

Accompanying notes to the financial statements are an integral part of this statement.

GRAYSON COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (CONCLUDED)
FOR THE YEAR ENDED DECEMBER 31, 2023

	FOR THE YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022 SUMMARY
CUSTOMER ACCOUNTS EXPENSE		
Bad debt expense	$ 29,708	$ 18,222
Materials and supplies	62,099	59,053
Transportation	28,236	26,379
Miscellaneous	16,735	13,201
Payroll and contractual services	437,355	420,075
Customer records	110,556	81,077
TOTAL CUSTOMER ACCOUNTS EXPENSE	684,689	618,007
ADMINISTRATIVE AND GENERAL EXPENSE		
Materials and supplies	52,220	37,520
Insurance	30,564	18,710
Transportation	5,909	8,505
Miscellaneous	56,672	67,844
Payroll and contractual services	275,980	309,824
Professional services	68,439	100,552
TOTAL ADMINISTRATIVE AND GENERAL EXPENSE	489,784	542,955
DEPRECIATION EXPENSE	931,913	899,619
TOTAL OPERATING EXPENSES	4,299,650	4,066,712
OPERATING INCOME (LOSS)	212,976	26,873
NON-OPERATING REVENUES (EXPENSES)		
Grant income	982,644	150,000
Rent income	68,363	48,990
Miscellaneous income	64,026	5,209
Interest income	886	1,519
Bond issuance costs	0	0
Gain (loss) on sale of equipment	4,850	7,100
Interest expense	(176,922)	(179,923)
PSC taxes	(5,330)	(5,669)
TOTAL NON-OPERATING REVENUES (EXPENSES)	938,517	27,226
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,151,493	54,099
CAPITAL CONTRIBUTIONS		
Contributions in aid of construction	354,921	767,160
TOTAL CAPITAL CONTRIBUTIONS	354,921	767,160
CHANGE IN NET POSITION	1,506,414	821,259
TOTAL NET POSITION - BEGINNING	15,610,733	14,789,474
TOTAL NET POSITION - ENDING	$ 17,117,147	$ 15,610,733

Accompanying notes to the financial statements are an integral part of this statement.

GRAYSON COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	FOR THE YEAR ENDED DECEMBER 31, 2023	DECEMBER 31, 2022 SUMMARY
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 4,570,218	$ 4,047,946
Payments to suppliers	(1,721,486)	(1,337,172)
Payments for payroll and contractual services	(1,742,308)	(1,724,536)
Other receipts (payments)	23,505	(1,967)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,129,929	984,271
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	0	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant income	794,805	150,000
Bond proceeds	0	568,000
Proceeds from capital debt	7,969,265	0
Principal repayments of capital debt	(386,000)	(441,777)
Capital contributions	354,921	767,160
Purchase of capital assets	(8,110,055)	(1,772,129)
Rent income	68,363	48,990
Miscellaneous income	64,026	5,209
Proceeds on sale of capital assets	4,850	7,100
Interest paid on capital debt	(203,985)	(206,987)
Increase (decrease) in interest payable-Customer deposits	57	28
Increase (decrease) in interest payable from restricted assets	(6,061)	45,876
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	550,186	(828,530)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	886	1,519
Decrease in note receivable-City of Leitchfield	0	7,904
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	886	9,423
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,681,001	165,164
CASH AND CASH EQUIVALENTS - JANUARY 1, 2023	1,817,126	1,651,962
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2023	$ 3,498,127	$ 1,817,126
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ 212,976	$ 26,873
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities		
Depreciation expense	931,913	899,619
Payment of PSC taxes	(5,330)	(5,669)
Changes in assets and liabilities		
Net (increase) decrease in accounts receivable	70,175	(31,165)
Net (increase) decrease in other accounts receivable	27,823	(27,823)
Net (increase) decrease in unbilled revenue	(12,583)	(14,474)
Net (increase) decrease in prepaid expenses	(7,981)	(2,911)
Net (increase) decrease in inventory	(67,865)	63,369
Net increase (decrease) in accounts payable	(30,002)	44,740
Net increase (decrease) in accrued liabilities	9,791	187
Net increase (decrease) in school and sales taxes payable	(628)	2,485
Net increase (decrease) in customer deposits	1,640	29,040
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,129,929	$ 984,271

Accompanying notes to the financial statements are an integral part of this statement.

NOTE A – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES

The Grayson County Water District (District) is a tax-exempt division of county government organized under KRS 74.010. The District provides a municipal water system to citizens located in the geographic area of the system.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

1. The Reporting Entity

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretations).

2. Basic Financial Statements – Proprietary Fund Financial Statements

The District's basic financial statements include only proprietary fund financial statements because the District engages only in a single business-type activity. Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are similar to those businesses in the private sector. Amounts recorded as operating revenues are those revenues generated from general water service operations. All other revenues are recorded as non-operating revenues or capital contributions. The District first applies unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

3. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

NOTE A – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Accounting (Concluded)

GASB No. 34 requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- *Net Investment in Capital Assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- *Restricted* – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets* – The component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets".

4. Cash and Cash Equivalents

The District has defined cash and cash equivalents to include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

5. Inventory

Inventory of materials consist of expendable supplies held for use and are stated at the lower of cost or market using the FIFO (first-in, first-out) method.

6. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE A – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful life of the asset. An estimated useful life of fifty years is used for substantially all plant assets. Estimated useful lives for other machinery and equipment ranges from five to ten years. Upon retirement, the cost of the asset, less any proceeds, is charged to accumulated depreciation.

The District has an ongoing activity of assessing the feasibility of installing additional lines to new service areas. Once an extension is considered feasible, there are additional engineering studies, applications to various funding agencies, and project administrative costs. The District defers the ongoing activity and capitalizes these costs upon completion of the project. These procedures are based on the reasonable expectation that the Public Service Commission of the Commonwealth of Kentucky will allow recovery of these costs through their inclusion in future rate increases.

8. Impairment of Long-Lived Assets

The District reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of the asset, an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended December 31, 2023.

9. Nonexchange Transactions

The recognition of assets and revenues resulting in nonexchange transactions of the District are as follows:

a. Voluntary nonexchange transactions – The District receives various grants from federal and state agencies. Eligibility requirements have been met at the time the funds are received; therefore, the asset/revenue is recognized when it is received.

10. Advertising Cost

The District uses advertising to promote its services to the community. Advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2023 were $1,008.

NOTE A – DESCRIPTION OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

11. Bond Premium, Discounts and Issuance Costs

Bond premiums and discounts for proprietary funds are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premium/discounts are presented as an addition/reduction of the face amount of bonds payable. Bond issuance costs are expensed in the period incurred.

NOTE B – CASH AND CASH EQUIVALENTS

At year-end, the carrying amount of the District's cash and investments was $3,498,127 and the bank balance was $3,529,160. Of the total bank balance, $500,000 was covered by federal depository insurance, $334,553 was invested in 100% federally guaranteed securities and the remaining balance of $2,694,607 was considered uncollateralized. As of December 31, 2023, $6,302,749 was pledged with securities held by the pledging banks' trust departments but not in the name of the District.

Kentucky Revised Statute 66.480 provides for investment of governmental funds into certain investment types including obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of the Commonwealth of Kentucky and its agencies, insured savings and loans, or interest-bearing deposits of insured national or state banks. The deposits in excess of insurance coverage must be fully collateralized.

NOTE C – RESTRICTED CASH

The sinking fund is restricted to the payment of principal and interest on long-term debt.

The depreciation fund is restricted to payment for improvements and approved repairs.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE D – CONTRIBUTIONS IN AID OF CONSTRUCTION

These revenue amounts were obtained from placement of meters at previously unsubscribed locations and from governmental grants.

NOTE E – LONG-TERM DEBT

The following bonds and loans were issued through USDA, Rural Development (RD):

Original Amount	Funding Agency	Series Of	Interest Rate	Balance as of Dec. 31, 2023	2022
$ 525,000	RD	2013A	2.125%	$ 440,500	$ 451,000
$ 900,000	RD	2013B	2.000%	$ 743,500	$ 762,500
$ 712,000	RD	2017	2.500%	$ 654,000	$ 666,000
$ 539,000	RD	2020A	1.750%	$ 510,000	$ 520,000
$ 256,000	RD	2020B	1.750%	$ 242,500	$ 247,000
$ 568,000	RD	2021	1.500%	$ 558,000	$ 568,000

These bonds are secured by an exclusive pledge of a fixed portion of the income and revenues derived from the operation of the District's water distribution system and has principal and interest sinking fund requirements.

During 2022, the District had received approval for a Kentucky Infrastructure Authority (KIA) Project Loan not to exceed $7,231,000. As of December 31, 2023, total draws of $6,193,528 had been accumulated. This loan bears interest at .25% and is secured by the revenues of the water system. The year-end balance was $6,193,528. An annual deposit of $18,100 is to be deposited in a reserve account beginning December 2024. The annual deposits are to be made until the balance reaches $362,000. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. As of December 31, 2023 the reserve balance was $46,543.

During 2012, the District received approval for an interim loan from Kentucky Rural Water Finance Corporation not to exceed $1,425,000. This interim loan was converted to permanent financing through RD upon project completion. As of December 31, 2013, total draws of $1,425,000 had been accumulated, with $525,000 of 2013A series bonds bearing interest at 2.125% and $900,000 of 2013B series bonds bearing interest at 2.000%. This debt is secured by revenues of the water system. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. The 2013A and 2013B series bonds were issued through RD. Total outstanding amounts at year end were $1,184,000.

During 2013, the District received a loan from Kentucky Rural Water Finance Corporation in the amount of $1,990,000. This loan was received as part of a 2013B series revenue bond. This loan was issued to refund the District's series 2001D and 2004B Kentucky Rural Water Loans. This loan bears interest at a variable rate ranging between 2.30% and 3.30% over the life of the bond and is secured by revenues of the water system. This loan also has principal and interest sinking fund requirements. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. As of December 31, 2023 the loan balance was $545,000.

NOTE E – LONG-TERM DEBT (CONTINUED)

During 2017, the District received approval for an interim loan from Kentucky Rural Water Finance Corporation. This interim loan was converted to permanent financing through RD upon project completion. This loan bears interest at 2.5% and is secured by revenues of the water system. As of December 31, 2018, the 2017 series bond had total draws of $712,000 issued through RD. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. This loan also has principal and interest sinking fund requirements. Total outstanding amounts at year end were $654,000.

During 2019, the District received a loan from Kentucky Rural Water Finance Corporation in the amount of $1,070,000. This loan was received as part of a 2019B series revenue bond. This loan was issued to refund the District's series 2005 Rural Development Bond. This loan bears interest at a variable rate ranging between 3.2% and 5.2% over the life of the bond and is secured by revenues of the water system. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. As of December 31, 2023 the loan balance was $930,000.

During 2020, the District provided interim financing for a project. This interim loan was converted to permanent financing through RD. As of December 31, 2020, total draws of $795,000 had been accumulated, with $539,000 of 2020A series bonds bearing interest at 1.750% and $256,000 of 2020B series bonds bearing interest at 1.750%. This debt is secured by revenues of the water system. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. The 2020A and 2020B series bonds were issued through RD. Total outstanding amounts at year end were $752,500 .

During 2021, the District received a loan from Kentucky Rural Water Finance Corporation in the amount of $2,070,000. This loan was received as part of a 2021D series revenue bond. This loan was issued to refund the District's series 2012D revenue bond. This loan bears interest at a variable rate ranging between 2.2% and 5.2% over the life of the bond and is secured by revenues of the water system. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. As of December 31, 2023 the loan balance was $1,895,000.

During 2023, the District received approval for an interim loan from Kentucky Rural Water Finance Corporation up to the amount of $5,619,000. The loan will be converted to permanent financing through RD upon project completion. As of December 31, 2023, total draws of $1,775,737 have been accumulated. The interim loan matures in August 2025.

NOTE E – LONG-TERM DEBT (CONCLUDED)

During 2021, the District provided interim financing for a project. This interim loan was converted to permanent financing through RD. As of December 31, 2022, total draws of $568,000 had been accumulated as a 2021 series bond bearing interest at 1.500%. This debt is secured by revenues of the water system. In the event of default, a court appointed receiver shall administer the system on behalf of the District with the power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal and interest of the outstanding bonds. The 2021 series bond was issued through RD. Total outstanding amount at year end was $558,000.

The district does not have any unused lines of credit. None of the debt is considered to be direct borrowings nor direct placements of debt.

Current year long-term debt activity is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Rural Development Bond, 2013A & B	$ 1,213,500	$ 0	$ 29,500	$ 1,184,000
Rural Development Bond, 2017	666,000	0	12,000	654,000
Rural Development Bond, 2020A & B	767,000	0	14,500	752,500
Rural Development Bond, 2021	568,000	0	10,000	558,000
Kentucky Infrastructure Authority Loan	0	6,193,528	0	6,193,528
Kentucky Rural Water Loan	685,000	0	140,000	545,000
Kentucky Rural Water Loan	970,000	0	40,000	930,000
Kentucky Rural Water Loan	2,035,000	0	140,000	1,895,000
Kentucky Rural Water Loan	0	1,775,737	0	1,775,737
	$ 6,904,500	$7,969,265	$ 386,000	$14,487,765

Principal of various amounts are due at least annually in each of the years through 2062. The principal due for each of the next five years and thereafter is as follows:

Year	Principal	Interest	Total
2024	$ 497,569	$ 200,434	$ 698,003
2025	2,385,750	192,544	2,578,294
2026	611,515	176,249	787,764
2027	613,518	159,635	773,153
2028	499,522	144,274	643,796
2029-2033	2,690,717	528,854	3,219,571
2034-2038	1,896,511	310,588	2,207,099
2039-2043	1,595,465	207,955	1,803,420
2044-2048	1,584,582	142,163	1,726,745
2049-2053	1,595,363	74,417	1,669,780
2054-2058	391,253	24,012	415,265
2059-2062	126,000	2,706	128,706
	$ 14,487,765	$ 2,163,831	$ 16,651,596

NOTE F – CONCENTRATION OF CREDIT RISK

The District extends credit to all citizens who live within the geographic location of the District and who utilize the utility system. Credit losses may be minimal and are generally within management's expectations.

NOTE G – ACCOUNTS RECEIVABLE

Customer accounts receivable are shown net of an allowance for uncollectible accounts. At December 31, 2023 total customer accounts receivable was $537,373. Allowance for uncollectible accounts was $264,287 as of December 31, 2023.

Customer accounts receivable amounts arise from monthly water usage. Based on District policy, water meters are read monthly, with billings occurring five to ten days subsequent to the reading. Once billed the customer has fourteen days to pay the amount due. If payment is made after the due date a late fee of 10% is assessed to water charges. A twenty-four-hour grace period is allowed and if amounts remain unpaid, delinquent notices are sent out. Customers are given fourteen days from the date of the delinquent notice to render payment. The day following expiration of the delinquent period, collection trips are made for all bills in excess of forty dollars. If collection does not occur the meter is shut off. The customer will remain active for seven additional days, if at the expiration of the seven days payment has not been made, the account will become inactive, and the customer deposit held will be applied to amounts owed. If collection is considered unlikely the balances are charged off as bad debt expense in the period in which they were deemed uncollectible. Management's periodic evaluation of the adequacy of the allowance for uncollectible accounts is based on past loss experience, known and other risks inherent to the specific account, adverse situations that may affect the customer's ability to render payment and current economic conditions. Management considers many factors in determining whether a receivable is impaired, such as payment history and changes in employment.

NOTE H – CAPITAL ASSETS

	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated				
Land and land rights	$ 431,941	$ 0	$ 0	$ 431,941
Construction in progress	1,455,598	7,803,972	(265,590)	8,993,980
Total capital assets not being depreciated	1,887,539	7,803,972	(265,590)	9,425,921
Other capital assets				
Utility plant and lines	34,725,881	479,089	0	35,204,970
Utility equipment and other	1,096,733	92,584	0	1,189,317
Total other capital assets at historical cost	35,822,614	571,673	0	36,394,287
Less: Accumulated depreciation	(17,029,767)	(931,913)	0	(17,961,680)
Capital assets, net	$20,680,386	$7,443,732	$(265,590)	$ 27,858,528

NOTE I – RELATED PARTIES

During 2023 the District paid Future Designs, Inc. $264. The entity is owned by a board member of the District.

NOTE J – RISKS OF LOSS

The District's risks of loss are addressed by the purchase of commercial insurance. These areas include employee dishonesty bonds, property coverage, vehicle coverage, and a public entity liability policy which includes errors and omission. Coverage is reviewed for adequacy by management and agents on an annual basis.

NOTE K – RETIREMENT PLAN

As of January 1, 2017, the District has provided a deferred compensation plan for eligible employees. The plan is administered by the Kentucky Public Employees' Deferred Compensation Authority in association with Nationwide Retirement Solutions. The two-tier plan provides a 5% District contribution regardless of employee participation beginning with an employee's second year of employment. District contributions to the plan were $92,727 for 2023.

NOTE L – SUBSEQUENT EVENTS

The District's management has evaluated and considered the need to recognize or disclose other subsequent events through March 20, 2024, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended December 31, 2023, have not been evaluated by management.

The Grayson County Water District has an agreement to take ownership of the Caneyville water system as soon as Caneyville has completed their current construction project on their system. The District entered into an operating agreement with the City of Caneyville to run their water system in April of 2021. The District filed a formal intent to purchase at that time. As Caneyville has a current rural development funded project in process, the District cannot officially take ownership of Caneyville's system until that project is completed. The District took beneficial ownership of the Caneyville water system during 2022, but the acquisition is not complete. The debt has not been assumed as of December 31, 2023, and the District will not be considered full owner until this occurs in fiscal year 2024 or 2025.

Buckles, Travis & Hart, PLLC

Certified Public Accountants

DENNIS R. BUCKLES, CPA
BRAD K. TRAVIS, CPA/PFS
ROBIN G. HART, CPA

www.graysoncpas.com

211 West White Oak Street
Post Office Box 4069
Leitchfield, KY 42755-4069
Phone 270-259-5604
Fax 270-259-5603

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Grayson County Water District
Leitchfield, KY 42754

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Grayson County Water District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Grayson County Water District's basic financial statements, and have issued our report thereon dated March 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grayson County Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grayson County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grayson County Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grayson County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Buckles, Travis & Hart, PLLC

Buckles, Travis & Hart, PLLC
Certified Public Accountants
Leitchfield, Kentucky
March 20, 2024

EXHIBIT 17

Grayson County Water District
Total Debt After Acqusition

Description	Issue Date	Mature Date	Interest Rate	Balance
USDA RD Bond 2012	2012	Jul-51	4.00%	430,000
USDA RD Bond 2012	2012	Jul-52	4.00%	724,500
USDA RD Bond 2018	2018	Jan-57	2.50%	641,500
USDA RD Bond 2020	2020	Jan-60	1.75%	500,000
USDA RD Bond 2020	2020	Jan-60	1.75%	238,000
USDA RD Bond 2021	2021	Jan-61	1.75%	547,000
KRW	2013	Jan-27	3.50%	400,000
KRW	2019	Jan-40	2.75%	890,000
KRW	2012	Jan-34	2.25%	1,750,000
KRW Interim Finance	2023	Aug-25	2.50%	4,031,382
KIA Loan	2023	Dec-53	0.25%	6,911,761
Proposed KIA Loan	2026	Dec-56	0.25%	4,838,955
				21,903,098

EXHIBIT 18

Grayson County Water District
Book Value of Property to be Acquired

USoA	Description	Cost	Depreciation	Book Value
303	Land and Land Rights	10,526	-	10,526
304	Structures and Improvements	266,680	238,669	28,010
330	Distribution Reservoirs and Standpipes	1,388,188	649,671	738,517
331	Transmission and Distribution Lines	3,877,322	2,065,579	1,811,743
333	Services	417,009	201,734	215,274
334	Meters	506,107	32,158	473,950
334	Meter Installations	433,383	106,523	326,859
335	Hydrants	54,234	18,641	35,593
	Totals	6,953,448	3,312,976	3,640,472

EXHIBIT 19

Page 1

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

For DLG staff use only:

File #_____
Received_____

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under $200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

✓ **Type of debt to be issued (must check one):**	**SLDO Approval Required**	**Complete Sections**
☐ Short Term Borrowing - KRS 65.7701 et seq.	No	A, B, C
☐ Lease from $200,000 - $500,000 - KRS 65.940 et seq.	No	A, B, D
☐ Lease exceeding $500,000 - KRS 65.940 et seq.	Yes (Counties only)	A, B, D
☐ General Obligation Bond - KRS Chapter 66	Yes (Counties only)	A, B, E
☐ Public Project Rev. Bond - KRS Chapter 58	No	A, B, E
☐ Public Project Rev. Bond w/Lease - KRS 66.310(2)	Yes (Counties only)	A, B, D, E
☐ Industrial Revenue Bond - KRS Chapter 103	Yes (All Borrowers)	A, B, F
☐ Other Bonds (True Revenue, Utility Assessment, TIF)	No	A, B, E

Section A - Borrower Information

Agency Name	
Governing Body	
Street Address	
P.O. Box #	City
County	Zip
Authorized Official	

Section B - Terms of Financial Obligation

Please provide all relevant information. Fields in **bold** are mandatory.

Principle Amount:	$0.00	**Date of Issue:**	
Maturity Date(s):		**Payment Schedule:** (must attach schedule)	
Term:		**Number of Renewal Periods:**	
Interest Rate(s):	0.00	**Type of Interest (fixed or variable):**	
Retirement Method:			
Lender's Name:			
Lender's Address:			
Right of Termination:			
Termination Penalties:			
Prepayment Provisions:			
Trustee or Paying Agent:			
AOC Funded Percentage:	0.00		

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

Section C - Note (Loan) Information/Documentation

Purpose - Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Pledge of Taxes/Description:

Pledge of Revenue/Description:

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? ○ Yes ○ No

If No, explain what steps were taken to ensure adequate competition.

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D - Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Type of Lease : ☐ General Obligation ☐ Revenue

Is Lease Annually Renewable? ○ Yes ○ No

Does Agency seek approval without a hearing? ○ Yes ○ No Justification: ☐ Revenue ☐ Refunding

If yes, must attach certification from counsel regarding county obligation.

Does this lease refund a prior lease? ○ Yes ○ No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease.

Please continue to the next page

Page 3

NOTIFICATION OF INTENT TO FINANCE AND APPLICATION FOR DEBT APPROVAL

Form # SLDO-1
Revised 1/1/2011

Section E - Bond Information/Documentation

Please provide all relevant information. Fields in **bold** are mandatory

Describe the purpose of the bond:

Bond Counsel:

Counsel Address:

Financial Advisor:

Advisor Address:

Bond Series:

Call Date:

Does this bond refund a prior bond? ○ Yes ○ No

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If SLDO Approval is Required)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

******

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print)	Date:
Title:	Signature:

Mail to:
Department for Local Government
Attn: State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601

Fax to: 502-573-3712

EXHIBIT 20

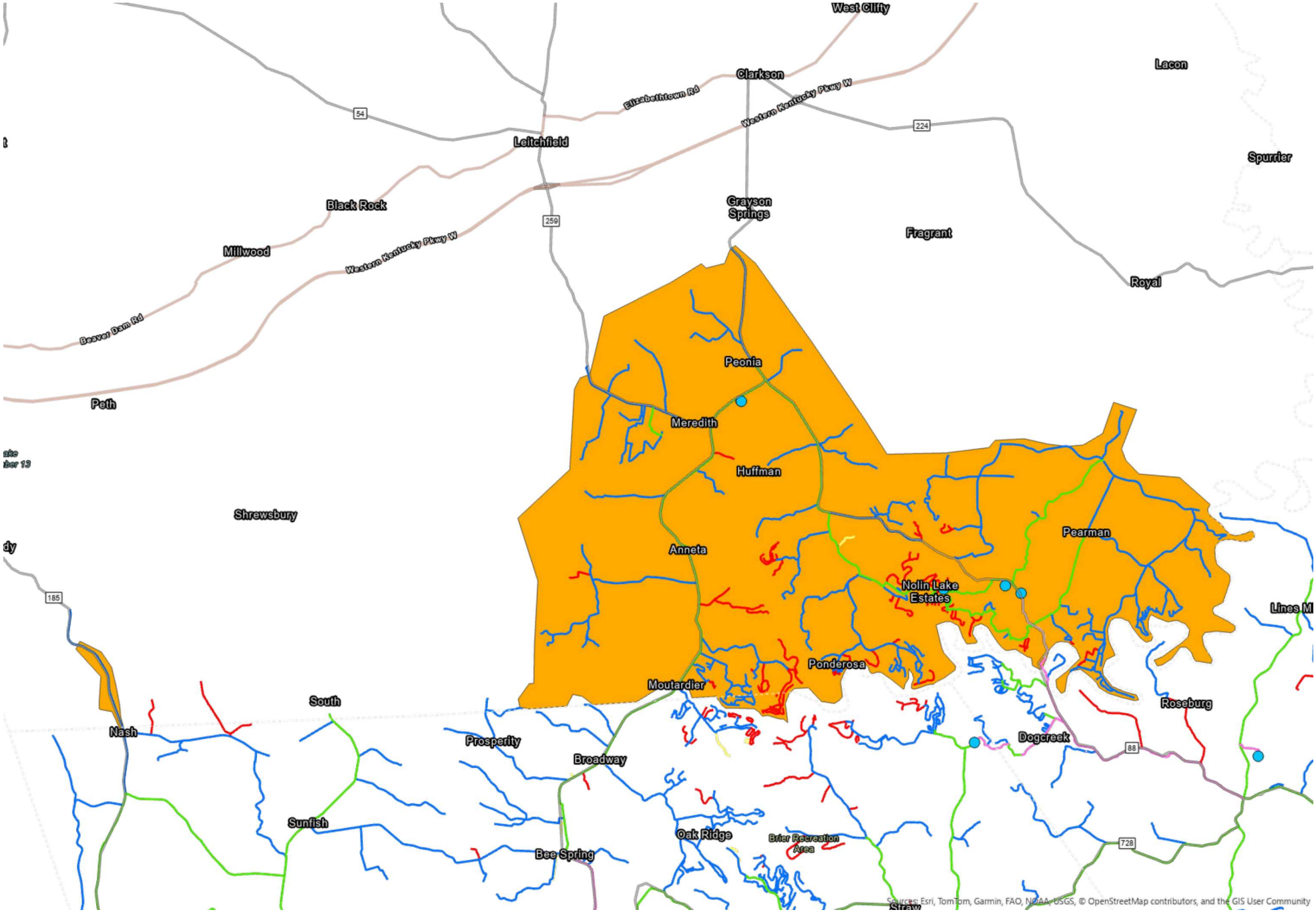

West Clifty
Lacon
Clarkson
Elizabethtown Rd
Western Kentucky Pkwy W
54
224
Leitchfield
Spurrier
Black Rock
259
Grayson Springs
Fragrant
Millwood
Western Kentucky Pkwy W
Royal
Beaver Dam Rd
Peonia
Peth
Meredith
Huffman
Shrewsbury
Pearman
Anneta
Nolin Lake Estates
185
Ponderosa
Moutardier
South
Roseburg
Nash
Prosperity
Broadway
Dogcreek
88
Sunfish
Oak Ridge
Brier Recreation Area
Bee Spring
728
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

EXHIBIT 21

WATER PURCHASE AGREEMENT

BETWEEN

GREEN RIVER VALLEY WATER DISTRICT

AND

GRAYSON COUNTY WATER DISTRICT

5-29, 2025

TABLE OF CONTENTS

Green River Valley Water District – Grayson County Water District

1.	Term of Agreement	2
2.	Quantity of Water	2
3.	Minimum Purchases	3
4.	Quality of Water	3
5.	Operation of System	5
6.	Delivery Point	6
7.	Metering Equipment	7
8.	Telemetry	8
9.	Billing and Payment Procedure	8
10.	Wholesale Rate	9
11.	Cost Based Rates	9
12.	Advance Notice of Rate Modification	9
13.	Effective Date of Rate Modification	9
14.	Financial and Operational Information	9
15.	PSC Review	10
16.	Effective Date	10
17.	Indemnification	11
18.	Notices	11
19.	Response to Notices	12
20.	Termination	12
21.	Regulatory Agencies	13
22.	Successors and Assigns	14
23.	Paragraph Headings	14
24.	Entire Agreement; Severability	14
25.	Interpretation	15
26.	Non-Waiver	15
27.	No Third-Party Beneficiaries	15

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (the "Agreement") is made and entered into as of the 29th day of May 2025 by and between the **GREEN RIVER VALLEY WATER DISTRICT** ("Green River"), 1180 East Main Street, P.O. Box 460, Horse Cave, Kentucky 42749, hereinafter referred to as the "Seller," and the **GRAYSON COUNTY WATER DISTRICT** ("Grayson District"), 21 Shull White Road, Leitchfield, Kentucky 42754, hereinafter referred to as the "Purchaser." The Seller and the Purchaser may be referred to collectively as "Parties" or individually as a "Party."

W I T N E S S E T H:

WHEREAS, the Seller is a water district organized under the provisions of KRS Chapter 74;

WHEREAS, the Purchaser is a water district organized under the provisions of KRS Chapter 74;

WHEREAS, the Seller currently owns and operates water supply, treatment, and water distribution facilities;

WHEREAS, the Purchaser currently owns and operates water supply, treatment, and distribution facilities;

WHEREAS, the Purchaser desires to obtain a supplemental source of potable water from Seller via utilization of the Wax Water Treatment Plant ("Wax WTP") operated by the Seller;

WHEREAS, by a Resolution duly adopted on April 18, 2025, by the Seller's Board of Commissioners, this Agreement was approved and the Seller's Chairman was authorized to execute this Agreement for and on behalf of the Seller; and

WHEREAS, by a Resolution duly adopted on 4-28, 2025, by the Purchaser's Board of Commissioners, this Agreement was approved and the Purchaser's Chairman was authorized to execute this Agreement for and on behalf of the Purchaser.

NOW THEREFORE, in consideration of the foregoing and the mutual terms and conditions contained herein, the Parties agree as follows:

1. **Term of Agreement.** This Agreement shall continue for a period of approximately ten (10) years commencing on the Effective Date as provided in paragraph 16, and ending on December 31, 2035, unless extended or modified by written agreement of the Parties, or terminated pursuant to the terms of this Agreement.

2. **Quantity of Water.** The Seller shall furnish to the Purchaser, at the point of delivery hereinafter specified, such quantities of water as the Purchaser may

require; provided, however, that this amount shall not exceed 400,000 gallons per day.

3. **Minimum Purchases.** The minimum purchase amounts shall be measured by the metering equipment at the Point of Delivery as described in paragraph 6.

A. **Initial Minimum Purchase Amount.** The Purchaser shall be obligated to purchase a minimum of 150,000 gallons of water per day for approximately five (5) years. This initial minimum daily amount will be reduced on October 1, 2030.

B. **Long-Term Minimum Purchase Amount.** Commencing on October 1, 2030, and continuing throughout the remainder of the Term of this Agreement, the Purchaser shall be obligated to purchase a minimum of 100,000 gallons per day.

4. **Quality of Water.** The Seller shall furnish to the Purchaser, at the Point of Delivery hereinafter specified, during the term of this Agreement, or any renewal or extension thereof, potable, treated water meeting the applicable water quality standards of all appropriate state and federal regulatory agencies.

A. **Lower DBP Requirement.** Commencing on July 1, 2026, and continuing throughout the Term of this Agreement, the Seller shall deliver water at the Point of Delivery with the following

Disinfection Byproducts (the "DBP) at least 50% less than the current Maximum Contaminate Level (the "MCL") . The current MCL's are: (i) total trihalomethanes (the "TTHM") = 0.080 milligrams per liter ("mg/L"); and (ii) five Haloacetic acids (the "HAA5") = 0.060 mg/L. Thus, from and after July 1, 2026, the Purchaser shall deliver water at the Point of Delivery with DBP levels not exceeding the following:

(1) TTHM 0.040 mg/L or less

(2) HAA5 0.030 mg/L or less

B. Testing for DBP. The Seller shall test, at its own expense, at the Point of Delivery for DBP on a quarterly basis using a certified laboratory. It shall provide a copy of the test results to the Purchaser as soon as possible after receipt, but no more than seven (7) days after receipt of the test results.

C. Minimum Purchase Quantity Waived. In the event that one or more of the DBP exceed the mg/L amount set forth in paragraph 4A(1) or (2) of this Agreement (the "Contractual DBP MCL"), the Purchaser shall not be obligated to purchase the minimum quantity of water set forth in paragraph 3 of this Agreement. Once the Seller meets these Contractual DBP MCL,

however, then the Purchaser shall be required to immediately resume purchasing the daily minimum quantity of water.

5. Operation of System.

A. Seller's System. The Seller shall at all times operate and maintain the Wax WTP in an efficient manner and shall take such action as may be reasonably necessary to perform its obligations under this Agreement. Temporary or partial failures to deliver water shall be remedied diligently with all practicable dispatch. The Seller shall immediately inform the Purchaser by telephone, by email, or by facsimile transmission of the nature and extent of such temporary or partial failures to deliver water. In the event of an extended shortage of water, or if the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to the Purchaser shall be reduced or diminished in the same proportion as the supply to the Seller's other customers is reduced or diminished. The Purchaser also agrees to take such steps as may be reasonably necessary to curtail water usage within its system in response to a shortage of water. During said

circumstances, the Seller will not hold the Purchaser to its minimum daily take.

B. Purchaser's System. The Purchaser shall at all times maintain and operate its water system in an efficient manner and shall take such action as may be reasonably necessary to perform its obligations under this Agreement. Temporary or partial failures to receive water shall be remedied diligently with all practicable dispatch. Emergency failures of the Purchaser's water system such as receiving transmission line breaks, power failure, flood, fire and use of water to fight fire, earthquake, or other catastrophe shall excuse the Purchaser of its water quantity minimum provisions for such reasonable period of time as may be necessary to restore service. The Purchaser shall immediately inform the Seller by telephone, email, or facsimile transmission of the nature and extent of such temporary or partial failures to receive water.

6. Delivery Point. The Seller shall deliver the water to the Purchaser at a point of delivery located at the Wax WTP (the "Point of Delivery").

7. Metering Equipment. The Seller shall furnish, install, own, operate and maintain at its own expense the necessary metering equipment at the Wax WTP to reliably measure the quantity of water delivered to the Purchaser and shall test

such metering equipment once every year. The Seller shall provide a 24-hour notice to the Purchaser prior to conducting any meter tests, allow access to the metering site during testing, and submit test results to the appropriate official designated by the Purchaser. If the meter registers within the acceptable limits as identified by AWWA Standards, then it shall be deemed accurate. Previous readings of the meter deemed by test results to be inaccurate (registering outside of acceptable limits of AWWA Standards based upon type of meter) shall be adjusted for the six-month period previous to the test in accordance with the percentage of inaccuracy found by such test. Billings for the period shall be recalculated and the Purchaser's account credited or charged accordingly. If the meter fails to register usage for any period, the amount of water furnished during such period shall be estimated by any reasonable means agreeable to both Parties. The metering equipment shall be read on or about the 1st day of each month, or any other day mutually agreed upon. An appropriate official of the Purchaser shall have access to the master meter for the purpose of collecting usage data and verifying the master meter's readings.

8. Telemetry. In the event that the Purchaser desires to install, at its own expense, telemetry equipment at the Point of Delivery to enable it to remotely read the master meter, the Seller hereby consents to such installation where there is adequate space and where the telemetry equipment will not pose a safety hazard. The Purchaser is not obligated to install telemetry equipment, but if it elects to do

so, the Purchaser shall be responsible for the payment of all costs associated therewith. In addition, the Purchaser shall operate and maintain, at its own expense, the telemetry equipment. Ownership of the telemetry equipment shall remain vested in the Purchaser. The Purchaser shall not install telemetry equipment however, without first presenting a drawing or illustration of the proposed telemetry equipment to the Seller. The Seller shall then promptly review the proposed installation and determine whether there is adequate space at the Point of Delivery or if the telemetry equipment is likely to pose a safety hazard.

9. Billing and Payment Procedure. No later than the 10TH day of each month, the Seller shall furnish to the Purchaser an itemized statement of the amount of water furnished to the Purchaser at the Point of Delivery during the preceding billing cycle and the cost thereof. The Purchaser shall pay those charges no later than the **20th** day of each month.

10. Wholesale Rate. The wholesale rate to be charged to the Purchaser shall be the Seller's prevailing wholesale rate as shown on the Seller's Tariff on file with the PSC. The Seller's current wholesale rate is $3.01 per 1,000 gallons.

11. Cost Based Rates. The Seller shall establish and adjust, from time to time, the wholesale rate based upon the Seller's actual cost of providing water service to its wholesale customers. Any changes to the Seller's wholesale rate must

be approved by the PSC before it can become effective. All the Seller's wholesale customers shall be charged the same wholesale rate.

12. Advance Notice of Rate Modification. The Seller shall notify the Purchaser in writing of any proposed rate adjustment or modification at least thirty (30) calendar days before it is to be adopted as the proposed rate to be submitted to the PSC for approval. This will enable the Purchaser to review and comment on the proposed rate before it is actually submitted to the PSC by the Seller.

13. Effective Date of Rate Modification. The effective date of any new wholesale rate shall be at least thirty (30) calendar days after the Seller files the proposed rate with the PSC for approval. This will provide the Purchaser sufficient time to adjust its retail rates accordingly.

14. Financial and Operational Information. Commencing with the June 30, 2026 fiscal year, and continuing annually thereafter during the term of this Agreement, the Seller shall provide the Purchaser with a copy of the Seller's Independent Auditor's Report within thirty (30) calendar days after it has been released. In addition, the Purchaser, its auditor, or other designated representative shall have the right, at its own expense, to examine, upon reasonable notice and during regular business hours, the Seller's financial records and operating reports concerning water sales, water expenditures, and line loss. Such examination shall be conducted in such a manner that it does not unduly disrupt the Seller's normal

office routine. The Seller reserves the right to limit such examination to one (1) examination per calendar year. The Seller's breach of the provisions of this paragraph shall be deemed to be a material breach of this Agreement.

15. PSC Review. The Parties acknowledge that this Agreement cannot become effective until it has been reviewed and accepted for filing by the PSC. The Seller shall file an executed copy of this Agreement with the PSC. The Purchaser pledges its assistance to help expedite the PSC review process.

16. Effective Date. The Parties acknowledge that, in order for this Agreement to become effective, the PSC must review this Agreement and accept it for filing. The Seller shall give written notice of the Effective Date to the Purchaser promptly after the PSC accepts the Agreement for filing.

17. Indemnification. Each Party shall be solely responsible for the construction, operation, and maintenance of its respective water system. Each Party, to the extent permitted by law, expressly agrees to indemnify, save harmless and defend the other Party against all claims, demands, costs, or expenses asserted by third parties and proximately caused by the negligence or willful misconduct of such indemnifying Party in connection with the construction, operation, and maintenance of its respective water system.

18. Notices. If at any time either Party desires or is required to give notice to the other Party pursuant to the terms of this Agreement, such notice shall be in

writing and shall be hand delivered or mailed by certified mail, return receipt requested. Notice shall be effective upon receipt. Notices shall be given to the Parties at the following addresses or such other place or other person as each Party shall designate by similar notice:

A. As to the Seller:
Green River Valley Water District
1180 East Main Street
P.O. Box 460
Horse Cave, KY 42749
Attention: Chairman

B. As to the Purchaser:
Grayson County Water district
21 Shull White Road
Leitchfield, KY 42754
Attention: Chairman

19. Response to Notices. At any time either Party desires or is required to respond to any notice given pursuant to paragraph 18 of this Agreement, such response shall be made in the same manner as prescribed by for notices in this Agreement and shall be given within thirty (30) calendar days after receipt of the notice unless otherwise provided in this Agreement.

20. Termination. Either Party may terminate this Agreement with twelve (12) months advance written notice to the other Party in the event of any of the following:

A. For the Purchaser to terminate:

(1) Repeated failure of the Seller to meet water delivery requirements stated herein, except for failures related to the temporary interruptions described in paragraph 5 of this Agreement; or

(2) Repeated failure of the Seller to meet the water quality requirements set forth in paragraph 4 of this Agreement or of the Kentucky Energy and Environment Cabinet, except for failures related to the temporary interruptions described in paragraph 5 of this Agreement; or

(3) The PSC having entered a final Order which does not approve the Asset Purchase Agreement, and all its terms, between the Edmonson County Water District and the Purchaser; or

(4) Final revocation of the Seller's authority to operate a water distribution system or the Wax WTP by one or more governmental agencies having jurisdiction over such matters.

B. For the Seller to terminate:

(1) Final revocation of the Purchaser's authority to operate a water distribution system by one or more governmental agencies having jurisdiction over such matters; or

(2) Multiple findings against the Purchaser by the Kentucky Energy and Environment Cabinet that the Purchaser has been classified

as a significant non-complier resulting in the Seller being in violation of any drinking water regulations; or

(3) The PSC having entered a final Order which does not approve the Asset Purchase Agreement, and all its terms, between Edmonson County Water District and the Seller.

21. Regulatory Agencies. This Agreement is subject to such rules, regulations, or laws as may be applicable to similar agreements in the Commonwealth of Kentucky. The Parties shall collaborate in obtaining such permits, approvals, certificates or the like as may be required to comply therewith. Nothing in this Agreement, however, shall limit the Purchaser's right to contest future rate increases by the Seller at the PSC or court of competent jurisdiction.

22. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors. This Agreement shall not be assigned by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld, unless such assignment or transfer is to a successor in the operation of its properties by reason of a merger, consolidation, sale or foreclosure where substantially all such properties are acquired by such a successor empowered by law and financially able to effect the purposes of this Agreement which it must assume and, thereafter, be exclusively

responsible for the performance of the terms of this Agreement to be performed by either Party hereunder.

23. Paragraph Headings. The descriptive headings of the various paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way bind, modify, or restrict any of the terms and provisions hereof.

24. Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained herein. Except as otherwise provided herein, no subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon either Party unless and until it is reduced to writing and signed by both Parties. Should any provision of this Agreement be declared to be invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect unless such invalid or unenforceable provisions substantially alter the benefits of the Agreement for either Party.

25. Interpretation. The Parties agree that both Parties have participated in the drafting and negotiation of this Agreement and this Agreement shall not be interpreted against either Party by virtue of having participated in such drafting and negotiation.

26. Non-Waiver. Any waiver at any time by any Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection

with this Agreement shall not be considered a waiver of any such rights or matters at any subsequent time.

27. No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the Parties hereto and their respective successors and assigns any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

SELLER:

Green River Valley Water District

John F. Bunnell, Chairman

Attest:

Adrian Gossett, Secretary

PURCHASER:

Grayson County Water District

Nancy Cain, Chairman

Attest:

Michael Kipper, Secretary

EXHIBIT 22

GRAYSON COUNTY WATER DISTRICT
CERTIFIED WATER TREATMENT OPERATORS
CERTIFIED DRINKING WATER DISTRIBUTION SYSTEM OPERATORS

2026	DISTRIBUTION SYSTEM		WATER TREATMENT	
Name	**Certification Level**	**License Number**	**Certification Level**	**License Number**
Jeremy S Woosley	Class IV	14588	Class IVA	15452
James D Hale	Class IV	15414	Class IVA	16039
David Poole	Class III	21651	Class IVA	19849
Jason K Tubb	Class III	17555		
Steve R Hill	Class II	2042		
Kyle Crawford	Class II	62142		
Seth L Beatty	Class II	62892		
Perry W Kiper	Class II	59715	Class III A	77145
Terry Meredith	Class II	70512		
Joseph K Cannon	Class I	77393		
Tim Dotson			Class IAD	84502
Adam Fields	Class I	83446		
Issac Lindsey	Class I	83393		

EXHIBIT 23

AREA Entire Service Area

PSC KY NO. 1

4th SHEET NO. 17b

Edmonson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

3rd SHEET NO. 17

RULES AND REGULATIONS
Monthly Water Rates

5/8- X 3/4-Inch Meter			
First	1,500 Gallons	$18.18 Minimum Bill	(I)
Over	1,500 Gallons	0.00857 Per Gallon	(I)
1-Inch Meter			
First	5,000 Gallons	$49.30 Minimum Bill	(I)
Over	5,000 Gallons	0.00857 Per Gallon	(I)
1 1/2-Inch Meter			
First	10,000 Gallons	$93.32 Minimum Bill	(I)
Over	10,000 Gallons	0.00857 Per Gallon	(I)
2-Inch Meter			
First	16,000 Gallons	$147.78 Minimum Bill	(I)
Over	16,000 Gallons	0.00857 Per Gallon	(I)
3-Inch Meter			
First	30,000 Gallons	$289.59 Minimum Bill	(I)
Over	30,000 Gallons	0.00857 Per Gallon	(I)
4-Inch Meter			
First	50,000 Gallons	$487.99 Minimum Bill	(I)
Over	50,000 Gallons	0.00857 Per Gallon	(I)
Wholesale Rate		0.00333 Per Gallon	(I)

DATE OF ISSUE March 10, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE March 10, 2025
MONTH / DATE / YEAR

ISSUED BY Kevin Shaw
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2024-00219 DATED March 10, 2025

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
3/10/2025
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

AREA Entire Service Area

PSC KY NO. 1

4th SHEET NO. 17a

Edmonson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

3rd SHEET NO. 17

RULES AND REGULATIONS

Connection Charges		
Tap Fee for 5/8-inch x 3/4-inch Meter Service	$1,427.00	(I)
Tap Fee for Larger Meter Services	Actual Cost ($200 payment with application)	
Fire Hydrant Installation	$200 plus Actual Cost ($1,000 payment with application)	
Fill Hydrant Installation	$175 plus Actual Cost ($1,000 payment with application)	
Non-Recurring Charges		
Reconnect Charge	$10.00	
Meter Test Charge	$10.00	
Returned Check Charge	$ 0.00	
Returned Bank Draft Charge	$ 0.00	
Service Call/Investigation	$10.00	(I)
Membership Charge	$25.00	
Meter Relocation (or Resitting) Charge	Actual Cost	
Water Line Relocation or Lowering Charge	Actual Cost	

DATE OF ISSUE March 10, 2025
MONTH / DATE / YEAR

DATE EFFECTIVE March 10, 2025
MONTH / DATE / YEAR

ISSUED BY Kevin Shaw
SIGNATURE OF OFFICER

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2024-00219 DATED March 10, 2025

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
3/10/2025
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 24

AREA Grayson County, Kentucky

PSC KY NO. 1

9th Revised SHEET NO. 4.0

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

8th Revised SHEET NO. 4.0

Monthly Water Rates

5/8-Inch Meter		
First	1,500 Gallons	$21.02 Minimum Bill
Next	8,500 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon
3/4-Inch Meter		
First	3,000 Gallons	$35.97 Minimum Bill
Next	7,000 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon
1-Inch Meter		
First	5,000 Gallons	$55.93 Minimum Bill
Next	5,000 Gallons	0.00998 Per Gallon
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon
1 1/2-Inch Meter		
First	10,000 Gallons	$105.81 Minimum Bill
Next	40,000 Gallons	0.00901 Per Gallon
Next	100,000 Gallons	0.00804 Per Gallon
Over	150,000 Gallons	0.00710 Per Gallon

(I)

DATE OF ISSUE July 17, 2023
MONTH / DATE / YEAR

DATE EFFECTIVE June 10, 2023
MONTH / DATE / YEAR

ISSUED BY /s/Nancy Cain
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2023-00175 DATED July 12, 2023

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
6/10/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Grayson County Water District
(NAME OF UTILITY)

2-Inch Meter	
First 16,000 Gallons	$159.86 Minimum Bill
Next 34,000 Gallons	0.00901 Per Gallon
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
3-Inch Meter	
First 30,000 Gallons	$285.97 Minimum Bill
Next 20,000 Gallons	0.00901 Per Gallon
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
4-Inch Meter	
First 50,000 Gallons	$466.13 Minimum Bill
Next 100,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
6-Inch Meter	
First 100,000 Gallons	$868.11 Minimum Bill
Next 50,000 Gallons	0.00804 Per Gallon
Over 150,000 Gallons	0.00710 Per Gallon
8-Inch Meter	
First 150,000 Gallons	$1,270.09 Minimum Bill
Over 150,000 Gallons	0.00710 Per Gallon
10-Inch Meter	
First 250,000 Gallons	$1,980.37 Minimum Bill
Over 250,000 Gallons	0.00710 Per Gallon

(I)

(D)

DATE OF ISSUE July 17, 2023
MONTH / DATE / YEAR

DATE EFFECTIVE June 10, 2023
MONTH / DATE / YEAR

ISSUED BY /s/Nancy Cain
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2023-00175 DATED July 12, 2023

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
6/10/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 25

Grayson and Edmonson County Water District
Rate Comparison

	Grayson County Water Rates		Edmonson County Water Rates	
5/8-Inch Meter				
First 1,500	$ 21.02	Minimum Bill	First 1,500	$ 18.18 Minimum Bill
Next 8,500	0.00998	Per Gallon	Over 1,500	0.00857 Per Gallon
Next 40,000	0.00901	Per Gallon		
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
3/4 - Inch Meter				
First 3,000	$ 35.97	Minimum Bill		
Next 7,000	0.00998	Per Gallon		
Next 40,000	0.00901	Per Gallon		
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
1-Inch Meter				
First 5,000	$ 55.93	Minimum Bill	First 5,00	$ 49.30 Minimum Bill
Next 5,000	0.00998	Per Gallon	Over 5,000	0.00857 Per Gallon
Next 40,000	0.00901	Per Gallon		
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
1 1/2-Inch Meter				
First 10,000	$ 105.81	Minimum Bill	First 10,000	$ 93.32 Minimum Bill
Next 40,000	0.00901	Per Gallon	Over 10,000	0.00857 Per Gallon
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
2-Inch Meter				
First 16,000	$ 159.86	Minimum Bill	First 16,000	$ 147.78 Minimum Bill
Next 34,000	0.00901	Per Gallon	Over 16,000	0.00857 Per Gallon
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
3-Inch Meter				
First 30,000	$ 285.97	Minimum Bill	First 30,000	$ 289.59 Minimum Bill
Next 20,000	0.00901	Per Gallon	Over 30,000	0.00857 Per Gallon
Next 100,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
4-Inch Meter				
First 50,000	$ 466.13	Minimum Bill	First 50,000	$ 487.99 Minimum Bill
Next 100,000	0.00804	Per Gallon	Over 50,000	0.00857 Per Gallon
Over 150,000	0.00710	Per Gallon		
6-Inch Meter				
First 100,000	$ 868.11	Minimum Bill		
Next 50,000	0.00804	Per Gallon		
Over 150,000	0.00710	Per Gallon		
8-Inch Meter				
First 150,000	$ 1,270.09	Minimum Bill		
Over 150,000	0.00710	Per Gallon		
10-Inch Meter				
First 250,000	$ 1,980.37	Minimum Bill		
Over 250,000	0.00710	Per Gallon		

EXHIBIT 26

Grayson and Edmonson County Water District
Current Water Rates Comparison

	Grayson County Water District	Edmonson County Water District
Minimum	21.02	18.18
3,000 Gallons	35.99	31.04
5,000 Gallons	55.95	48.18

EXHIBIT 27

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF GRAYSON COUNTY WATER DISTRICT AND EDMONSON COUNTY WATER DISTRICT FOR AN ORDER APPROVING THE TRANSFER OF OWNERSHIP OF EDMONSON COUNTY WATER DISTRICT'S GRAYSON COUNTY DISTRIBUTION SYSTEM AND AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES BY GRAYSON COUNTY WATER DISTRICT PURSUANT TO THE PROVISIONS OF KRS 278.020, KRS 278.300, AND 807 KAR 5:001	)	**CASE NO. 2025-00330**

DIRECT TESTIMONY

OF

JEREMY WOOSLEY, DISTRICT MANAGER

GRAYSON COUNTY WATER DISTRICT

Filed: October 31, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF GRAYSON)

The undersigned, Jeremy Woosley, being duly sworn, deposes and states: that he is District Manager for Grayson County Water District in Leitchfield, Kentucky; that he has personal knowledge of the matters set forth in the foregoing testimony; and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Jeremy Woosley

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said County and State, this 31st of October, 2025.

Notary Public

Commission Number KYNP44526

My Commission Expires 2/10/2026

Q. Please state your name, business address, and position with Grayson County Water District.

A. My name is Jeremy Woosley. My business address is 21 Shull White Road, Leitchfield, Kentucky 42754. I am the District Manager of Grayson County Water District. In my testimony I will refer to my employer as "Grayson District" or simply, "the District."

Q. How long have you been the District Manager of Grayson County Water District?

A. I have been the District Manager of Grayson District since Jan 1, 2022.

Q. What is your vocational and professional background?

A. I was hired by the District in May of 2002 as a Water Treatment Plant Operator. I have held many different roles with the District, most recently being appointed as General Manager on Jan 1, 2022. Prior to coming to work at the District, I began my career in 1996 working for the City of Caneyville Utilities as a Drinking Water Treatment Plant Operator, a Drinking Water Distribution System Operator, and as a Wastewater Treatment Plant Operator.

Over my career I have been involved with organizations that help support operators across the state by providing training that pertains to their career and license requirements. I currently sit on the state board for the

Kentucky Water and Wastewater Operators Association (KWWOA) and was recently the Vice Chair and Chair of that board. I also sit on the Central Chapter Board of the Kentucky Water and Wastewater Operators Association. I currently manage a website for KWWOA that provides certification training to water operators across the state.

I became the District Manager during the transfer of operations of the City of Caneyville's drinking water distribution system. I successfully oversaw the completion of a construction project that replaced all of the original portion of the City's distribution system. During that time, I was also appointed as the chief operator of the City's distribution system. After the construction project was complete, the District absorbed the City's distribution system. During my 29 years of service serving the community of Grayson County, it has been my goal and pleasure to provide safe and reliable drinking water service to all of Grayson County.

Q. What operational benefits will this acquisition provide?

A. Both Grayson District's Board of Commissioners and the Board of Commissioners for Edmonson District have determined that combining Edmonson District's Grayson County System with Grayson District's System will result in economies of scale, and it will enable Grayson District to

manage, operate, and maintain the combined system in a more cost-effective manner.

Since August 1, 2025, we have been operating Edmonson's Grayson County system under an operating agreement, which has given us firsthand experience with these operational efficiencies.

Q. How will this acquisition benefit Grayson District's service capabilities?

A. The transfer of the Grayson County System to Grayson District will provide Grayson District with additional customers and infrastructure in its home county, enabling more efficient operations and improved service reliability for both existing and new customers. Additionally, the transfer of the Grayson County System will provide Grayson District with additional water storage capacity.

Q. What are the financial benefits of this acquisition?

A. Following the acquisition, Grayson District will owe $21,903,098 and will have 11,500 customers. This equates to a debt of $1,905 per customer, which is a reduction in the debt per customer as of December 31, 2024 of $228 per customer. Furthermore, The KIA loan is projected to have an interest rate of 0.25% which is roughly 1.4% lower than the average debt held by Grayson District.

Q. Will this acquisition burden existing customers financially?

A. No. No rate adjustment will be necessary for Grayson District's existing customers as a result of this transaction.

Q. How does this acquisition serve the public interest?

A. The public policy of the Commonwealth, as declared in KRS 224A.300(1) and KRS 74.361(1) and (10) is to encourage regionalization, consolidation, and merger of water utilities wherever feasible. Grayson District's proposed acquisition of Edmonson District's Grayson County System is consistent with, and in furtherance of, this public policy.

More specifically, the transfer will result in the consolidation of water service in Grayson County. Currently, Grayson District, Edmonson District, and the City of Leitchfield provide retail water service in Grayson County. Following the transfer, only Grayson District and the municipality will provide retail water service in Grayson County.

Q. What long-term benefits do you anticipate?

A. Grayson District's proposed acquisition of Edmonson District's Grayson County System will not adversely impact Grayson District's ability to provide adequate, reasonable, and reliable service to its existing customers. Indeed, just the opposite is true. The proposed acquisition will enhance Grayson

District's capacity to provide water service within its home county and enhance Grayson District's long-term financial strength by growing its customer base, thus allowing fixed costs to be shared among additional customers.

Q. Do you believe Grayson District is prepared to successfully integrate and serve these new customers?

A. Yes. Grayson District has the financial, technical, and managerial abilities to provide reasonable water service to the customers of Edmonson District's Grayson County System without causing a financial burden on Grayson District's existing customers or adversely affecting the quality of service presently afforded the existing customers of Grayson District or Edmonson District.

Q. Do you believe there will be benefits to the newly added customers?

A. Yes, absolutely. The newly added customers will experience several significant benefits from this transfer. First and foremost, they will be served by a water district that operates within their home county of Grayson County. This local presence means more responsive service, better understanding of local needs, and enhanced accountability to the community they serve.

From a financial stability standpoint, these customers will benefit from Grayson District's strong financial position. The economies of scale achieved through this consolidation will benefit all customers through more cost-effective operations and enhanced system reliability.

Q. Do you believe there will be benefits to Grayson District's existing customers?

Grayson District's existing customers will realize significant benefits from this acquisition. The acquisition will enhance Grayson District's long-term financial strength by growing our customer base from our current level to 11,500 customers. This growth allows our fixed costs to be spread among additional customers, creating economies of scale that benefit everyone. Specifically, following the acquisition, our debt per customer will be reduced by $228 per customer compared to our December 31, 2024 levels.

From an operational standpoint, existing customers will benefit from improved system reliability and enhanced service capabilities. In the long term, the transfer will provide Grayson District with additional infrastructure and water storage capacity within our home county, enabling more efficient operations for our entire system. The consolidation will also result in economies of scale that enable us to manage, operate, and maintain the

combined system in a more cost-effective manner. These operational efficiencies, combined with the positive cash flow from the acquisition, position us to maintain adequate reserves while continuing to provide reliable service to all our customers.

Q: How does the purchase price compare to the value of the assets being acquired?

A: The acquisition represents good value for Grayson District and its customers. The price paid on average for each Edmonson District customer is estimated to be less than the cost of installing a new customer meter set. This means we are essentially acquiring an entire water system - including all infrastructure, lines, and customer connections - for less than what it would cost us to simply install a new meter set for each customer.

Q. In summary, why should the Commission approve this acquisition?

A. Both Grayson District's Board of Commissioners and Edmonson District's Board of Commissioners have determined that it is economically feasible, desirable, beneficial and in the best interests of Grayson District's customers, Edmonson District's customers, and the general public for the proposed transfer of assets to take place. This acquisition represents a win-win scenario

that advances the state's consolidation policies while improving service delivery and financial efficiency for all involved parties.

Q. Does this conclude your testimony?

A. Yes, it does.

EXHIBIT 28

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF GRAYSON COUNTY WATER DISTRICT AND EDMONSON COUNTY WATER DISTRICT FOR AN ORDER APPROVING THE TRANSFER OF OWNERSHIP OF EDMONSON COUNTY WATER DISTRICT'S GRAYSON COUNTY DISTRIBUTION SYSTEM AND AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES BY GRAYSON COUNTY WATER DISTRICT PURSUANT TO THE PROVISIONS OF KRS 278.020, KRS 278.300, AND 807 KAR 5:001	)	**CASE NO. 2025-00330**

DIRECT TESTIMONY

OF

KYLE CANNON, ACCOUNTING AND ADMINISTRATION

GRAYSON COUNTY WATER DISTRICT

Filed: October 31, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF GRAYSON)

The undersigned, Kyle Cannon, being duly sworn, deposes and states: that he is responsible for Accounting and Administration for Grayson County Water District in Leitchfield, Kentucky; that he has personal knowledge of the matters set forth in the foregoing testimony; and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Kyle Cannon

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said County and State, this 31 of October, 2025.

Notary Public

Commission Number KYNP44528

My Commission Expires 2/10/26

WRITTEN TESTIMONY OF KYLE CANNON
ACCOUNTING AND ADMINISTRATION
GRAYSON COUNTY WATER DISTRICT

Q. Please state your name, business address, and position with Grayson County Water District.

A. My name is J. Kyle Cannon. My business address is 21 Shull White Road, Leitchfield, Kentucky 42754. I am employed by Grayson County Water District ("Grayson District") and I am responsible for Accounting and Administration.

Q. What are your duties and responsibilities in this position?

A. In my role, I am responsible for Accounting and Administration, including overseeing the District's financial records, budgeting processes, and ensuring compliance with financial requirements imposed by our lenders and regulatory agencies.

Q. How long have you been employed by Grayson District?

A. I have been employed by Grayson District for 16 years.

Q. What is your educational and professional background?

A. I have a Bachelors of Science in Accounting from Western Kentucky University. I worked for a CPA firm for 8 years and have been with GCWD for the last 16.

Q. Are you familiar with Grayson District's current financial condition and its debt service coverage requirements?

A. Yes, I am. As part of my responsibilities for accounting and administration, I regularly monitor the District's financial performance and our compliance with various financial covenants and requirements.

Q. Does Grayson District currently meet the debt service coverage ratio ("DSCR") requirements imposed by the United States Department of Agriculture, Rural Development ("RD")?

A. No. Grayson District's current DSCR is .776, which is below the 1.1 DSCR required by RD under our existing loan agreements. This calculation contains notes/bonds payable principal and interest payments that will begin in 2025/2026 that were not included in the 2024 financial statements.

Q. When did this DSCR deficiency first become apparent?

A. The DSCR deficiency became apparent in June 2025 while working on a loan assumption of a Caneyville Water System loan with Rural Development. The District became the beneficial owner of the City of Caneyville Water System on September 13th, 2021. The purchase price for the Caneyville System was the assumption of the Caneyville Water System's RD debt. At the time of that agreement the District's DSCR met the RD standard. As of June 2025, when the process of assumption proceeded the District no longer met that standard.

Since that time the District has taken on an additional $11,850,000 for the East/West Interconnect Project. This addition has added approximately $446,818 in debt service payments that will begin in 2026.

Q. What action is Grayson District taking to address this DSCR deficiency?

A. Grayson District expects to file an application with the Kentucky Public Service Commission requesting a rate increase to bring our revenues to a level that will satisfy RD's DSCR requirements.

Q. When does Grayson District expect to file this rate increase application?

A. Grayson District has been actively working with RD and our outside counsel to evaluate available options and determine the best path forward to address the DSCR deficiency. However, the recent federal government shutdown has temporarily halted our collaborative efforts with RD, preventing us from finalizing our remedial plan and timeline.

Q. Is Grayson District's need for a rate increase related to the proposed acquisition of Edmonson County Water District's Grayson County system?

A. No. Grayson District's need for a rate increase to meet RD's DSCR requirements exists independently of the proposed acquisition. We would need to file for a rate increase regardless of whether the acquisition proceeds.

Q. Would Grayson District still file for a rate increase if the proposed acquisition were not approved?

A. Yes. The rate increase is necessary to address our existing DSCR deficiency with RD. The acquisition transaction is not driving the need for increased rates.

Q. How does the proposed acquisition affect, if at all, Grayson District's rate increase needs?

A. The acquisition actually would improve our DSCR. As stated in the Joint Application, no rate adjustment for Grayson District's existing customers is expected as a result of the acquisition, and the acquisition is expected to generate positive cash flow.

Q. Are there any consequences if Grayson District fails to meet RD's DSCR requirements?

A. It is possible that not meeting RD’s DSCR requirement could prohibit Grayson District from future borrowing.

Q. In your opinion, would the proposed acquisition help or hinder Grayson District's long-term financial stability?

A. In my opinion, the acquisition would help Grayson District's long-term financial stability by spreading fixed costs over more customers and

generating additional revenue which should ultimately benefit all customers served by the District.

Q. Does this conclude your testimony?

A. Yes, it does.

EXHIBIT 29

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF GRAYSON COUNTY WATER DISTRICT AND EDMONSON COUNTY WATER DISTRICT FOR AN ORDER APPROVING THE TRANSFER OF OWNERSHIP OF EDMONSON COUNTY WATER DISTRICT'S GRAYSON COUNTY DISTRIBUTION SYSTEM AND AN ORDER AUTHORIZING THE ISSUANCE OF SECURITIES BY GRAYSON COUNTY WATER DISTRICT PURSUANT TO THE PROVISIONS OF KRS 278.020, KRS 278.300, AND 807 KAR 5:001	)	**CASE NO. 2025-00330**

DIRECT TESTIMONY

OF

KEVIN SHAW, MANAGER

EDMONSON COUNTY WATER DISTRICT

Filed: October 31, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF EDMONSON)

The undersigned, Kevin Shaw, being duly sworn, deposes and states: that he is the Manager of the Edmonson County Water District in Brownsville, Kentucky; that he has personal knowledge of the matters set forth in the foregoing testimony; and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Kevin Shaw

Kevin Shaw, Manager
Edmonson County Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said County and State, this 31ST day of October 2025.

DYLAN RAY HAZELWOOD
NOTARY PUBLIC
COMMONWEALTH OF KENTUCKY
ID # KYNP90516
MY COMMISSION EXPIRES JULY 18, 2028

Dylan Hazelwood
Notary Public

My Commission Expires: 07-18-2028

Notary ID: KYNP90516

Introduction

Q. Please state your name, business address, and position with Edmonson County Water District.

A. My name is Kevin Shaw. My business address is 1128 Highway 259 North, Brownsville, Kentucky 42210. I am the Manager of Edmonson County Water District. In my testimony I will refer to my employer as "Edmonson District" or simply, "the District."

Q. How long have you been the Manager of Edmonson County Water District?

A. I have been the Manager of Edmonson District since March 2024.

Professional Experience and Background

Q. Other than your work for Edmonson County Water District, what is your vocational and professional background?

A. Prior to my employment with Edmonson District, I was employed by Grayson County Water District ("Grayson District") for 25 years from 1997 – 2022; for 20 of those years, I served as General Manager of the utility. Before that I was Superintendent of the Wastewater Treatment System of the City of Radcliff, Kentucky for four years. I began my water and wastewater management career in 1978 in Caneyville, Kentucky where I was promoted to Superintendent of Utilities. I served the city in that capacity for 10 years.

I have been a member of the Kentucky Water & Wastewater Operators Association ("KWWOA") for over 25 years and served as chair of the Conference Committee for six years. This involved planning and conducting an annual training event for over 1,000 water and wastewater system operators from all across Kentucky. I have also served as president of the Central Kentucky Chapter of KWWOA, which encompassed systems from Northern Kentucky Water District through Central Kentucky down to Warren County Water District. In my role as President of the Chapter I was responsible for communicating policy changes of KWWOA to the systems within the Chapter, disseminating information about training opportunities, and keeping the state-wide leadership of KWWOA informed of the concerns and issues facing the systems in the Chapter. I also served on the Board of Directors of Twin Lakes Regional Medical Center for seven years, including two years as Chairman of the Board.

I have worked in the drinking and wastewater industry my entire career and have successfully managed a water district as well as municipal systems. I have experienced and witnessed firsthand a lot of changes in my years in the water business. During my time at Grayson District the system grew from 2,500 customers, three storage tanks, and two pump stations to over 8,000 customers, nine storage tanks, and seven pump stations. During my service at

Grayson District, Grayson District was approached by the city of Caneyville and asked to absorb Caneyville's water system. That transfer was successful and resulted in improved service to the former Caneyville customers and no decline in service to Grayson District's existing customers. I take water service to the rural communities within my region very seriously and have worked hard for over 40 years to ensure access to clean, reliable water to as many homes as possible.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is: (1) to provide information about Edmonson District's proposed transfer of its Grayson County System to Grayson County Water District ("Grayson District"); (2) to explain some of the challenges facing Edmonson District; and (3) to summarize why its management believes the transfer to be necessary and in the best interest of all of its customers, those in the Grayson County System, as well the rest of Edmonson District's customers.

Q. What do you mean by the "Grayson County System?"

A. In the context of my testimony, the "Grayson County System" is the public water distribution system currently owned and operated by Edmonson District in Grayson County, Kentucky ("Grayson County"), together with the

distribution assets owned by Edmonson District and located in Grayson County.

Reasons for Transferring Grayson County System

Q. Why is Edmonson County Water District seeking to transfer its assets in Grayson County to Grayson District and transfer its assets in Hart County and the Wax Water Treatment Plant to Green River Valley Water District?

A. The transfer of the Hart County System and the Wax WTP to Green River Valley and the transfer of the Grayson County System to Grayson County Water District is the most efficient and expeditious way to ensure that rural water customers residing in Edmonson, Hart, and Grayson counties continue to have adequate water capacity and a high level of service. In order to understand why Edmonson District is seeking these transfers, it is necessary to understand how rural water systems generally, and Edmonson District in particular, were built and expanded. When the federal government began to invest in building the infrastructure necessary to provide potable water to residents of rural areas, the emphasis was in getting water to as many people as possible with every dollar spent. Construction projects were designed to follow roadways, and roads with more homes located on them had water

service extended to serve them and roads with very few homes generally did not receive water service.

Water line construction was also very difficult and expensive in areas that involved rivers or other large bodies of water, highways, and railroads. When a river, lake, highway, or railroad divided a county, it was often cost prohibitive for a water system in that county to serve areas on both sides of such a barrier. Constructing water lines by boring under a river, lake, highway or railroad is very expensive and the number of customers to be served by such construction was often too small to justify the expense. It was often more cost effective and efficient for a neighboring system in an adjoining county to provide service in that area.

For those reasons, Edmonson District has served areas to the north of Edmonson County in Hart County and Grayson County, primarily around Nolin Lake and Mammoth Cave National Park. In the early years of providing that service, a small water treatment plant (the Wax Water Treatment Plant) was obtained on Nolin Lake from the U.S. Army Corps of Engineers. The Wax WTP still serves the northern area of Edmonson's current territory, including its customers in Hart County and Grayson County, but demand from customers in all three counties in that area has outgrown the Wax WTP's capacity. The southern end of Edmonson District's system is served from

Edmonson District's Brownsville water treatment facility on the Green River. The Brownsville plant still has excess capacity, but that extra capacity cannot serve the customers in Hart County and Grayson County due to limited transmission pipes.

In 2024, Edmonson District hired HMB Engineering to complete an analysis of the water capacity needed for Edmonson District's system to be able to continue to serve the current 12,000 homes and projected future demand in the Nolin Lake area . The analysis concluded that a new treatment plant on Nolin Lake was the alternative that would best serve the areas currently served by both existing Edmonson District treatment facilities. However, the proposed cost of this project exceeded $80,000,000, which was not feasible for Edmonson District.

Edmonson District began to explore alternatives to include regionalization and alternative water sources from neighboring systems. Edmonson District contacted Grayson County Water District, Green River Valley Water District, Butler County Water District, Warren County Water District ("Warren District"), and even Glasgow Water Company. None of the neighboring systems were able to provide the needed 4 million gallons per day that Edmonson District's engineer recommended using for planning purposes. However, in the course of discussions with Warren District, it

became evident that Edmonson District could make an interconnection with the Warren District system that would enable Edmonson District to receive at least one million gallons of water per day for use or as an emergency connection. This would be extremely beneficial to the south side of Edmonson County. However, because of limited transmission lines, it would not benefit Edmonson's current customers in Hart County or Grayson County, who are currently at the extreme northern section of the Edmonson District system.

Another engineering firm had previously estimated the cost of a regional solution, which would provide adequate water capacity for current and future needs of the Edmonson, Grayson, and Green River Valley Districts. The plan included building a new 15 million gallon per day water treatment plant to serve all three systems, as well as new storage tanks and pump stations in Grayson District and Green River Valley District, along with adequate transmission lines to serve all three Districts. However, this was even more cost prohibitive, as the estimated cost was approximately $300,000,000.

In the course of these discussions, it emerged that Grayson District is able to provide enough water to effectively serve Edmonson District's approximately 3,500 customers in Grayson County, and Green River Valley District can serve Edmonson District's approximately 2,000 customers in Hart County. Furthermore, Green River Valley District wishes to acquire

Edmonson District's Wax WTP. As a result of relinquishing approximately 5,500 customers to other systems, Edmonson District will be able to serve all Edmonson County customers adequately from its existing Brownsville treatment plant now and in the future.

Financial Benefits to Edmonson District

Q. How will the transfer affect Edmonson County Water District financially?

A. Edmonson District will remain financially stable despite relinquishing approximately 5,500 customers. As a result of the transactions, Green River Valley District and Grayson District will be paying off or assuming all of Edmonson District's outstanding debt (with the exception of one small Rural Development bond with a current outstanding principal balance of $137,500). Edmonson District will be essentially debt-free, and the revenue from its remaining customers will be adequate to support operations. For the September 2025 billing cycle Edmonson District had 6,757 active customers in Edmonson County. These are the customers Edmonson District will be retaining after the transfer of its Hart and Grayson County Systems.

Additionally, Edmonson District will benefit from reduced payroll, primarily because Green River Valley District is acquiring the Wax WTP. In

2024, Edmonson District employed as many as 30 people. When Green River Valley District began operating the Wax WTP under an Operating Agreement in July 2025, Green River Valley District hired the five operators at the Wax WTP. In addition, one field operator has taken employment elsewhere and will not be replaced, and office staff has been reduced by two employees who took employment elsewhere. One retirement has been announced for 2026, and that employee will not be replaced. Currently, Edmonson employs 22 full-time employees and one part-time employee. Reducing the size of the system will allow Edmonson District to reduce its workforce by attrition, narrow its focus to providing service to its customers in Edmonson County, and to direct its resources toward addressing the other challenges facing the system.

Challenges Edmonson District is Facing

Q. What other Challenges is Edmonson County Water District facing?

A. I accepted the position of Manager of the District knowing that the District had received a number of Notices of Violation ("NOVs") from the Kentucky Division of Water ("DOW") for failure to maintain microbial treatment at both of its water treatment plants, exceedance of water withdrawal at the Brownsville WTP, failure to maintain combined filter effluent turbidity levels at both water treatment plants; and failure to collect samples for and report an

adequate number of analytical results for disinfection residuals in the distribution system. These NOVs resulted in the District entering into an Agreed Order with DOW in September 2024. DOW accepted Edmonson District's Corrective Action Plan ("CAP"), and Edmonson District has been diligently working to make all of the necessary upgrades to complete the CAP. Attached to my testimony as **Shaw-Attachment-1** is a copy of the Agreed Order and the CAP. Some explanation for the CAP may be needed. The original provisions of the CAP are in black font and updates are in different color fonts. The red is the first update; blue is the second; green is the third; and the most recent update is in purple. Using this method allows officials from DOW and me to visually keep track of what was done and approximately when it was done.

As can be seen from the NOVs and the CAP accepted by DOW, Edmonson District has considerable work to do to bring its system up to current standards. By transferring the Wax WTP to Green River Valley District Edmonson District is relieved of the direct obligation to make further improvements to the Wax WTP. The plant is important because it provides water to much of Hart and Grayson counties, but as stated previously it does not have adequate capacity to serve the growth that is expected to occur in the Nolin Lake area, if it is the only source of treated water to serve that area.

Edmonson District also historically has had difficulty attracting and maintaining an adequate number of certified treatment plant operators to staff the Wax WTP. This is one reason why the District entered into an Operating Agreement with Green River Valley District prior to a formal transfer of assets taking place. In June 2025, just prior to Green River Valley District assuming operation of the Wax WTP in July 2025, DOW conducted a Drinking Water Sanitary Survey and noted a Significant Deficiency in the operation of the Wax WTP because only one shift out of three was operated by a certified operator.

Edmonson District had been unable to attract sufficient certified operators to ensure operation by certified personnel on three 8-hour shifts seven days a week at the Wax WTP. Green River Valley District had sufficient certified operators and also offered employment to the five operators Edmonson District had employed at the Wax WTP. Green River Valley District currently has sufficient coverage to operate the treatment plant for two 12-hour shifts each day staffed by a certified operator. Additionally, one of Green River Valley District's Class IV operators lives within minutes of the Wax WTP should any emergency arise. Attached to my testimony as **Shaw-Attachment-2** is a copy of the August 14, 2025 letter from DOW, the Sanitary Survey, and Edmonson District's response.

Edmonson District is in the process of concluding a matter resulting from an August 26, 2025 Notice of Noncompliance and Concerns and Request for Information and Administrative Compliance Order issued by the U.S. Environmental Protection Agency ("EPA") following an inspection conducted by EPA in early March 2025. The EPA notified Edmonson District on August 26, 2025, that it was noncompliant with the federal Safe Drinking Water Act because it had allegedly not conducted a Risk and Resilience Assessment of its system ("RRA"), did not have an emergency response plan ("ERP") that incorporated the findings of an RRA, and allegedly did not have appropriate secondary containment measures in place in case of fluorine spills or overflows. Edmonson District filed a written response to the EPA's alleged areas of noncompliance and participated in a videoconference with EPA. Edmonson District received a notice from the EPA on October 27, 2025, that Edmonson District has completed the items required by the Administrative Compliance Order and that the matter is closed. Edmonson District is expecting to receive notice in due course that the Notice of Noncompliance and Concerns is also closed. Attached to my testimony as **Shaw-Attachment-3** is the Notice of Noncompliance and Concerns and Request for Information from EPA, the Administrative Compliance Order, Edmonson District's written response, and the October 27, 2025 letter from the EPA.

Interconnection of the Three Water District Systems

Q. In addition to entering into an Operating Agreement with Green River Valley District for the operation of the Wax WTP and the Hart County System, what other action has Edmonson District taken to prepare for the transfer of these assets?

A. Edmonson District also entered into an Operating Agreement with Grayson District and Grayson District has been operating the Grayson System since August 2025. The management of all three districts believe it is vital for the systems to have the capability to assist each other in the case of emergencies. Because this is a priority for each system, we have installed metering equipment and two emergency interconnections with Green River Valley District. One is located on Kentucky Highway 1015, otherwise known as Dog Creek Road, and the other is on Kentucky Highway 1827, otherwise known as Cub Run Road. We have also installed an emergency interconnection with Grayson District. The metering equipment at these emergency interconnections is capable of measuring flow in either direction. Edmonson District bore 50 percent of the cost of each installation.

Conclusion

Q. Do you have anything further to add?

A. In my professional opinion the needs of the water service customers currently being served by Edmonson District in Hart and Grayson counties are better met by Green River Valley District and Grayson District, respectively. The proposed transfers of these systems mean areas currently served only by Edmonson District, using only the resources available to Edmonson District, will be served by a *combination* of water districts and their resources. The resources of each district will be directed toward meeting the needs of the customers it serves, while providing system interconnections so that the three systems can assist each other in case of emergencies.

Q. Does this conclude your testimony?

A. Yes, it does.

Shaw-Attachment-1

DOW
Agreed Order
&
Corrective Action Plan

Filed 9/18/2024 OAH

COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET
DIVISION OF ENFORCEMENT
CASE NO. DOW-24-3-0082

IN RE: Edmonson Co Water District
1128 KY Hwy 259 N.
Brownsville, Kentucky 42210
Edmonson County
AI No. 982
Activity ID No. ERF20230001

AGREED ORDER

* * * * * * * * * * * *

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and the Edmonson Co Water District (hereinafter "Responsible Party") 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. The Responsible Party owns and operates a surface water production facility and distribution system (hereinafter "the system") located at 979 Lock Road Brownsville, Kentucky (Brownsville Plant) and 15000 Peonia Road, Clarkson, Kentucky (Wax Plant), which serves approximately 30,000 residents in Edmonson County. The system is assigned Public Water Supply Identification (hereinafter "PWSID") No. KY0310114, issued by the Cabinet's Division of Water (hereinafter "DOW").

3. Authorized representatives of the DOW identified alleged violations of KRS Chapter 224 and the regulations promulgated pursuant thereto at the system identified in paragraph two (2) above and issued Notices of Violation (hereinafter "NOVs") on June 14, 2023; July 19,

2023; July 31, 2023; September 20, 2023; November 1, 2023; November 21, 2023; February 29, 2024; April 12, 2024; May 10, 2024; May 22, 2024 (Revised); and July 18, 2024. The cited violations include failure to maintain microbial treatment (LT2), exceedance of allowable water withdrawal, and failure to maintain combined filter effluent turbidity level below 1 NTU. The NOVs are attached to this Agreed Order as 'Exhibit A'.

4. Representatives of the Responsible Party participated in a telephonic administrative conference with the Cabinet's Division of Enforcement (hereinafter "DENF") on June 17, 2024. The Responsible Party has admitted to the violations described above and has agreed to the entry of this Agreed Order to formally resolve the violations KRS Chapter 224 and the regulations promulgated pursuant thereto.

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

REMEDIAL MEASURES

5. Within thirty (30) days of the execution of this Agreed Order, the Responsible Party shall submit to the Cabinet for review and acceptance, a Corrective Action Plan (hereinafter "CAP").

a.) The CAP shall include, but not be limited to the following:

i. An explanation of why the cited violations occurred;

ii. A report of completed corrective actions;

iii. A list of proposed corrective actions to ensure that CFE turbidity measurements taken for any month at each plant are less than or equal to 0.15 NTU in at least 95% of the measurements (40 CFR 141.718(a))

and that maximum CFE turbidity measurements taken for any month at each plant are less than or equal to 1.0 NTU;

iv. A plan of action to be implemented when the turbidity conditions listed above have occurred including the issuance of a Boil Water Advisory using Public Notification wording;

v. A list of proposed corrective actions to maintain raw water withdrawal amounts within Water Withdrawal Permit limits;

vi. A list of proposed corrective actions to ensure the system meets the treatment requirements associated with Bin 2 classification at each plant;

vii. A schedule of implementation for all proposed corrective actions; and

viii. A final compliance date.

b.) Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) provide comments to the Responsible Party identifying the deficiencies. Upon receipt of Cabinet comments, the Responsible Party shall have thirty (30) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the Responsible Party identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the Responsible Party to be out of compliance with this Agreed Order for failure to timely submit the CAP.

c.) The Responsible Party may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Boulevard,

3rd Floor, Frankfort, Kentucky, 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP.

d.) Upon Cabinet acceptance of all or any part of the CAP, the amended CAP, or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order and implemented at its facilities. This does not require an amendment request pursuant to paragraph twenty-one (21) of this Agreed Order.

e.) The Cabinet approved CAP shall specify a final compliance date by which compliance with the terms and conditions of the permit is achieved.

6. Following the execution of the Agreed Order and through its termination, the Responsible Party shall attend quarterly check in meetings at the written request of the Cabinet. Failure to attend quarterly check in meetings, or to reschedule and attend within thirty (30) days of a previously scheduled meeting, may result in the assessment of stipulated penalties as described in paragraph fourteen (14) below.

7. All submittals required by the terms of this Agreed Order shall be sent to:

Division of Enforcement
Attention: Director
300 Sower Blvd
Frankfort, KY 40601

CIVIL PENALTY

8. The Responsible Party shall pay a civil penalty in the amount of five thousand dollars ($5,000) for the violations described above. The amount of the civil penalty shall be tendered by the Responsible Party to the Cabinet within thirty (30) days of the execution of this

Agreed Order.

9. Payment of the civil penalty 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 Sower Boulevard, 3rd Floor, Frankfort, Kentucky 40601; note "**Case No. DOW-24-3-0082**" on the instrument of payment. Payment of the civil penalty may also be made electronically, if available, by accessing the Office of Administrative Hearings through its website found at https://eec.ky.gov.

STIPULATED PENALTIES

10. The Cabinet may assess a stipulated penalty in an amount not to exceed five hundred dollars ($500) per instance for each exceedance of the monthly water withdrawal limit.

11. The Cabinet may assess a stipulated penalty in an amount not to exceed five hundred dollars ($500) per instance for failure to meet the treatment requirements associated with Bin 2 classification at each plant.

12. The Cabinet may assess a stipulated penalty in an amount not to exceed five hundred dollars ($500) per instance for failure to collect all required minimum daily chlorine residual samples throughout the distribution system.

13. The Cabinet may assess a stipulated penalty in an amount not to exceed two hundred and fifty dollars ($250) per day for failure to timely submit the CAP, or any revised CAPs, as described in paragraph five (5) above.

14. The Cabinet may assess a stipulated penalty in an amount not to exceed one thousand dollars ($1,000) per instance for failure to attend quarterly check in meetings as described in paragraph six (6) above.

15. Stipulated penalties are in addition to and not in lieu of any other penalty which could be assessed by the Cabinet. The Cabinet may, at its discretion, waive stipulated penalties that would otherwise be due. The stipulated penalty shall be due and owing thirty (30) days after the Responsible Party's receipt of written notification by the Cabinet to the Responsible Party at the permitted address.

16. If the Responsible Party believes that the request for payment of a stipulated penalty is erroneous or contrary to law, the Responsible Party may request a hearing in accordance with KRS 224.10-420(2). A 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.

17. Payment of stipulated penalties 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 Sower Boulevard, 3rd Floor, Frankfort, Kentucky 40601; note "**Case Number DOW-24-3-0082**" on the instrument of payment.

MISCELLANEOUS PROVISIONS

18. This Agreed Order addresses only the violations specifically alleged 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 the Responsible Party 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 the Responsible Party reserves its defenses thereto.

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

20. The Responsible Party waives its right to any hearing on the matters admitted herein. However, failure by the Responsible Party 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.

21. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or her designee. The Responsible Party may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd, 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.

22. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that the Responsible Party'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, the Responsible Party 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.

23. The Responsible Party 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, the Responsible Party 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.

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

25. The Cabinet and the Responsible Party 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.

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

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

TERMINATION

28. This Agreed Order shall terminate upon the Responsible Party's completion of all requirements described in this Agreed Order. The Responsible Party may submit a written request

for termination to the Cabinet when it believes all requirements have been performed. The Cabinet reserves its right to enforce this Agreed Order, and the Responsible Party reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

AGREED TO BY:

Kevin Shaw, General Manager
Edmonson Co Water District

9-16-2024
Date

APPROVAL RECOMMENDED BY:

Jarrod Bell, Director
Division of Enforcement

9-17-2024
Date

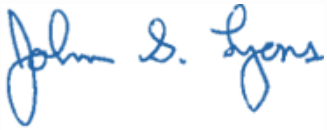
Sarah E. Noble, Executive Director
Office of Legal Services

09.17.24
Date

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 18th day of September, 2024.

ENERGY AND ENVIRONMENT CABINET



JOHN S. LYONS, DEPUTY SECRETARY
OF THE ENERGY AND ENVIRONMENT CABINET

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 18th day of September, 2024.

Edmonson Co Water District
Attn: Kevin Shaw
P.O. Box 208
Brownsville, Kentucky 42210

And ~~mailed, messenger to~~: Electronically mailed to:

Jarrod Bell, Director
Division of Enforcement
300 Sower Boulevard, 3rd Floor
Frankfort, Kentucky 40601

Sarah E. Noble, Executive Director
Office of Legal Services
300 Sower Boulevard, 3rd Floor
Frankfort, Kentucky 40601

Diana Lowe
DOCKET COORDINATOR

Distribution:
DOW

Exhibit A

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

June 14, 2023

CERTIFIED MAIL: 7021 2720 0000 8942 8057
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

6/28/2023

X

Signed by Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2023-9953653
Determination Date: 06/12/2023
Compliance Period: 04/01/2023-04/30/2023
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 04/01/2023-04/30/2023. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plants A & B during the month of April 2023.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

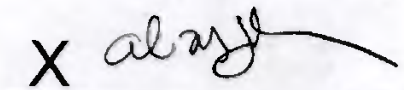
Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

6/28/2023

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: June 14, 2023

How Delivered: Certified/Registered #7021 2720 0000 8942 8057

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

July 19, 2023

CERTIFIED MAIL: 7021 2720 0000 8942 8118
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

7/19/2023

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2023-9953654
Determination Date: 06/23/2023
Compliance Period: 05/01/2023-05/31/2023
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 05/01/2023-05/31/2023. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plants A & B during the month of May 2023.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

7/19/2023

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: July 19, 2023

How Delivered: Certified/Registered #7021 2720 0000 8942 8118

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

July 31, 2023

CERTIFIED MAIL:7021 2720 0000 8942 8132
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Tim Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Rita Hockensmith at (502)782-6975 or email at rita.hockensmith@ky.gov.

Sincerely,

Joanna Ashford
Branch Manager
Watershed Management Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2022-9953655
Determination Date: 7/17/2023
Compliance Period: 01/01/2022 – 12/31/2022
Violation Type: WE WATER WITHDRAWAL EXCEEDANCE
Contaminant: WWD WATER WITHDRAWAL

Public Water Systems are subject to the requirements of 401 KAR Chapter 4. [401 KAR 4:010]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 4:010 Water Withdrawal Permits: The public water system exceeded the permitted amount for monthly average water withdrawals.

Comments: The system exceeded water withdrawal permitted limits in 2022.

The remedial measure(s) and date(s) to be completed by are as follows:

Remedial Measures	Due Dates
The water system shall not exceed their permitted limit for monthly average water withdrawals. If necessary the facility shall submit an application for revision to their water withdrawal permit to request an increase in their permitted amount.	30 days following receipt of this Notice of Violation.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding water withdrawal permit compliance, contact Rita Hockensmith at (502)782-6975 or email at rita.hockensmith@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Watershed Management Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Issued By:
Joanna Ashford
Branch Manager
Watershed Management Branch
Division of Water

Date: July 31, 2023

How Delivered: Certified/Registered #7021 2720 0000 8942 8132

SCANNED
OCT 05 2023
QUALITY CHECK

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

September 20, 2023

CERTIFIED MAIL: 7021 2720 0000 8942 7814
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

9/27/2023

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT AI ID: 982
County: EDMONSON
Violation Number: 2023-9953656
Determination Date: 08/30/2023
Compliance Period: 07/01/2023-07/31/2023
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR Tier Level: 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 07/01/2023-07/31/2023. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plants A & B during the month of July 2023.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

9/27/2023

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: September 20, 2023

How Delivered: Certified/Registered #7021 2720 0000 8942 7814

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

SCANNED
NOV 03 2023
QUALITY CHECK

November 1, 2023

CERTIFIED MAIL: 7020 0090 0002 2448 2282
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

11/2/2023

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024-9953658
Determination Date: 08/30/2023
Compliance Period: 08/01/2023-08/31/2023
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 08/01/2023-08/31/2023. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plant B during the month of August 2023.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070] The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

11/2/2023

X

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: November 1, 2023

How Delivered: Certified/Registered #7020 0090 0002 2448 2282

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

SCANNED
NOV 03 2023
QUALITY CHECK

November 1, 2023

CERTIFIED MAIL: 7020 0640 0000 2406 5516
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at Tekoyia.Brown@ky.gov.

Sincerely,

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953657
Determination Date: 10/11/2023
Compliance Period: 08/01/2023 - 08/31/2023
Violation Type: 43 SINGLE COMB FLTR EFFLUENT (IESWTR/LT1) **Tier Level:** 1
PWS Facility: 0310114TPB WAX WTP
Contaminant: 0300 IESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, Section 3 IESWTR The public water system exceeded the MCL for turbidity by exceeding 1.0 NTU in a combined filter effluent sample collected in the compliance period 08/01/2023 - 08/31/2023.

> Comments: Failed to maintain CFE turbidity level below 1NTU of monthly measurements on day 24, for August 2023 monitoring period

The remedial measure(s) and date(s) to be completed by are as follows:

Perform public notification(s) in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:
1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within one (1) year following receipt by the PWS of this Notice of Violation.

The PWS may include the public notice in the next Consumer Confidence Report provided the CCR is delivered within one (1) year of receipt of this Notice of Violation by the PWS.

Further information about the public notification requirements can be found on our website:
https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water
Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Issued By:

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: November 1, 2023

How Delivered: Certified/Registered #7020 0640 0000 2406 5516

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

November 21, 2023

CERTIFIED MAIL: 7022 3330 0000 8881 5190
RETURN RECEIPT REQUESTED

TIM BREWSTER
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

11/21/2023

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024-9953659
Determination Date: 11/13/2023
Compliance Period: 09/01/2023-09/30/2023
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 09/01/2023-09/30/2023. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plant B during the month of September 2023.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

11/21/2023

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: November 21, 2023

How Delivered: Certified/Registered #7022 3330 0000 8881 5190

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

February 29, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 5770
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT AI ID: 982
County: EDMONSON
Violation Number: 2024-9953662
Determination Date: 02/27/2024
Compliance Period: 01/01/2024-01/31/2024
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 01/01/2024-01/31/2024. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plant A& B during the month of January 2024.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);

2. When the violation or situation occurred;

3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

Recoverable Signature

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: February 29, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5770

SCANNED
MAR 07 2024
QC

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

February 29, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 5756
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953663
Determination Date: 02/26/2024
Compliance Period: 01/01/2024 - 01/31/2024
Violation Type: 44 MONTHLY COMB FLTR EFFLUENT (IESWTR/LT1) **Tier Level:** 2
PWS Facility: 0310114TPA EDMONSON WTP
Contaminant: 0300 IESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, Section 3 IESWTR The public water system failed to meet the treatment technique requirement for turbidity by exceeding 0.3 NTU in over 5% of the combined filter effluent samples collected in the compliance period 01/01/2024 - 01/31/2024.

Comments: Failed to maintain CFE turbidity level below 0.3 NTU in 95% of monthly measurements for January 2024, with 19.86% of samples exceeding 0.3 NTU

The remedial measure(s) and date(s) to be completed by are as follows:
Submit the data, if available, to the Division of Water within thirty (30) days of receipt of this Notice of Violation. If data isn't available, Collect and report all required samples for the next compliance period, and submit within 10 days after the next compliance period.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Recoverable Signature

Issued By: _____

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: February 29, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5756

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

February 29, 2024

CERTIFIED MAIL:7022 3330 0000 8881 5725
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953665
Determination Date: 02/26/2024
Compliance Period: 01/01/2024 - 01/31/2024
Violation Type: 38 MONITORING, ROUTINE (IESWTR/LT1), MINOR **Tier Level:** 3
PWS Facility: 0310114TPB WAX WTP
Contaminant: 0300 IESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, Sec 3 IESWTR The public water system submitted fewer that 100% but more than 90% of the required number of analytical results for turbidity for the compliance period 01/01/2024 - 01/31/2024.

> **Comments:** Failed to collect and report the number of required turbidity samples, 165 samples reported of 175 required for the January 2024 monitoring period.

The remedial measure(s) and date(s) to be completed by are as follows:
Submit the data, if available, to the Division of Water within thirty (30) days of receipt of this Notice of Violation. If data isn't available, Collect and report all required samples for the next compliance period, and submit within 10 days after the next compliance period.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Recoverable Signature

Issued By: _____

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: February 29, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5725

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

February 29, 2024

CERTIFIED MAIL:7022 3330 0000 8881 5732
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953666
Determination Date: 02/26/2024
Compliance Period: 01/01/2024 - 01/31/2024
Violation Type: 43 SINGLE COMB FLTR EFFLUENT (IESWTR/LT1) **Tier Level:** 2
PWS Facility: 0310114TPB WAX WTP
Contaminant: 0300 IESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of **Non Compliance:**
401 KAR 8:150, Section 3 IESWTR The public water system exceeded the MCL for turbidity by exceeding 1.0 NTU in a combined filter effluent sample collected in the compliance period 01/01/2024 - 01/31/2024.

> **Comments:** Failed to maintain CFE turbidity level below 1 NTU on day 26, 27, and 30 for January 2024, single highest turbidity reported as 9.70 NTU

The remedial measure(s) and date(s) to be completed by are as follows:
Submit the data, if available, to the Division of Water within thirty (30) days of receipt of this Notice of Violation. If data isn't available, Collect and report all required samples for the next compliance period, and submit within 10 days after the next compliance period.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Recoverable Signature

Issued By: _____

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: February 29, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5732

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

February 29, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 5763
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953667
Determination Date: 02/27/2024
Compliance Period: 01/01/2024 - 01/31/2024
Violation Type: MD MINIMUM DS RSIDUAL
PWS Facility: 0310114DS001 DISTRIBUTION - EDMONSON CO WATER DISTRIC
Contaminant: 0999 CHLORINE

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:020 & 8:150 CHLORINE The public water system failed to report on the MOR an adequate number of results for disinfectant residual in the distribution system for the compliance period 01/01/2024 - 01/31/2024.

> **Comments:** SDRD: Failed to collect and report all required minimum daily chlorine residual samples throughout the distribution system (MOR p.7)

The remedial measure(s) and date(s) to be completed by are as follows:
Submit the data, if available, to the Division of Water within thirty (30) days of receipt of this Notice of Violation. If data isn't available, Collect and report all required samples for the next compliance period, and submit within 10 days after the next compliance period.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Recoverable Signature

Issued By: _____

Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: February 29, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5763

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

April 12, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 5909
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024-9953668
Determination Date: 04/09/2024
Compliance Period: 02/01/2024-02/29/2024
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 02/01/2024-02/29/2024. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plant B during the month of February 2024.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification.

Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

Recoverable Signature

X 

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water
Date: April 12, 2024

How Delivered: Certified/Registered #

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

May 10, 2024

CERTIFIED MAIL:7022 3330 0000 8881 5930
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Tim Brewster:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Rita Hockensmith at (502)782-6975 or email at rita.hockensmith@ky.gov.

Sincerely,

Joanna Ashford
Branch Manager
Watershed Management Branch
Division of Water

C: Drinking Water Program files
Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024-9953669
Determination Date: 4/29/2024
Compliance Period: 01/01/2023 - 12/31/2023
Violation Type: WE WATER WITHDRAWAL EXCEEDANCE
Contaminant: WWD WATER WITHDRAWAL

Public Water Systems are subject to the requirements of 401 KAR Chapter 4. [401 KAR 4:010]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non-Compliance:
401 KAR 4:010 Water Withdrawal Permits: The public water system exceeded the permitted amount for monthly average water withdrawals.

Comments: The system exceeded water withdrawal permitted limits.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding water withdrawal permit compliance, contact Rita Hockensmith at (502)782-6975 or email at rita.hockensmith@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Watershed Management Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Issued By:

Joanna Ashford
Branch Manager
Watershed Management Branch
Division of Water

Date: May 10, 2024

How Delivered: Certified/Registered #7022 3330 0000 8881 5930

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET

DEPARTMENT FOR ENVIRONMENTAL PROTECTION

300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

May 22, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 6203
RETURN RECEIPT REQUESTED

REVISED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
Division of Water

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024 - 9953663
Determination Date: 02/26/2024
Compliance Period: 01/01/2024 - 01/31/2024
Violation Type: 44 MONTHLY COMB FLTR EFFLUENT (IESWTR/LT1) **Tier Level:** 2
Contaminant: 0300 IESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, Section 3 IESWTR The public water system failed to meet the treatment technique requirement for turbidity by exceeding 0.3 NTU in over 5% of the combined filter effluent samples collected in the compliance period 01/01/2024 - 01/31/2024.

> **Comments:** Failed to maintain CFE turbidity level below 0.3 NTU in 95% of monthly measurements for January 2024 taken at Plant A, with 19.86% of samples exceeding 0.3 NTU.
> Failed to maintain CFE turbidity level below 0.3 NTU in 95% of monthly measurements for January 2024 taken at Plant B, with 7.56% of samples exceeding 0.3 NTU.

The remedial measure(s) and date(s) to be completed by are as follows:
Submit the data, if available, to the Division of Water within thirty (30) days of receipt of this Notice of Violation. If data isn't available, Collect and report all required samples for the next compliance period, and submit within 10 days after the next compliance period.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

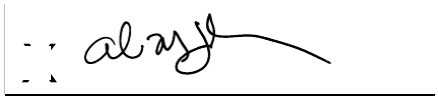
Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information regarding MOR Compliance contact Tekoyia Brown at (502)782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Boulevard
Frankfort, KY 40601

Recoverable Signature

Issued By: 

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

July 18, 2024

CERTIFIED MAIL: 7022 3330 0000 8881 6357
RETURN RECEIPT REQUESTED

STEFFAN MEREDITH
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

Re: **NOTICE OF VIOLATION**
AI ID: 982
PWSID: KY0310114
PWS NAME: EDMONSON CO WATER DISTRICT
COUNTY: EDMONSON

Dear Mr. Meredith:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

Failure to comply with all remedial measures could result in enforcement action and the assessment of penalties. Your cooperation and attention to this matter is appreciated. If you have any questions, please contact Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

Sincerely,

Recoverable Signature

X

Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

C: Drinking Water Program files Enclosure

COMMONWEALTH OF KENTUCKY
ENERGY & ENVIRONMENT CABINET
DEPARTMENT for ENVIRONMENTAL PROTECTION
DIVISION of WATER

NOTICE OF VIOLATION

To:
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42210

PWSID: KY0310114
PWS Name: EDMONSON CO WATER DISTRICT **AI ID:** 982
County: EDMONSON
Violation Number: 2024-9953670
Determination Date: 07/12/2024
Compliance Period: 05/01/2024-05/31/2024
Violation Type: 41 FAILURE TO MAINTAIN MICROBIAL TREAT, LT2ESWTR **Tier Level:** 2
Contaminant: 0800 LT2ESWTR

Public Water Systems are subject to the requirements of 401 KAR Chapter 8. [401 KAR 8:020 Section 1]
This is to advise that you are in violation of the provision(s) cited below:

Description of Non Compliance:
401 KAR 8:150, LT2ESWTR The public water system failed to maintain the level of treatment necessary for bin 2 classification for the compliance period 05/01/2024-05/31/2024. Treatment plants classified in bin 2 are required to provide additional log removal of *Cryptosporidium* and to use one or more of the Microbial Toolbox options provided in 40 CFR 141.715 to meet *Cryptosporidium* treatment requirements.

> **Comments:** System failed to meet the treatment requirements associated with Bin 2 classification at plant B during the month of May 2024.

The remedial measure(s) and date(s) to be completed by are as follows:
Begin or continue to provide necessary treatment for bin classification. Perform public notification for the above violation in accordance with 401 KAR 8:070. Public notification(s) must contain these 10 elements:

1. A description of the violation that occurred, including the contaminant(s) of concern, and the contaminant level(s);
2. When the violation or situation occurred;
3. The potential health effects (including standard required language);
4. The population at risk, including subpopulations vulnerable if exposed to the contaminant in their drinking water;
5. Whether alternate water supplies need to be used;
6. What the water system is doing to correct the problem;
7. Actions consumers can take;
8. When the system expects a resolution to the problem;
9. How to contact the water system for more information; and
10. Language encouraging broader distribution of the notice.

Public Notification(s) must be distributed directly to all bill payers (primary) by mail or hand delivery and posted in public places served by the water system (secondary). A copy of the public notification and its certification must then be submitted to DOW within ten (10) days of distributing the public notification. [401 KAR 8:070]

The public notice must be distributed within thirty (30) days following receipt by the PWS of this Notice of Violation.

Further information about the public notification requirements can be found on our website: https://eec.ky.gov/Environmental-Protection/Water/Drinking/DWProfessionals/Pages/Compliance.aspx.

Violations of the above cited statutes and/or regulations are subject to a civil penalty. Violations carry civil penalties of up to $25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

Detailed information about your water system's violations & monitoring requirements can be easily accessed on Kentucky Drinking Water Watch at http://dep.gateway.ky.gov/DWW/

If you have questions or need further information, write or call Tekoyia Brown at 502-782-6902 or email at tekoyia.brown@ky.gov.

ALL DOCUMENTATION MUST BE SUBMITTED TO:

Drinking Water Branch
Division of Water, Department for Environmental Protection
300 Sower Blvd.
Frankfort, KY 40601

Recoverable Signature

X

Issued By: Signed by: Alicia Jacobs
Alicia Jacobs
Branch Manager
Drinking Water Branch
Division of Water

Date: July 18, 2024

How Delivered: Certified/Registered #

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

October 29, 2024

Sent electronically to: kevin.shaw@ecwdwater.com

Re: AI Name: Edmonson Co Water District
AI No. 982
Case No. DOW 24-3-0082
Activity No. ERF20230001
Edmonson County

Dear Mr. Perry:

The Cabinet has reviewed and accepted the Corrective Action Plan submitted on October 25, 2024. Please ensure that it is timely implemented and the Cabinet is notified of project completions by attending quarterly check in meetings as described in paragraph six (6) of the Agreed Order.

If you have any questions, please contact me at (502) 782-1647, or alexis.sulfridge@ky.gov.

Sincerely,

Alexis Sulfridge
Environmental Enforcement Specialist
Division of Enforcement

EDMONSON COUNTY
WATER DISTRICT

October 25, 2024

Ms. Alexis Sulfridge, Environmental Enforcement Specialist

Division of Enforcement

Energy and Environment Cabinet

300 Sower Blvd.

Frankfort, KY 40601

RE: Corrective Action Plan

Edmonson County Water District

Case No. DOW 24-3-0082

AI No. 982

Activity ID No. EFR20230001

Dear Ms. Sulfridge:

Please accept this correspondence as the District's proposed Corrective Action Plan (CAP) pursuant to paragraph 5 of the Agreed Order for case number 24-3-0082 filed on September 18, 2024.

Per paragraph 5.a.i, please find a summary of cited violations that were included as Appendix A of the Agreed Order, followed by an explanation of why the violations occurred:

- Failure to Maintain Microbial Treatment associated with Bin 2 classification relating to providing additional log removal of Cryptosporidium. Multiple violations dating back to April 2023 at both Brownsville and Wax WTP.

- Exceedance of Water Withdrawal in the years 2022 and 2023 at Brownsville WTP. Our withdrawal permit has been updated to alleviate the exceedance's

- Failure to maintain CFE turbidity level at both the Brownsville and Wax WTP. Fingers crossed we have been doing much better with turbidity compliance with continued improvements. This is still going well at both plants

- Failure to report adequate number of results for disinfectant residual in the distribution system. It is my goal to install cl2 monitors in the distribution system to constantly monitor at 4 locations throughout the system. (north, south, east, west) Monitors are in and we are working on selecting locations to set up where SCADA is available to send information back. The SCADA piece of this got completed in late October and the field guys are beginning to install the Monitors in the field.

  Explanation of violations:
  As previously discussed in the reply to proposal to enter an Agreed Order, the Management of ECWD has been replaced with new outside personal from a past successfully operated system. Only one person from the old Board of Commissioners remains. The old office manager left, and the General manager is pursuing replacing that position. An explanation of why the past violations occurred cannot be sugar coated, it was nothing more than negligence and a gross disregard of proper service to the community and disrespect to the Division of Water. We offer no excuses but do promise to move this Water District in a new direction as has already been demonstrated with new practices and improvements to daily operations

Per paragraph 5.a.ii, please find a summary of corrective actions the district has already initiated and/or completed the following activities related to their treatment/distribution system:

1. Wax Plant Improvements:
    a. Update and replaced two continuous monitoring turbidimeters and the bench top unit.
    b. Added a top filter continuous monitoring turbidimeter.
    c. An inline turbidimeter has been added to the raw water source
    d. Replaced both control panels on the high service pumps with VFD type control centers. One high service pump and motor has been replaced new
    e. Both low service pumps have been pulled and brought up to date.
    f. All mechanical equipment associated with treatment is now operational.
    g. Bulk PAC feed is now utilized with the use of a day tank and fed properly in the rapid mix.
    h. The polymer feed system has been updated to feed neat with a polyblend type system and scales added
    i. Operators have been signed up to take online training support classes utilizing the Sacramento manuals. One operator has completed one Sacramento course and is registered for another segment Not only is this a great training support group, it also enables us to fast track the wait time on being able to get our operators in a certification class to get licensed. An Operator went last week and has passed his class I exam, we have another one scheduled for May and I fully expect to get another license then.
    j. Chemtech read outs from Chlorine has been moved to the lab building
    k. New Chlorine leak monitors have been installed in gas chlorine feed room
    l. The Wax Treatment plant is now under complete control by Green River Valley Water District through a maintenance contract. These guys have made some serious improvements around the facility in the short time they have been in operational control.

2. Brownsville Plant Improvements:
    a. Initiated better operational controls.
    b. Fixed permanganate feed to properly operate. In the process of changing over from Potassium Permanganate to Sodium Permanganate. When this is complete control of an accurate feed rate will be vastly improved. We are now feeding Sodium Permanganate
    c. Scales for the permanganate and polymer feed are ordered
    d. New Turbidimeters are ordered for all filter effluent
        i. New turbidimeters and controllers are installed and operational for all filters beginning July 22, 2025
    e. New Turbidimeter has been installed on Combine Filter Effluent

f. A turbidimeter has been installed to monitor top filter turbidity
g. All turbidimeters are now connected to SCADA in the lab office of the water treatment plant
h. Adjusted better waste sludge controls.
i. All mechanical parts of the treatment process operational as well now.
j. We have changed the feed method of our polymer to use a mixing system allowing us to feed the chemical neat instead of mixed in a tank for feeding.
k. New Chlorine leak monitors have been installed in gas chlorine feed room
l. We have contractors on site changing out the media. One filter is complete, and we have collected bacteriological samples yesterday and will plan on putting back in service as soon as results are received. We will take a second filter out of service next week and begin the media change out on filter #2.
    i. 1&2 filters are now operational with new filter media, the contract has been awarded to begin the change out of the media for the remaining three filters beginning July 22, 2025
    ii. All filters now have new media in them
m. A meter has been installed to register plant water used for an accurate measurement for water loss control.

Our goals are simple. First, not having turbidity above 1.0 NTU to leave the plant again. Second, minimizing turbidity above .15 NTU 95% of the time. A third goal would be to analyze the functionality of the Brownsville plant to see if improvements are obtainable to get contact time allowing the turbidity limits to be stretched back to .3 NTU.

Per paragraph 5.a.iii, please find a summary of corrective actions the district plans to complete to ensure that CFE turbidity measurements taken for any month at each plant are less than or equal to 0.15 NTU in at least 95% of the measurements and that the maximum CFE turbidity measurements taken for any month at each plant are less than or equal to 1.0 NTU.

1. Install scales under a sodium permanganate day tanks with Stenner feed pumps.
    n. This is complete at the Wax plant. Have switched from dry permanganate feed to a more stable and consistent sodium permanganate product. Scales have been added to this feed system
2. Install scales under a PAC Day tank with Stenner feed pumps.
    - This is complete at the Wax plant, polymer is now also fed through a more consistent and reliable polyblend type feed system also set up with stenner pumps for a better control.
3. Install SCADA for both plants so data can be viewed from the labs.

- This work is being developed but not yet in service, however there are digital readouts of bottom filter and combined now visually available in the lab at the Wax plant. We have begun the programing and setting up of control monitoring of certain operational functions of the Brownsville plant. We do not plan on have much pump controls of raw water through SCADA for some time due to obsolescence, however we are attempting to tie the main tank that is fed from the Brownsville plant to the high service by giving better controls with that piece.

4. Replace the fouled media in the plant filters.
    - The Wax treatment plant now has new media in both filters
    - All filters at Brownsville will have updated media by our next quarterly meeting
    - It is all changed now

Per paragraph 5.a.iv, please find a plan of action to be implemented when the turbidity conditions above have occurred including the issuance of a Boil Water Advisory.

In the event that turbidity conditions listed above have occurred the following actions shall take place:

1. Instance shall be documented including the observed turbidity level, location of sample, date & time of sampling, and brief explanation of why the exceedance occurred.
2. In the event the turbidity exceeds 1.0 NTU issue the following Boil Water Advisory to consumers: Along with the advisory to the customers, simultaneously the Division of Water will be notified within 24 hours of the violation.

> "A Boil Water Advisory is in effect for the following areas of the Edmonson County Water District. *(list areas of impact)* At (time) on (month, day, year) the District experienced an exceedance of the permitted level of turbidity at their (Wax/Edmonson) Water Treatment Plant. Until further notice it is recommended that your drinking water be boiled for one (1) minute at a rolling boil and then let it cool before using or use bottled water. Boiled or bottled water shall be used for drinking, making ice, brushing teeth, washing dishes, and food preparation until further notice."

Per paragraph 5.a.v, provide a list of proposed corrective actions to maintain raw water withdrawal amount within Water Withdrawal Permit limits.

1. The District has already tasked some of its maintenance crew with locating leaks within the water distribution system. The hope is that with reducing water loss within the system that water withdraw will also decrease. Water loss has been reduced 5% in the past six months from the first half of the 2024 calendar year. August and September 2025 reports had lost water below 30%, not where we want it but still headed in the right direction

   Since water distribution systems always have water loss, there is no estimated completion of this task therefore the District has also;

2. Charged HMB Professional Engineers with the task of increasing the withdraw limits from the Green River. The permit application is currently underway and will be submitted for review.
   a. The permit is ready for submittal to the DOW. Permit is now submitted to increase withdraw limits. This is now complete and on file

Per paragraph 5.a.vi, provide a list of proposed corrective actions to ensure the system meets the treatment requirements associated with Bin 2 classification at each plant.

1. Maintain the functionality of all mechanical processes at both Wax and Brownsville WTPs.
   a. We have had contractors come in and clean all basins and rid them of accumulation of grit and sludge.
   b. All mechanical processes are functional

2. Maintain chemical supply at both plants so they are ready to address fluctuating raw water conditions.
   a. Chemical supplies have been adequately maintained

3. Maintain chemical feed equipment at both plants.
   a. The feeding equipment is in good repair. Work has been done at Brownsville to improve the safety and cleanliness of the gas chlorine room. It has been realized that chlorine leak monitors are substandard and that is being addressed as well.

4. Continued education of operators so they understand and meet the demands of the Division of Water regulations.
    a.

Per paragraph 5.a.vii, a schedule for implementation of proposed corrective actions is provided below:

Corrective Action	Schedule
All mechanical equipment operational at Wax and Brownsville WTP - Scales for sodium permanganate day tanks "Complete" - Stenner feed pumps for sodium permanganate Complete - Scales for PAC day tank Complete - Stenner feed pumps for PAC Complete - SCADA monitoring at Wax and Brownsville WTPs Work in Progress. Lots of work getting accomplished here - Fouled media Replacement in plant filters Complete at Wax Complete at Brownsville	January 2025
Apply for increased water withdrawal at the Brownsville WTP. Has been mailed in to the KY DOW Waiting for DOW approval Complete	November 2024
Have one (1) operator at Wax WTP with a class II certification Have scheduled operators to attend training and take test April & May date set. Under the operation of GRVWD This plant currently (Wax) is operating with a class IV, a Class III, a class I and a Class IV that is ten minutes away for emergency response	July 2025
Total of three (3) operators with class II certification At Brownsville we have a total of three full time class III operators on staff. We have one class III operator that works part time for us and another one that fills in when needed that has a class III certification. Ther are two more guys as OIT's on staff now as well.	January 2026
Hydraulic Assessment of Distribution System (ECWD's engineering consultant, HMB, is currently working on a hydraulic model and report for the distribution system) Complete	January 2025
Functional Assessment of Treatment Plants Complete	January 2025
Submit revised CAP that dictates the new direction for the ECWD distribution and treatment systems. This new direction shall benefit the ECWD customers as well as the requirements of the DOW.	September 2025

The treatment plant staff at Wax has turned over and at present we only have one employee that was any part of the old habits that had been formed. He only had one (1) year of experience so has not formed many of the old bad operational habits. We have brought staff up to five (5) operators in training, none of which currently hold a license. No certified operators applied for the positions due to the challenging environment. (The District will be filing an alternative staffing plan with DOW) It is our belief that with better training and control over of our operators we can limit our future failures. Currently working with KRWA to submit an alternative staffing plan for the plant operators. More specific to the Wax plant as there are 2 class III operator license at the Brownsville plant. The field guys at KRWA informed us that they could not submit an alternative staffing plan due to us having no certified operators at the Wax plant. We told them we could not help that, and the reply was that we simply could not submit one fitting the guidelines of DOW. I did not push the issue and probably should have at least submitting something.

We believe that the CAP outlined above will allow the District to maintain proper operations and maintenance of the water distribution system for compliance with applicable laws and regulations.

Training Schedule

- **April 8-11 Jenny Wiley State Park**
  - **Lee Cain scheduled to attend Class I**
- **May 6-8 Owensboro Convention Center**
  - **Joey Thompson scheduled to attend**

We are currently working with the Grayson County Water District and Green River Valley Water District negotiating a deal that would transfer the customers of Edmonson County Water District that is served in Grayson and Hart Counties to these two systems. GCWD getting the customers served in Grayson County and GRVWD the customers served in Hart Count. This deal would surrender the customers, pipe, tanks, & Wax water treatment plant.

With this transition the three different Water Districts can focus on improvements in the three different respective Counties, and it is expected that the much-needed improvements can come much sooner to all customers.

This transition is now complete. ECWD is now only operating the Brownsville treatment plant and distribution system that is primarily in Edmonson County. Asset purchase agreements have been entered into with GCWD & GRVWD, and it is our hopes to have the request for approval of asset change to PSC in Early November.

This Institution is an Equal Opportunity Provider and Employer
1128 KY Hwy 259 N.
P.O. Box 208
Brownsville, KY 42210
Phone: (270) 597-2165 Fax: (270) 597-2166

Update CAP
10-15-2025

Corrective Action	Schedule
We have been working with HMB Engineering to develop a plan to update the Brownsville treatment plant to better meet regulations. This update at a minimum will include the addition of UV to enable the ability to get away from having to meet a .15 combined filter effluent turbidity. There will be many other aspects to look at but this one specifically is important. We plan to make a submittal to the Kentucky Infrastructure Authority 2027 SRF Call For Projects.	December 2025
Tear down old web site, rebuild to a more modern look and actually service the site on a regular basis with the goal being to better communicate with the general public, the employees, and the Community as a whole.	January 2026
Update tank for the Sodium Permanganate feed to include a double walled tank for mini tote fill and operate off a day tank. This will enable us to get away from handling as many barrels and create a much cleaner feed system.	February 2026
Develop a valve exercising and maintenance program.	March 2025
Develop a more structured flushing program	April 2026
Remove Chlorine gas feed system and update to Sodium Hypochlorite feed system.	July 2026
Close Agreed Order & end CAP	July 2026

Should you have questions regarding this matter, or if additional information is required, please contact me at (270) 597-2165 or kevin.shaw@ecwdwater.com.

Thank you.

Sincerely,

Edmonson County Water District

Kevin Shaw

General Manager

This Institution is an Equal Opportunity Provider and Employer
1128 KY Hwy 259 N.
P.O. Box 208
Brownsville, KY 42210
Phone: (270) 597-2165 Fax: (270) 597-2166

Shaw-Attachment-2

DOW
Drinking Water Sanitary Survey/Notice of Deficiency
&
Edmonson District's Response

Andy Beshear
GOVERNOR

ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
300 Sower Boulevard
Frankfort, Kentucky 40601
Phone: (502) 564-2150
Fax: 502-564-4245

Rebecca W. Goodman
SECRETARY

Anthony R. Hatton
COMMISSIONER

KEVIN SHAW
EDMONSON CO WATER DISTRICT
PO BOX 208
BROWNSVILLE, KY 42201
AI: 982 PWSID: KY0310114

RE: Drinking Water Sanitary Survey August 14, 2025

Dear KEVIN SHAW:

The Division of Water conducted a Drinking Water Sanitary Survey (attached) of EDMONSON CO WATER DISTRICT on June 3, 4, 17 and 18, 2025. A Capacity Development assessment was done as part of the survey.

Significant Deficiency(ies) (A written response is due within 45 days and must address deficiencies as resolved or provide a corrective action plan; DUE DATE: Sep 28, 2025)

- The Wax Plant currently has one shift covered by a certified operator, but the remaining two shifts are not operated by a certified operator.

Non-significant Deficiency(ies) (A written response is due within 90 days and must address deficiencies as resolved or provide a corrective action plan; DUE DATE: Nov 12, 2025)

- Operation and Maintenance (O&M) Manuals must be up-to-date and reviewed annually.
- Inadequate chemical storage and containment in the chemical room and outside the chemical room at Brownsville Plant.
- Neither Brownsville nor Wax Plant are equipped with external audio and/or visual alarms at the chlorine room.
- The large Clearwell at Wax Plant does not have a lock on the hatch.
- None of the Clearwell's at Brownsville or Wax Plant have screens on the overflow pipes.
- The majority of tanks in the distribution system do not have screens on the overflow pipe. Storage tank sites, including Clearwell's, should be inspected and evaluated to ensure screens of appropriate size, according to ten state standards, are installed.
- System needs a documented procedure for issuing Consumer Advisories and Boil Water Advisories.

The Division recommends the following:

- System must report all sales in their Monthly Operating Reports (MORs).
- System has aspects of an Asset Management Plan, but a full program has not been implemented.
  - Environmental Protection Agency (Asset Management Resources for States | US EPA) and the Southwest Environmental Finance Center (https---swefcamswitchboard.unm.edu-am-.url) have useful information regarding asset management development and implementation.
- System needs to address Water Plant B (Wax WTP) operating at 107.5% GPM of its Rated Design Capacity.
- System should create a documented Capital Improvement Plan.
- Continue to address and remedy water loss throughout the system.

- System Emergency Response Plan should be up-to-date.
- The filter media at Brownsville Plant in Filters 1 and 2 have been replaced recently. The media in filters 3-5 should be evaluated and replaced when possible.
- Backflow prevention devices should be tested by a certified tester.
- Brownsville Plant should evaluate areas of need for backflow prevention.
- The chlorine scales at Brownsville plant are not currently in working condition.
- Neither Treatment Plant is calculating CT's regularly.
- Both Treatment Plant's should add SOP's to the O&M manual for sample collection, analysis, and reporting.
- Recommend creating a documented valve exercise program.
- Recommend inspecting storage tank locations for tree and vegetation growth problems.
- Recommend inspecting tank sites to ensure access ladders are secured.
- Recommend storage tank sites be fenced for security.

Assistance with the "Managerial and Financial Assessment" section of the sanitary survey for EDMONSON CO WATER DISTRICT can be obtained by contacting Casey Greer at 502-782-4683 or casey.greer@ky.gov.

If you have any questions regarding the "Technical Inspection" portion, contact Justin Spears at 502-782-5755 or justin.spears@ky.gov.

All deficiency responses should be sent to the attention of Charles J Bailey, Drinking Water Branch, Division of Water, 2751 Campbellsville Rd, Columbia, KY 42728 or by email to cj.bailey@ky.gov.

Sincerely,

Charles J Bailey

Charles J Bailey
Technical Assistant Section
Drinking Water Branch
Division of Water

Failure to respond to this letter will result in a notice of violation.

Drinking Water Sanitary Survey

TECHNICAL INSPECTION OF SURFACE WATER PLANT AND DISTRIBUTION SYSTEM OPERATIONS

Water Treatment Plant B: Wax WTP

PWS ID: KY0310114
Agency Interest Number: 982
AI Name: EDMONSON CO WATER DISTRICT
County: EDMONSON

WTP Latitude: 37.34259 **WTP Longitude:** -86.12611 CIN20250003
Plant Inspection Dates: June 17, 2025 through June 18, 2025

TREATMENT PROCESS SUMMARY	
Primary Source: Nolin Lake Secondary Source:	Maximum Pumping Rate: 680 Filter Design Rate (gpm/ft^2): 5
Pre-sedimentation Size: 50,000 gallons	Aeration: 1) 2)
Sedimentation (Primary): Pulsator/SuperPulsator Sedimentation 2: 1)	Filter (Primary): High Rate with Mixed Media Filter 2 (if 2 different filter types): 1)
Total Clear Well Size (gallons): 275,000	Total Distribution Storage Capacity (gallons): 1.1445
Does each component of the WTP meet 10 State Standards or has each been approved by the Division of Water?	**Yes**
COMMENTS: Pre-sedimentation basin provides contact time with Sodium Permanganate.	

CHEMICALS SUMMARY	
Pre-Disinfection/Treatment: 1) Sodium Permanganate 2) Chlorine Gas Post-Disinfection: 1) Chlorine Gas 2)	Primary Coagulant: Polyaluminum Chloride Secondary Coagulant (Name): Polymer
Filter Aid Name:	Corrosion Control:
Taste and Odor: Activated Carbon/Powder	Softening:
Iron and Manganese Removal: Sodium Permanganate	Fluoride Supplement: Hydrofluosilicic Acid
COMMENTS: Blended phosphate is 65% poly and 35% ortho. Carbon is now being fed year-round. Switched from Potassium to Sodium Permanganate in October, 2024.	

SOURCE

SOURCE NAME	WATER WITHDRAWAL NUMBER	PERMITTED AMOUNT (MGD)	IS CAPACITY ADEQUATE?	ARE THERE WATER QUALITY ISSUES?
Nolin Lake	1279	1	Yes	No

Upstream land uses:
- Farmland
- Logging
- Oil and Gas
- Recreation
- Residential

Upstream discharges within 5 miles:
- Farmland
- Logging
- Oil and Gas
- Recreation
- Residential

Is there a source water protection plan in place? (Call ADD if no one at plant knows.) No

Are there any sources of Cryptosporidium in the watershed? Yes

Describe the sources: Ag

Is the system drought-vulnerable? (Has the system ever been on water conservation or dealt with a dwindling water source during warm weather?) No

Does the system perform both source and finished water quality monitoring as required? **Yes**

What type of water quality monitoring is done on the source water:
- Alkalinity
- Hardness
- Iron
- Manganese
- pH
- Temperature
- Turbidity

If multiple sources are available, is the one in use the "best" in terms of both water quality and quantity?

Are there any factors that have limited the capacity of raw water source(s) with in the last 10 years? No

Are there any unaddressed factors that have reduced the quality of raw water source(s) in the last 10 years? No

If the quality of the raw water source(s) has been reduced within the past 10 years, have the contributing factors already been successfully addressed?

Are there any unaddressed factors that have limited the water available for purchase from contracted source(s) in the last 10 years? No

COMMENTS:

System was unsure if there was a Source Water Protection Plan and ADD was not able to provide one.

INTAKE STRUCTURE							
LOCATION			TYPE	# of INLETS	SCREEN GRID SIZE (in)	IS FLOODING A PROBLEM?	IS SILT BUILD-UP A PROBLEM?
ROAD/AREA	LAT	LONG					
Nolin Lake	37.3422	-86.1261	Fixed	3	0.2	No	Yes

Number of raw water mains: 1 which are: Pumped	
Is raw water flow measured?	No
List any chemicals fed at the source: Sodium Permanganate	
If source is a reservoir, is it aerated?	
List depths of intake levels (normal pool): 509, 495, 488	
Screens are: Stationary	
Is screen clogging a problem?	Yes
How are screens cleaned? air blowoff	
Are Zebra mussels a problem?	No
How often are the submerged portions of the intake inspected? Annually	
When was the date of the last inspection? January 6, 2025	

COMMENTS:

Silt issues occur especially during winter pool. System is currently installing a new screen & grid system to use with their air system to push through on the bottom two intakes. There are two transmission lines running from the raw water pump house towards the plant. The two lines run into one line as it reaches the plant. Sodium Permanganate is then fed into the line and the water goes into the Pre-Sedimentation basin.

TREATMENT

PRE-SEDIMENTATION			
CAPACITY (gallons)	FLEXIBILITY TO BYPASS	CHEMICAL FEED CAPABILITY	LIST CHEMICALS FED
50,000	Yes	Yes	Sodium Permanganate

Are treatment chemicals fed at the inlet to the pre-sedimentation basin?	Yes
The chemical is fed All the time	
Is algae growth a problem?	No
How often are the pre-sedimentation basin(s) cleaned? rarely	

COMMENTS:

RAPID MIX			
TYPE	NUMBER	VOLUME (gallons)	PHYSICAL CONDITION
Mechanical Mixer	1	2,214	Good

List chemicals in the order they are fed at the rapid mix: Coagulant and Polymer. Carbon fed after the flash mix	
Is adequate mixing of chemicals taking place?	Yes
Are there flow splits after the rapid mix?	Yes
Is the flow distribution even?	Yes
COMMENTS: Water leaves flashmix and flows evenly into two pipes that go to each clarifier/pulsator	

SEDIMENTATION BASINS					
TYPE	TRAINS / STAGES	VOLUME (gallons)	SQ. FT. AREA PER BASIN	% WITH TUBE SETTLERS	PHYSICAL CONDITION
Pulsator/SuperPulsator	2/ Single	35,000		0	Good

List any chemicals fed in the sedimentation process: Carbon fed post flashmix	
What is the sedimentation turbidity goal? < 1 NTU	
Where is this sample taken? TOF	
gpm/ft^2	
If system has an Actiflo process, what is the rise rate?	
How often are the basins cleaned? twice per year	
How often is sludge removed from the basins? hourly	
Sludge removal is: • Mechanical	
What was the sludge depth at the time of this inspection?	
What was the settled water turbidity at the time of this inspection? 1.2	
Is there evidence of short-circuiting (flow or density currents)?	No
Is baffling present in the basins?	Yes
Describe the baffling: plate settlers	
If multiple sedimentation basins, describe the piping from the basins to the filters: both basins run into a single pipe that goes to filters	
Is there evidence of floc carryover to the filters?	Yes
COMMENTS: Plate settlers cleaned in fall of 2024. Floc carryover is a persistent problem.	

FILTERS **Total Number of Filters: 2** ***Plant flow rate divided by total square footage of filters in service at the time of inspection.***							
TYPE	MEDIA TYPE	FILTER RATE (at insp.)	FILTER CONTROL	SURFACE WASH TYPE	FILTER TO WASTE	FILTER AREA	PHYSICAL CONDITION
High Rate with Mixed Media		3.5 gpm/ft^2	None	Rotary	Yes	90	Good

List any chemicals fed in the filtration process:	
What is the filtered water turbidity goal?	< 0.05 NTU
Does this apply to the combined filter effluent?	Yes
To individual filter effluents?	Yes
What criteria are used for filter backwash? turbidity and loss of head	
What is the backwash rate in gallons per minute? 1,950 gpm	
Is filter backwash rate ramped up and down?	Yes
Is backwash flow rate measured?	No
Are filters ever bumped?	No
Is air scouring used?	No
What was the combined filter effluent turbidity at time of inspection? 0.087	
Are individual filters monitored for turbidity	Yes
Are the IFE turbidimeters calibrated per the manufacturer's instructions? (inspect documentation)	Yes
Is this turbidity continuously recorded?	Yes
Can this data be retrieved in usable form from storage (tape or CDs)?	Yes
Is filter to waste (rewash) present?	Yes
Is it used?	Yes
Can turbidity be measured while filtering to waste?	Yes
Are flows adjusted on remaining in-service filters during a backwash?	No

COMMENTS:

There is no actuator present on filter influent lines, so influent water coming to filters cannot be stopped, even during backwash cycle. There is some corrosion on the inside of the filter walls near the top. New surface wash actuators are being planned for installation. There is a considerable amount of rust/corrosion in the pipe gallery.

RESIDUALS HANDLING	
What percent of plant production is used for in-plant processes (backwash, chemical feed, sanitary)?	5%
How are spent backwash water and other liquid residuals handled?	backwash basin
If applicable, is the spent backwash holding tank/lagoon volume adequate?	Yes
Does the plant discharge water from this tank/lagoon back to a body of water?	Yes
Does the plant have a KPDES discharge permit?	Yes
Permit number: KY0109690	
Is the discharge meeting permit requirements?	Yes
Is the discharge point upstream of the intake?	Yes
If yes, how far upstream is the discharge point from the intake? Very near the intake on the lake.	
Is spent backwash water recycled?	No
How are solid residuals handled?	

COMMENTS:

Accumulated sludge in backwash basin will be pumped through a grit removal system into old lagoon to dry. Old lagoon onsite has been excavated and will soon be available to accept solids.

CHEMICAL FEED EQUIPMENT				
CHEMICAL NAME	PURPOSE	FEEDER TYPE	FEED POINT	NUMBER & CONDITION
Polyaluminum Chloride	• Coagulation	Peristalic	Quick/Flash Mix	1 Good
Sodium Permanganate	• Iron Removal • Manganese Removal	Peristalic	Pre-Sedimentation	1 Good
Polyphosphate	• Corrosion Control • Sequestering	Metering Pump	Pre-Clearwell/Bladder Tank	1 Good
Powdered Activated Carbon	• Taste/Odor Control	Volumetric	Quick/Flash Mix	1 Good
Hydrofluosilicic Acid	• Dental Health	Peristalic	Pre-Clearwell/Bladder Tank	1 Good

How are chemical feeders calibrated?	time measurement into graduated cylinder
How often are chemical feeders calibrated?	every two weeks
Are chemical dosages calculated?	Yes
How often are dosages calculated?	pounds/day calculation
Are chemicals NSF or United Laboratories certified and approved by DOW prior to use?	Yes
Do the bulk liquid feed systems have day tanks?	No
Are there at least two feeders provided for essential processes (such as coagulation and disinfection)?	Yes
Are spare parts available?	Yes
Is there enough storage for at least a 30-day supply of chemicals used?	No
Are there containment areas around the chemicals in case of spills or leaks?	No
Are in-plant water supplies protected from backflow (cross connections)?	Yes
Does a certified tester test backflow prevention devices?	No

COMMENTS:

All chemical feed pumps have been replaced within the past year. There is normally not enough storage of coagulant on-hand for a 30 day supply. The chemical containers lack containment. A backflow prevention device was recently installed at the plant, but has not yet been tested by a certified tester.

GAS CHLORINE SAFETY	
Is the chlorine room enclosed and separate from other operating areas?	Yes
Is there a working exhaust fan in the chlorine room?	Yes
Does it provide one complete air change per minute?	Yes
Does it exhaust from floor level?	Yes
Is intake air near the ceiling?	Yes
Is there an external audible and visual alarm?	No
Are switches located outside the chlorine room?	Yes
Are chlorine tanks secured?	Yes
Are the scales operational?	Yes

Is automatic switchover of chlorine cylinders provided?	Yes
Is there a shatterproof viewing window in chlorine room?	No
Is there a crash bar on the door of the chlorine room? Does the door open out and to the exterior of the building? Yes	Yes
Is there a SCBA unit meeting NIOSH standards outside the chlorine room? Are personnel trained to use the SCBA? No	Yes
Is the "buddy system" practiced when changing or moving chlorine cylinders?	Yes
Is leak detection provided?	Yes
Is ammonia available for chlorine leak detection?	Yes
Is there a chlorine tank repair kit?	Yes
Are personnel trained and certified to use the kits?	No

COMMENTS:

The chlorine leak detection alarm does not provide audible or visual alerts outside the room. There is a window opening in the back of the room from the chemical storage area, but the window is covered by chemical storage tanks.

DISINFECTION

TYPE	APPLICATION POINT	REDUNDANCY AVAILABLE	FEEDER TYPE
Chlorine Gas	Quick/Flash Mix	Yes	Chlorinator
Chlorine Gas	Pre-Clearwell/Bladder Tank	Yes	Chlorinator

What is the means used to measure disinfectant chemical usage?	scales
How is the disinfectant residual monitored?	Chemtrac and benchtop
Is there an on-line, **recording** chlorine analyzer on the plant tap (for systems serving>3,300)?	Yes
Are C-Ts calculated daily?	No

COMMENTS:

Spare chlorinator is available.

CLEARWELLS

VOLUME	BAFFLING TYPE	DISINFECTANT RESIDUAL	
		TOTAL	FREE
100,000 Gallons	Unbaffled (0.1)		
175,000 Gallons	Unbaffled (0.1)	2.02	1.67

List chemicals in the order in which they are fed into the clearwell: phosphate, chlorine, and HFS	
Multiple clearwells are:	In series
Are hatches secured?	No
Are vents screened?	Yes

How often are clear wells cleaned?	Rarely

COMMENTS:

Clearwells are used in series, but valves are in place to separate them if needed. Neither of the clearwells had screens on the overflow pipe. The large clearwell did not have a lock on the hatch.

WATER PLANT PUMPS
(Low service/raw water, high service/finished water and backwash)

FLOW STREAM	LOCATION	NUMBER OF PUMPS	CAPACITY (gpm)	PUMP TYPE	FLOW CONTROL METHOD
Backwash Water	Clearwell	1	1,900	Vertical Turbine	Manual
Finished Water	Clearwell	2	700 700	Vertical Turbine	Manual
Primary Raw Water	Intake	2	800 800	Vertical Turbine	Manual

Are documented maintenance and pumping records maintained for all distribution pumping stations? (minimum of pump run times, pump testing, maintenance log)	No
Do all pumping facilities have the ability to meet demand with one pump out of service during peak demand?	**Yes**

COMMENTS:

System is about to begin a monthly inspection and maintenance schedule for distribution pump stations.

WATER PLANT ON-LINE INSTRUMENTATION

TYPE	FLOW STREAM (Location)	MANUFACTURER	LAST CALIBRATION DATE
Chlorine	Tap	Chemtrac HydroAct	April 22, 2025
Turbidity	Individual Filter Effluent	Hach 5300 SC	April 22, 2025
Turbidity	Combined Filter Effluent	Hach 5300 SC	April 22, 2025

COMMENTS:

On-line instrumentation calibrated by Labtronix every quarter. New on-line turbidimeters have recently been installed for individual filter and combined filter turbidity.

LABORATORY (PLANT)			
PARAMETERS TESTED	FREQUENCY	EQUIPMENT USED	CALIBRATION METHOD
Chlorine	twice per day	Hach DR3900	Labtronix
Turbidity	Twice per day	Hach TU5200	Labtronix
pH / Temp	twice per day	Hach HQ411d	three-point calibration
Hardness / Alkalinity	twice per day	Titration	
Iron / Manganese	Twice per day	Hach DR3900	Labtronix
Phosphate	Twice per day	Hach DR3900	Labtronix
Fluoride	Twice per day	Hach DR3900	Labtronix

Is laboratory space and lighting adequate?	Yes
Are analyses conducted according to approved EPA methods?	Yes
Does the lab have SOPs for sample collection, analysis, and reporting?	No
Are daily log sheets used to record day-to-day operations, testing, etc?	Yes
Daily log sheets are: **Hand-Written**	
COMMENTS:	

IN-PLANT SAMPLING (for example. top and bottom of filters)				
SITE	CHLORINE (mg/L)		pH	TURBIDITY (NTU)
	FREE	TOTAL		
RAW				9.66
TAP	1.67	2.02	7.29	
CFE	0.32	0.6		0.21
TOF				0.74

COMMENTS:

During the inspection, divers were working at the raw water intakes and the plant had to be shut down for a period of time. Some of the instrumentation readings may have been affected by this.

DISTRIBUTION SYSTEM

Does the system have standard specifications for design and construction of the distribution system?	Yes
Does the system prohibit new connections where pressure on the discharge side of the meter will be <30 psi?	**Yes**
Is the system able to meet minimum pressure requirements of DOW and/or other regulating authority?	**Yes**
Does the system have a documented leak detection program?	No
Does the distribution system have a sufficient number of valves to isolate portions of the system (for leak detection, maintenance, etc.)?	Yes
If there are separate distribution system areas, are they interconnected with each other?	No
How many separate areas are there? 2	

What prevents these systems from being interconnected? Brownsville and Wax system separated by valve that is sometimes open but not always	
How many pressure zones are there? 19	
What is the range of distribution pressures? 31-210	
Do any distribution areas require reduced pressure valves?	Yes
What piping materials are included in the distribution system? PVC, AC, DI	
Does the system have a program for flushing water mains?	Yes
Describe the process for sterilizing new mains/main breaks: AWWA	
What types of on-line instrumentation are located at booster or pump stations and tanks? Telemetry and Intrusion Alarms	
Does the system have a documented program for exercising distribution system valves?	No
Does the system have a documented program for regular testing of water meters including raw water, distributed and customer?	Yes
Is there a water meter replacement program?	Yes
Are there main break/emergency notification procedures?	Yes
Does the system have a documented procedure for issuing a boil water advisory and a consumer advisory? The procedure shall identify when (how soon after the occurrence) and how the system shall notify the affected health department, to whom that notification shall be made both during and after normal business hours, and procedures for issuing the advisory to the public. The public notification shall include instructions for the public (including how to properly boil water) and an explanation of steps being taken to correct the problem. Describe how the decision is made to issue a Boil Water Advisory: System pressure and chlorine concentration	No
Does the system have a cross-connection control program? Is the cross-connection control program documented in writing?	**Yes** Yes
Does a certified tester test the backflow prevention devices on a regular basis?	No
Has a calibrated hydraulic model been developed for the system?	Yes

COMMENTS:

Brownsville plant and Wax plant basically have separate distribution systems. System has recently created a water quality position to flush lines, check chlorine residualts, and sample for BacT's. New water mains are contracted. Some of the pump stations have pressute and flow meters, but not all. System has a licensed residential meter tester and an inhouse test bench. System uses a one-call system and social media for public notification.

DISTRIBUTION STORAGE FACILITIES

LOCATION			VOLUME (gallons)	TANK TYPE	OVERFLOW		LAST CLEANED/ INSPECTED	TELEME -TRY	% TURNOVER (Per Day)
ROAD/AREA	LAT.	LONG.			SCREEN/ FLAPPER	>10' FROM TANK			
river hill	37.2053	-86.2819	150,000	Elevated	Yes	Yes	January 1, 2024	Yes	
lindseyville	37.2435	-86.282	500,000	Elevated	Yes	Yes	January 1, 2024	Yes	
windyville	37.2137	-86.3002	100,000	Elevated	No	Yes	January 1, 2024	Yes	
perry	37.1889	-86.2489	500,000	Ground	No	Yes	January 1, 2024	Yes	
perry #2	37.1889	-86.2489	1,000,000	Ground	No	Yes	January 1, 2024	Yes	

hwy 101	37.1012	-86.2306	250,000	Elevated	Yes	Yes	January 1, 2024	Yes	
industrial park	37.0878	-86.0769	300,000	Elevated	No	Yes	January 1, 2024	Yes	
wingfield	37.1216	-86.3131	100,000	Elevated	No	Yes	January 1, 2024	Yes	
cedar springs	37.1125	-86.1488	50,000	Elevated	No	Yes	January 1, 2024	Yes	
Howell	37.3613	-86.1396	100,000	Elevated	Yes	Yes	January 1, 2024	Yes	
Hwy 88	37.3589	-86.1345	400,000	Ground	No	Yes	January 1, 2024	Yes	
Cub Run	37.3165	-86.0553	200,000	Elevated	Yes	Yes	January 1, 2024	Yes	
Lincoln	37.257	-86.1383	200,000	Standpipe	No	Yes	January 1, 2024	Yes	
Nolin Estates	37.3601	-86.1598	120,000	Standpipe	No	Yes	January 1, 2024	Yes	
Kessinger	37.3089	-85.9547	150,000	Standpipe	Yes	Yes	January 1, 2024	Yes	
Peonia 1	37.4096	-86.227	100,000	Standpipe	Yes	Yes	January 1, 2024	Yes	
Peonia	37.3601	-86.227	125,000	Standpipe	Yes	Yes	January 1, 2024	Yes	

Are all storage tanks professionally inspected at least every 5 years (including interior, coating systems, & piping)?	**Yes**
How often are tanks: INSPECTED **every 5 years** and CLEANED **as needed**?	
Are all storage tanks and water plants equipped with hatches, covers, screens, vandal guards and locks and all tank sites fenced for security?	No
Are all hatches, screens, and overflows on the storage tanks checked at least monthly?	No
Is there corrosion protection in the tanks?	No

COMMENTS:

All storage tanks were inspected in 2024. The majority of the storage tanks in the system do not have screens. Howell tank has been rehabed recently. Lindseyville tank has just been rehabed and was about to be put back into service at the time of inspection. Industrial Park tank was being prepared for rehab at the time of inspection. Industrial Park tank overflow pipe was not accessible due to overgown vegetation. River Hill, Perry 2, Cedar Springs, and Lincoln Tanks had trees/vegetation near the tank in vertical plane. Several tanks had access ladders that were not secured. The three clearwell overflow pipes at Brownsville and Wax Plants had no screens.

DISTRIBUTION BOOSTER PUMPS AND/OR BOOSTER DISINFECTION FACILITIES								
LOCATION			PUMP or DISINFECTION	NUMBER of PUMPS	PUMP CAPACITIES (gpm)	DISINFECTION TYPE	AUXILIARY POWER	COMMENTS
ROAD/AREA	LAT	LONG						
river hill	37.204	-86.2836	Pump	2	800 800		No	
fairview	37.1807	-86.2486	Pump	2	1,050		No	
rhoda	37.158	-86.2253	Pump	2	375		No	
Chaumont			Pump	2	100		No	
Sleepy Hollow	37.363	-86.1843	Pump	2	135		No	Replacing pump station. Bidding finished
Cub Run	37.3065	-86.0418	Pump	2			No	
KY 88	37.3589	-86.1345	Pump	2	250		No	
Big Windy	37.3198	-86.1157	Pump	2	250		No	
Dog Creek			Pump	2	200		No	Replacing soon, bidding finished
Bee Springs	37.2893	-86.2849	Pump	2	150		No	
Forks	37.2704	-86.2364	Pump	2	177		No	Planning on being replaced.

COMMENTS:

Pump station recently replaced.

DISTRIBUTION SAMPLING (a minimum of N, S, E, W)					
SITE	CHLORINE		pH	TURBIDITY	OTHER
	FREE	TOTAL			
229 C L Ray Rd	0.79	0.81	7.42	0.15	
4896 Chelybeate School Rd	0.96	1.07	7.41	0.43	
Pleasant Union Church	0.78	0.89	7.3	0.15	
Misty Hollow Woodworks	0.77	1.01	7.26	0.19	

11251 Cub Run Hwy	1.68	1.91	7.36	0.19	
The Getaway	2.03	2.16	7.23	0.16	

Is the system maintaining the required chlorine (0.2 mg/l) / chloramine (0.5 mg/l) residuals in the distribution system?	**Yes**

COMMENTS:

Additional samples taken due to the two distrubution systems

MAINTENANCE	
Is plant housekeeping adequate?	Yes
Is distribution storage housekeeping adequate?	Yes
Are adequate supplies of spare parts kept on hand?	Yes
Are needed tools available?	Yes
Is a lock-out/tag-out system used for electrical repairs?	Yes
What is the general condition of operating equipment?	good

COMMENTS:

Electrical work contracted.

DOCUMENTATION

- Instrument readings taken by DEP

OVERALL TECHNICAL COMPLIANCE STATUS

No Violations Observed -- Advisory Action Taken (impending trends)



DATE: June 24, 2025

INSPECTOR: Justin Spears TITLE: Environmental Scientist III

EDMONSON COUNTY
WATER DISTRICT

09-10-2025

Charles Bailey
Technical Assistant Section
Drinking Water Branch
Division of Water

Dear Mr. Bailey

In response to the report on the recent Sanitary Survey of the Edmonson County Water District I will report below.

Significant Deficiency: Wax plant not completely cover with a certified operator on all shifts

- As you are aware of, we have entered into an operations agreement with Green River Valle Water District to operate the Wax treatment plant and manage the service territory in Hart County. I have discussed the previous shortage of operators that Edmonson County Water District had while operating the treatment plant with Michael Peterson who is now the operator in charge of the Wax plant for GRVWD. He assures me that GRVWD takes this seriously as we all do and is currently operating the plant with two scheduled shifts and can maintain a certified operator on each shift.

Non-Significant Deficiencies:

- I am in the slow process of developing a new (O&M) manual to replace the old one currently being used
- The chemical storage issues and containment at the Brownsville plant have been addressed. Containment if the fluoride room has been fixed and chemical storage is much more organized.
- We have ordered alarms for the Brownsville plant to attach to the existing system, and I will discuss this deficiency at Wax with Michael Peterson.
- I will share this one with Michael Peterson as well and I am sure he will immediately address.
- All overflow that needed 24 mesh screens have been installed.
- All tank overflows that needed 24 mesh screens have been installed throughout the system.
- As part of the O&M update this section has now been created and available to all employees.

This Institution is an Equal Opportunity Provider and Employer
1128 KY Hwy 259 N.
P.O. Box 208
Brownsville, KY 42210
Phone: (270) 597-2165 Fax: (270) 597-2166

I want to take this opportunity to thank the people in the Division of Water for their support as we move through the process of making these much-needed system improvements to the ECWD. I will forward GRVWD and GCWD copies of this report and our reply as they are an integral part of this system at present.

Please contact me with any questions or concerns.

Regards



Kevin Shaw
General Manager
Edmonson County Water District

This Institution is an Equal Opportunity Provider and Employer
1128 KY Hwy 259 N.
P.O. Box 208
Brownsville, KY 42210
Phone: (270) 597-2165 Fax: (270) 597-2166

Shaw-Attachment-3

U. S. Environmental Protection Agency

1. Cover Letter & Notice of Noncompliance and Concerns,
2. Administrative Compliance Order,
3. Edmonson District's Response to Notice of Noncompliance,
4. Risk & Resilience Assessment & Emergency Response Plan Certifications, and
5. EDP Administrative Compliance Order Closing Letter

REGION 4
ATLANTA, GA 30303

ELECTRONIC MAIL
CONFIRMATION OF EMAIL RECEIPT REQUESTED

Kevin Shaw
General Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
kevin.shaw@ecwdwater.com

Re: Unilateral Administrative Compliance Order Pursuant to Section 1414(g) of the Safe Drinking Water Act, 42 U.S.C. § 300g-3, Edmonson County Water District Public Water System in Brownsville, Kentucky. PWS ID: KY0310114. Docket No. SDWA-04-2025-5004

Dear Kevin Shaw:

Under the authority of Section 1445(b)(1) of the Safe Drinking Water Act (SDWA), the U.S. Environmental Protection Agency, Region 4 conducted a compliance inspection on March 12 – 13, 2025, of the Edmonson County Water District Public Water System (Edmonson County PWS) located 1128 Highway 259 North, Brownsville, Kentucky. During the inspection, the EPA inspection team evaluated the Edmonson County PWS for its compliance with America's Water Infrastructure Act, which requires public water systems to produce and certify a Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) under Section 1433 of the SDWA, 42 U.S.C. § 300i-2.

During the inspection, the EPA observed the following instances of noncompliance with Section 1433 of the SDWA, 42 U.S.C. § 300i-2:

- The RRA was missing an assessment of risks to the System from malevolent acts and natural hazards; the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage, distribution facilities, electronic, computer, and other automated systems which are used by the System; monitoring practices of the System; financial infrastructure of the System, the use, storage, and handling of various chemicals by the System; and the operation and maintenance of the System, as required by Section 1433(a)(1) of the SDWA.

- The ERP was missing an assessment of strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system; plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act that threatens the ability of the community water system to deliver safe drinking water; actions, procedures, and equipment which can obviate or significantly lessen the impact of a malevolent act on the public health and the safety and supply of drinking water provided to communities and individuals; and strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the System, as required by Section 1433(b) of the SDWA.

As a result, the EPA hereby issues the Edmonson County PWS the enclosed Order, effective upon your receipt, that outlines actions to be taken by the Edmonson County PWS to achieve compliance with Section 1433 of the SDWA.

This Order constitutes final agency action. Under Section 1448(a) of the SDWA, 42 U.S.C. § 300j-7(a), Respondent may seek federal judicial review. Nothing in this Order shall constitute a waiver, suspension, or modification of the terms and conditions of any Permit issued to Respondent for its water system, which shall remain in full force and effect. Failure to comply with the requirements herein shall constitute a violation of this Order and the SDWA and may subject the Edmonson County PWS to penalties as provided in Section 1414(g)(3) of the SDWA, 42 U.S.C. § 300g-3(g)(3), as amended by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, and as codified by the EPA at 40 C.F.R. Part 19.

If you have any questions regarding this matter and/or to schedule a meeting to discuss, please contact Whitney Buehler, Drinking Water Enforcement Officer, at buehler.whitney@epa.gov or (404) 562-9739. For legal inquiries, please have your attorney(s) contact Tyler Sniff, Associate Regional Counsel, at sniff.tyler@epa.gov or (404) 562-9499. Thank you in advance for your immediate attention to this matter.

Sincerely,

KERIEMA NEWMAN

Digitally signed by KERIEMA NEWMAN
Date: 2025.08.26 18:45:07 -04'00'

Keriema S. Newman
Director
Enforcement and Compliance Assurance Division

cc: Steffan Meredith
Treatment Plant Supervisor, Edmonson County Water District
s.meredith@ecwdwater.com

Bruce Hatcher
Environmental Control Supervisor, Kentucky Division of Water
bruce.hatcher@ky.gov

Justin Spears
Environmental Scientist, Kentucky Division of Water
Justin.spears@ky.gov

REGION 4
ATLANTA, GA 30303

ELECTRONIC MAIL
CONFIRMATION OF EMAIL RECEIPT REQUESTED

Kevin Shaw
General Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
kevin.shaw@ecwdwater.com

Re: Notice of Noncompliance and Concerns Pursuant to Section 1414(a)(1)(a) and Request for Information Pursuant to Section 1445(a)(1) of the Safe Drinking Water Act, 42 U.S.C. §§ 300g-3(a)(1)(A) and 300j-4(a)(1), Edmonson County Water District Public Water System in Brownsville, Edmonson County, Kentucky. PWS ID Number: KY0310114. Docket Number: SDWA-1445-2025-07

Dear Kevin Shaw:

The U.S. Environmental Protection Agency is responsible for assuring public water systems (PWS) provide safe drinking water in accordance with the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300f et seq., and the regulations promulgated thereunder. According to the information in the EPA's Safe Drinking Water Information System, the Edmonson County Water District Public Water System serves a population of approximately 17,848 with 14,200 service connections. Pursuant to Section 1401(15) of the SDWA, 42 U.S.C. § 300f (15), it is therefore a community water system.

A community water system is subject to the requirements of the National Primary Drinking Water Regulations, 40 C.F.R. Part 141, and the Kentucky Primary Drinking Water Regulations, promulgated pursuant to promulgated pursuant to the Kentucky Administrative Regulations, Title 401, Ch. 8 (401 KAR 8). Pursuant to SDWA Section 1413, 42 U.S.C. § 300g-2, the Kentucky Energy and Environment Cabinet's Department of Environmental Protection (KDEP) is the primary agency responsible for implementing and enforcing the Public Water Supply Supervision Program for Kentucky. See 401 KAR 8:010.

Although the KDEP administers the Public Water Supply Supervision Program for Kentucky pursuant to Section 1413 of the SDWA, the EPA retained primary enforcement authority over Section 1433 of the SDWA. See 42 U.S.C. § 300g-3(g)(1) (granting the EPA administrative enforcement authority over "applicable requirements," as defined at Section 1414(i), 42 U.S.C. § 300g-3(i)).

On March 12-13, 2025, a Drinking Water Inspection (Inspection) was conducted by the EPA, Region 4 Drinking Water Enforcement Section. An Inspection Report based on the findings of the Inspection was provided to the System on April 15, 2025. A copy of this Inspection Report was also provided to the KDEP.

Notice of Noncompliance

Based on information observed during the Inspection, the EPA alleges that the System is in noncompliance with the SDWA, the National Primary Drinking Water Regulations, and the Kentucky Primary Drinking Water Regulations, as described below:

1. Pursuant to SDWA Section 1433(a)(1)(A), 42 U.S.C. § 300i-2(a), community water systems serving more than 3,300 persons must conduct a Risk and Resilience Assessment (RRA) of its system. The RRA shall include:

    a. an assessment of the risk to the system from malevolent acts and natural hazards;
    b. the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
    c. the monitoring practices of the system; the financial infrastructure of the system; the use, storage, or handling of various chemicals by the system; and
    d. the operation and maintenance of the system.

    At the time of the inspection, the RRA provided by the System did not assess any of the required elements of the RRA.

    Therefore, the System is in noncompliance with SDWA Section 1433(a)(1)(A), 42 U.S.C. § 300i-2(a), for failure to produce a Risk and Resilience Assessment that contains the required elements.

2. Pursuant to SDWA Section 1433(b), 42 U.S.C. § 300i-2(b), community water systems serving more than 3,300 persons, must prepare or revise, where necessary, an emergency response plan (ERP) that incorporates the findings of the RRA no later than six months after certifying completion of its RRA. The ERP shall include:

    a. strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;

b. plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
c. actions, procedures and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of alternative source water options, relocation of water intakes and construction of flood protection barriers; and
d. strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

At the time of the inspection, the ERP provided by the System did not include any of the required elements of the ERP.

Therefore, the System is in noncompliance with SDWA Section 1433(b), 42 U.S.C. § 300i-2(b), for failure to produce an Emergency Response Plan that contains the required elements.

3. Pursuant to 401 KAR 8:020. Section 3(17), chemical additives and protective materials, such as paints and linings, may be used by a water system if they meet the requirements established in the *Recommended Standards for Water Works, 2012 Edition, A Report of the Water Supply Committee of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers' Recommended Standards for Water Works, 2012* (Recommended Standards for Water Works).

   Pursuant to the Recommended Standards for Water Works- 5.1.9.d.2., liquid chemical storage tanks shall have an overflow and a receiving basin capable of receiving accidental spills or overflows without uncontrolled discharge; a common receiving basin may be provided for each group of compatible chemicals, which provides sufficient containment volume to prevent accidental discharge in the event of failure of the largest tank.

   At the time of the Inspection, EPA inspectors observed chemical storage at Plant A and Plant B that lacked secondary containment measures.

   Therefore, the System is in noncompliance with 401 KAR 8:020. Section 3(17) for failure to provide a receiving basin for the chlorine bulk storage capable of receiving accidental spills or overflows without uncontrolled discharged, as required in the Recommended Standards for Water Works.

4. Pursuant to 401 KAR 8:020. Section 3(17), chemical additives and protective materials, such as paints and linings, may be used by a water system if they meet the requirements established in the *Recommended Standards for Water Works, 2012 Edition, A Report of the Water Supply Committee of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers' Recommended Standards for Water Works, 2012* (Recommended Standards for Water Works).

Pursuant to Recommended Standards for Water Works- 5.0.3.d., general feed equipment design shall be such that chemicals that are incompatible are not stored or handled together. At the time of the Inspection, EPA inspectors observed incompatible chemicals being stored in close proximity to one another at Plant B.

Therefore, the System is in noncompliance with 401 KAR 8:020. Section 3(17) for storing incompatible chemicals together.

5. Pursuant to 401 KAR 8:020 Section 3(6), the owner or operator of a public water system shall operate and maintain the facilities and systems of treatment, intake, and distribution to comply with the provisions of 401 KAR Chapter 8 including effective performance and preventative maintenance.

   At the time of the Inspection, System staff stated that the filter media at Plant A had not been replaced in at least 30 years. Typical filter media life is between 15 and 20 years.

   Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(6) for failure to maintain the treatment facilities to ensure effective performance.

6. Pursuant to 401 KAR 8:020 Section 3(6), the owner or operator of a public water system shall operate and maintain the facilities and systems of treatment, intake, and distribution to comply with the provisions of 401 KAR Chapter 8 including effective performance and preventative maintenance.

   At the time of Inspection, EPA inspectors observed deterioration of the storage tanks at the following facilities:

   a. Perry 1 and Perry 2 storage tanks:
      i. Cracking, spalling, and vegetative growth on concrete pad.
      ii. Mildew and paint thinning on exterior of tanks.
   b. 101 storage tank:
      i. Erosion around the riser footing.
   c. Peonia 1 and Peonia 2 storage tanks:
      i. Corrosion, paint thinning, and vegetative growth on the exterior of the tanks.
   d. 88 storage tank:
      i. Cracking, spalling, and vegetative growth on concrete pad.
   e. Howell storage tank:
      i. Erosion around the riser footing.
   f. Plant A ground storage clearwell:
      i. Cracking in the exterior of tank.
   g. Plant B ground storage clearwells:
      i. Algal and vegetative growth around the base of the clearwells.

EPA inspectors observed corrosion at the following facilities:

a. Plant B filter walls,
b. Forks booster pump station, and
c. Fairview booster pump station.

EPA inspectors also observed a leak from a water valve outside of the Fairview booster pump station.

Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(6) for failure to maintain the distribution facilities.

7. Pursuant to 401 KAR 8:020 Section 3(13), each community water system shall establish and maintain a flushing program that ensures that:

   i. dead end and low usage mains shall be flushed periodically;
   ii. drinking water standards shall be met;
   iii. sediment and air shall be remove; and
   iv. disinfectant residuals established in 401 KAR 8:150, Section 1 shall be maintained.

   At the time of the Inspection, System staff stated that a flushing program has not been established.

   Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(13) for failure to establish and maintain a flushing program that meets State requirements.

Notice of Concerns

During the March 2025 Inspection, the EPA identified several areas of concern. An area of concern may include a defect in design, operation, and/or maintenance; or a failure or malfunction of the sources, treatment, storage, and/or distribution system that is causing, or has the potential for causing, the introduction of contamination into the water delivered to consumers.

The following areas of concern were noted in the Inspection Report, which the EPA recommends the System take immediate action to address:

1. At the time of the Inspection, the chlorine alarm at Plant A was nonfunctional.

   It is recommended that alarms are installed and functional to notify System staff of an accidental release of chlorine gas.

2. At the time of Inspection, EPA inspectors observed no locking mechanism on the clearwell hatch in Plant A.

   It is recommended that a lock be installed on the clearwell hatch to prevent any unauthorized access to the finished water.

3. At the time of the Inspection, EPA inspectors observed storage tanks without locked ladder guards at the following locations:

    a. Perry 2 storage tank,
    b. Howell storage tank, and
    c. Peonia 1 storage tank.

    It is recommended that locked ladder guards be installed on all storage tanks with exterior ladders to prevent any unauthorized access to the finished water.

4. At the time of the Inspection, System staff was not noting the name of the person performing laboratory analysis at the in-plant laboratories.

    It is recommended that the name of the staff member performing the analysis be listed for quality control purposes.

5. At the time of the Inspection, EPA inspectors observed a lack of adequate site security at the following sites:

    a. Perry 1 and Perry 2 storage tanks,
    b. Rhoda booster pump station,
    c. Peonia 1 and Peonia 2 storage tanks,
    d. Nolin Estates storage tank, and
    e. River Hill storage tank.

    It is recommended that every facility and asset have adequate site security to prevent any unauthorized access to the finished water.

6. At the time of the Inspection, EPA inspectors observed storage tank overflows that lacked size-24 mesh at the following locations:

    a. 101 storage tank,
    b. Perry 1 and Perry 2 storage tanks,
    c. River Hill storage tank,
    d. Peonia 2 storage tank,
    e. Lindseyville storage tank,
    f. 88 storage tank,
    g. Howell storage tank,
    h. Nolin Estates storage tank, and
    i. Plant B clearwell overflows.

    It is recommended that the System install non-corrosive 24-mesh on all tank overflows to ensure that finished water is safeguarded against contamination by insects.

7. At the time of the Inspection, EPA inspectors observed vegetation in the vertical plane at Perry 2 storage tank and River Hill storage tank.

   It is recommended that the System trim tree limbs and other vegetation growing in the storage tank site, as they can potentially damage the structure and provide a route for unauthorized access to the storage tanks.

8. At the time of the Inspection, the high service pumps at Plant B did not have guards protecting the rotating shaft of the vertical pump head.

   It is recommended that the System install guards on the pump head to protect System personnel from injury from the rotating shaft.

9. At the time of the Inspection, EPA inspectors observed a leak from an abandoned spigot at Plant B.

   It is recommended that the System repair the leak from the spigot to maintain a clean and safe work area for System personnel.

10. At the time of the Inspection, the overflow at Nolin Estates storage tank did not terminate 12 to 24 inches above the ground surface.

    It is recommended that the system install an overflow pipe that terminates 12 to 24 inches above the ground over a drainage inlet structure or splash plate, as stated in the Recommended Standards for Water Works.

11. At the time of the Inspection, EPA inspectors observed threaded taps with hoses attached at Plant B.

    It is recommended that threaded taps be replaced, or backflow prevention devices be added, to mitigate the risk of cross-connections.

Consistent with Section 1414(a)(1)(A) of the SDWA, 42 U.S.C. § 300g-3(a)(1)(A), the EPA is hereby notifying the System of the noncompliance it observed during its Inspection. This Notice of Noncompliance shall not be construed as a final agency action subject to judicial review under Section 1414(g) of the SDWA, 42 U.S.C. § 300g-3(g). The EPA reserves its rights to take any appropriate enforcement action, which may include issuance of administrative compliance orders under Section 1414(g) of the SDWA, 42 U.S.C. § 300g-3(g) or commencement of civil judicial actions under Section 1414(b) of the SDWA, 42 U.S.C. § 300g-3(b).

Request for Information

Section 1445(a)(1) of the SDWA, 42 U.S.C. § 300j-4(a)(1), and 40 C.F.R. § 141.31 authorize the EPA to require the submittal of information to determine whether a public water system is in compliance with federal drinking water regulations. Pursuant to this authority, the EPA hereby requests that the System

provide the EPA with documentation of any actions that the System has taken to address each instance of noncompliance alleged herein within 14 calendar days of receipt of this letter. Such documentation may include, but need not be limited to, contracts, scopes of work, additional capital improvement project plans and/or evidence of actions taken to address these observations.

The EPA encourages the submission of this information in electronic format to Whitney Buehler at buehler.whitney@epa.gov. If portions are too large or responsive documents are unavailable in electronic format, please notify Whitney Buehler in your electronic submission that additional information needs to be sent and to make arrangements for an alternative submission method.

Please be advised that, under Section 1445(c) of the SDWA, 42 U.S.C. § 300j-4(c), as amended by 40 C.F.R. § 19.4, Table 1 (Adjustment of Civil Monetary Penalties for Inflation), failure to provide the information required by this letter may result in a civil penalty of up to $71,545. In addition, under SDWA Section 1414(g), 42 U.S.C. § 300g-3(g), failure to provide the information required by this letter may result in an order requiring compliance. Violation of such order may lead to sanctions under SDWA Section 1414, 42 U.S.C. § 300g-3(g)(3)(A) and 40 C.F.R. § 19.4, Table 1, which may include penalties of up to $71,545 per day of violation. The information provided in response to this letter may be used by the United States in any enforcement proceeding related to this matter.

The System may, if it so desires, assert a confidential business information (CBI) claim covering any, or all, the information furnished to the EPA in response to this letter. Every CBI claim must be made in a manner described in 40 C.F.R. § 2.203 and must be fully substantiated with documentary evidence which shows how the claim meets every criterion listed in 40 C.F.R. §§ 2.208 and 2.304. If no CBI claim accompanies the System's information when it is received by the EPA, it may be made available to the public by the EPA without further notice to the PWS. Further details, including how to make a business confidentiality claim, are included in Enclosure A.

Consistent with Sections 1414(a)(1) and 1445(a)(1)(B) of the SDWA, 42 U.S.C. §§ 300g-3(a)(1) and 300j-4(a)(1)(B), the EPA is also providing a copy of this Notice and Request for information to KDEP.

If you have any questions, please contact Whitney Buehler, Drinking Water Enforcement Officer, at buehler.whitney@epa.gov or (404) 562-9739. For legal inquiries, please have your attorney(s) contact Tyler Sniff, Associate Regional Counsel, at sniff.tyler@epa.gov or (404) 562-9499.

Sincerely,

KERIEMA NEWMAN

Digitally signed by KERIEMA NEWMAN
Date: 2025.08.26 18:44:18 -04'00'

Keriema S. Newman
Director
Enforcement and Compliance Assurance Division

cc: Steffan Meredith
Treatment Plant Supervisor, Edmonson County Water District
s.meredith@ecwdwater.com

Bruce Hatcher
Environmental Control Supervisor, Kentucky Division of Water
bruce.hatcher@ky.gov

Justin Spears
Environmental Scientist, Kentucky Division of Water
Justin.spears@ky.gov

ENCLOSURE A

RIGHT TO ASSERT BUSINESS CONFIDENTIALITY CLAIMS

(40 C.F.R. Part 2)

Except for information which deals with the existence, absence, or level of contaminants in drinking water, you may, if you desire, assert a business confidentiality claim as to any or all of the information that the EPA is requesting from you. Applicable EPA regulations relating to business confidentiality claims are at 40 C.F.R. Part 2 and 40 C.F.R. § 2.304(e).

If you assert such a claim for the requested information, the EPA will only disclose the information to the extent and under the procedures set out in the cited regulations. If no business confidentiality claim accompanies the information, the EPA may make the information available to the public without any further notice to you.

40 C.F.R. § 2.203(b). **Method and time of asserting business confidentiality claim.** A business which is submitting information to the EPA may assert a business confidentiality claim covering the information by placing on (or attaching to) the information, at the time it is submitted to the EPA, a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as “trade secret,” “proprietary,” or “company confidential.” Allegedly confidential portions of otherwise non-confidential documents should be clearly identified by the business and may be submitted separately to facilitate identification and handling by the EPA. If the business desires confidential treatment only until a certain date or until the occurrence of a certain event, the notice should so state.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4

IN THE MATTER OF:	)	Docket No. SDWA-04-2025-5004
	)	
Edmonson County Water District	)	**ADMINISTRATIVE COMPLIANCE ORDER**
1128 Highway 259 North	)	
Brownsville, Kentucky 42210	)	Proceeding pursuant to Section 1414(g) of
	)	the Safe Drinking Water Act, 42 U.S.C.
Respondent.	)	§ 300g-3(g).
	)	
PWS ID No. KY0310114	)	

I. STATUTORY AUTHORITY

1. This Administrative Compliance Order ("Order") is issued to Edmonson County Water District Public Water System ("Respondent") pursuant to the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Section 1414(g) of the Safe Drinking Water Act ("SDWA"), 42 U.S.C § 300g-3(g). The Administrator has delegated this authority to the Regional Administrator of EPA Region 4, who has, in turn, delegated this authority to the Director of the Enforcement Compliance and Assurance Division.

II. EPA's FINDINGS OF FACT AND CONCLUSION OF LAW

2. Respondent owns and/or operates the Edmonson County Water District "public water system" ("PWS"), located in Brownsville, Edmonson County, Kentucky, as defined by Section 1401(4) of the SDWA, 42 U.S.C. § 300f(4), and 40 C.F.R. § 141.2.

3. Respondent's ownership and/or operation of the System makes it a "supplier of water" within the meaning of Section 1401(5) of the SDWA, 42 U.S.C. § 300f(5), and 40 C.F.R. § 141.2.

4. Respondent is a "person" within the meaning of Section 1401(12) of the SDWA, 42 U.S.C. §300f(12), and is subject to an order issued under Section 1414(g) of the SDWA 42 U.S.C. §300g-3(g).

5. Respondent's PWS provides piped water for human consumption and regularly serves at least 15 service connections and/or at least 25 residents and is therefore a "community water system" ("CWS") as defined by Section 1401(15) of the SDWA, 42 U.S.C. §

300f(15), and 40 C.F.R. § 141.2. Respondent is, therefore, subject to the requirements of the SDWA and its implementing regulations found at 40 C.F.R. Part 141.

6. Respondent's PWS serves a population of 17,848 people.

7. On October 23, 2018, the SDWA was amended in accordance with the America's Water Infrastructure Act ("AWIA") of 2018 (Public Law 115-270). In relevant part, AWIA amended 1433's CWS risk and resilience provisions, 42 U.S.C. § 300i-2.

8. Section 1433(a)(1)(A) of the SDWA requires CWSs serving more than 3,300 persons to conduct a Risk and Resilience Assessment ("RRA") of its system. The RRA shall include:

    a. an assessment of the risk to the system from malevolent acts and natural hazards;
    b. the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
    c. the monitoring practices of the system; the financial infrastructure of the system; the use, storage, or handling of various chemicals by the system; and
    d. the operation and maintenance of the system.

9. A CWS serving a population of more than 3,300 but less than 50,000 was required to certify to the EPA that it had completed and/or revised the RRA no later than June 30, 2021, and so forth at least once every five years after the initial applicable deadline. See 42 U.S.C. § 300i-2(a).

10. Section 1433(b) of the SDWA, 42 U.S.C. § 300i-2(b), requires a CWS serving more than 3,300 persons, to prepare or revise, where necessary, an emergency response plan ("ERP") that incorporates the findings of the RRA no later than six months after certifying completion of its RRA. The ERP shall include:

    a. strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
    b. plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
    c. actions, procedures and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including

the development of alternative source water options, relocation of water intakes and construction of flood protection barriers; and

d. strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

11. Each CWS serving a population of more than 3,300 was required to certify to the EPA that it had complete and/or revised its ERP no later than December 31, 2021. and so forth at least once every five years after the initial applicable deadline. See 42 U.S.C. § 300i-2(b).

12. A CWS serving a population of more than 3,300 persons is required to maintain copies of its RRA and ERP (including any revisions thereto) for five years after the date on which the certification(s) of such RRA and/or ERP was submitted to the EPA. See Section 1433(d) of the SDWA, 42 U.S.C. § 300i-2(d).

13. Respondent's CWS serves a population between 3,301 and 49,999 people.

14. Although the Kentucky Energy and Environment Cabinet's Department of Environmental Protection (KDEP) administers the Public Water Supply Supervision Program in the Commonwealth of Kentucky pursuant to Section 1413 of the SDWA, the EPA retained primary enforcement authority over Section 1433 of the SDWA. See 42 U.S.C. § 300g-3(g)(1) (granting the EPA administrative enforcement authority over "applicable requirements," as defined at Section 1414(i), 42 U.S.C. § 300g-3(i)).

15. Section 1433 of the SDWA is an "applicable requirement" of the SDWA. See 42 U.S.C. § 300g-3(i)(1).

16. Based on a review of Section 1433 certifications in the EPA's Cross-Media Electronic Reporting ("CROMERR") database, Respondent certified completion of its RRA on June 16, 2021, and ERP on December 20, 2021.

17. On March 12 – 13, 2025, the EPA completed an onsite inspection of Respondent's public water system.

18. During the inspection, the EPA inspection team requested that the Respondent produce its RRA and ERP, which it is required to maintain onsite pursuant to Section 1433(d) of the SDWA. The Respondent produced the System's RRA and ERP for EPA review.

19. During the review of the RRA, the EPA inspection team determined that the document did not assess all of the required elements of 1433(a) of the SDWA. Specifically, the document failed to include the risks to the System from malevolent acts and natural hazards; the resilience of the pipes and constructed conveyances, physical barriers,

source water, water collection and intake, pretreatment, treatment, storage, distribution facilities, electronic, computer, and other automated systems which are used by the System; monitoring practices of the System; financial infrastructure of the System, the use, storage, and handling of various chemicals by the System; and the operation and maintenance of the System, as required by Section 1433(a)(1) of the SDWA.

20. During the review of the ERP, the EPA inspection team determined that the document did not assess all of the required elements of 1433(b) of the SDWA. Specifically, the document failed to include strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system; plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act that threatens the ability of the community water system to deliver safe drinking water; actions, procedures, and equipment which can obviate or significantly lessen the impact of a malevolent act on the public health and the safety and supply of drinking water provided to communities and individuals; and strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the System, as required by Section 1433(b) of the SDWA.

21. Therefore, the EPA alleges that Respondent failed to comply with Section 1433(a) of the SDWA, 42 U.S.C. § 300i-2(a) and Section 1433(b) of the SDWA, 42 U.S.C. § 300i-2(b), by certifying an incomplete RRA and ERP to the EPA. Furthermore, the Respondent has not provided a complete RRA or ERP to the EPA to date.

22. EPA is issuing this Order to address the violations enumerated above and to place the Respondent on an enforceable schedule to comply with the requirements of Section 1433 of the SDWA.

III. ORDER

Based on the foregoing FINDINGS, and pursuant to the authority of Section 1414(g) of the SDWA, 42 U.S.C. § 300g-3(g), the EPA is issuing this Order, to place the Respondent on an enforceable schedule to comply with Section 1433 of the SDWA, 42 U.S.C. § 300i-2. The EPA hereby ORDERS:

23. Within 30 days of the Effective Date of this Order, Respondent shall complete the assessment of the risks to the System from malevolent acts and natural hazards; the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage, distribution facilities, electronic, computer, and other automated systems which are used by the System;

monitoring practices of the System; financial infrastructure of the System, the use, storage, and handling of various chemicals by the System; and the operation and maintenance of the System, as required by Section 1433(a)(1) of the SDWA.

24. Within 30 days of the Effective Date of this Order, Respondent shall complete the assessment of strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system; plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act that threatens the ability of the community water system to deliver safe drinking water; actions, procedures, and equipment which can obviate or significantly lessen the impact of a malevolent act on the public health and the safety and supply of drinking water provided to communities and individuals; and strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the System

25. Within 30 days of the Effective Date of this Order, Respondent shall schedule a meeting with EPA to present evidence of the completed RRA. At the time of the meeting and in the presence of EPA, Respondent shall also submit evidence supporting its certification of the completion of its RRA and ERP, as required by Section 1433(a) and Section 1433(b) of the SDWA. Respondent also shall submit the certification electronically using the following link: https://www.epa.gov/waterresilience/how-certify-your-risk-and-resilience-assessment-or-emergency-response-plan.

IV. GENERAL PROVISIONS

26. All notices, reports, or other submissions by Respondent shall contain the following certification:

"*I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information and to the best of my knowledge and belief, the information is true, accurate and complete. I am aware that there are significant potential penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.*"

27. Notwithstanding Respondent's compliance with any requirement of this Order, Respondent's failure to comply with the requirements of the Act and Part 141 may subject Respondent to additional enforcement action, including administrative and judicial actions for injunctive relief and/or penalties.

28. This Order shall not prohibit, prevent, or otherwise preclude EPA from taking whatever

action it deems appropriate to enforce the Act in any manner and shall not prohibit, prevent, or otherwise preclude EPA from using this Order in subsequent administrative or judicial proceedings. Nothing in this Order shall constitute a waiver, suspension, or modification of the requirements of the Act, or the rules and regulations promulgated there under which remain in full force and effect. Issuance of this Order is not an election by EPA to forgo any civil or criminal action otherwise authorized under the Law.

29. Failure to comply with any term of this Order may subject Respondent to an administrative civil penalty of up to $48,586, or a judicial civil penalty of up to $69,733 per day of violation pursuant to Section 1414(b) of the Act, 42 U.S.C. §300g-3(b).

30. Respondent may seek federal judicial review of the Order pursuant to Section 1448(a) of the Act, 42 U.S.C. §300j-7(a).

31. This Order does not relieve Respondent of any responsibilities or liabilities established pursuant to any applicable federal, state, or local law.

32. The EPA may modify this Order. The EPA will communicate any modifications to Respondent in writing, and they shall be incorporated into this Order.

33. The provisions of this Order shall be deemed satisfied upon Respondent's receipt of written notice from EPA that Respondent has demonstrated, to the satisfaction of EPA, that the terms of this Order have been satisfactorily completed.

34. This Order shall take effect upon the signature of the Director, Enforcement and Compliance Assurance Division.

V. EFFECTIVE DATE

35. This Order shall become effective on the date on which Respondent receives a fully executed copy of this Order, after signature by the Director, EPA Region 4 Enforcement and Compliance Assurance Division.

SO ORDERED this _____day of _____, 20_____.

KERIEMA NEWMAN

Digitally signed by KERIEMA NEWMAN
Date: 2025.08.26 18:46:38 -04'00'

Keriema S. Newman
Director
Enforcement and Compliance Assurance Division

ELPO LAW
English Lucas Priest & Owsley, LLP | *Strength. Knowledge. Experience.*
Writer's e-mail address: sjarboe@elpolaw.com

September 25, 2025

Electronic Delivery

Whitney Buehler: Buehler.whitney@epa.gov
Drinking Water Enforcement Officer
Environmental Protection Agency
Region 4

Re: Edmonson County Water District, Brownsville, Kentucky
PWSID No. KY0310114
Docket No. SDWA-1445-2025-07
Response to EPA Region 4 Notice of Noncompliance and Concerns and Request for Information

Dear Ms. Buehler:

My firm represents Edmonson County Water District (ECWD) with respect to the U.S. Environmental Protection Agency's (EPA) Notice of Noncompliance and Concerns and Request for Information dated August 26, 2025 (Notice). On behalf of ECWD, we submit the enclosed response package to the Notice.

ECWD is committed to providing the community with a safe, clean, reliable supply of drinking water. In achieving its purpose, ECWD prioritizes human health, the environment, and regulatory compliance. Toward that end, ECWD has undergone a significant change in management and leadership over the previous 18 months. The current General Manager, Kevin Shaw, started his position in March 2024. Mr. Shaw brings 45 years of experience in the water business to the position, 25 of which were spent as General Manager of Grayson County Water District in Kentucky. ECWD recruited Mr. Shaw for his proven track record of managing a high-quality water system that provides reliable, safe drinking water to Kentucky communities while maintaining regulatory compliance. Under Mr. Shaw's leadership, ECWD has obtained new personnel for the roles of Office Manager and Chief Operators for the Brownsville and Wax Water Treatment Plants. The ECWD Board of Commissioners is also comprised of new members dedicated to regulatory compliance and continual improvement of the system. With this new management team in place, ECWD has implemented significant operational improvements that are reflected in Kentucky Sanitary Survey results.

ECWD has taken great care to address the issues raised by EPA in the Notice. The enclosed response package addresses the alleged noncompliance, concerns, and requests in detail and

attaches documentation of remedial actions taken by ECWD. This information is provided in anticipation of resolving the alleged noncompliance without an enforcement action. In providing this information, ECWD does not make any representation as to the merits of any allegations made in the Notice, and ECWD expressly reserves any and all defenses that are or could become available to it related to any noncompliance alleged or that may later be alleged by EPA.

ECWD is happy to provide you with any further information and documentation that you might need regarding these issues. Please contact me if you have any questions or would like to schedule a call to discuss.

Very truly yours,

Sarah P. Jarboe
English Lucas Priest & Owsley, LLP
1101 College Street; P.O. Box 770
Bowling Green, KY 42102-0770
(270) 781-6500
sjarboe@elpolaw.com

Enclosures

Response Package to Notice of Noncompliance and Concerns and Request for Information

CC: Keriema Newman: Newman.Keriema@epa.gov
Tyler Sniff: sniff.tyler@epa.gov
Kevin Shaw: kevin.shaw@ecwdwater.com

Edmonson County Water District

PWSID No. KY0310114

Docket No. SDWA-1445-2025-07

Response to August 26, 2025, Notice of Noncompliance and Concerns and Request for Information

September 25, 2025

____/s/ Kevin Shaw____
Kevin Shaw
General Manager
Edmonson County Water District
1128 KY Hwy 259 N.
Brownsville, KY 42210
(270) 597-2165
kevin.shaw@ecwdwater.com

List of Attachments

Attachment No.	Description	Bates #
1	Risk and Resilience Analysis Certification and Emergency Response Plan Certification	ECWD001-002
2(a)	Picture of Secondary Containment for Fluoride Tank at Plant B	ECWD 003
2(b)	Picture of Secondary Containment for Fluoride Tank at Plant A	ECWD 004
2(c)	Picture of Plant A showing drums and totes removed from outside area	ECWD 005
2(d)	Picture of Plant A room properly organized with gasoline and drums removed	ECWD 006
2(e)	Picture of Plant A room properly organized with tote and drum removed	ECWD 007
2(f)	Picture of Plant B showing drums removed from outside area with the exception of one empty drum awaiting pickup	ECWD 008
2(g)	Picture of Plant B showing drums removed from outside area	ECWD 009
3	Picture of compatible chemical storage	ECWD 010
4	Contracts, purchase orders, and invoices for replacement of filter media	ECWD 011-018
5	Board Meeting Minutes 11.26.24	ECWD 019-020
6	Picture of 101 storage tank	ECWD 021
7	Picture of Howell storage tank	ECWD 022
8	Picture of Plant B Clearwell Base	ECWD 023
9	Picture of Forks Booster Pump Station	ECWD 024-025
10	Picture of water valve outside Fairview booster pump station	ECWD 026
11	Example of storage tank maintenance checklist	ECWD 027-028
12	Flushing program	ECWD 029-042
13	Chlorine alarm invoice, purchase order, and pictures	ECWD 043-046
14	Picture of clearwell hasp locks	ECWD 047-049
15	Picture of Perry 2 storage tank with ladder removed	ECWD 050
16	Picture of Howell storage tank ladder guard lock	ECWD 051
17	Picture of Peonia 1 storage tank ladder guard lock	ECWD 052
18	Pictures of example lab reports	ECWD 053-055
19	Picture of Rhoda booster pump station hasp lock	ECWD 056
20(a)	Picture of size 24 mesh at 101 storage tank	ECWD 057
20(b)	Picture of size 24 mesh at Perry 1 and Perry 2 storage tanks	ECWD 058
20(c)	Picture of size 24 mesh at River Hill storage tank	ECWD 059
20(d)	Picture of size 24 mesh at Peonia 2 storage tank	ECWD 060
20(e)	Picture of size 24 mesh at Lindseyville storage tank	ECWD 061
20(f)	Picture of size 24 mesh at 88 storage tank	ECWD 062
20(g)	Picture of size 24 mesh at Howell storage tank	ECWD 063
20(h)	Picture of size 24 mesh at Plant B clearwell overflows	ECWD 064-065
21(a)	Picture of cleared vertical plane at Perry 2 storage tank	ECWD 066
21(b)	Picture of cleared vertical plane at River Hill storage tank	ECWD 067

22	Picture of pump guard at Plant B	ECWD 068
23	Picture of eliminated spigot	ECWD 069
24	Pictures of RPZ and removed connection	ECWD 070

Responses to Alleged Notice of Noncompliance

1. Pursuant to SDWA Section 1433(a)(1)(A), 42 U.S.C. § 300i-2(a), community water systems serving more than 3,300 persons must conduct a Risk and Resilience Assessment (RRA) of its system. The RRA shall include:

    a. an assessment of the risk to the system from malevolent acts and natural hazards;
    b. the resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
    c. the monitoring practices of the system; the financial infrastructure of the system; the use, storage, or handling of various chemicals by the system; and
    d. the operation and maintenance of the system.

    At the time of the inspection, the RRA provided by the System did not assess any of the required elements of the RRA.

    Therefore, the System is in noncompliance with SDWA Section 1433(a)(1)(A), 42 U.S.C. § 300i2(a), for failure to produce a Risk and Resilience Assessment that contains the required elements.

    RESPONSE:

    On March 28, 2025, only two weeks after the U.S. Environmental Protection Agency's (EPA) March 12-13, 2025 inspection (Inspection), Edmonson County Water District (ECWD) General Manager Kevin Shaw met with and hired Adam Scott of Integrated Water Management to prepare an updated Risk and Resilience Analysis (RRA) and Emergency Response Plan (ERP). Integrated Water Management prepared ECWD's revised RRA and ERP, as certified by ECWD on September 24, 2025. [**Attachment 1, RRA and ERP Certifications**].

    Mr. Scott is imminently qualified in this field. He has worked in the water and wastewater industry for the past 19 years. During that time, he has worked with the Purchase Area Development District, the Kentucky Infrastructure Authority, and Kentucky Water and Wastewater Operators Association. The bulk of Mr. Scott's work has been assisting utilities with the administrative functions of utility management. While Mr. Scott worked at the Kentucky Infrastructure Authority, he collaborated with the Kentucky Division of Water and the Kentucky Emergency Management to develop the current Emergency Response

Plan template that is utilized by the majority of utilities in the Commonwealth. Along with the development of the template, Mr. Scott in conjunction with Ky DOW and Ky EM, delivered training sessions and presented information to utilities on the necessity for proper emergency planning and plan development. Mr. Scott has a Master of Public Administration from Murray State University.

---

2. Pursuant to SDWA Section 1433(b), 42 U.S.C. § 300i-2(b), community water systems serving more than 3,300 persons, must prepare or revise, where necessary, an emergency response plan (ERP) that incorporates the findings of the RRA no later than six months after certifying completion of its RRA. The ERP shall include:

    a. strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
    b. plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
    c. ability of the community water system to deliver safe drinking water; actions, procedures and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of alternative source water options, relocation of water intakes and construction of flood protection barriers; and
    d. strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

    At the time of the inspection, the ERP provided by the System did not include any of the required elements of the ERP.

    Therefore, the System is in noncompliance with SDWA Section 1433(b), 42 U.S.C. § 300i-2(b), for failure to produce an Emergency Response Plan that contains the required elements.

    RESPONSE: See ECWD's Response to No. 1 above and **Attachment 1**, which includes the ERP Certification.

3. Pursuant to 401 KAR 8:020. Section 3(17), chemical additives and protective materials, such as paints and linings, may be used by a water system if they meet the requirements

established in the Recommended Standards for Water Works, 2012 Edition, A Report of the Water Supply Committee of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers' Recommended Standards for Water Works, 2012 (Recommended Standards for Water Works).

Pursuant to the Recommended Standards for Water Works- 5.1.9.d.2., liquid chemical storage tanks shall have an overflow and a receiving basin capable of receiving accidental spills or overflows without uncontrolled discharge; a common receiving basin may be provided for each group of compatible chemicals, which provides sufficient containment volume to prevent accidental discharge in the event of failure of the largest tank.

At the time of the Inspection, EPA inspectors observed chemical storage at Plant A and Plant B that lacked secondary containment measures.

Therefore, the System is in noncompliance with 401 KAR 8:020. Section 3(17) for failure to provide a receiving basin for the chlorine bulk storage capable of receiving accidental spills or overflows without uncontrolled discharged, as required in the Recommended Standards for Water Works.

RESPONSE:

Secondary containment in the form of receiving basins for chemical storage at Plant A and Plant B was present at the time of EPA's Inspection.

While the Notice references chlorine bulk storage, Plant A and Plant B utilize chlorine gas. ECWD believes the Notice intended to reference fluoride storage, consistent with EPA's Inspection Report dated April 9, 2025. Fluoride at Plants A and B had secondary containment at the time of the inspection.

Included in **Attachment 2(a)** is a picture of the fluoride tank at Plant B (Wax WTP) that shows the secondary containment basin. This picture is representative of the fluoride secondary containment present at the time of the inspection and the current condition.

Attachment 2(b) is a picture of the fluoride tank at Plant A (Brownsville WTP). While this picture was taken after the room was remodeled and improved, the secondary containment basin was present at the time of the inspection.

Additionally, ECWD has addressed the chemical drums noted in EPA's Inspection photographs one through five as follows:

- **Attachment 2(c)** – Picture of Plant A showing drums and totes removed from outside area;
- **Attachment 2(d)** – Picture of Plant A room properly organized with gasoline and drums removed;
- **Attachment 2(e)** – Picture of Plant A room properly organized with tote and drum removed;
- **Attachment 2(f)** – Picture of Plant B showing drums removed from outside area with the exception of one empty drum awaiting pickup; and
- **Attachment 2(g)** – Picture of Plant B showing drums removed from outside area.

---

4. Pursuant to 401 KAR 8:020. Section 3(17), chemical additives and protective materials, such as paints and linings, may be used by a water system if they meet the requirements established in the Recommended Standards for Water Works, 2012 Edition, A Report of the Water Supply Committee of the Great Lakes-Upper Mississippi River Board of State Public Health and Environmental Managers' Recommended Standards for Water Works, 2012 (Recommended Standards for Water Works).

   Pursuant to Recommended Standards for Water Works- 5.0.3.d., general feed equipment design shall be such that chemicals that are incompatible are not stored or handled together. At the time of the Inspection, EPA inspectors observed incompatible chemicals being stored in close proximity to one another at Plant B.

   Therefore, the System is in noncompliance with 401 KAR 8:020. Section 3(17) for storing incompatible chemicals together.

   RESPONSE:

   ECWD has addressed all potential incompatible chemical storage. Please see the picture in **Attachment 3** showing that only compatible chemicals are being stored in close proximity to one another at Plant B. In the picture, the black barrel contains the same material as the blue barrels.

---

5. Pursuant to 401 KAR 8:020 Section 3(6), the owner or operator of a public water system shall operate and maintain the facilities and systems of treatment, intake, and distribution to comply with the provisions of 401 KAR Chapter 8 including effective performance and preventative maintenance.

   At the time of the Inspection, System staff stated that the filter media at Plant A had not been replaced in at least 30 years. Typical filter media life is between 15 and 20 years.

   Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(6) for failure to maintain the treatment facilities to ensure effective performance.

   RESPONSE:

   At the time of EPA's March 2025 inspection, ECWD had already contracted for the replacement of filter media at Plant A. That work is now completed for all five filters at Plant A. **Attachment 4** contains the following supporting documentation:

   - Filter 1: Purchase Order dated 3/6/25 and invoice for completed work dated 4/17/25;
   - Filter 2: Purchase Order dated 3/6/25 and invoice for completed work dated 4/28/25;
   - Filters 3, 4, and 5: Contract dated 05/23/25, Purchase Order dated 6/11/25, and invoice for completed work dated 9/17/25.

---

6. Pursuant to 401 KAR 8:020 Section 3(6), the owner or operator of a public water system shall operate and maintain the facilities and systems of treatment, intake, and distribution to comply with the provisions of 401 KAR Chapter 8 including effective performance and preventative maintenance.

   At the time of Inspection, EPA inspectors observed deterioration of the storage tanks at the following facilities:

   a. Perry 1 and Perry 2 storage tanks:
      i. Cracking, spalling, and vegetative growth on concrete pad.
      ii. Mildew and paint thinning on exterior of tanks.
   b. 101 storage tank:
      i. Erosion around the riser footing.
   c. Peonia 1 and Peonia 2 storage tanks:

i. Corrosion, paint thinning, and vegetative growth on the exterior of the tanks.

d. 88 storage tank:
    i. Cracking, spalling, and vegetative growth on concrete pad.
e. Howell storage tank:
    i. Erosion around the riser footing.
f. Plant A ground storage clearwell:
    i. Cracking in the exterior of tank.
g. Plant B ground storage clearwells:
h. Algal and vegetative growth around the base of the clearwells.

EPA inspectors observed corrosion at the following facilities:

a. Plant B filter walls,
b. Forks booster pump station, and
c. Fairview booster pump station.

EPA inspectors also observed a leak from a water valve outside of the Fairview booster pump station.

Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(6) for failure to maintain the distribution facilities.

RESPONSE:

Tank maintenance is a top priority for ECWD. In early 2024, ECWD contracted with Horizon Tank Inspections (Horizon) to evaluate each storage tank in the system. Horizon prepared a report to ECWD documenting the condition of each tank and assigning a level of urgency as to repairs needed. Based on Horizon's assessment, ECWD Board of Commissioners approved a contract to sandblast and repair three tanks in critical condition —Industrial Park, Howell, and Lindseyville tanks—at a cost of over $800,000. [**Attachment 5, Board Meeting Minutes 11.26.24**]. This work was completed in 2025.

Additional erosion, vegetation, corrosion, and other issues have been resolved as follows:

- Erosion at the riser footing at 101 storage tank is addressed [**Attachment 6**];
- Erosion around the riser footing at Howell storage tank is addressed [**Attachment 7**];
- The Plant B clearwell base is cleaned and cleared of algal and vegetative growth [**Attachment 8**];

- The Forks booster pump station now has upgraded pumps, piping, and controls [**Attachment 9**]; and
- The water valve outside of the Fairview booster pump station does not leak [**Attachment 10**].

ECWD has also added tank maintenance to its monthly storage tank checklists for maintenance personnel. [**Attachment 11, Example Storage Tank Maintenance Checklist]**.

ECWD is now in the process of assessing which tank(s) will be upgraded next and whether certain tanks can be removed from service. ECWD will continue rehabilitating tanks that remain in service as funding becomes available from capital improvement funds.

---

7. Pursuant to 401 KAR 8:020 Section 3(13), each community water system shall establish and maintain a flushing program that ensures that:

    i. dead end and low usage mains shall be flushed periodically;
    ii. drinking water standards shall be met;
    iii. sediment and air shall be remove; and
    iv. disinfectant residuals established in 401 KAR 8:150, Section 1 shall be maintained.

    At the time of the Inspection, System staff stated that a flushing program has not been established.

    Therefore, the System is in noncompliance with 401 KAR 8:020 Section 3(13) for failure to establish and maintain a flushing program that meets State requirements.

    RESPONSE:

    At the beginning of 2025, ECWD began a rigorous flushing program for the system. In fact, ECWD employs one person with the sole job duty of implementing the flushing protocol. This protocol, reduced to writing as of July 2025, is included as **Attachment 12**.

Responses to Alleged Notice of Concerns

1. At the time of the Inspection, the chlorine alarm at Plant A was nonfunctional.

   It is recommended that alarms are installed and functional to notify System staff of an accidental release of chlorine gas.

   RESPONSE:

   At the time of EPA's March 2025 inspection, ECWD had purchased a new chlorine gas alarm as demonstrated by the Chlorination, Inc. invoice dated 1/9/25 and ECWD Purchase Order dated January 23, 2025, which are included in **Attachment 13.** The alarm is now installed and in operation, as displayed in the pictures also included in **Attachment 13**.

---

2. At the time of Inspection, EPA inspectors observed no locking mechanism on the clearwell hatch in Plant A.

   It is recommended that a lock be installed on the clearwell hatch to prevent any unauthorized access to the finished water.

   RESPONSE:

   At the time of the inspection, the clearwell hatch utilized a built-in locking mechanism that required a special tool to open. ECWD has now installed a hasp lock on each clearwell hatch. See pictures included in **Attachment 14**.

---

3. At the time of the Inspection, EPA inspectors observed storage tanks without locked ladder guards at the following locations:

   a. Perry 2 storage tank,
   b. Howell storage tank, and
   c. Peonia 1 storage tank.

   It is recommended that locked ladder guards be installed on all storage tanks with exterior ladders to prevent any unauthorized access to the finished water.

RESPONSE:

ECWD addressed the storage tank ladder security measures as follows:

- Perry 2 storage tank – ECWD removed the ladder and it is now stored off site [**Attachment 15**];
- Howell storage tank – a lock is installed on the ladder guard [**Attachment 16**]; and
- Peonia 1 storage tank – a lock is installed on the ladder guard [**Attachment 17**]**.**

---

4. At the time of the Inspection, System staff was not noting the name of the person performing laboratory analysis at the in-plant laboratories.

   It is recommended that the name of the staff member performing the analysis be listed for quality control purposes.

   RESPONSE:

   ECWD lab reports identify the staff member performing the analysis at the in-plant laboratories. This practice began before EPA's March 2025 Inspection and is still being implemented. Example lab reports dated 2/26/25, 3/3/25, and 3/26/25 are included as **Attachment 18**.

---

5. At the time of the Inspection, EPA inspectors observed a lack of adequate site security at the following sites:

   a. Perry 1 and Perry 2 storage tanks,
   b. Rhoda booster pump station,
   c. Peonia 1 and Peonia 2 storage tanks,
   d. Nolin Estates storage tank, and
   e. River Hill storage tank.

   It is recommended that every facility and asset have adequate site security to prevent any unauthorized access to the finished water.

RESPONSE:

ECWD has taken the following actions to improve security at its sites:

- Perry 1 and 2 – A contractor has been on-site and ECWD is awaiting a proposal to repair or replace the fencing;
- Rhoda booster pump station – ECWD has installed a hasp lock to secure the door. [**Attachment 19**]; and
- Peonia 1 and 2, Nolin Estates, and River Hill storage tanks – These storage tanks are under consideration for being taken out of service. If ECWD decides to keep any of these tanks, the district will consider security fencing at that time.

---

6. At the time of the Inspection, EPA inspectors observed storage tank overflows that lacked size 24 mesh at the following locations:
    a. 101 storage tank,
    b. Perry 1 and Perry 2 storage tanks,
    c. River Hill storage tank,
    d. Peonia 2 storage tank,
    e. Lindseyville storage tank,
    f. 88 storage tank,
    g. Howell storage tank,
    h. Nolin Estates storage tank, and
    i. Plant B clearwell overflows.

    It is recommended that the System install non-corrosive 24-mesh on all tank overflows to ensure that finished water is safeguarded against contamination by insects.

    RESPONSE:

    ECWD has installed non-corrosive size 24 mesh on all the above-listed storage tank overflows, except for one. Nolin Estates storage tank is under consideration for being removed from service. In the short term, however, ECWD plans to hire a contractor to extend the overflow pipe at which time size 24 mesh will be installed. Pictures of the installed mesh are included as **Attachments 20(a) – (h)**.

---

7. At the time of the Inspection, EPA inspectors observed vegetation in the vertical plane at Perry 2 storage tank and River Hill storage tank.

It is recommended that the System trim tree limbs and other vegetation growing in the storage tank site, as they can potentially damage the structure and provide a route for unauthorized access to the storage tanks.

RESPONSE:

ECWD retained contractors that removed tree limbs and vegetation from the vertical plane at Perry 2 and River Hill storage tanks. [**Attachments 21(a) and 21(b), respectively**].

---

8. At the time of the Inspection, the high service pumps at Plant B did not have guards protecting the rotating shaft of the vertical pump head.

   It is recommended that the System install guards on the pump head to protect System personnel from injury from the rotating shaft.

   RESPONSE:

   There are two high service pumps at Plant B. As shown in the picture included as **Attachment 22**, a guard has been installed on one pump. The other pump was installed in 2025. This newer pump was not manufactured with the ability to install a guard. In ECWD's experience, this is typical for vertical turbine pumps of newer vintage.

---

9. At the time of the Inspection, EPA inspectors observed a leak from an abandoned spigot at Plant B.

   It is recommended that the System repair the leak from the spigot to maintain a clean and safe work area for System personnel.

   RESPONSE:

   On the day of EPA's inspection, ECWD repaired the leak by eliminating the spigot at Plant B. A picture of where the spigot was previously located is included as **Attachment 23**.

---

10. At the time of the Inspection, the overflow at Nolin Estates storage tank did not terminate 12 to 24 inches above the ground surface.

    It is recommended that the system install an overflow pipe that terminates 12 to 24 inches above the ground over a drainage inlet structure or splash plate, as stated in the Recommended Standards for Water Works.

    RESPONSE:

    Nolin Estates storage tank is under consideration for being removed from service. In the short term, however, ECWD plans to hire a contractor to extend the overflow pipe and install size 24 mesh.

    To ECWD's knowledge, this tank met the Recommended Standards for Water Works at the time it was constructed.

---

11. At the time of the Inspection, EPA inspectors observed threaded taps with hoses attached at Plant B.

    It is recommended that threaded taps be replaced, or backflow prevention devices be added, to mitigate the risk of cross-connections.

    RESPONSE:

    A few days after EPA's March 2025 inspection, ECWD removed the observed connection and installed an RPZ backflow preventer on the line feeding the observed taps at Plant B. Pictures showing the RPZ and removed connection are included as **Attachment 24**.

Certification of Community Risk and Resilience Assessment (RRA) in Compliance with America's Water Infrastructure Act (AWIA) Section 2013[1]

Part (A): Community Water System Identification

Community Water System Name: Edmonson County Water District

Community Water System Complete Mailing Address:
1128 Highway 259 North Brownsville, KY 42210

Community Water System Email Address: ecwd@ecwdwater.com

Public Water System Identification Number (PWSID)[2]: KY0310114

Part (B): Certification Date

Date of the certification: 09-24-2025

Part (C): Certification Statement

I, Kevin Shaw

[Name of certifying official]

hereby certify, under penalty of law[3], that the following information is true, accurate, and complete, and that the community water system named under Part A, above, has conducted, reviewed, or reviewed and revised an assessment of the risks to, and resilience of, its system. This assessment included an assessment of:

1. The risk to the system from malevolent acts and natural hazards;
2. The resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, electronic, computer, or other automated systems (including the security of such systems) which are utilized by the system;
3. The monitoring practices of the system;
4. The financial infrastructure of the system;
5. The use, storage, or handling of various chemicals by the system; and
6. The operation and maintenance of the system.

Optionally, the assessment may include an evaluation of capital and operational needs for risk and resilience management for the system.

Kevin Shaw

[Signature of certifying official - click to add a digital signature, or print and sign]

[1] Visit www.epa.gov/waterresilience/awia-section-2013 for information on AWIA Section 2013 RRAs and upcoming certification deadlines.

[2] PWSIDs begin with a two-character primacy agency abbreviation (your state, territory, or tribal nation abbreviation) followed by a seven-digit identification number. In the specific case of Utah, PWSIDs begin with "UTAH" followed by a five-digit identification number.

[3] Whoever, in any matter within the jurisdiction of the United States government, knowingly and willfully provides a materially false, fictitious, or fraudulent statement or representation may be subject to fines or imprisonment. 18 U.S. C. § 1001.

Certification of Community Water System Emergency Response Plan (ERP) in Compliance with America's Water Infrastructure Act (AWIA) Section 2013[1]

Part (A): Community Water System Identification

Community Water System Name: Edmonson County Water District

Community Water System Complete Mailing Address: 1128 Highway 259 North Brownsville, KY 42210

Community Water System Email Address: ecwd@ecwdwater.com

Public Water System Identification Number (PWSID)[2]: KY0310114

Part (B): Certification Date

Date of the certification: 09-24-2025

Part (C): Certification Statement

I, Kevin Shaw

[Name of certifying official]

hereby certify, under penalty of law[3], that the following information is true, accurate, and complete, and that the community water system named under Part A, above, has conducted, reviewed, or reviewed and revised an emergency response plan that incorporates findings of the risk and resilience assessment conducted under Section 2013(a) of America's Water Infrastructure Act of 2018 for such system (and any revisions thereto). This emergency response plan includes:

1. Strategies and resources to improve the resilience of the system, including the physical security and cybersecurity of the system;
2. Plans and procedures that can be implemented, and identification of equipment that can be utilized, in the event of a malevolent act or natural hazard that threatens the ability of the community water system to deliver safe drinking water;
3. Actions, procedures, and equipment which can obviate or significantly lessen the impact of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals, including the development of alternative source water options, relocation of water intakes, and construction of flood protection barriers; and
4. Strategies that can be used to aid in the detection of malevolent acts or natural hazards that threaten the security or resilience of the system.

Kevin Shaw

[Signature of certifying official - click to add a digital signature, or print and sign]

[1] Visit www.epa.gov/waterresilience/awia-section-2013 for information on AWIA Section 2013 ERPs and upcoming certification deadlines.

[2] PWSIDs begin with a two-character primacy agency abbreviation (your state, territory, or tribal nation abbreviation) followed by a seven-digit identification number. In the specific case of Utah, PWSIDs begin with "UTAH" followed by a five-digit identification number.

[3] Whoever, in any matter within the jurisdiction of the United States government, knowingly and willfully provides a materially false, fictitious, or fraudulent statement or representation may be subject to fines or imprisonment. 18 U.S. C. § 1001.

E. Kenly Ames

From: Rachel Kirkpatrick (Jira) <Atlassian_Admins@epa.gov>
Sent: Thursday, September 25, 2025 1:35 PM
To: Sarah Jarboe
Subject: AWSD-2619 Risk and Resilience Assessment certification statement for PWSID No. KY0310114 (Edmonson County Water District)

—-—-—-—

Reply above this line.

Rachel Kirkpatrick commented:

The RRA certification has been successfully uploaded to the database and the ticket is resolved.

Rachel Kirkpatrick changed the status to Resolved.

Rachel Kirkpatrick resolved this as Done.

How was our service for this request?

Very poor | Poor | Neither good nor poor | Good | Very good

View request · Turn off this request's notifications

This is shared with Sarah Jarboe.

Help Center, powered by Jira Service Management, sent you this message.

E. Kenly Ames

From: Rachel Kirkpatrick (Jira) <Atlassian_Admins@epa.gov>
Sent: Thursday, September 25, 2025 1:40 PM
To: Sarah Jarboe
Subject: AWSD-2620 Emergency Response Plan certification statement for PWSID No. KY0310114 (Edmonson County Water District)

—-—-—-—

Reply above this line.

Rachel Kirkpatrick commented:

The ERP certification has been successfully uploaded to the database and the ticket is resolved.

Rachel Kirkpatrick changed the status to Resolved.

Rachel Kirkpatrick resolved this as Done.

How was our service for this request?

☆ Very poor ☆ Poor ☆ Neither good nor poor ☆ Good ☆ Very good

View request · Turn off this request's notifications

This is shared with Sarah Jarboe.

Help Center, powered by Jira Service Management, sent you this message.

E. Kenly Ames

From: Buehler, Whitney <Buehler.Whitney@epa.gov>
Sent: Monday, October 27, 2025 7:42 AM
To: kevin.shaw@ecwdwater.com
Cc: s.meredith@ecwdwater.com; bruce.hatcher@ky.gov; Spears, Justin (EEC); Sarah Jarboe; Sniff, Tyler; Myers, Bryan; Joyner, Sonya
Subject: UAO Closure Letter Edmonson County WD, Brownsville, KY
Attachments: SDWA PWSS UAO Closure Letter Edmonson County WD, Brownsville, KY.pdf

Dear Kevin Shaw:

The U.S. Environmental Protection Agency, Region 4 conducted a Safe Drinking Water Act compliance inspection of the Edmonson County Water District Public Water System on March 12 – 13, 2025, under the authority of Section 1445(b)(1) of the Safe Drinking Water Act (SDWA). On the date of the inspection, the Edmonson County Water District Public Water System provided a Risk and Resilience Assessment and Emergency Response Plan that were missing all mandatory elements, as required by Section 1433 of the SDWA. As a result, the Edmonson County Water District Public Water System was placed under a Unilateral Administrative Order by the EPA on August 26, 2025.

The Edmonson County Water District Public Water System has completed the items required in the Unilateral Administrative Order and on October 7, 2025, provided the EPA with supportive documentation demonstrating compliance. There is no further documentation required from the Edmonson County Water District Public Water System. Please see the attached letter for more information and reach out if you have any additional questions.

Regards,
Whitney Buehler
Drinking Water Enforcement Section
Enforcement & Compliance Assurance Division
U.S. Environmental Protection Agency, Region 4
Phone: 404-562-9739

REGION 4
ATLANTA, GA 30303

ELECTRONIC MAIL
CONFIRMATON OF EMAIL RECEIPT REQUSTED

Kevin Shaw
General Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
kevin.shaw@ecwdwater.com

Re: Closure of Unilateral Administrative Compliance Order Pursuant to Section 1414(g) of the Safe Drinking Water Act, 42 U.S.C. § 300g-3(g), Edmonson County Water District Public Water System in Brownsville, Kentucky. PWS ID: KY0310114. Docket No. SDWA-04-2025-5004.

Dear Kevin Shaw:

The U.S. Environmental Protection Agency, Region 4 conducted a Safe Drinking Water Act compliance inspection of the Edmonson County Water District Public Water System on March 12 – 13, 2025, in Brownsville, Kentucky, under the authority of Section 1445(b)(1) of the Safe Drinking Water Act (SDWA). On the date of the inspection, the Edmonson County Water District Public Water System provided a Risk and Resilience Assessment that was missing all mandatory elements, as required by Section 1433(a)(1) of the SDWA. The Edmonson County Water District Public Water System provided an Emergency Response Plan that was missing all mandatory elements, as required by Section 1433(b) of the SDWA. As a result, the Edmonson County Water District Public Water System was placed under a Unilateral Administrative Order by the EPA on August 26, 2025.

The Edmonson County Water District Public Water System has completed the items required in the Unilateral Administrative Order and on October 7, 2025, provided the EPA with supportive documentation demonstrating compliance. There is no further documentation required from the Edmonson County Water District Public Water System.

Please be advised that this letter should not be construed as a determination of the Edmonson County Water District Public Water System's compliance with the SDWA, nor shall it be construed as a waiver of the EPA's ability, pursuant to Section 1414 of the SDWA, 42 U.S.C. § 300g-3, to enforce the SDWA, the National Primary Drinking Water Regulations, or any other law over which it exercises authority if future noncompliance is found.

If you have any additional questions, please contact Whitney Buehler of my staff at (404) 562-9739 or buehler.whitney@epa.gov.

Sincerely,

Keriema S. Newman
Director
Enforcement and Compliance Assurance Division

cc: Steffan Meredith
Treatment Plant Supervisor, Edmonson County Water District
s.meredith@ecwdwater.com

Bruce Hatcher
Environmental Control Supervisor, Kentucky Division of Water
bruce.hatcher@ky.gov

Justin Spears
Environmental Scientist, Kentucky Division of Water
Justin.spears@ky.gov

Sarah Jarboe
Partner, English, Lucas, Priest & Owsley, LLP
Sjarboe@elpolaw.com