

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 SECOND 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 Second Request for Information entered August 27, 2026.

Filed: September 10, 2026

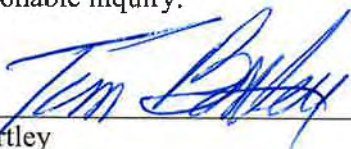
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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 Second 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 9th day of September 2026, by Tim Bartley.



Commission expiration: 12/19/2026

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

Request 1: Refer to Larue District #1's response to Commission Staff's First Request for Information (Staff's First Request), Item 6b. Provide the following information related to the bid process.

- a. The Request for Proposal.
- b. All bids received in response to the Request for Proposal.
- c. Board of Commissioner's meeting minutes that approved the selected bid

Response 1(a)-(b): KRS 424.260 does not require a water district to take bids for professional services. Engineering is considered a professional service, and therefore Larue County was not required to take bids. Larue County chose to utilize its long-time engineer, Kentucky Engineering Group, PLLC based upon its knowledge of Larue County's system and its history of engineering projects with other water districts and water associations in Kentucky.

Response 1(c): Please see Attachment 2-1(c) for the Board of Commissioner's minutes from June 10, 2024, November 11, 2024, December 9, 2024, and January 13, 2025 Board Meetings which discussed the potential water treatment plant.

ATTACHMENT 2-1(c)

LARUE COUNTY WATER DISTRICT NO. 1

BOARD OF COMMISSIONERS

JUNE 10, 2024

The LaRue County Water District No. 1 Board of Commissioners held a regular monthly meeting on June 10, 2024 at 5:00 P.M. in the Water District Office in Hodgenville, Kentucky. Those present at the meeting were Chairman John Detre, Commissioner Bobby Garrison, and Commissioner Pat Eastridge.

Also present at the meeting were Manager Tim Bartley, Office Manager Rebecca Hornback, and Attorney Tom Claycomb.

Chairman John Detre called the meeting to order and declared that a quorum was present.

RECOGNIZE SPECIAL GUEST

No special guest.

APPROVAL OF MINUTES AND FINANCIAL REPORT

Minutes of the May 13, 2024 Board meeting and the financial report for April 2024 were reviewed. Motion was made by Commissioner Garrison and seconded by Commissioner Eastridge to approve the minutes and to pay the bills that are due and payable at this time. Motion carried unanimously.

OLD BUSINESS

1. East Leafdale Project. Manager Bartley informed the board that we were waiting on easements from county residents to proceed with the new 6" line on E. Leafdale. As of the May meeting the board decided to look into other projects that need attention since the property owners are not willing to give an easement. Manager Bartley asked the county Judge if the county would grant an easement in the county right of way. The county Judge asked the magistrates at a Fiscal Court meeting and they all agreed to grant the easement. This county easement does not get to the very end and more discussion will take place with property owners where the connection will have to be made. The Kentucky Engineering Group will still look at other projects to help determine path forward.

NEW BUSINESS

1. Water Plant. Manager Bartley asked the board to consider options with the water plant project and the planning and design of the water plant. These options consist of purchasing water from other sources or continuing to operate as the water district currently does. A motion was made by Commissioner Garrison to proceed with planning and design and to build the water plant, and to also advertise request for qualifications for both planning and design and construction of the new water plant, and seconded by Commissioner Eastridge. Motion carried unanimously.

2. Spratt Road Property Letter. Manager Bartley informed the board of Commissioners that we should inform Bivens Farms that LaRue County Water District #1 has purchased the property that he has previously leased for cropping purposes. Manager Bartley also mentioned if Bivens Farms is interested in leasing going forward that the LaRue County Water District #1 would consider a lease agreement with Bivens Farms.

3. Commissioner Training. Chairman Detre informed the board about Commissioner Training that will be happening in Hardin County on September 30th.

4. Special Audit Quote. Manager Bartley informed the board that we are in need of another special audit. The quote for this audit is up to \$3,000.00 from Parsons & Company. A motion was made by Commissioner Eastridge to let Parsons & Company to do the special audit and seconded by Commissioner Garrison. Motion carried unanimously.

ADJOURNMENT

There being no further business, motion was made by Commissioner Eastridge and seconded by Chairman Detre to adjourn the meeting. Motion carried unanimously.

LARUE COUNTY WATER DISTRICT NO. 1

Pat Eastridge, Secretary

DATE APPROVED _____

John M. Detre, Chairman

LARUE COUNTY WATER DISTRICT NO. 1

BOARD OF COMMISSIONERS

NOVEMBER 11, 2024

The LaRue County Water District No. 1 Board of Commissioners held a regular monthly meeting on November 11, 2024 at 5:00 P.M. in the Water District Office in Hodgenville, Kentucky. Those present at the meeting were Chairman John Detre, Commissioner Bobby Garrison, and Commissioner Pat Eastridge. Also present at the meeting were Manager Tim Bartley and Office Manager Rebecca Hornback.

Chairman John Detre called the meeting to order and declared that a quorum was present.

RECOGNIZE SPECIAL GUEST

Adam Scott with Integrated Water

APPROVAL OF MINUTES AND FINANCIAL REPORT

Minutes of the October 12, 2024 Board meeting and the financial report for September 2024 were reviewed. Motion was made by Commissioner Garrison and seconded by Commissioner Eastridge to approve the minutes and to pay the bills that are due and payable at this time. Motion carried unanimously.

OLD BUSINESS

1. Generator Project. Adam Scott with Integrated Water informed the Board of Commissioners that he has reached out to Meagen Mollohon the Grant Manager for the FEMA Mitigation Grant that was awarded to LCWD#1. Meagan responded that all forms and contracts are complete and the project is ready to move forward. Manager Bartley also said that we are waiting on the electrical engineers.

2. East Leafdale Project. Manager Bartley informed the Board of Commissioners that the project is ready to be advertised to accept bids. Adam informed the board we have \$379,605 in funds left and \$316,045 of it is for the construction phase.

3. Update Personnel Policy. Manager Bartley informed the Board of Commissioners that Office Manager, Rebecca Hornback is requesting that the district change the one-hour increment policy for vacation and personal days to half hour increment. Motion was made by Commissioner Eastridge and seconded by Commissioner Garrison to change the one-hour increment policy for vacation and personal days to half hour increment. Motion carried unanimously.

NEW BUSINESS

1. Engineering Contract for the Water Treatment Plant Project. Manager Bartley gave the Board of Commissioners three options with alternates to be considered in the contract for the New Treatment Plant. There has been some slight confusion so the Manager wanted to present the board with options to better understand what the scope of work would look like. After much discussion the Commissioners asked to reword the contract to reflect the amount of funds for planning and design that are currently secured. Then Jim Thompson could meet the commissioners one more time to explain a few options of removing portions of the project.

2. Budget. Manager Bartley presented the 2025 Budget to the Board of Commissioners Manager Bartley also explained how the current CPA's assisted Office Manager Rebecca with adding in the payroll expenses because we switched from QuickBooks payroll to Pensoft, so now Rebecca has to calculate and physically add into the spreadsheet. Manager Bartley also pointed out how well Rebecca is doing. Motion was made by Commissioner Garrison to approve the 2025 Budget and seconded by Commissioner Eastridge. Motion carried unanimously.

3. Job Positions. Manager Bartley spoke about needing to upgrade some salaries. After much discussion the Board of Commissioners agreed that some salaries needed updating. A motion was made by Commissioner Garrison to create a new \$15.00 hourly position for the field personnel, raise Drake's pay by one dollar and raise the General Manager's pay a dollar and thirty cents per quarter for four quarters.

ADJOURNMENT

There being no further business, motion was made by Commissioner Eastridge and seconded by Chairman Detre to adjourn the meeting. Motion carried unanimously.

LARUE COUNTY WATER DISTRICT NO. 1

Pat Eastridge, Secretary

DATE APPROVED _____

John M. Detre, Chairman

LARUE COUNTY WATER DISTRICT NO. 1

BOARD OF COMMISSIONERS

DECEMBER 9, 2024

The LaRue County Water District No. 1 Board of Commissioners held a regular monthly meeting on December 9, 2024 at 5:00 P.M. in the Water District Office in Hodgenville, Kentucky. Those present at the meeting were Chairman John Detre, Commissioner Bobby Garrison, and Commissioner Pat Eastridge. Also present at the meeting were Manager Tim Bartley and Office Manager Rebecca Hornback.

Chairman John Detre called the meeting to order and declared that a quorum was present.

RECOGNIZE SPECIAL GUEST

APPROVAL OF MINUTES AND FINANCIAL REPORT

Minutes of the November 11, 2024 Board meeting and the financial report for October 2024 were reviewed. Motion was made by Commissioner Garrison and seconded by Commissioner Eastridge to approve the minutes and to pay the bills that are due and payable at this time. Motion carried unanimously.

OLD BUSINESS

1. Generator Project. Manager Bartley informed the Board of Commissioners that Jim Thompson with Kentucky Engineering Group reached out to the electrical engineer, and that he should be starting soon.

2. East Leafdale Project. Manager Bartley informed the Board of Commissioners that several plans have been picked up and called about for the bid that we will be opening on December 19th.

3. Engineering Contract for the Water Treatment Plant Project. Manager Bartley informed the Board of Commissioners that the contract that has been presented to the chairman is in the amount of \$5,239,725.00. The total project estimate is approximately \$63,000,000.00. Manager Bartley reached out to Adam Scott with Integrated Water about the idea of splitting the project into three separate projects and signing a contract for each one as funding and process allows. The consensus of the Board was to move forward with the three separate contracts. The Board previously approved signing the contract for the Water Plant Design.

NEW BUSINESS

1. Field Personnel. Manager Bartley informed the Board of Commissioners that we have hired a new employee that will be starting on December 11th, and that we lost an employee last week on their own.

2. Valve Project (Replace). Manager Bartley informed the Board of Commissioners that he is wanting to get a project together to go through the system, and replace some valves. The contractors would then submit bids as usual for the project.

3. Uniforms. Manager Bartley informed the Board of Commissioners that he is requesting that the district change the allowance for boots from \$75.00 per year to \$150.00 every two years and, shirts and pants from \$200.00 per year to \$250.00 per year. Motion was made by Commissioner Garrison and seconded by Commissioner Eastridge to change boots from \$75.00 per year to \$150.00 every two years and, shirts and pants from \$200.00 per year to \$250.00 per year. Motion carried unanimously.

3. Open Bids for IHI Excavator Surplus Property. Manager Bartley informed the Board of Commissioners that there was one bid made. The bid was from James K. Bartley in the amount of \$18,500.00. Manager Bartley recommended to the board to possibly rebid. Motion was made by Commissioner Eastridge and seconded by Commissioner Garrison to accept the bid of \$18,500.00 from James K. Bartley. Motion carried unanimously.

ADJOURNMENT

There being no further business, motion was made by Commissioner Eastridge and seconded by Chairman Detre to adjourn the meeting. Motion carried unanimously.

LARUE COUNTY WATER DISTRICT NO. 1

Pat Eastridge, Secretary

DATE APPROVED _____

John M. Detre, Chairman

LARUE COUNTY WATER DISTRICT NO. 1

BOARD OF COMMISSIONERS

JANUARY 13, 2025

The LaRue County Water District No. 1 Board of Commissioners held a regular monthly meeting on January 13, 2025, at 5:00 P.M. in the Water District Office in Hodgenville, Kentucky. Those present at the meeting were Chairman John Detre, and Commissioner Bobby Garrison. Also present at the meeting were Manager Tim Bartley and Office Manager Rebecca Hornback.

Chairman John Detre called the meeting to order and declared that a quorum was present.

RECOGNIZE SPECIAL GUEST

APPROVAL OF MINUTES AND FINANCIAL REPORT

Minutes of the December 9, 2024 Board meeting and the financial report for November 2024 were reviewed. Motion was made by Commissioner Garrison and seconded by Chairman Detre to approve the minutes and to pay the bills that are due and payable at this time. Motion carried unanimously.

OLD BUSINESS

1. Generator Project. Manager Bartley informed the Board of Commissioners the electrical engineer is supposed to have everything back by Wednesday, January 15, to Jim Thompson at Kentucky Engineering. He recommends that we have auto switches instead of manual switches

2. East Leafdale Project. Manager Bartley informed the Board of Commissioners that Jim Thompson recommends that the LCWD #1 award the base bid to RLH Rentals; as of recommendation Argenbright will be the company that RLH will sub this job to. Motion was made by Commissioner Garrison and second by Chairman Detre to move forward and award the bid to RLH Rentals. Motion carried unanimously.

3. Engineering Contract for the Water Treatment Plant Project. Manager Bartley informed the Board of Commissioners that the contract was agreed to be split into 3 projects. The Water Treatment Plant, planning and design is the first of the three projects and will utilize the \$1.6 million loan and loan forgiveness from KIA. Motion was made by Chairman Detre and seconded by Commissioner Garrison to accept the contract for the LCWD #1 treatment plant, planning and design. Motion carried unanimously.

NEW BUSINESS

1. New Telemetry Sites. Manager Bartley informed the Board of Commissioners that HTI is quoting some additional sites, we asked to have 2 more sites priced along with the 2 sites we asked about last year in April.

2. New Service Truck. Manager Bartley informed the Board of Commissioners that our new Ford F-150 has been delivered and we are ready to replace another service truck. Motion was made by Commissioner Garrison and seconded by Chairman Detre to order a new service truck. Motion carried unanimously.

3. Declare 2WD Work Truck Surplus (VIN: 1GCNCPEH6EZ168958). Manager Bartley informed the Board of Commissioners that the service truck is now ready to be sold while one is on order. Motion was made by Commissioner Garrison and seconded by Chairman Detre to declare the 2WD work truck surplus and advertise. Motion carried unanimously.

4. Rate Study. Manager Bartley informed the Board of Commissioners that we got our rate study back from Scott Jack Lawless. He has recommended that we do not apply for a rate increase due to it only being 1.1% more. The Board of Commissioners agreed.

ADJOURNMENT

There being no further business, motion was made by Commissioner Garrison and seconded by Chairman Detre to adjourn the meeting. Motion carried unanimously.

LARUE COUNTY WATER DISTRICT NO. 1

Pat Eastridge, Secretary

DATE APPROVED _____

John M. Detre, Chairman

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

Request 2: Refer to Larue District #1's response to Staff's First Request, Item 8c. Larue District #1 did not provide an explanation of how it would fulfill its ongoing contracts if it built the proposed Water Treatment Plant and no longer purchased water. Provide a detailed explanation of any conditions in Larue District #1's ongoing contracts requiring a minimum gallons purchased or minimum bill and how Larue District #1 will fulfill its ongoing contracts if it no longer purchased water.

Response 2: Larue County has not yet determined if it is even feasible to build its own water treatment plant. The request for financing in this Application is to determine the feasibility of the project. If the project is feasible, and then if Larue County can secure grants for a large portion of the cost, Larue County will begin the process of negotiating contract terminations.

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

Request 3: Refer to Larue District #1's response to Staff's First Request, Item 9, in which Larue District #1 stated that it "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." Also refer to Larue District #1's 2025 Annual Report. The 2025 Annual Report states that Larue District #1 purchased approximately 252,977,000 gallons of water, or approximately 693,000 gallons a day. The proposed Water Treatment Plant would produce 4 million gallons a day or approximately 1,460,000,000 gallons a year. Based on Larue District #1's current water purchases, the proposed Water Treatment Plant would only be operating at 17 percent capacity. Explain the need for a water treatment plant that will have excess capacity exceeding 80 percent. Include in the response any documentation, calculations, or projections that support the need for a plant capable of producing 4 million gallons of water a day.

Response 3: Larue County has not yet determined if it is even feasible to build its own water treatment plant. The request for financing in this Application is to determine the feasibility of the project.

If, and only if, the project is feasible Larue County will evaluate the size of the potential water plant and the potential project could decrease in size. Additionally, there is increasing growth within Larue County and surrounding counties. This increasing commercial and industrial growth could necessitate additional water. If the project is feasible, Larue County will take this potential growth into consideration with a multitude of other factors to determine the size of the water treatment plant.

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

Request 4: Refer to Larue District #1's response to Staff's First Request, Item 2. Larue District #1 stated its current wholesale providers would need large investments, to be made by Larue District #1, in their system to provide additional water. For each of Larue District #1's wholesale providers:

- a. State whether any specific improvements have been discussed for each wholesale provider.
- b. For each wholesale provider, provide a list of the specific project items the provider would pay for and those that Larue District #1 would pay for and the respective costs.

Response 4(a)-(b): Approximately five (5) years ago, Larue County met with its wholesale providers. The main topic of discussion with each supplier was the ability to provide Larue County with additional water. After multiple meetings with the suppliers, it became apparent the scope of the upgrades necessary were too large for the wholesale providers to consider. At that time, Larue County then started the process of determining if a water treatment plant of its own would be possible. Larue County then began pursuing loans and grants to conduct the feasibility study.

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

Request 5: Refer to Larue District #1's response to Staff's First Request, Item 4.

- a. Provide any correspondence between Larue District #1 and each of its wholesale providers concerning capacity limitations of the wholesale provider to Larue District #1.
- b. Explain why maintaining dependance on wholesale providers is not acceptable in view of existing capital investments that have been made to facilitate serving Larue District #1.

Response 5(a): Larue County does not have any written correspondence with its wholesale providers regarding limitations on supply. If there is any development in territories of the wholesale suppliers and/or Larue County there is the potential for capacity limitations.

Response 5(b): The existing capital investments only support the system as it is now. If additional water is needed, Larue County would have to finance the transmission main improvements noted in Larue County's Response to Commission Staff's First Request for Information, Item 4.

Larue County reiterates the request for financing in this Application is to determine the feasibility of a water treatment plant. If the project is feasible, and then if Larue County can secure grants for a large portion of the cost, Larue County will begin working through issues presented in this request when determining how to approach a CPCN for the full project or system improvements.

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

Request 6: Refer to Larue District #1's response to Staff's First Request, Item 7. If Larue District #1 does not proceed to the design portion of the proposed project, explain how Larue District #1 plans to address its difficulties in managing adequate distribution within the system. 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: Larue County will continue to manage its system as it has done for many years and will take additional steps regarding improvements as needed if the water treatment plant is not a feasible option.

Larue County anticipates using Kentucky Engineering Group, PLLC for all engineering phases of the project, if the project is feasible, because KRS 424.260 does not require a water district to take bids for professional services. However, this will only occur if the project is feasible, and Larue County secures grants to cover a large portion of the project.

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

Request 7: Refer to Larue District #1's response to Staff's First Request, Item 2. State if Larue District #1 has been unable to flow water to different areas of its system as a result of wholesale provider disruptions as a persistent issue or if it occurs as part of specific wholesale provider disruptions. If it does not occur as a persistent issue, provide the number of times Larue District #1 has been unable to flow water to different areas of its system in the last five years by year.

Response 7: Larue County does not track interruptions because when an interruption occurs it is an emergency and not part of pattern or persistent issue. When there is an interruption, Larue County does not flow water to other parts of the system because of the choramine treatment issue. This means customers are left without water until the repair is done.