

KENTUCKY GUIDE 7
MAY 1998

REVISED SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED December 18, 2019

FOR

KY 192/KY 1003 Waterline Replacements & Sandy Gap/Dixie Bend P.S. Replacement Project
(Name of Project)

APPLICANT CONTACT PERSON: Morris Vaughn, (Manager)

APPLICANT PHONE NUMBER: (606) 678-5501

APPLICANT TAX IDENTIFICATION NUMBER (TIN): 61-128354

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 1, 2018 to December 31, 2018

5/8" x 3/4" Meters			Residential		Non-Residential	
Usage Bracket	Unit	Average	No. of Users	Usage (1,000 Gal.)	No. of Users	Usage (1,000 Gal.)
0 - 2,000	Gallons	0	841	0	16	0
2,000 - Over	Gallons	4,430	6,538	278,792.3	131	16,766.3
		Subtotal	7,379	278,792.3	147	16,766.3

1" Meters			Residential		Non-Residential	
Usage Bracket	Unit	Average	No. of Users	Usage (1,000 Gal.)	No. of Users	Usage (1,000 Gal.)
0 - 5,000	Gallons	0	0	0	3	0
5,000 - Over	Gallons	10,310	0	0	6	742.2
		Subtotal	0	0	9	742.2

2" Meters			Residential		Non-Residential	
Usage Bracket	Unit	Average	No. of Users	Usage (1,000 Gal.)	No. of Users	Usage (1,000 Gal.)
0 - 20,000	Gallons	0	0	0	3	0
20,000 - Over	Gallons	45,450	0	0	2	1,090.8
		Subtotal	0	0	5	1,090.8

Total Water Purchased
Total Water Sold

604,455,000 Gallons
304,468,000 Gallons

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS
 (For Period: January 1, 2018 to December 31, 2018)

DEMONSTRATION OF BILLING ANALYSIS ACCURACY

5/8" x 3/4" RESIDENTIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 2,000	Over 2,000
First 2,000	10,088	0.0	0.0	
Over 2,000	78,460	278,792.3	156,920.0	121,872.3
TOTALS	88,548	278,792.3	156,920.0	121,872.3

5/8" x 3/4" RESIDENTIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 2,000 gallons	88,548	156,920.0	\$25.15 Minimum Bill	\$2,226,982.20
Over 2,000 gallons		121,872.3	\$10.90 per 1,000 Gal.	\$1,328,408.07
ANNUAL REVENUE				\$3,555,390.27

5/8" x 3/4" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 2,000	Over 2,000
First 2,000	192	0.0	0.0	
Over 2,000	1,572	16,766.3	3,144.0	13,622.3
TOTALS	1,764	16,766.3	3,144.0	13,622.3

5/8" x 3/4" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 2,000 gallons	1,764	3,144.0	\$25.15 Minimum Bill	\$44,364.60
Over 2,000 gallons		13,622.3	\$10.90 per 1,000 Gal.	\$148,483.07
ANNUAL REVENUE				\$192,847.67

1" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 5,000	Over 5,000
First 5,000	36	0.0	0.0	
Over 5,000	72	742.2	360.0	382.2
TOTALS	108	742.2	360.0	382.2

1" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 5,000 gallons	108	360.0	\$57.85 Minimum Bill	\$6,247.80
Over 5,000 gallons		382.2	\$10.90 per 1,000 Gal.	\$4,165.98
ANNUAL REVENUE				\$10,413.78

2" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 20,000	Over 20,000
First 20,000	36	0.0	0.0	
Over 20,000	24	1,090.8	480.0	610.8
TOTALS	60	1,090.8	480.0	610.8

2" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 20,000 gallons	60	480.0	\$221.35 Minimum Bill	\$13,281.00
Over 20,000 gallons		450.3	10.90 per 1,000 Gal.	\$6,657.72
ANNUAL REVENUE				\$19,938.72

TOTAL REVENUE

Meter Size	No. Bills	Revenue
5/8" x 3/4" Residential	88,548	\$3,555,390.27
5/8" x 3/4" Commercial	1,764	\$192,847.67
1" Commercial	108	\$10,413.78
2" Commercial	60	\$19,938.72
TOTAL REVENUE		\$3,778,590.44

TOTAL RESALE REVENUE

Utility	Gallons (1,000)	Existing Rate	Revenue
City of Burnside	7,072.9	\$3.69 per 1,000 Gal.	\$26,099.00
ANNUAL REVENUE			\$26,099.00

Total Residential Revenue	\$3,555,390.27
Total Commercial Revenue	223,200.17
Total Resale Revenue	26,099.00
Total Revenue from Taxes & Penalties	214,079.99
Annual Revenue from Billing Analysis.....	\$4,018,769.43
Water Sales Reported in 2018 Financial Statement.....	\$4,104,403.00
Percent Error	2.13%

FORECAST WITH THE PROPOSED RATES

5/8" x 3/4" RESIDENTIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 2,000	Over 2,000
First 2,000	10,088	0.0	0.0	
Over 2,000	78,460	278,792.3	156,920.0	121,872.3
TOTALS		88,548	278,792.3	156,920.0

5/8" x 3/4" RESIDENTIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 2,000 gallons	98,184	156,920.0	\$25.87 Minimum Bill	\$2,290,303.16
Over 2,000 gallons		121,872.3	\$11.21 per 1,000 Gal.	\$1,366,179.40
ANNUAL REVENUE				\$3,656,482.55

5/8" x 3/4" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 2,000	Over 2,000
First 2,000	192	0.0	0.0	
Over 2,000	1,572	16,766.3	3,144.0	13,622.3
TOTALS		1,764	16,766.3	3,144.0

5/8" x 3/4" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 2,000 gallons	1,764	3,144.0	\$25.87 Minimum Bill	\$45,626.04
Over 2,000 gallons		13,622.3	\$11.21 per 1,000 Gal.	\$152,704.97
ANNUAL REVENUE				\$198,331.01

1" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 5,000	Over 5,000
First 5,000	36	0.0	0.0	
Over 5,000	72	742.2	360.0	382.2
TOTALS		108	742.2	360.0

1" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 5,000 gallons	108	360.0	\$59.49 Minimum Bill	\$6,425.45
Over 5,000 gallons		382.2	\$11.21 per 1,000 Gal.	\$4,284.43
ANNUAL REVENUE				\$10,709.88

2" COMMERCIAL WATER USE TABLE

Water Use (Gal.)	Number Bills	Total Usage (1,000 Gal.)	First 20,000	Over 20,000
First 20,000	36	0.0	0.0	
Over 20,000	24	1,090.8	480.0	610.8
TOTALS	60	1,090.8	480.0	610.8

2" COMMERCIAL REVENUE TABLE

Water Use	No. Bills	Gallons (1,000)	Existing Rates	Revenue
First 20,000 gallons	60	480.0	\$227.64 Minimum Bill	\$13,658.63
Over 20,000 gallons		450.3	11.21 per 1,000 Gal.	\$6,847.02
ANNUAL REVENUE				\$20,505.65

TOTAL REVENUE

Meter Size	No. Bills	Revenue
5/8" x 3/4" Residential	87,420	\$3,656,482.55
5/8" x 3/4" Commercial	1,764	\$198,331.01
1" Commercial	72	\$10,709.88
2" Commercial	48	\$20,505.65
TOTAL REVENUE		\$3,886,029.09

TOTAL RESALE REVENUE

Utility	Gallons (1,000)	Existing Rate	Revenue
City of Burnside	7,072.9	\$3.69 per 1,000 Gal.	\$26,099.00
ANNUAL REVENUE			\$26,099.00

Total Residential Revenue	\$3,656,482.55
Total Commercial Revenue	229,546.54
Total Resale Revenue	26,099.00
Total Revenue from Taxes & Penalties	214,080.87
Forecasted Revenue from 2.84% Rate Increase.....	\$4,126,208.96
Less Revenue from 2018 Rates.....	\$4,104,403.00
 Additional Revenue Generated Through Rate Increase.....	 <u>\$ 21,805.96</u>