

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LARUE	)	
COUNTY WATER DISTRICT #1 FOR FINANCING	)	CASE NO.
APPROVAL PURSUANT TO KRS 278.300	)	2026-00173

**LARUE COUNTY WATER DISTRICT #1'S VERIFIED
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION ENTERED JULY 21, 2026**

Comes now Larue County Water District #1 (Larue County), by counsel, and does hereby tender its Verified Response to Commission Staff's First Request for Information entered July 21, 2026.

Filed: August 13, 2026

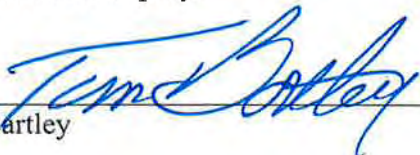
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC APPLICATION OF LARUE	)	
COUNTY WATER DISTRICT #1 FOR FINANCING	)	CASE NO.
APPROVAL PURSUANT TO KRS 278.300	)	2026-00173

VERIFICATION OF TIM BARTLEY

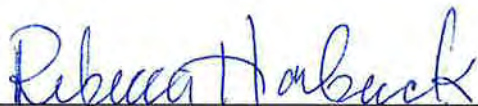
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF LARUE)

Tim Bartley, General Manager of Larue County Water District #1, being duly sworn, states that he has supervised the preparation of the responses to Commission Staff's First Request for Information in the above-referenced case on behalf of Larue County Water District #1, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Tim Bartley

The foregoing Verification was signed, acknowledged and sworn to before me this the 10th day of August 2026, by Tim Bartley.



Commission expiration: 12/19/2026

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 1: Refer to the Application, Exhibit 1, page 14 that states “the Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan.”

- a. Provide the impact that the proposed financing will have on Larue District’s #1 debt service coverage ratio.
- b. If the proposed financing is approved, explain how Larue District #1 expects to maintain a debt service coverage ratio of 1.1 throughout the term of the KIA loan.

Response 1(a): The KIA loan will have minimal effect on Larue County’s debt coverage ratio. As stated in the Application, Exhibit 1, Attachment B, “Executive Summary and Credit Analysis” it is expected even with the KIA loan, Larue County will maintain a 1.7 debt coverage ratio.

Response 1(b): Larue County continuously reviews its finances. If the financial metrics become concerning, Larue County will conduct a rate study and file an application for an adjustment of rates.

Larue County Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 2: Refer to the Application, Exhibit 1, page 18 that stated divergent treatment processes among the suppliers causes difficulties in managing adequate distribution and movement with the system.

- a. Provide any records Larue District #1 has of issues related to its purchased water including but not limited to inadequate or untimely supply and quality issues.
- b. Provide a list of all Division of Water Notice of Violations for the years 2022, 2023, 2024, 2025, 2026 to date, that relate to this issue and how mitigated; state what ongoing efforts are required and annual cost to mitigate purported issues.

Response 2(a)-(b): Application, Exhibit 1, page 18, was created by the Kentucky Infrastructure Authority ("KIA"). Larue County provided information to KIA regarding its request for funding and stated having six (6) wholesale providers causes challenges in planning for Larue County's water supply. (Please note, Larue County has six wholesale suppliers, the documents created by KIA erroneously state eight.) Some of the challenges include wholesale providers having frequent rate increases causing Larue County to file purchased water adjustments that continually increase the rates for Larue County's customers. The District has held multiple meetings with the wholesale providers on their ability to supply more water to Larue County's system. However, all providers indicate they would need large investments, by Larue County, in their system to provide the additional water.

Additionally, the water purchased feeds into the system in different areas. Larue County's system was designed to interconnect all pressure zones to have the ability to feed from all of the zones. However, some of the wholesale providers have converted to chloramine treatment for their water and others have not. This removes the ability to have the connected zones in Larue County's system. Therefore, if any wholesale provider has disruptions in their service, Larue County could be unable to flow water to different areas of its system. There have been no Division of Water Notice of Violations for the last five (5) years.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 3: Describe how Larue District #1 arrived at its decision to design a new water plant.

Response 3: Larue County determined that the number of wholesale suppliers and the consistent wholesale rate increases is causing struggles managing its system. Larue County has also discussed with the wholesale supplies the ability to purchase additional water, and all have advised no additional water could be purchased unless Larue County made investments in the other utility systems. Please see the response to Commission Staff's First Request, Item 4 for additional information on the process of how Larue County determined a water treatment plant was the optimal solution.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 4: Provide a detailed analysis of the alternatives considered, including the costs and the benefits of each, that Larue District #1 evaluated to solve the purported issues.

Response 4: Larue County evaluated several alternatives to address its long-term water supply needs and reduce its dependence on purchased water from adjoining utilities. The alternatives considered include the following:

Alternative 1 – Water Treatment Plant with Nolin River Intake

This alternative consists of constructing a new water treatment plant in central Larue County with a raw water intake on the Nolin River. The primary advantage of this alternative is the location of the treatment plant within the existing distribution system. However, available streamflow within the Nolin River is not sufficient to provide a reliable long-term water supply during extended low-flow and drought conditions. As a result, this alternative was not considered a feasible long-term solution.

Alternative 2 – Water Treatment Plant in LaRue County with Green River Intake

This alternative consists of constructing a new water treatment plant in Larue County supplied by a raw water intake on the Green River. The Green River provides a dependable raw water source with sufficient capacity to meet both existing and projected future demands. Although this alternative requires a long raw water transmission main between the intake and treatment plant, it provides the District with a reliable long-term source of supply and was selected as the preferred alternative.

Alternative 3 – Water Treatment Plant Located at the Green River

This alternative consists of constructing both the raw water intake and water treatment plant near the Green River. Locating the treatment plant adjacent to the intake reduces the length of raw water transmission main required; however, it significantly increases the length of finished water transmission main needed to convey treated water throughout the District. Additional high-service pumping capacity would also be required.

Alternative 4 – Increase Purchases from Existing Wholesale Suppliers

This alternative consists of increasing water purchases through the District's existing interconnections with adjoining water systems. Because these connections are generally located near the ends of both the adjoining systems and the Larue County distribution system, substantial transmission main improvements would be required within both systems to move water between the various pressure zones. This alternative would also maintain the District's dependence on wholesale suppliers for future water supply.

Based upon the evaluation completed, Alternative 2 was determined to provide the most practical long-term solution for Larue County. Provided the financing is approved, Larue County will develop a more detailed evaluation of each alternative, including opinions of probable construction cost, engineering analysis, and the basis for selection.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 5: Provide the following information related to the new water treatment facility:

- a. State what water source Larue District #1 is considering using for the new water treatment plant.
- b. State if any locations have been considered for the new water treatment plant.
- c. State whether Larue District #1 has explored permits or if other permissions are required to build at these locations.
- d. State how many operators Larue District #1 would plan to employ at the new water treatment plant.

Response 5(a): The current belief is the Green River will be used as the water source. Nolin River was studied, but it appears Green River is the better choice.

Response 5(b): Larue County has studied multiple locations in the county. After the Engineering report has been completed, Larue County will move forward with a final selection.

Response 5(c): Larue County has had very preliminary discussions with governmental agencies regarding permits. If the KIA loan is approved and additional funding is secured for construction, Larue County will begin moving forward with the permitting process.

Response 5(d): Generally, a water treatment plant would necessitate two (2) full-time employees and one (1) part-time employee.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 6: Refer to the Application, page 2, paragraph 4, that states the loan amount is \$1,692,500.

- a. Refer also to the Application, Attachment B, which specifies the project budget amounts for Planning and Engineering Design/Construction as \$42,500 and \$1,650,000, respectively. Provide a breakdown of the Planning and Engineering Design/Construction budget amounts individually. In the response, explain how the planning and design costs were calculated.
- b. State if Larue District #1 plans to bid the engineering design, or if it has already done so, and explain the bidding process.

Response 6(a):

Preliminary Engineering Report – \$30,000

Planning – \$230,692 (general planning, geo-technical work, surveying, initial permitting)

Design – \$1,431,808 (70% fee curve for engineering)

Total estimated construction cost of water treatment plant – \$31,960,000

The Planning and Engineering Design costs were calculated using the USDA – Rural Development fee curve percentages, which is standard in water and wastewater projects. The USDA Rural Development fee curve is a percentage of construction costs. The fee curve is initially based off the engineer's estimate of construction cost. The planning fees are based off the cost to complete the necessary planning documentation necessary for completing the design of the project.

Please note, the current request for approval of the KIA loan is for the planning and design of the water treatment plant. Larue County is currently exploring options for grants to cover portions of the total cost of construction and will request additional approval for additional funding after planning and design is completed.

Response 6(b). Larue County conducted a request for proposal in June 2024. Kentucky Engineering Group, PLLC was selected.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 7: Refer to the Application, page 2, that states the loan will be repaid over a period not to exceed 20 years. Refer also to the Application, Exhibit 1, that states the loan term is 5 years. Provide an explanation for the different amounts and state which term the loan would be repaid over. If the loan term is 20 years, provide an updated amortization schedule for the repayment of the loan.

Response 7. The loan repayment will be made over a five-year (5) period. The funding is from the KIA Fund F, Planning and Design Loan. This loan type allows for a community to borrow the proposed funds to begin the process of the design and then return to the KIA for construction funds. The Larue County project has continually ranked first in the KIA's Intended Use Plan. Once Larue District completes the planning and design and evaluates the reasonableness of moving forward with a water treatment plant, it will be resubmitted to the KIA. The Planning and Design Loan would then be rolled into a construction loan.

It is important to note Larue County will receive principal forgiveness of 50% of this loan. So, Larue County will only be responsible for \$846,250 in repayment. Additionally, Larue County is only committing to the initial Preliminary Engineering Report and Planning. If it appears after Preliminary Engineering Report and Planning is completed, that Larue County cannot secure grants to cover a large portion of the estimated total cost for the water treatment plant the project will not go forward. Larue County would not then proceed to the Design portion of the project and would not utilize the full \$1,692,500 of the KIA loan.

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 8: Refer to the Application, page 1, that lists six total suppliers of water to Larue District #1. Refer also to the Application, Exhibit 1, that states Larue District #1 purchased from 8 wholesale suppliers. State the wholesale suppliers Larue District #1 currently purchases from and provide the following information individually for each:

- a. State the gallon amount purchased from each supplier for the year 2025.
- b. State whether Larue District #1 plans to continue purchasing from each supplier once the new water treatment facility is built.
- c. State whether there is an ongoing contract with each supplier. If yes, provide a copy of the contract. If yes, and Larue District #1 no longer plans to purchase from the supplier, provide an explanation of how Larue District #1 will fulfill its ongoing contract.

Response 8: The KIA documentation was completed by KIA, and inadvertently contained a mistake – Larue County has six (6) wholesale suppliers not eight (8). The Application is correct.

Response 8(a):

Campbellsville Municipal Water – 6,958,400 gallons
City of Bardstown – 89,322,100 gallons
City of Hodgenville – 59,985,949 gallons
Green River Valley Water District – 110,785,000 gallons
Green Taylor Water District – 4,501,083 gallons
Hardin County Water District #2 – 1,039,600 gallons

Response 8(b): No. If a water treatment plant is built, Larue County does not plan on continuing to purchase water. However, the connections could remain open in case there is an emergency situation.

Response 8(c): Larue County does not have a contract with Hardin County Water District #2. Larue County takes service under Hardin County Water District #2's wholesale rate. Larue County does not have a contract with Green Taylor Water District, but is providing correspondence between the parties. The latest amendments to the wholesale contracts and the correspondence with Green Taylor Water District is contained in Attachment 1-8(c)

ATTACHMENT 1-8(c)

WATER PURCHASE AGREEMENT

This contract for the sale and purchase of water is entered into as of the 26 day of Feb., 2003 between the Campbellsville Municipal Water and Sewer System, of Campbellsville, Kentucky, hereinafter referred to as the "SELLER" and the Larue County Water District #1, hereinafter referred to as the "Purchaser".

WITNESSETH:

Whereas, the PURCHASER is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the PURCHASER and to accomplish this purpose, the PURCHASER will require a supply of treated water; and

Whereas, the SELLER owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the SELLERS system and the estimated number of water users to be served by the said PURCHASER as shown in the plans of the system now on file in the office of the PURCHASER; and

Whereas, the SELLER, Campbellsville Municipal Water and Sewer System, approved this water purchase Contract on 2/26/03, by the Board of Commissioners, and authorized the Chairman and the Secretary, to execute the same contract ;and

Whereas, by Resolution of the Commission of the PURCHASER, duly enacted on the 13th day of January 2003, the purchase of water from the SELLER in accordance with the terms set forth in the said Resolution was approved, and the execution of this Contract by the Chairman and attested by the Secretary was duly authorized; Now therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. THE SELLER AGREES:

1. (Quality and Quantity) To furnish the PURCHASER at the point of delivery hereinafter specified, during the term this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky in such quantity as may be required by the PURCHASER not to exceed 10 million gallons per month during periods of regular usage, if applicable. The PURCHASER shall pay a minimum bill of \$30.00 per month and include 0 gallons. The minimum bill is based on the size and number of meters.

2. **(Point of Delivery and Pressure)** That water will be furnished at reasonably consistent pressure through an existing 6" main supply at a point located on Maple Road, Campbellsville, Kentucky. If a greater pressure than that normally available at the point of delivery is required by the PURCHASER, the cost of providing such great pressure shall be born by the PURCHASER. Any emergency or catastrophe so deemed by the SELLER shall excuse the SELLER from this provision for such reasonable period of time as may be necessary to restore service.
3. **(Metering Equipment)** To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the PURCHASER and to calibrate such metering equipment whenever requested by the PURCHASER but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless the SELLER and PURCHASER shall agree upon a different amount. The metering equipment shall be read prior to the twenty fifth (25) day of each month. An appropriate official of the PURCHASER shall have access at all reasonable times to the meter for the purpose of verifying its readings. If additional metering points are requested by the PURCHASER then that cost of installing the master meter and equipment will be born by the PURCHASER. The SELLER will operate and maintain at its own expense each additional metering points thereafter.
4. **(Backflow and Cross Connection)**

That the PURCHASER will install at its own expense an approved backflow assembly. Backflow devices must be tested annually and a copy of the test results submitted to Campbellsville Municipal Water and Sewer System. However, if the PURCHASER has a cross connection program and is enforcing the said program, then the PURCHASER can furnish a copy of the cross connection program to

the Campbellsville Municipal Water and Sewer System in lieu of installing backflow devices.

- 5. (Billing Procedure) To furnish the PURCHASER at the above address not later than the 2nd day of each month, with an itemized statement of the amount of water furnished the PURCHASER during the proceeding month.**

B. THE PURCHASER AGREES:

- 1. (Rates and Payment Date) To pay the SELLER, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:**
 - a. \$1.56 for the first thousand (1,000) gallons.**
 - b. \$1.56 per thousand (1,000) gallons for water in excess of one thousand (1,000) gallons.**

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND PURCHASER AS FOLLOWS:

- 1. (Terms of Contract) That this contract shall extend for a term of (50) years from the date of the initial delivery of any water as shown by the first bill submitted by the SELLER to the PURCHASER and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the SELLER and PURCHASER.**
- 2. (Failure to Deliver) That the SELLER will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the PURCHASER with quantities of water required by the PURCHASER. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. It is understood and agreed that the SELLER may hereinafter modify its rate schedule by increasing or decreasing the rates charged to its customers, including the PURCHASER. Such rate modification shall be reasonably related to any demonstrated changes in the SELLER'S cost of operation of its business, and any rate change shall be made with the approval of the governing legislative body of the City of Campbellsville. Any increase in cost of operation may include increases in capitalization of the SELLER'S**

system if such increased capitalization is necessary to permit the SELLER to carry out its service obligations within its service area.

3. (Regulatory Agencies) That this contract is subject to such rules, Regulations, or laws as may be applicable to similar agreements in this State and the SELLER and the PURCHASER will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

4. (Successor to the Purchaser) That in the event of any occurrence rendering the PURCHASER incapable of performing under this contract, any successor of the PURCHASER, whether the result of legal process, assignment, or otherwise shall succeed to the rights of the PURCHASER hereunto.

D. Rates for wholesale meters for Water Districts under Contract:

2"	\$18.00
4"	\$30.00
6"	\$42.00
8"	\$62.00
10"	\$85.00

In witness, the parties hereto, acting under authority of respective governing bodies, have caused this contract to be duly executed in three counterparts, each of which shall constitute an original.

SELLER:
**Campbellsville Municipal Water
and Sewer System**

BY: Brett Pifer
Title: Operations Manager

Attest:
Paula Read Newton
Secretary

PURCHASER:

Larue County Water District #1

BY: John Maurice Delta
Title: Chairman

Attest:
Kenneth Hooper
Secretary

SIXTH ADDENDUM

CITY OF BARDSTOWN – LARUE COUNTY WATER DISTRICT NO. 1 WATER PURCHASE CONTRACT

THIS SIXTH ADDENDUM, made and entered into this 1st day of December, 2025 (the "Effective Date"), by and between **The City of Bardstown, Kentucky**, a municipality located in Nelson County, Kentucky, hereinafter called "Seller," and **Larue County Water District No. 1**, situated in Larue County, Kentucky, hereinafter called "Purchaser." Collectively, the Seller and Purchaser are called "Parties."

WITNESSETH:

WHEREAS, the Parties to this Sixth Addendum are the same parties as set out in the Water Purchase Contract dated December 19, 1996 ("Original Contract"), in the First Addendum to the Original Contract dated June 8, 1998, in the Second Addendum to the Original Contract dated September 1, 2003, and in the Third Addendum to the Original Contract dated September 1, 2013, and in the Fourth Addendum to the Original Contract dated November 11, 2019, and the Fifth Addendum to the Original Contract dated September 23, 2020;

WHEREAS, the Parties now desire to amend certain provisions contained in the Original Contract and the First Addendum, Second Addendum, Third

Addendum, Fourth Addendum, and Fifth Addendum (collectively called the "Addendums"), and the Parties agree to the amended provisions; and

NOW THEREFORE, for and in consideration of the mutual covenants, terms, and conditions contained herein, the Parties agree as follows:

1. Paragraph B.1. of the Original Contract is amended to read as follows:

"1. (Rates and Payment Date). To pay the Seller, no later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:

\$3.81 per 1,000 gallons for all water metered.

2. Effective Date. The Effective Date for this Sixth Addendum shall be the date upon which the Kentucky Public Service Commission accepts it for filing.

3. Conflicting Terms. Any and all terms, conditions, and provisions of the Original Contract and the Addendums which conflict with the provisions of this Sixth Addendum shall be deemed null and void as of the Effective Date of this Sixth Addendum.

4. Other Terms Still Valid. Except as modified by this Sixth Addendum, the terms, conditions, and provisions of the Original Contract, as modified by the Addendums, shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto acting under authority of their respective governing bodies have caused this Sixth Addendum to the Original

Contract to be duly executed in multiple counterparts, each of which shall constitute an original.

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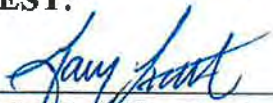
THE CITY OF BARDSTOWN, KENTUCKY



J. Richard Heaton, Mayor

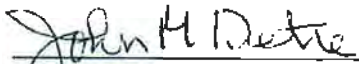
Date: 2/9/2026

ATTEST:



Gary Little, City Clerk

LARUE COUNTY WATER DISTRICT NO. 1



John M. Detre, Chairman

Date: 2/9/2026

ATTEST:



Pat Eastridge, Secretary

**FIRST ADDENDUM TO
WATER PURCHASE AGREEMENT
BETWEEN
CITY OF HODGENVILLE, KENTUCKY
AND
LARUE COUNTY WATER DISTRICT NO. 1**

THIS FIRST ADDENDUM to the Water Purchase Agreement between the Parties dated February 13, 2012 (“First Addendum”) is made and entered into as of October 30, 2023 by and between the **CITY OF HODGENVILLE, KENTUCKY**, PO Box 189, Hodgenville, Kentucky, 42748 (hereinafter referred to as the “Seller”), and the **LARUE COUNTY WATER DISTRICT NO. 1**, 421 Strange Road, Hodgenville, Kentucky 42748 (hereinafter referred to as the “Purchaser”).

W I T N E S S E T H:

WHEREAS, the Purchaser has been purchasing potable water from the Seller pursuant to the provisions of a Water Purchase Agreement between the Parties dated February 13, 2012 (the “Agreement”);

WHEREAS, the Seller has installed a system-wide advanced metering infrastructure system (the “AMI System”) which enables the Seller to remotely read all of its retail meters;

WHEREAS, the Seller has requested that the Purchaser install a new master meter, which is compatible with the Seller’s existing AMI System, at the Leafdale Road delivery point, which is located near the intersection of Leafdale Road and U.S. Highway 31E;

WHEREAS, this new master meter will enable the Seller to remotely read the volume of water delivered to the Purchaser at this delivery point;

WHEREAS, the Purchaser has agreed to purchase, install, and maintain the new master meter at the Leafdale Road delivery point as specified by the Seller and described below; and

WHEREAS, the Parties wish to amend the Agreement pursuant to the provisions of this First Addendum.

NOW THEREFORE, in consideration of all the foregoing and the mutual terms and conditions expressed herein, the Seller and the Purchaser agree to amend the Agreement as follows:

1. Paragraph 7 (Point of Delivery Equipment) of the Agreement is hereby replaced in its entirety with the following:

Point of Delivery Equipment. The Purchaser shall furnish, operate and maintain, at its own expense, at the points of delivery, in a building or pit, the necessary metering equipment. Title and ownership of the buildings, meter pits and metering equipment shall continue to vest in the Purchaser.

- A. As requested by the Seller, the Purchaser shall purchase a 3-inch Honeywell electromagnetic water meter, Model evoQ4 (the "Smart Meter"), prior to December 31, 2023 to replace the existing Leafdale Road master meter.
- B. The Purchaser shall install the Smart Meter in the existing Leafdale Road meter pit prior to December 31, 2023.
- C. The Purchaser shall own, operate, maintain, and replace the Smart Meter at the Purchaser's own expense throughout the term of the Agreement. Title and ownership of the Smart Meter shall vest in the Purchaser.
- D. The Purchaser shall install and maintain the Smart Meter in such a manner that it can be remotely read by the Seller throughout the term of the Agreement.
- E. As required by 807 KAR 5:066, Section 16(1), the Purchaser shall have the Smart Meter tested at least every two (2) years. The Purchaser shall provide the Seller with a copy of the test results within seven (7) days of receiving the test results.

2. Except as modified by this First Addendum, each and every provision of the Agreement shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto, acting under the authority of their respective governing bodies, have caused this First Addendum to be duly executed in multiple counterparts, each of which shall constitute an original.

CITY OF HODGENVILLE, KENTUCKY

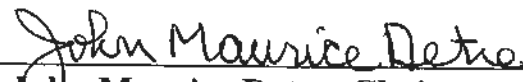
BY: 
James B. Phelps, Jr., Mayor

DATE: 10-30-23

ATTEST:


Bethanie Sadler, City Clerk/Treasurer

LARUE COUNTY WATER DISTRICT NO. 1

BY: 
John Maurice Detre, Chairman

DATE: 10-09-2023

ATTEST:


Pat Eastridge, Secretary

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 17th day of June, 2021, between the GREEN RIVER VALLEY WATER DISTRICT
P.O. Box 460, Horse Cave, KY 42749

(Address)
hereinafter referred to as the "Seller" and the LARUE COUNTY WATER DISTRICT NO. 1
P.O. Box 99, Buffalo, KY 42716

(Address)
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. enacted on the 17th day of June, 2021, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Chairman of GRVWD, and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Commission of the Purchaser, enacted on the 14th day of June, 2021, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky

in such quantity as may be required by the Purchaser not to exceed 9 million gallons per month.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9402. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at the points

of delivery from an existing six (6) inch main supply at a point located

(1) U.S. 31E at Magnolia; (2) Ky 61 & 1192 Intersection; and (3) Ky. 357 & 224 Intersection

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquakes or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on

1st day of each month An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings. The cost of testing and maintaining the Master Meter shall be shared equally by the Parties.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 5th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 15th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$XXXXXXXXXXXXXXXXXXXX all water used

b. \$ 2.59 cents per 1000 gallons for XXXXXXXXXXXX

c. XXXXXXXXXXXXXXXXXXXX

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of 0 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and 0

3. The Purchaser agrees to give the Seller at least a one (1) year's notice before the Seller commences furnishing water to a new industry, an industry that expands its present facilities, newly annexed areas, or makes major extensions of its present water lines to serve additional customers if that new industry, expanded industry, etc. will use over 200,000 gallons of water per month.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 50 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 90 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, ~~AND THE PURCHASER SHALL PAY FOR THE WATER USED BY THE CONTRACTOR AT THE RATE OF \$2.59 PER 1,000 GALLONS FOR THE ACTUAL WATER USED.~~ ~~AT A RATE OF \$2.59 PER 1,000 GALLONS FOR THE ACTUAL WATER USED.~~ at a rate of \$2.59 per 1,000 gallons for the actual water used.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract 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.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. This Water Purchase Contract is hereby pledged to the United States Dept. of Agriculture, Rural Development, as a part of the security for a loan or loans by the USDA-Rural Development. This pledge shall continue in effect so long as the Larue County Water District No. 1 is indebted to the USDA - Rural Development.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

Attest: [Signature]
Secretary

Seller:

GREEN RIVER VALLEY WATER DISTRICT

By [Signature]

Title JOHN BUNNELL, Chairman

Attest: [Signature]
Secretary

Purchaser:

LARUE COUNTY WATER DISTRICT NO. 1

By [Signature]

Title Chairman

This contract is approved on behalf of Rural Development this 09 day of July, 2021.

By [Signature]
Title Acting WEP Program Director

GREEN-TAYLOR WATER DISTRICT

P.O. Box 168
250 Industrial Park Road
Greensburg, KY 42743-0168
TTY 1-800-648-6956 or 711

Phone (270)932-4947 (270)932-7995 1-800-972-9347
Fax (270)932-7036

March 14, 2014

Steve Gardner
6215 N. L & N Turnpike Road
Buffalo, KY 42716

Dear Mr. Gardner:

We are currently charging Larue County Water District \$2.89 per 1000 gallons for water.

Thank you,

Roger Moss
Roger Moss

LEGAL NOTICE REGARDING THE GREEN-TAYLOR WATER DISTRICT

Notice is hereby given that because of an increase in the cost of water purchased from Campbellsville Municipal Water, the Green-Taylor Water District will increase its rates for services effective May 1, 2022. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on April 8, 2022 to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>5/8-Inch x 3/4-Inch Meter:</u>				
First 2,000 gallons	\$22.61 Minimum Bill	\$22.79 Minimum Bill	\$0.18	0.80%
Next 3,000 gallons	\$9.46 per 1,000 gallons	\$9.55 per 1,000 gallons	\$0.09	0.95%
Next 5,000 gallons	\$7.60 per 1,000 gallons	\$7.69 per 1,000 gallons	\$0.09	1.18%
Over 10,000 gallons	\$4.91 per 1,000 gallons	\$5.00 per 1,000 gallons	\$0.09	1.83%
<u>3/4-Inch Meter:</u>				
First 3,000 gallons	\$32.07 Minimum Bill	\$32.34 Minimum Bill	\$0.27	0.84%
Next 2,000 gallons	\$9.46 per 1,000 gallons	\$9.55 per 1,000 gallons	\$0.09	0.95%
Next 5,000 gallons	\$7.60 per 1,000 gallons	\$7.69 per 1,000 gallons	\$0.09	1.18%
Over 10,000 gallons	\$4.91 per 1,000 gallons	\$5.00 per 1,000 gallons	\$0.09	1.83%
<u>1-Inch Meter:</u>				
First 5,000 gallons	\$50.99 Minimum Bill	\$51.44 Minimum Bill	\$0.45	0.88%
Next 5,000 gallons	\$7.60 per 1,000 gallons	\$7.69 per 1,000 gallons	\$0.09	1.18%
Over 10,000 gallons	\$4.91 per 1,000 gallons	\$5.00 per 1,000 gallons	\$0.09	1.83%
<u>1 1/2-Inch Meter:</u>				
First 10,000 gallons	\$88.99 Minimum Bill	\$89.89 Minimum Bill	\$0.90	1.01%
Over 10,000 gallons	\$4.91 per 1,000 gallons	\$5.00 per 1,000 gallons	\$0.09	1.83%
<u>2-Inch Meter:</u>				
First 20,000 gallons	\$138.09 Minimum Bill	\$139.89 Minimum Bill	\$1.80	0.97%
Over 20,000 gallons	\$4.91 per 1,000 gallons	\$5.00 per 1,000 gallons	\$0.09	1.30%
<u>Leak Adjustment Rate:</u>	\$2.00 per 1,000 gallons	\$2.09 per 1,000 gallons	\$0.09	4.50%
<u>Wholesale Water Rates:</u>				
Laruc Co. Water Dist. #1	\$2.89 per 1,000 gallons	\$2.98 per 1,000 gallons	\$0.09	3.11%
City of Greensburg	\$2.50 per 1,000 gallons	\$2.59 per 1,000 gallons	\$0.09	3.60%

As noted above, based on the increased cost of water from the Campbellsville Municipal Water, all rates will increase \$0.09 per 1,000 gallons. The monthly bill for a customer using an average of 4,688 gallons of water each month will increase from \$48.04 to \$48.46. This is an increase of \$0.43 or 0.87%.

The charges/rates contained in this notice are the charges/rates proposed by the Green-Taylor Water District. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates detailed in this notice.

Any person may examine this application at the offices of the Green-Taylor Water District office located at 250 Industrial Park Road in Greensburg, Kentucky. In addition, any person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Any comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The Public Service Commission can also be contacted at 502-564-3940.

This notice is published pursuant to 807 KAR 5:068 - Purchased Water Adjustment for Water Districts and Water Associations.

GREEN-TAYLOR WATER DISTRICT

s/ Terry Mardis, Chairman

EVLU DIT E

Larue Count Water District #1
Case No. 2026-00173
Commission Staff's First Request for Information

Request 9: Refer to the Application, Exhibit 1, Brief Description. State if Larue District #1 has any plans to use the excess capacity at the treatment plant and what those plans are.

Response 9: Larue County cannot provide an answer with any certainty at this point because the final design has not been completed and will not be completed for some time.