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September 22, 2026

Kentucky PSC
Filed with Application for CPCN & Rate Increase
For federally funded project

RE: HARRISON COUNTY WATER ASSOCIATION, INC.

To whom it may concern:

Please be advised that I write this letter and statement pursuant to 807 KAR 5:069, provides:

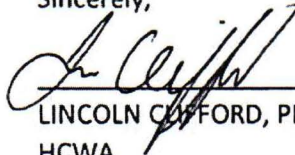
- I. Pursuant to 807 KAR 5:069, Section 2, numerical paragraph 6, a certified statement from President, Lincoln Clifford, as follows:
 - a. The project involves a water distribution system improvement (specifically over 14600 feet of 6 inch line replacement at US 27, and 14000 feet of 4 inch line extension at KY 353), and the proposed plans and specifications for the construction project have been designed to meet the minimum construction and operating requirements established by 807 KAR 5:066, Section 4(3) and (4), Section 5(1), Sections 6 and 7, Section 8(1) through (3), Section 9(1) and Section 10.
 - b. The project does not involve the collection or treatment of sewage.
- II. Pursuant to 807 KAR 5:069, Section 2, numerical paragraph 6(b), all necessary state approvals and/or permits have been obtained.
- III. Pursuant to 807 KAR 5:069, Section 2, numerical paragraph 6(c), The proposed rates as specified in the supplemental letter of conditions, dated January 5, 2026 (attached hereto and identified as Exhibit "A"), will produce

the revenue requirements recommended in the engineering report(s) and approved by USDA-Rural Development. *See. Exhibit "A".*

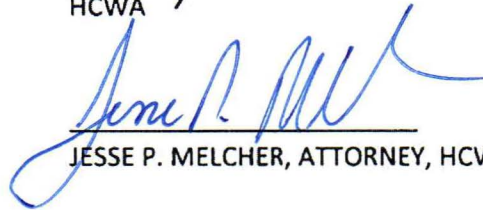
- IV. Pursuant to 807 KAR 5:069, Section 2, numerical paragraph 6(d), HCWA states construction is proposed to begin on or about November 1, 2026 and is projected to end on or about July 1, 2027 (subject to construction weather and unknowns).
- V. Notice has been sent to all customers, pursuant to 807 KAR 5:069, Section 3, by publication in the area local newspapers for all applicable counties.

If you have any questions regarding this letter, or these responses, please do not hesitate to contact us or HCWA.

Sincerely,

A handwritten signature in black ink, appearing to read "Lincoln Clifford", written over a horizontal line.

LINCOLN CLIFFORD, PRESIDENT/CHAIRMAN OF THE BOARD,
HCWA

A handwritten signature in blue ink, appearing to read "Jesse P. Melcher", written over a horizontal line.

JESSE P. MELCHER, ATTORNEY, HCWA

cc: file;



United States Department of Agriculture

EXHIBIT "A"

Rural Development

January 5, 2026

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Gary Carter, Chairman
Harrison County Water Association
433 Sea Biscuit Way
Cynthiana, KY 41031

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

SUBJECT: Letter of Conditions
Harrison County Water Association
Project Name: FY25 – US27 and KY 353 Water Main Replacement and
Extension
CFDA NUMBER – 10.760

RUS Loan:	\$2,437,000
Connections/ Tap on Fees:	\$ 24,700
Applicant Contribution:	\$ 200,766
Cleaner Water Program (CWP):	\$ 694,534

Dear Chairman Carter:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated June 26, 2025. The purpose of this amendment is to update Rates & Charges due to the purchased water cost increase as a result of KY American (Wholesale Provider) wholesale rate increase.

Paragraph numbered "S" is revised to read as follows:

1. "Rates and Charges:

Rates and charges for facilities and services rendered by the Association must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/ or depreciation reserve.

Water rates will be at least:

5/8" X 3/4" Meter:

First	2,000	gallons @ \$	31.21	- Minimum Bill.
Next	1,000	gallons @ \$	12.37	- per 1,000 gallons.
Next	2,000	gallons @ \$	12.12	- per 1,000 gallons.
Next	45,000	gallons @ \$	11.38	- per 1,000 gallons.
All Over	50,000	gallons @ \$	10.09	- per 1,000 gallons.

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Harrison County Water Association

¾" Meter:

First	3,000	gallons @ \$	44.04	- Minimum Bill.
Next	2,000	gallons @ \$	12.12	- per 1,000 gallons.
Next	45,000	gallons @ \$	11.38	- per 1,000 gallons.
All Over	50,000	gallons @ \$	10.09	- per 1,000 gallons.

1" Meter:

First	5,000	gallons @ \$	66.64	- Minimum Bill.
Next	45,000	gallons @ \$	11.38	- per 1,000 gallons.
All Over	50,000	gallons @ \$	10.09	- per 1,000 gallons.

1 ½" Meter:

First	10,000	gallons @ \$	124.65	- Minimum Bill.
Next	40,000	gallons @ \$	11.38	- per 1,000 gallons.
All Over	50,000	gallons @ \$	10.09	- per 1,000 gallons.

2" Meter:

First	15,000	gallons @ \$	181.44	- Minimum Bill.
Next	35,000	gallons @ \$	11.38	- per 1,000 gallons.
All Over	50,000	gallons @ \$	10.09	- per 1,000 gallons.

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

**TRAVIS
BURTON**

Travis Burton
State Director

Digitally signed by TRAVIS
BURTON
Date: 2026.01.06 15:16:09
-05'00'

cc: Community Programs Director, USDA Rural Development
Jesse Melcher, Jesse Melcher Law Office, PLLC. – Mt. Olivet, Ky.
Mark Askin, Strand Associates – Louisville, Ky.
Missie Lynch, Lynch and Lynch CPAs, PLLC. – Louisville, Ky.
PSC – Frankfort, Kentucky