EXHIBIT
1

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT TO ITS RATES	**))))**	**Case No. 2025-00354**

DIRECT TESTIMONY

OF

JOSIAH COX

ON BEHALF OF

BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC

FILED: DECEMBER 11, 2025

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DIRECT TESTIMONY OF

JOSIAH COX

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Josiah Cox. My business address is 1630 Des Peres Road, Suite 140, St. Louis Missouri, 63131.

Q. WHAT IS YOUR POSITION WITH BLUEGRASS WATER UTILITY OPERATING COMPANY?

A. I am President of Bluegrass Water Utility Operating Company, LLC ("Bluegrass Water" or "Company"). I am also President of CSWR, LLC ("CSWR") and Central States Water Resources, Inc., ("Central States"), each of which is a Bluegrass Water affiliate.

Q. PLEASE DESCRIBE CSWR, LLC, AND BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC.

A. CSWR is a holding company that owns and operates water and wastewater utilities in 11 states. Bluegrass Water is the CSWR-affiliated utility operating company in the Commonwealth of Kentucky. As of the date of this testimony, the Company provided service to 4 water systems serving approximately 322 connections and 22 wastewater systems serving approximately 2,490 connections. A corporate organization chart illustrating the relationships of CSWR and its affiliates is attached

hereto as Exhibit JC-1. For all companies shown in that Exhibit, Central States serves as the designated manager.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Science degree from the University of Kansas with a major in Environmental Science and an MBA from Washington University in St. Louis.

Professionally, I have worked at the Kansas Biological Survey, where I performed wildlife habitat studies. I then worked at a civil engineering firm, where I was involved in various facets of land development including permitting, entitlement, civil design, project management, and construction management. In that position, I focused mainly on the water and wastewater side of the civil engineering business and participated in a wide range of activities including waste-load allocation studies (now known as the anti-degradation processes), design, permitting, project management, and construction management. I also was responsible for the firm's environmental consulting division, where in 2003, I became the second private consultant to submit a water quality impact study in the state of Missouri. I later joined the engineering firm's executive leadership team, where I managed and oversaw all the firm's operations.

Beginning in 2005, I raised money from a group of investors and formed a full-service civil engineering, environmental consulting, general contracting, and construction management firm. I also served as the firm's Chief Operating Officer

and later as its Chief Executive Officer. While in those positions I obtained extensive experience with rural communities in every facet of the water and wastewater compliance process, including environmental assessment, permitting, design, construction, operation and community administration of the actual water and wastewater (sewerage) systems. The firm performed stream sampling and built waste-load allocation models to determine permissible sewerage effluent pollutant loads for receiving water bodies. The firm also prepared full engineering designs of multiple whole community wastewater and water infrastructure systems, including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants. The firm also shepherded the designs through federal and state administered permitting processes in Missouri and Illinois and supervised the construction of these water and wastewater systems from green field site selection all the way through system startup and final engineering sign off.

In addition to the activities I just described, beginning in 2008 I took over responsibility for the operations of an existing rural sewer district. I acted as the administrator of this system, managing the system's operations, testing, maintenance, billing, emergency response, accounts payable/accounts receivable, collections, budgeting, customer service, and public meetings required to service the community. However, I no longer hold that position or perform those functions.

In late 2010, after working on several small, failing water and wastewater systems, I created a business plan to acquire and recapitalize failing systems as

investor-owned, regulated water and wastewater utility companies. In early 2011, I went to capital markets to raise money to implement my plan. Over a period of approximately three years, I met with over fifty-two infrastructure investment groups trying to raise necessary financing. In February 2014, I achieved my goal and used the debt and equity capital I was able to raise to start CSWR. In 2018, I was able to attract an additional large institutional private equity investor, which allowed me to expand the scope of my business plan.

Since its formation, CSWR has acquired, and currently is operating through various affiliates, systems that serve approximately 180,000 water and/or wastewater connections in Missouri, Kentucky, Louisiana, Texas, Arkansas, Tennessee, Mississippi, Arizona, North Carolina, South Carolina, and Florida. Utilities within the CSWR affiliate group have additional applications pending in several of these states, which seek authorization from state utility regulators to acquire even more systems and customers.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION ("COMMISSION")?

A. Yes. I have previously testified before this Commission in both of Bluegrass Water's previous rate applications (Case Nos. 2020-00290 and 2022-00432). In addition, I have provided testimony in numerous utility commission proceedings involving Bluegrass Water's affiliates outside Kentucky.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is four-fold. ***First***, I will briefly describe Bluegrass Water's operations and history in Kentucky. ***Second***, I will outline Bluegrass Water's request for an increase in rates, explain why that increase is necessary, and provide justification for why the Commission should grant that request. ***Third***, I will introduce the witnesses appearing on behalf of Bluegrass Water in this case. ***Fourth***, I will present Bluegrass Water's proposal to apply a consolidated rate across all of Bluegrass Water's wastewater systems, including the three systems acquired since its last rate case. ***Fifth***, I will discuss, pursuant to 807 KAR 5:001(7)(a), the Company's efforts to achieve efficiency and productivity.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes, I am sponsoring Exhibit JC-1 (an organizational chart of CSWR and its affiliates).

II. DESCRIPTION OF BLUEGRASS WATER OPERATIONS

Q. PLEASE DESCRIBE BLUEGRASS WATER'S CURRENT OPERATIONS IN KENTUCKY?

A. Bluegrass Water currently provides water service to approximately 322 water connections and wastewater service to approximately 3,240 residential customer equivalents in portions of the following Kentucky counties: Boyle, Bullitt, Calloway,

Campbell, Franklin, Garrard, Hardin, Jessamine, Madison, Marshall, McCracken, Oldham, Scott, and Shelby.[1] Bluegrass Water has invested approximately $18.6 million through September 30, 2025, to acquire, upgrade, and improve the water and wastewater systems it currently owns and operates. Additionally, Bluegrass Water will need to invest an additional $4.5 million through 2028 to continue to upgrade and improve its water and wastewater systems.

Q. PLEASE DESCRIBE THE GENERAL NATURE AND CONDITION OF THE WASTEWATER TREATMENT FACILITIES ACQUIRED BY BLUEGRASS WATER.

A. As detailed in Mr. Jacob Freeman's direct testimony regarding the wastewater systems recently acquired by Bluegrass Water, those systems were in poor condition and were frequently incapable of meeting effluent quality requirements. Such a characterization is reminiscent of the previous systems acquired by the Company.

Specifically, treatment facilities routinely exhibited significant levels of structural deterioration in the tanks, aeration piping, sludge returns, walkways, handrails, and interior tank baffling. Additionally, tanks were regularly filled with impacted sludge, which prevented proper aeration and clarification. Moreover, these treatment facilities lacked proper aeration because of ineffective pumps or

[1] As mentioned in Mr. Aaron Silas' testimony, there is a distinction between connections and customer equivalents. Residential customer equivalents are a rate design tool designed to approximate the demand placed on a wastewater system by non-residential customers. Thus, as I mentioned, while the Company has 2,490 wastewater connections, it has approximately 3,240 residential customer equivalents.

deteriorated diffusers. Systems also oftentimes lacked proper disinfection or had disinfection systems that were ineffective. Finally, the areas around the treatment facilities typically had collapsed fencing, significant vegetation overgrowth, and scattered trash and debris.

Even where treatment facilities could be repaired and restored to their original condition, Bluegrass Water soon realized the systems, as originally designed, were incapable of treating wastewater effluent to current Kentucky Division of Water health, safety, and environmental hazard prevention limits. For this reason, the treatment facilities purchased by Bluegrass Water regularly showed exceedances for *E.coli*, total suspended solids, total residual chlorine, ammonia, and biochemical oxygen demand. To remedy these conditions, Bluegrass Water has applied for certificates of public convenience and necessity to implement facilities repairs and replacement and process improvements, including the addition of moving bed biofilm reactors, solids handling enhancements, peroxyacetic acid disinfection systems, and wet-weather-overflow systems. This is best seen in the capital improvements made by the Company regarding Delaplain Disposal, Herrington Haven, Woodland Acres, and Persimmon Ridge.

Similar problems were seen at the Company's water systems. As a result, the Company has introduced improvements to wells, disinfection systems, electrical systems, hydropneumatics storage tanks, site access and security, structure and monitoring equipment.

III. RATE CASE OVERVIEW

Q. PLEASE SUMMARIZE THE RATE INCREASE BLUEGRASS WATER IS PROPOSING IN THIS CASE.

A. Bluegrass Water is asking the Commission to approve a total annual revenue requirement of $5,514,629 for the Company's wastewater operations. This represents an annual revenue increase of $2,802,466. Similarly, Bluegrass Water is asking the Commission to approve a total annual revenue requirement of $362,305 for its water operations which represents an annual revenue increase of $100,928. The specific elements of the revenue requirement and how they were derived are discussed in detail in the direct testimony of Mr. Brent Thies, who serves as Vice President and Controller of our affiliate group. This rate filing is designed to achieve two primary objectives. First, Bluegrass Water wants to increase rates to a level that allows it to recover reasonable operating costs and provide a fair return on the investments it has made to serve customers. Second, Bluegrass Water seeks to unify the terms of service among all of its wastewater systems and to include the three wastewater systems the Company has acquired since Case No. 2022-00432 in the Company's consolidated tariff.[2]

[2] Mr. Silas provides more information regarding the consolidation of tariffs.

Q. WHY ARE THE RATE INCREASES THAT BLUEGRASS WATER SEEKS IN THIS CASE NECESSARY?

A. There are several reasons why the request is reasonable and why the increases are necessary. First, it costs more to professionally operate water and wastewater systems in a manner that complies with applicable law than it costs to operate failing, non-compliant systems that are often violating state and federal laws. Almost all the systems Bluegrass Water acquired had significant long-term compliance and operational issues at the time Bluegrass Water acquired them. Since then, Bluegrass Water has made significant capital investments into these systems to bring them into regulatory compliance. This rate request reflects the increased capital and operating costs required to maintain those system improvements. As a simple example, many wastewater systems did not have operational mechanical components. As a result, chemical and power costs were often non-existent. Not surprisingly, when that equipment is brought online and operated properly, power and operational costs immediately increase.

Second, Bluegrass Water has made significant capital investments to upgrade its Kentucky systems and bring them into health, safety, and environmental regulatory compliance. This proposed rate increase seeks a fair return on the value of those investments in addition to the value of the assets Bluegrass Water acquired from the systems' previous owners.

Finally, as I mentioned earlier, three of the wastewater systems that Bluegrass Water acquired since its last rate case have not sought rate increases in years or even decades. As a result, the rates currently in effect for those systems, which Bluegrass Water adopted upon acquisition, do not come close to reflecting current operating and compliance costs, including recent inflation-driven cost increases. As part of Bluegrass Water's proposal, it seeks to add these three wastewater systems (Commonwealth Wastewater Systems, Yung Farms, and Magruder Village) to its unified wastewater rate.

Q. ARE THERE DIFFERENCES BETWEEN THE RELIEF REQUESTED IN THIS PROCEEDING AND BLUEGRASS WATER'S LAST RATE CASE IN 2022?

A. Yes, there are. First, unlike the 2022 rate case, where Bluegrass Water only sought a rate increase for its wastewater operations, in this case the Company seeks a rate increase for both its water and wastewater operations. Second, unlike the last case where the Company utilized a historical test period, the Company proposes a forward looking test period in this case.

Q. WHY IS THE COMPANY PROPOSING TO MOVE FROM THE HISTORICAL TEST PERIOD IN THE LAST CASE TO A FORWARD LOOKING TEST PERIOD IN THIS CASE?

A. As will be discussed more fully in the testimony of Mr. Freeman, this case is largely driven by the large capital addition associated with the Delaplain wastewater system.

This capital addition constitutes an increase of 16.47% to Bluegrass Water's wastewater rate base. As more thoroughly discussed in Mr. Thies' testimony, under a historical test period approach the Company would have to place the item in service and then wait until its next rate case before incorporating the financial impact of the capital addition into its revenue requirement and ultimately its rates. Until that case was completed, the Company would not be earning a return on a capital investment that was providing service to customers. It also would be unable to recover in rates the depreciation expense it is required to book on the in-service asset as of the date that asset is placed in service. Both those consequences of using a fully historical test year would negatively impact the Company's net income. For this reason, the Company is proposing a forward looking test period in this case.

IV. WITNESS INTRODUCTION

Q. WHAT WITNESSES ARE PROVIDING DIRECT TESTIMONY IN SUPPORT OF THE BLUEGRASS WATER RATE INCREASE REQUEST AND WHAT SUBJECTS WILL EACH OF THOSE WITNESSES ADDRESS?

A. In addition to myself, seven other witnesses will provide direct testimony in support of the proposed rate increase. Those witnesses and the subjects they will cover in their respective testimonies are as follows:

- Todd Thomas, Senior Vice President of CSWR, explains the process CSWR uses to identify and engage qualified third-party contractors to provide day-

to-day O&M functions for its operating companies like Bluegrass Water, and why using third parties to perform these functions is in the best interests of both Bluegrass Water and its customers. He also will discuss steps CSWR and Bluegrass Water have taken to maximize their ability to provide safe and adequate service.

- Jacob Freeman, Director of Engineer of CSWR describes in detail the systems owned and operated by Bluegrass Water, the challenges Bluegrass Water confronted upon taking ownership of these systems, and the steps that it is taking to resolve those problems to ensure the Company's systems operate in compliance with applicable state and federal regulations and are able to provide safe and reliable service to customers. In addition, Mr. Freeman describes the process by which Bluegrass Water engages third-party engineering and construction partners to implement these system improvements.
- Brent Thies, Vice President and Controller for CSWR, with the assistance of witnesses Caitlin O'Reilly and Emily Harlow, provides accounting testimony that supports the requested revenue increase. Mr. Thies also describes the Company's proposed forward looking test period, the method by which the Bluegrass Water revenue requirement was calculated, and the Company's proposed rate base components.

- Caitlin O'Reilly, Accounting Manager – Regulatory of CSWR, addresses the Company's O&M expenses, both historically and as forecasted for inclusion in the forward looking test period.
- Emily Harlow, CSWR's Manager of Rates and Revenue, discusses how the Company forecasted customer count, usage, and revenues for inclusion in Bluegrass Water's forward looking test period.
- Aaron Silas, Assistant Vice President of Customer Experience & Regulatory Operations of CSWR, describes how CSWR provides professional customer experience and corporate communications services to Bluegrass Water's customers. Additionally, Mr. Silas sponsors the Company's proposed tariffs in this case and provides the Company's proposed rate design for inclusion in those proposed tariffs.
- Matthew R. Howard, a director at ScottMadden, Inc., supports the appropriate capital structure and corresponding cost rates of debt and equity components of that capital structure to ensure that the Company has the opportunity to earn a fair return on its jurisdictional rate base.

V. RATE CONSOLIDATION

Q. HAVE CONSOLIDATED RATES BEEN RECOGNIZED AS A SOLUTION TO THE PROBLEM OF SMALL, NON-VIABLE WATER AND WASTEWATER SYSTEMS?

A. Yes. For years it has been recognized that single tariff pricing and the consolidation of rates encourages the consolidation of small water and wastewater systems into larger utilities. For instance, in a 2008 report, the National Regulatory Research Institute stated:

> Single tariff pricing is another way to encourage mergers. Enabling a uniform rate structure or consolidated rates for systems owned by the same entity may encourage a corporate utility to grow its business by acquiring – whether contiguous or interconnected or not – other systems. With consolidated pricing, customers pay the same price even though their individual system may have unique operating characteristics and needs. Single tariff pricing makes it easier to share costs among larger numbers of customers.[3]

Q. HAS THE COMMISSION PREVIOUSLY AGREED TO RATE CONSOLIDATION FOR BLUEGRASS WATER?

A. Yes. In its decision in Bluegrass Water Case No. 2020-00290, the Commission issued unified residential and Multifamily unit rates for all the systems that were addressed in that case. There, the Commission specifically pointed out the benefits associated with rate consolidation.

> [T]here are reasons for approving a unified rate as opposed to a single rate for each system, including that a unified rate is likely to promote regionalization, which should drive down costs in the long term by allowing utilities to take advantage of economies of scale, and that a unified rate will serve to levelize rates in the long term so that each system will not experience a significant rate shock every time it requires significant investment or some unexpected cost, which all systems will experience at some point.[4]

[3] *Small Water Systems: Challenges and Recommendations*, National Regulatory Research Institute, February 7, 2008 (citing to *Joint Report of the US EPA and NARUC, Consolidated Water Rates: Issues and Practices in Single Tariff Pricing*, September 1999).

[4] Case No. 2020-00290, *Order*, issued August 2, 2021, at page 13.

Given these benefits, the Commission consolidated Bluegrass Water rates.

> A separate rate for each geographically distinct merged system of Bluegrass Water would create unreasonable and undue hardship to individuals in some areas served by Bluegrass Water. ***The Commission finds that the proposed unified monthly flat rate design, with wastewater multi-family dwellings and commercial customers monthly rates based on residential equivalency, should be approved for Bluegrass Water's customers***.[5]

The Commission continued its policy of rate consolidation, as it applies to Bluegrass Water, in the Company's 2022 rate case.

> The majority of Bluegrass Water's customers are in the residential class. A separate rate for each geographically distinct merged system of Bluegrass Water would create unreasonable and undue hardship to individuals in some areas served by Bluegrass Water. The Commission finds that the proposed unified rate, with wastewater multi-family dwellings and commercial customers monthly rates based on residential equivalency, should be approved for Bluegrass Water's customers.[6]

Q. DOES THE COMPANY'S CONSOLIDATION ENCOMPASS ADDITIONAL SYSTEMS IN THIS CASE?

A. Yes. While the Commission approved unified rates in the Company's last two rate cases, Bluegrass Water subsequently acquired three additional wastewater systems that are currently charged the rates that were in effect for those systems at acquisition and were adopted by the Company.[7] Specifically, wastewater customers in the

[5] *Id.* at page 113 (emphasis added).
[6] Case No. 2022-00432, *Order*, issued February 14, 2024, at page 96.
[7] The Company has not acquired any additional water systems beyond those previously consolidated in the Company's 2020 rate case.

Commonwealth Wastewater Systems, Yung Farm Estates, and Magruder Village service areas are currently charged rates that were adopted by Bluegrass Water at the time of the acquisition. Through this case and, more specifically through this consolidation request, the rates for these three wastewater systems would be consolidated with the Company's other Kentucky wastewater systems into a single set of statewide wastewater rates.

Q. WON'T CONSOLIDATED RATES REQUIRE CUSTOMERS SERVED BY "BETTER" SYSTEMS TO SUPPORT THE COST OF IMPROVEMENTS BLUEGRASS WATER IS MAKING TO SOME OF ITS WORST SYSTEMS?

A. While this may appear to be true in the short run, it isn't true if you take a longer-term view. In each of the communities Bluegrass Water serves, all the distribution and treatment systems will eventually require major repairs and replacements. Some of those systems require more urgent investments that require upgrades and improvements today. However, over time all the systems that Bluegrass Water acquires in Kentucky will require those same or similar investments. So, whatever short-term support may flow between systems that are in differing states of repair and compliance initially, that situation will inevitably reverse over time.

This fact is best demonstrated by the large capital investment being made in the Delaplain system. Since early 2024, the consolidated rates paid by this system's customers were likely higher than would have been the case if rates for the Delaplain system had been set on a stand-alone basis. Because of the significant capital

improvements the Company is making to upgrade and improve that system to ensure it complies with applicable health, safety, and environmental regulations, the rates proposed for Delaplain in this case are lower than they would be on a stand-alone basis. Over time, the shifting "subsidy" that I just discussed – positive some years and negative as facilities age and need to be upgraded or replaced – will be replicated throughout the various systems that comprise Bluegrass Water's service area. Indeed, Exhibit JF-3 attached to the testimony of Mr. Freeman details the projected investment to be made at a multitude of the Company's wastewater system. Once made, these investments will necessarily change the perception of which systems are subsidizing which systems.

I also note that cross-subsidies in utility rates are the rule rather than the exception. For example, although it may cost an electric or gas utility much more to serve some individual customers than it does to serve others, electric and gas utilities have for decades had uniform rates for all customers within each rate class.

Bluegrass Water also believes consolidated rates reflect the common benefits all of its Kentucky customers will receive from being served by Bluegrass Water, services that are provided more cost-effectively by consolidating systems to realize economies of scale, rather than system-specific rates, which would, in effect, punish customers of the currently most challenged systems for necessary investments each community will certainly require in the future.

VI. EFFICIENCY AND PRODUCTIVITY

Q. WHAT IS YOUR UNDERSTANDING OF COMMISSION RULE 807 KAR 5:001 Section 16(7)?

A. I have been informed that this Commission rule provides for certain minimum filing requirements for any utility seeking a rate adjustment utilizing a full forecasted test period. Section (a) of that rule requires the utility's chief office to submit testimony regarding the Company's "improvements in efficiency and productivity."

Q. WHAT ACTIONS HAS BLUEGRASS WATER TAKEN TO ACHIEVE IMPROVEMENTS IN EFFICIENCY AND PRODUCTIVITY?

A. CSWR and Bluegrass Water have initiated several actions designed to achieve improvements in efficiency, productivity, and customer service. I have provided, below, a summary of those programs and their purposes..

From an operational standpoint, CSWR created a team to internalize work orders with the goal of centralizing intake and dispatch so that the Company can more efficiently serve customers. In doing so CSWR has shortened the time to respond to customer complaints, developed processes to prioritize service emergencies, improved the efficiency of responses (e.g., reduced or eliminated repeat visits to deal with the same service problem), and improved our data capture and recordkeeping. These changes allow field staff to spend more time assisting customers and less time tracking down information or visiting the same locations when a situation can be resolved through a simple conversation. These initiatives are described in greater detail in the direct testimony of Aaron Silas, CSWR's Assistant Vice President – Customer Experience and Regulatory Operations.

Switching to the Elements software platform has enabled Bluegrass Water and its affiliated utility operating companies to better and more efficiently maintain equipment by, among other things, ensuring routine maintenance is timely performed. This allows the Company to reduce emergency callouts and lower overtime expenses. And because properly maintained equipment is less likely to fail, these efforts also help reduce maintenance expenses and capital replacement costs.

Bluegrass Water's installation of remote monitoring equipment also helps reduce expenses by allowing the Company to minimize site visits and monitor multiple sites simultaneously. Through these initiatives, the same operations staff can oversee more facilities with fewer truck rolls, lowering travel time, fuel, and labor per site while still maintaining compliance and reliability. These and other operations-related actions and initiatives are described in the direct testimony of Todd Thomas, CSWR's Senior Vice President.

Customer service is another area where CSWR, on behalf of its affiliates, has taken steps to lower costs and improve the level and quality of service our customers receive. As described in detail in Mr. Silas's direct testimony, these initiatives include moving many of the Company's customer service functions to Intelogix, which has allowed for a reduction in costs while simultaneously improving the quality of service customers receive when they call in to ask a question, get assistance with a billing matter, or report a service problem. The purpose of this program is to leverage a dedicated call-center platform so that calls can be handled more efficiently, with lower cost per call and fewer repeat contacts. The size of the CSWR-affiliated group of companies allows each state affiliates, like Bluegrass Water,

to offer customers state-or-the-art customer service – including features like Call Center Optimization, which reduces the need for repeat calls, and self-service options, which allow customers to deal with problems without ever interacting with a customer service representative – that is either unavailable to smaller water and wastewater utilities operating on a stand-alone basis or available at a much higher cost. These tools increase productivity by shifting simple transactions to lower-cost channels and by freeing live agents to focus on more complex issues.

Additionally, the capital investments Bluegrass Water has made to replace, upgrade, and improve facilities required to provide water and wastewater service have allowed the Company to reduce maintenance costs. These savings are described in the direct testimonies of Brent Thies and Caitlin O'Reilly. In addition, these investments help ensure the service Bluegrass Water provides is safe and reliable and complies with all applicable health, safety, and environmental regulations.

Finally, as Mr. Freeman, CSWR's Director of Engineering, relates with regard to the Herrington Haven, Woodland Acres, Persimmon Ridge, and Magruder Village wastewater system, the Company is making efforts to reduce the magnitude of inflow and infiltration flows at these facilities. High flows during rain events can overwhelm a facility leading now only to unauthorized overflows, but to increased disinfection costs.

VII. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

ELECTRONIC APPLICATION OF BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC FOR AN ADJUSTMENT OF RATES
CASE NO. 2025-00354

VERIFICATION

I, Josiah Cox, President, verify, state, and affirm that I prepared or supervised the preparation of the Direct Testimony filed with this Verification, and that Direct Testimony is true and accurate to the best of my knowledge, information, and belief after a reasonable inquiry on this 8th day of December, 2025.

Josiah Cox
President

STATE OF MISSOURI)
)
COUNTY OF ST. LOUIS)

SUBSCRIBED AND SWORN TO before me on this 8th day of December, 2025.

Roshawne Vallandingham
Notary Public, State of Missouri

My Commission expires: 04-10-2027

ROSHAWNE VALLANDINGHAM
Notary Public - Notary Seal
Jefferson County - State of Missouri
Commission Number 23414639
My Commission Expires Apr 10, 2027

Central States Water Resources Corporate Entity Organizational Chart

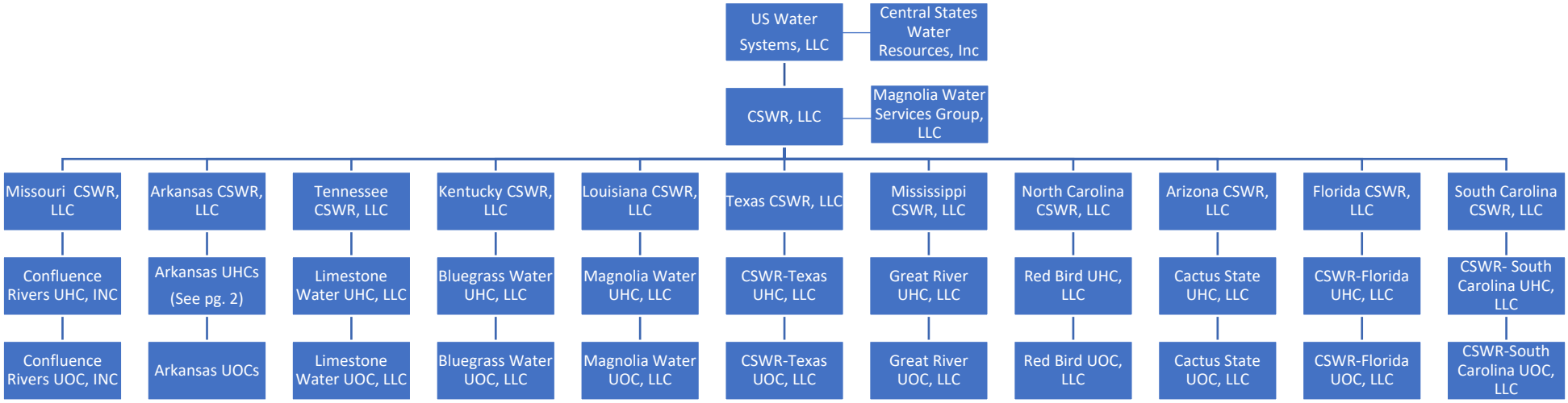
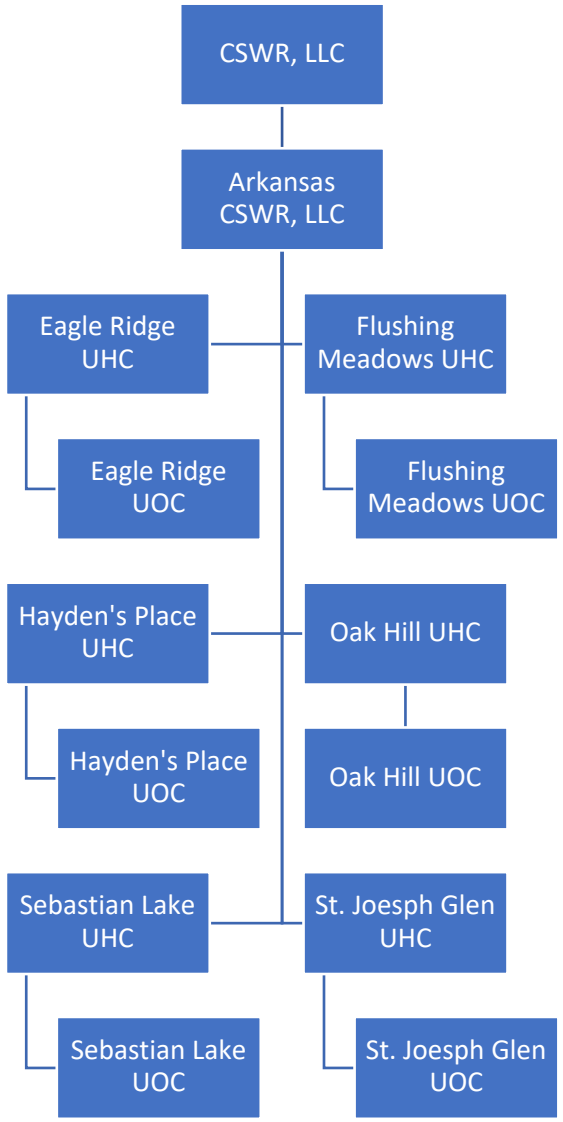


Exhibit JC-1

Arkansas CSWR Organizational Chart Detail



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