

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF WEBSTER)	
COUNTY WATER DISTRICT FOR)	CASE NO.
ALLEGED FAILURE TO COMPLY)	2026-00088
WITH KRS 278.160 AND)	
COMMISSION ORDERS)	

RESPONSES OF

WEBSTER COUNTY WATER DISTRICT
SUPERINTENDENT, TREVOR BALDWIN
AND
COMMISSIONERS, CHRIS CATES, BILLY JOE PARKER,
TOMMY ROBERTSON, AND LARRY VILLINES

TO

COMMISSION'S ORDER

DATED APRIL 16, 2026

Filed: May 14, 2026

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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INVESTIGATION OF WEBSTER)	
COUNTY WATER DISTRICT FOR)	CASE NO.
ALLEGED FAILURE TO COMPLY)	2026-00088
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**RESPONSES OF WEBSTER COUNTY WATER DISTRICT;
SUPERINTENDENT, TREVOR BALDWIN; AND
COMMISSIONERS, CHRIS CATES, BILLY JOE PARKER,
TOMMY ROBERTSON, AND LARRY VILLINES**

By and through the undersigned counsel and in accordance with the Public Service Commission’s Order of April 16, 2026, in the above-captioned proceeding, Webster County Water District (“Webster District” or the “District”) and the above-named individuals respectfully submit these Responses to the allegations set forth in the Order initiating this proceeding.

Response of Webster District

In response to the allegations contained in the Commission’s April 16, 2026 Order Webster District states the following:

1. Webster District did not delay in placing the rates approved by the Commission on December 23, 2025, in Case No. 2024-00199, into effect.

2. Webster District charged North Hopkins District the newly approved rate on the bill mailed on February 2, 2026, and has been charging this rate since it was approved on December 23, 2025. The historic billing reports for North Hopkins District for January 2026 through April 2026 are attached as **Attachment 1**.¹

3. Webster District and North Hopkins Water District (“North Hopkins District”) entered into a Water Purchase Contract on **March 8, 2018** (the “2018 Water Purchase Contract”). The term set forth in section C, paragraph 1 of this contract is **45 years**. Further, section C, paragraph 5, provides that the rates to be paid by the Purchaser are subject to modification. Finally, section C, paragraph 6 of the contract indicates that it is “subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.”

4. The March 8, 2018 Water Purchase Contract has been on file with the Commission since January 15, 2021.

¹ See **Attachment 1**, Historical Billing for January 1, 2026 to January 31, 2026. North Hopkins District used 5,981,000 gallons of water. North Hopkins District was charged \$29,426.52 ($\$29,426.52 \div 5,981,000$ gallons = \$0.00492 per gallon).

5. Webster District did not consult legal counsel regarding the necessity of executing a **new** contract with North Hopkins Water District (“North Hopkins District”) but instead *assumed* that executing a new contract would be necessary.

6. Acting on this mistaken assumption, Webster District drafted a Water Services Contract similar to one it executed in 2019 with the City of Clay, Kentucky (the “2026 Water Services Contract”).

7. Webster District tendered the 2026 Water Services Contract to North Hopkins District in anticipation of North Hopkins District’s February 17, 2026 Board of Commissioners meeting. The 2026 Water Services Contract was executed and filed with the Commission using the Electronic Tariff Filing System. Neither party consulted legal counsel prior to executing and filing the 2026 Water Services Contract.

8. On the advice of legal counsel, Webster District notified Commission Staff by letter dated May 4, 2026, that it was withdrawing the 2026 Water Services Contract; that the parties intended to rescind the 2026 Water Services Contract; and that the parties intended to continue their sale and purchase of wholesale water service under the terms of the 2018 Water Purchase Contract. Attached as **Attachment 2** is the May 4, 2026 letter. Because the 2018 Water Purchase Contract is for a 45-year term, provides that the rates charged to the Purchaser may be modified, and

that the contract is subject to rules, regulations, and laws enforced by regulatory agencies, such as the Commission, there is no need for a new contract at this time.

9. At its regularly scheduled Board of Commissioner's meeting on May 14, 2026, Webster District's Board of Commissioners adopted Resolution 2026-05-01 formally rescinding the 2026 Water Services Contract. The Resolution is attached as **Attachment 3**.

10. Webster District did **not** delay implementation of the new rates approved by the Commission on December 23, 2025. Indeed, it implemented the new rates to its retail customers, to North Hopkins District, and to all its other wholesale customers as soon as it legally could do so. All the bills mailed on February 2, 2026 were calculated using the new rates and all bills issued since then have been calculated using the new rates.

Response of Superintendent, Trevor Baldwin

Trevor Baldwin, Superintendent of Webster District, adopts and restates paragraphs one (1) through ten (10) of Webster District's Response. In addition, Trevor Baldwin states:

1. I have been the Superintendent of Webster District since April 2023.
2. I believe the confusion about when Webster District started charging North Hopkins District the wholesale rate approved on December 23, 2025, in Case No. 2024-00199, stems from the filing of the 2026 Water Services Contract.

3. Operating under an honest, but mistaken, belief that executing a new Water Services Contract with North Hopkins District was necessary upon the Commission's approval of a new wholesale rate, I obtained the 2026 Water Services Contract, directed that it be executed, and filed it with the Commission.

4. When the Commission initiated this proceeding, Webster District obtained legal counsel who reviewed the 2018 Water Purchase Contract and the 2026 Water Services Contract and informed me and Webster District's commissioners that the 2026 Water Services Contract was unnecessary. The 2018 Water Purchase Contract is for a 45-year term, provides that the rates charged to the Purchaser may be modified, and that the contract is subject to rules, regulations, and laws enforced by regulatory agencies, such as the Commission.

5. Considering the provisions of the 2018 Water Purchase Contract there is no need for another contract at this time.

6. When North Hopkins District was informed that the 2026 Water Services Contract was unnecessary and that Webster District could continue to provide wholesale water service to North Hopkins District under the 2018 Water Purchase Contract utilizing the Commission-approved wholesale rate, North Hopkins District readily agreed to withdraw its filing of the 2026 Water Services Contract from the Commission's Electronic Tariff Filing System.

7. Additionally, North Hopkins District agreed to adopt a Resolution rescinding the 2026 Water Services Contract. North Hopkins District has prepared a Resolution, and it will be presented to the Board of Commissioners at the May 19, 2026 Board of Commissioners Meeting.

**Response of Tommy Robertson
Chairman, Board of Commissioners**

Tommy Robertson, Chairman of the Board of Commissioners of Webster District, adopts and restates paragraphs one (1) through ten (10) of Webster District's Response. In addition, Tommy Robertson states the following:

1. I have served on the Board of Commissioners of Webster County Water District for 22 years and I deeply regret the confusion regarding when the new wholesale rate was placed into effect.

2. It is apparent to me that this confusion could have been avoided had the Board of Commissioners consulted legal counsel prior to executing a new Water Services Contract with North Hopkins District following the increase in the wholesale rate.

3. The Board has recently engaged the services of an attorney familiar with Commission statutes and regulations.

**Response of Billy Joe Parker
Secretary, Board of Commissioners**

Billy Joe Parker, Secretary of the Board of Commissioners of Webster District, adopts and restates paragraphs one (1) through ten (10) of Webster District's Response. In addition, Billy Joe Parker states the following:

1. I have served on the Board of Commissioners of Webster County Water District for four (4) years.

2. The recently concluded Alternative Rate Filing Case No. 2024-00199 is my first experience with wholesale rate increases and whether such increases necessitate the execution of new water service contracts. As a lay person, not an attorney, the execution of a new contract seemed reasonable to me.

3. It is now evident that the confusion generated by the execution of a new contract, especially with no reference to the existing contract appearing in the new contract, led to this investigation.

4. I am very pleased that the Board of Commissioners has engaged the services of an attorney to advise the District on such matters in the future.

**Response of Larry Villines
Treasurer, Board of Commissioners**

Larry Villines, Treasurer of the Board of Commissioners of Webster District, adopts and restates paragraphs one (1) through ten (10) of Webster District's Response. In addition, Larry Villines states the following:

1. I have served on the Board of Commissioners of Webster County Water District for 10 years.
2. Although the District did not delay in placing the newly approved wholesale rate into effect, in hindsight it is clear that the District's executing a new Water Services Contract with North Hopkins District on February 17, 2026, several weeks after the new wholesale rate was placed into effect, led to confusion about when the rate became effective.
3. I am pleased that the Board of Commissioners has now secured the services of an attorney to advise it on such matters in the future.

**Response of Chris Cates
Commissioner, Board of Commissioners**

Chris Cates, Commissioner of the Board of Commissioners of Webster District, adopts and restates paragraphs one (1) through ten (10) of Webster District's Response. In addition, Chris Cates states the following:

1. I have served on the Board of Commissioners of Webster District for two (2) years.

2. The unfortunate confusion created concerning when the new wholesale rate was placed into effect illustrates for me how important it is to seek the advice of an appropriate professional when dealing with regulatory matters.

3. It is my sincere belief that the current management and Board of Commissioners of Webster District will seek such advice in the future.

WHEREFORE, Webster District; its Superintendent, Trevor Baldwin; and its commissioners, Tommy Robertson, Billy Joe Parker, Larry Villines, and Chris Cates respectfully request that the Commission enter an Order finding that there has been no failure to comply with KRS 278.160 or Commission Orders and that this case is dismissed.

Dated: May 14, 2026

Respectfully submitted,

/s/ Tina C. Frederick

Tina C. Frederick

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damon.talley@skofirm.com

*Counsel for Webster County
Water District*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on May 14, 2026, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

/s/ Tina C. Frederick
Tina C. Frederick

Attachment 1

Historical Billing Reports

Wholesale Customer, North Hopkins Water District

January, February, March, & April, 2026

Webster County Water District Selected Codes Report

Cycle(s) *All*
 Customer Type(s) *W Wholesale*
 Service Type(s) *All*
 Account Number Range

Report Type *Historical Billing*
 Transaction Date Range *1/1/2026 To 1/31/2026*
 Sort Order *Account Number*
 AddOn Type Reporting Group *Add On Reporting Group*
 Account Breakdown Use Reading Factor
 Break Down Totals By Service Type Include Inactive Add Ons
 Filter By Reporting Groups

Service	Rate	Service	Rate
DISCONN		TAPP	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
RET CHK		WATER	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
Service Charge			
Local Tax			
Penalty			
State Tax			

Service	Usage	Service	Local Tax	State Tax	Penalty
Wholesale North Hopkins Water District					
WT WATER	5,981,000	29,426.52 06	0.00	0.00	2,942.65 01
	5,981,000	29,426.52	0.00	0.00	2,942.65
	5,981,000	29,426.52	0.00	0.00	2,942.65
Number of Customers for Route 0001					1

Service	Usage	Service	Local Tax	State Tax	Penalty	
	5,981,000	29,426.52	0.00	0.00	2,942.65	
			Customer For Route 0001			1
	5,981,000	29,426.52	0.00	0.00	2,942.65	
			Total Customers			1

Webster County Water District Selected Codes Report

Cycle(s) *All*
 Customer Type(s) *W Wholesale*
 Service Type(s) *All*
 Account Number Range

Report Type *Historical Billing*
 Transaction Date Range *2/1/2026 To 2/28/2026*
 Sort Order *Account Number*
 AddOn Type Reporting Group *Add On Reporting Group*
 Account Breakdown Use Reading Factor
 Break Down Totals By Service Type Include Inactive Add Ons
 Filter By Reporting Groups

Service	Rate	Service	Rate
DISCONN		TAPP	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
RET CHK		WATER	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
Service Charge			
Local Tax			
Penalty			
State Tax			

Service	Usage	Service	Local Tax	State Tax	Penalty
Wholesale	North Hopkins Water District				
WT WATER	2,335,000	11,488.20 06	0.00	0.00	1,148.82 01
	2,335,000	11,488.20	0.00	0.00	1,148.82
	2,335,000	11,488.20	0.00	0.00	1,148.82
Number of Customers for Route 0001					1

Service	Usage	Service	Local Tax	State Tax	Penalty
	2,335,000	11,488.20	0.00	0.00	1,148.82
Customer For Route 0001					1
	2,335,000	11,488.20	0.00	0.00	1,148.82
Total Customers					1

Webster County Water District Selected Codes Report

Cycle(s) *All*
 Customer Type(s) *W Wholesale*
 Service Type(s) *All*
 Account Number Range

Report Type *Historical Billing*
 Transaction Date Range *3/1/2026 To 3/31/2026*
 Sort Order *Account Number*
 AddOn Type Reporting Group *Add On Reporting Group*
 Account Breakdown Use Reading Factor
 Break Down Totals By Service Type Include Inactive Add Ons
 Filter By Reporting Groups

Service	Rate	Service	Rate
DISCONN		TAPP	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
RET CHK		WATER	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
Service Charge			
Local Tax			
Penalty			
State Tax			

Service	Usage	Service	Local Tax	State Tax	Penalty
Wholesale	North Hopkins Water District				
WT WATER	3,164,400	15,568.85 06	0.00	0.00	1,556.89 01
	3,164,400	15,568.85	0.00	0.00	1,556.89
	3,164,400	15,568.85	0.00	0.00	1,556.89
Number of Customers for Route 0001					1

Service	Usage	Service	Local Tax	State Tax	Penalty
	3,164,400	15,568.85	0.00	0.00	1,556.89
Customer For Route 0001					1
	3,164,400	15,568.85	0.00	0.00	1,556.89
Total Customers					1

Webster County Water District Selected Codes Report

Cycle(s) *All*
 Customer Type(s) *W Wholesale*
 Service Type(s) *All*
 Account Number Range

Report Type *Historical Billing*
 Transaction Date Range *4/1/2026 To 4/30/2026*
 Sort Order *Account Number*
 AddOn Type Reporting Group *Add On Reporting Group*
 Account Breakdown Use Reading Factor
 Break Down Totals By Service Type Include Inactive Add Ons
 Filter By Reporting Groups

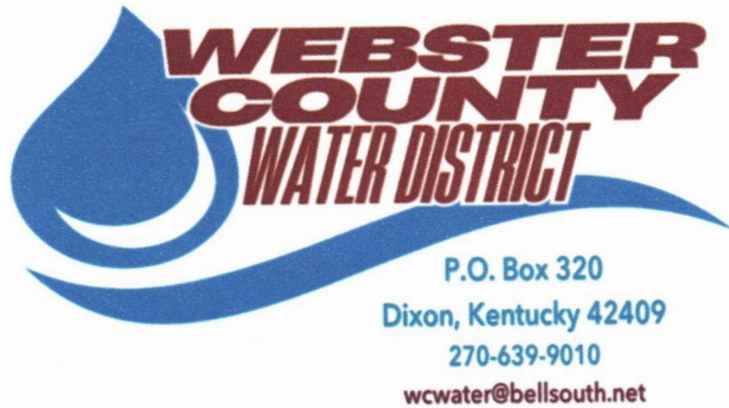
Service	Rate	Service	Rate
DISCONN		TAPP	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
RET CHK		WATER	
Local Tax		Local Tax	
Penalty		Penalty	
State Tax		State Tax	
Service Charge			
Local Tax			
Penalty			
State Tax			

Service	Usage	Service	Local Tax	State Tax	Penalty
Wholesale	North Hopkins Water District				
WT WATER	3,838,600	18,885.91 06	0.00	0.00	1,888.59 01
	3,838,600	18,885.91	0.00	0.00	1,888.59
	3,838,600	18,885.91	0.00	0.00	1,888.59
	Number of Customers for Route 0001				1

Service	Usage	Service	Local Tax	State Tax	Penalty
	3,838,600	18,885.91	0.00	0.00	1,888.59
Customer For Route 0001					1
	3,838,600	18,885.91	0.00	0.00	1,888.59
Total Customers					1

Attachment 2

Letter Withdrawing 2026 Contract from Review



May 4, 2026

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

**Re: Contract for Water Services, Webster County Water District
TFS2026-00160**

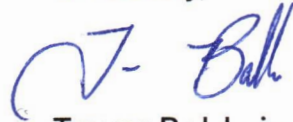
Dear Ms. Bridwell:

Webster County Water District is withdrawing the Contract for Water Services dated February 17, 2026 (the “Contract”), that it submitted for review on April 9, 2026.

Webster County Water District and North Hopkins Water District entered into a Water Purchase Contract on March 8, 2018 (the “2018 Agreement”), which has a 45-year term. The 2018 Agreement is on file with the Commission. Paragraph No. 5 of the 2018 Agreement provides that the schedule of rates paid by the Purchaser are subject to modification. Therefore, the recent change in the wholesale rate paid by North Hopkins Water District does **not** necessitate the execution of a new contract. Because the Contract is unnecessary, the

Parties plan to rescind the Contract and will continue their sale and purchase of wholesale water service under the terms of the 2018 Agreement, utilizing the rates approved by the Commission in Case No. 2024-00199.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Baldwin". The signature is stylized and cursive.

Trevor Baldwin, Superintendent
Webster County Water District

Attachment 3

Resolution Rescinding 2026 Contract

RESOLUTION NO. 2026-05-01

A RESOLUTION RESCINDING THE FEBRUARY 17, 2026 WATER SERVICES CONTRACT WITH NORTH HOPKINS WATER DISTRICT AND REAFFIRMING THE MARCH 8, 2018 WATER PURCHASE CONTRACT WITH NORTH HOPKINS WATER DISTRICT

WHEREAS, Webster County Water District, (the “Seller”) and North Hopkins Water District, the (“Purchaser”), collectively “the Parties,” executed the March 8, 2018 Water Purchase Contract having a term of 45 years (“2018 Contract”);

WHEREAS, the Kentucky Public Service Commission (the “Commission”) accepted the 2018 Contract for filing on January 15, 2021. The Parties have been operating, and plan to continue to operate, under the provisions of the 2018 Contract;

WHEREAS, the Parties also executed the February 17, 2026 Water Service Contract having a term of 10 years (“2026 Contract”);

WHEREAS, the purpose of the Parties in executing each of these Contracts was the same, namely to establish a long-term arrangement under which the Seller would sell and the Purchaser would purchase wholesale water service at a rate approved by the Kentucky Public Service Commission (“Commission”); and

WHEREAS, the Parties have recently learned that executing the 2026 Contract was unnecessary given the existence of the 2018 Contract and the Parties

willingness and ability to continue their operations under the terms of the 2018 Contract.

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

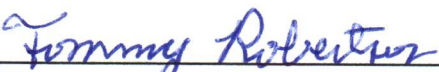
Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. That the Board of Commissioners of Webster County Water District hereby rescinds the 2026 Contract.

Section 3. That the Board of Commissioners of Webster County Water District hereby reaffirms the 2018 Contract with North Hopkins Water District and acknowledges that its actions as Seller shall be governed by the 2018 Contract, all applicable statutes and regulations, and Orders of the Commission.

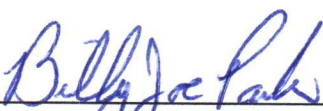
Section 4. That this Resolution shall take effect upon its adoption.

Adopted by the Board of Commissioners of Webster County Water District at a meeting held on May 14, 2026, signed by the Chairman and attested by the Secretary.



Tommy Robertson, Chairman

Attest:

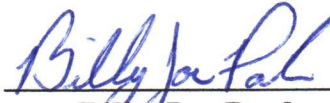


Billy Joe Parker, Secretary

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Board of Commissioners of Webster County Water District (the "District"); that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the District at a meeting duly held on May 14, 2026; that the official action appears as a matter of public record in the official records of the Board of Commissioners of the District; that the meeting was held in accordance with all applicable requirements of Kentucky law, including §§ 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes; that a quorum was present at the meeting; that the official action has not been modified, amended, revoked, or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this May 14, 2026.

A handwritten signature in blue ink that reads "Billy Joe Parker". The signature is written in a cursive style and is positioned above a horizontal line.

Billy Joe Parker, Secretary