

EXHIBIT #2

Response for PSC Order 11-4-19 for Item # 3

Response prepared by Greg Heitzman from discussions with Katrina Sansom and Greg Scott and review of payroll registers and income statements provided by Martin County Water District.

#3 - Provide a detailed explanation and justification for the increases in salary/wages and pension/benefits.

Labor Analysis: Beginning September of 2018 the Interim General Manager initiated a winter work schedule that changed to a rotating four (4) day, 48-hour work week schedule to improve responses to emergency distribution repairs. The District has two field crews that work this schedule. Crew A works 12-hour days on Monday, Tuesday, Wednesday, Thursday of Week 1 and Tuesday, Wednesday, Thursday Friday of Week 2. Crew B works 12-hour days Friday, Saturday, Sunday, Monday of Week 1 and Saturday, Sunday, Monday and Tuesday of Week 2.

In addition, there are a number of factors impacting labor and overtime expense in 2019 compared to 2018, including: new employee additions, plant operations schedules, leak detection, theft investigation, water main break repairs, service line leak repairs, and work on the river and reservoir supply to assure a continuous water supply to the treatment plant.

The 12-hour work schedule and emergency overtime are the major contributors to the increase in labor, pension and benefits expenses in 2019 compared to 2018. From examination of the payroll register for the 2018 six-month period (January to June 2018) compared to the 2019 six-month period (January to June 2019) the total labor hours increased 36.3% and labor expenses increased 34.7%. The labor expenses from the payroll register match the labor expenses for the respective time periods in the unaudited financial statements for 2018 in Exhibit A and 2019 in Exhibit B.

	Hours	Pay (\$)
Total Hours and Pay for Jan to June 2018	18,965.75	\$ 284,435.88
Total Hours & Pay for Jan to June 2019	25,859.25	\$ 383,191.45
% increase over 2018	36.3%	34.7%
Hours and \$ Increase over 2018	6,893.50	\$ 98,755.57

Pension and Benefit Analysis: Pension and benefits expenses for January to June 2018 total \$4,582.47 compared to \$105,435.01 for January to June 2018, an increase of \$100,852.54. This required a further analysis of expense by month. From a review of the monthly expenses, negative adjustments were made in January 2018, totaling \$69,132.42. An inquiry has been made to Linda Sumpter CPA to clarify the reason for the adjustments.

2018	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jan to Jun 2018	Feb to Jun 2018
Employee Pensions & Ben TO	(19,515.28)	4,193.18	4,097.86	4,087.88	4,140.74	4,966.44	1,970.82	21,486.10
Employee Pensions & Ben DO	483.26	483.26	483.26	483.26	483.26	483.26	2,899.56	2,416.30
Employee Pensions & Ben DO	(2,647.57)	505.93	440.48	166.24	0.00	0.00	(1,534.92)	1,112.65
Employee Pensions & Ben DM	(25,785.18)	4,920.18	4,803.17	5,018.44	4,961.11	6,044.48	(37.80)	25,747.38
Employee Pensions & Ben CAE	(13,243.44)	2,912.62	2,947.66	2,937.84	2,911.09	3,409.74	1,875.51	15,118.95
Employee Pensions & Ben AG	(7,940.95)	1,406.63	1,369.55	1,406.63	1,406.63	1,760.81	(590.70)	7,350.25
Total	\$	4,582.47	\$	73,231.63				

2019	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jan to Jun 2019	Feb to Jun 2019
Employee Pensions & Ben TO	5,253.16	4,694.49	4,445.01	4,493.83	4,488.84	4,561.32	27,936.65	22,683.49
Employee Pensions & Ben DO	483.26	483.26	483.26	483.26	483.26	483.26	2,899.56	2,416.30
Employee Pensions & Ben DM	8,324.77	9,266.85	9,117.50	8,361.97	8,348.43	8,828.46	52,247.98	43,923.21
Employee Pensions & Ben CAE	2,881.05	2,935.91	2,842.93	3,057.77	3,086.60	3,134.46	17,938.72	15,057.67
Employee Pensions & Ben AG	735.35	735.35	735.35	735.35	735.35	735.35	4,412.10	3,676.75
Total							\$ 105,435.01	\$ 87,757.42

The February to June 2018 Pension and Benefits total \$73,231.63 compared to \$87,757.42 in 2019, an increase of \$14,525.79 (19.8%). This increase is primarily attributed to the increase in wages from 2018 to 2019 and corresponding increase in pension expenses applied to labor.

Other Factors: In addition, there are other factors that impact labor, pension and benefits from 2018 to 2019. Note some changes are positive and some are negative to the expense category. These include the following:

1. the resignation of 4 employees in 2019 and the hiring of new employees in 2019 resulting in changes in rates of pay and benefit status (start dates for benefits and different CERS rates).
2. the payment of unused sick and vacation for employees resigning (resigning employees typically used their vacation before their last day of employment).
3. changes in CERS contribution rates (prior to July 1, 2018 is 19.2%, July 1 to July 1 2019 is 21.5%, and after July 1, 2019 is 24.1%)
4. increases in 2019 wage rate for the following positions:
 - Accounting Clerk
 - Distribution Supervisor
 - Assistant Distribution Supervisor
 - Part time Clerk
 - Pay increase for new hires after 90 days
5. the timing of pay periods, taxes and benefits.

Note: A more detailed analysis of the payroll data is needed to determine the increases and decreases in each of the labor and benefits categories. With limited time to respond to the PSC order a complete evaluation of all the changes was not conducted.

Exhibit A – 2018 Financial Statement

2018 Unaudited	January	February	March	April	May	June	July	August	September	October	November	December	2018 YTD
Revenues													
Interest & Dividend Income	\$ 7.12	6.09	156.89	33.86	48.13	64.15	6.62	6.99	7.24	9.87	8.91	6.06	\$ 361.93
Unmetered Water Revenues	286.43	26.30	20.60	19.60	19.60	0.00	9.80	0.00	0.00	0.00	0.00	35.00	\$ 417.33
Metered Sales To Resid Cust	121,960.52	143,621.80	112,449.80	110,736.58	147,460.50	137,710.87	160,538.69	152,973.71	158,098.42	144,630.49	150,214.40	141,297.35	\$ 1,681,713.13
Metered Sales to Comm Cust	27,490.30	28,998.23	20,028.85	18,178.78	24,705.33	18,969.08	24,721.07	22,942.75	24,358.67	26,955.77	26,146.18	24,729.92	\$ 288,224.93
Metered Sales to Comm Exempt	0.00	0.00	5,997.80	6,527.10	6,983.65	7,652.94	7,039.08	5,873.72	6,621.67	7,739.21	7,778.56	14,908.44	\$ 77,122.17
Metered Sales to Public Auth	0.00	0.00	0.00	0.00	0.00	0.00	2,030.25	0.00	0.00	0.00	0.00	0.00	\$ 2,030.25
Miscellaneous Service Revenue	1,884.00	956.00	9,286.08	440.00	5,872.00	2,213.00	5,852.00	1,637.09	4,280.00	3,554.00	1,887.70	1,674.00	\$ 39,535.87
Other Water Revenues-Penalties	5,250.98	6,344.82	4,676.61	3,599.59	6,594.24	3,959.24	7,829.67	6,793.25	7,743.80	5,904.29	8,361.93	6,293.72	\$ 73,352.14
Other Water Revenues	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 300.00
Other Revenues - JW	0.00	0.00	(272.40)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ (272.40)
Other Revenues	100.00	0.00	0.00	41.25	0.00	13.82	0.00	0.00	0.00	0.00	0.00	6,554.91	\$ 6,709.98
Other Revenues-Vendors Comp	18.20	20.63	22.86	20.69	21.26	23.94	34.43	23.90	23.65	22.32	27.45	21.67	\$ 281.00
Other Water Revenues-Sur Chang	0.00	0.00	0.00	15,575.49	14,468.07	14,401.03	14,455.50	14,426.17	14,413.60	14,438.74	14,304.66	14,365.61	\$ 130,848.87
Total Revenues	157,297.55	179,973.87	152,367.09	155,172.94	206,172.78	185,008.07	222,537.11	204,677.58	215,547.05	203,254.69	208,729.79	209,886.68	\$ 2,300,625.20
Cost of Sales													
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 0.00
Gross Profit	157,297.55	179,973.87	152,367.09	155,172.94	206,172.78	185,008.07	222,537.11	204,677.58	215,547.05	203,254.69	208,729.79	209,886.68	\$ 2,300,625.20
Expenses													
Depreciation Expense	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	64,781.75	\$ 777,381.00
Utility Regulatory Assess Fees	0.00	0.00	0.00	0.00	0.00	0.00	4,071.38	0.00	0.00	0.00	0.00	0.00	\$ 4,071.38
Payroll Taxes-SS & MC	4,054.78	3,202.44	3,122.32	3,348.63	3,277.52	4,753.89	3,380.52	3,880.82	3,517.84	3,873.90	3,955.52	4,126.80	\$ 44,494.98
Payroll Taxes-Unemployment	279.80	209.27	162.40	100.91	69.91	80.05	22.80	13.80	15.73	36.57	34.38	35.81	\$ 1,061.43
Interest on Long-Term Debt	1,905.33	38,579.85	1,884.17	1,815.12	1,816.33	1,793.79	2,383.98	1,890.97	1,834.75	1,810.14	0.00	1,055.48	\$ 56,769.91
Amortization of Prem on Debt	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	\$ (752.76)
Salaries and Wages - Emp TO	14,858.22	13,274.54	13,677.59	12,796.53	13,181.91	20,783.43	15,355.56	16,221.84	15,342.62	14,281.40	14,983.49	13,917.05	\$ 178,674.18
Salaries and Wages - Emp DO	7,723.93	4,598.03	4,116.35	7,993.97	7,416.05	9,371.82	6,923.15	8,309.77	6,501.82	6,611.58	7,749.45	6,841.29	\$ 83,757.21
Salaries and Wages - Emp DM	10,806.47	8,090.02	7,822.26	8,501.32	7,557.66	11,311.85	8,049.30	10,102.73	12,094.34	12,487.95	10,332.50	12,074.79	\$ 119,231.19
Salaries and Wages - Emp DM	8,835.38	5,067.50	3,984.04	5,217.74	5,113.89	6,654.47	5,897.68	8,833.55	8,113.74	13,153.19	14,372.63	17,381.84	\$ 102,625.65
Salaries and Wages - Emp CAE	5,084.99	5,138.43	5,321.10	5,269.82	5,130.33	7,730.31	3,521.20	4,188.36	3,711.04	3,883.35	4,083.50	3,508.39	\$ 56,570.82
Salaries and Wages - Emp AG	5,693.22	5,693.22	5,893.22	4,393.22	4,443.22	6,289.83	4,443.22	3,073.92	750.00	750.00	750.00	750.00	\$ 42,923.07
Employee Pensions & Ben TO	(19,515.28)	4,193.18	4,097.86	4,087.88	4,140.74	4,966.44	4,605.80	4,876.66	4,894.12	4,778.75	4,844.99	4,569.94	\$ 30,541.08
Employee Pensions & Ben DO	483.26	483.26	483.26	483.26	483.26	483.26	483.26	483.26	483.26	483.26	483.26	483.26	\$ 5,799.12
Employee Pensions & Ben DM	(2,647.57)	505.93	440.48	166.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ (1,534.92)
Employee Pensions & Ben DM	(25,785.18)	4,920.18	4,803.17	5,018.44	4,961.11	6,044.48	5,544.03	5,627.36	4,536.35	4,857.52	5,728.28	7,925.52	\$ 34,181.26
Employee Pensions & Ben CAE	(13,243.44)	2,912.62	2,947.66	2,937.84	2,911.09	3,409.74	2,683.43	2,826.74	2,724.22	2,761.21	2,804.22	2,560.37	\$ 18,235.70
Employee Pensions & Ben AG	(7,940.95)	1,406.63	1,369.55	1,406.63	1,406.63	1,760.81	1,491.57	1,852.39	1,598.91	1,530.09	1,298.28	818.13	\$ 7,998.67
Purchased Water SO	13,253.11	46,474.98	32,576.68	9,168.00	69.16	15,617.88	11,363.45	0.00	23,379.69	16,715.98	21,304.50	14,169.23	\$ 204,092.66
Purchased Water SO	0.00	447.07	447.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 894.14
Purchased Power SO	15,714.11	9,859.68	2,792.53	585.88	2,119.16	8,860.20	13,359.32	16,787.08	7,225.62	12,220.39	13,738.70	13,849.76	\$ 117,112.43
Purchased Power TO	11,925.36	10,858.53	11,138.80	11,178.21	10,172.17	9,773.77	9,454.02	8,667.84	9,899.22	8,745.76	8,700.62	10,488.82	\$ 121,003.12
Purchased Power DO	8,003.08	7,434.39	7,092.55	7,033.29	8,602.22	7,415.85	7,574.91	7,742.01	9,685.75	6,443.83	5,733.42	7,508.62	\$ 90,269.92
Purchased Power AG	552.74	544.99	405.01	395.82	203.72	235.10	305.49	274.39	297.56	269.59	318.51	462.78	\$ 4,265.70
Chemicals TO	19,577.25	18,676.64	10,168.94	20,501.73	11,502.16	21,711.48	15,132.99	14,642.63	15,329.61	13,619.60	12,251.60	12,251.60	\$ 185,366.23
Materials & Supplies SO	7,683.43	1,143.36	2,023.88	411.49	3,769.73	15,610.66	6,514.77	4,759.38	12,062.70	11,795.19	8,115.32	138.68	\$ 74,028.59
Materials & Supplies SM	0.00	0.00	0.00	0.00	0.00	0.00	2,466.00	0.00	0.00	0.00	0.00	0.00	\$ 2,466.00
Materials & Supplies TO	5,908.72	5,914.11	5,858.24	19,020.50	0.00	0.00	0.00	666.00	2,415.00	0.00	2,896.54	0.00	\$ 42,679.11
Materials & Supplies TM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(995.00)	0.00	\$ (995.00)
Materials & Supplies TM	0.00	995.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ 995.00
Materials & Supplies DO	0.00	0.00	0.00	0.00	0.00	14.83	0.00	0.00	0.00	0.00	0.00	0.00	\$ 14.83
Materials & Supplies DO	2,513.71	767.28	1,733.37	3,560.79	2,496.40	504.38	186.42	2,652.80	0.00	0.00	0.00	0.00	\$ 14,415.15
Materials & Supplies DM	10,055.69	9,180.72	11,946.36	13,928.35	34,601.75	15,784.86	9,928.58	14,603.94	693.18	7,842.01	547.04	5,139.04	\$ 134,251.52
Materials & Supplies CAE	1,892.78	1,260.01	1,539.90	2,132.83	1,258.69	1,263.80	1,006.13	1,112.38	1,443.43	1,177.15	1,934.68	1,265.22	\$ 17,287.00
Materials & Supplies AG	0.00	0.00	0.00	0.00	0.00	0.00	130.01	163.81	118.13	0.00	0.00	0.00	\$ 411.95

Exhibit A – 2018 Financial Statement (continued)

2018 Unaudited	January	February	March	April	May	June	July	August	September	October	November	December	2018 YTD
Contractual Ser-Eng SM	0.00	960.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	960.00
Contractual Ser-Eng DM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,788.00	0.00	0.00	1,788.00
Contractual Ser-Acct AG	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000.00
Contractual Ser-Leg AG	5,003.40	10,296.25	3,644.70	2,562.50	6,420.09	4,773.83	5,182.05	7,730.21	612.50	1,422.35	1,287.50	0.00	48,935.38
Contractual Ser-Wtr Test TO	1,507.00	1,802.50	1,922.25	1,496.25	2,848.00	1,474.50	2,041.00	3,048.25	1,405.00	860.00	0.00	0.00	18,404.75
Contractual Ser-Other SO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	840.00	0.00	0.00	0.00	0.00	840.00
Contractual Ser-Other SO	0.00	0.00	0.00	0.00	1,520.00	8,400.00	8,052.00	2,200.00	0.00	0.00	0.00	0.00	20,172.00
Contractual Ser-Other SM	0.00	0.00	0.00	0.00	0.00	1,142.97	2,327.00	1,080.00	0.00	0.00	0.00	0.00	4,549.97
Contractual Ser-Other TO	0.00	0.00	0.00	0.00	0.00	2,250.00	0.00	0.00	0.00	0.00	0.00	0.00	2,250.00
Contractual Ser-Other TM	7,456.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,456.00
Contractual Ser-Other DO	451.35	0.00	0.00	0.00	0.00	0.00	0.00	650.00	0.00	0.00	0.00	0.00	1,101.35
Contractual Ser-Other DM	12,890.59	7,585.60	5,755.47	135.85	2,649.81	5,565.98	491.05	4,457.70	1,051.02	60.00	(1,291.34)	1,116.00	40,467.73
Contractual Ser-Other CAE	408.99	2,580.00	162.50	969.00	1,639.49	870.00	420.00	90.00	0.00	0.00	600.00	0.00	7,739.98
Contractual Ser-Other AG	505.00	55.00	60.00	60.00	60.00	1,060.00	60.00	1,060.00	1,060.00	1,335.00	1,055.00	1,060.00	7,430.00
Rental of Bldg/RI Prop DO	0.00	499.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	514.54	0.00	0.00	1,014.09
Rental of Bldg/RI Prop DM	0.00	0.00	0.00	500.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	525.00
Rental of Bldg/RI Prop CAE	709.58	709.58	709.58	709.58	793.01	709.58	709.58	730.26	730.26	730.26	709.58	730.26	8,681.11
Rental of Equipment SO	0.00	0.00	0.00	0.00	2,719.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,719.50
Rental of Equipment SO	0.00	0.00	0.00	0.00	0.00	2,719.50	2,719.50	23,555.25	0.00	31,319.10	15,659.55	0.00	75,972.90
Rental of Equipment TO	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
Rental of Equipment DO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	679.88	0.00	0.00	0.00	679.88
Rental of Equipment DM	0.00	0.00	148.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	148.95
Rental of Equipment GA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	5.00
Transportation Expense SO	0.00	0.00	0.00	0.00	0.00	190.01	0.00	0.00	0.00	0.00	0.00	0.00	190.01
Transportation Expense DO	335.23	0.00	0.00	897.49	263.87	162.49	1,088.81	252.05	0.00	0.00	53.02	0.00	3,052.96
Transportation Expense DM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	145.75	0.00	145.75
Transportation Expense DM	5,948.44	3,192.18	5,471.52	3,829.49	2,946.12	5,869.61	3,903.93	3,408.99	2,734.56	3,516.08	1,489.15	1,356.44	43,666.51
Transportation Expense CAE	328.38	328.38	328.38	492.58	492.58	762.22	492.58	492.58	492.58	492.58	492.58	492.58	5,688.00
Transportation Expense AG	1,145.16	762.19	689.35	447.02	293.33	583.50	614.27	712.94	326.76	259.12	214.49	107.00	6,155.13
Insurance-Vehicles SO	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles SM	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles TO	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles TM	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles TM	246.20	246.20	246.20	246.20	246.20	246.20	246.20	246.20	246.20	246.20	246.20	246.20	2,954.40
Insurance-Vehicles DO	269.29	269.29	269.29	269.29	269.29	269.29	269.29	269.29	269.29	269.29	269.29	269.29	3,231.48
Insurance-Vehicles DM	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles CAE	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	38.47	461.64
Insurance-Vehicles AG	61.55	61.55	61.55	61.55	61.55	61.55	61.55	61.55	61.55	61.55	61.55	61.55	738.60
Insurance-Gen Lab SO	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	1,759.08
Insurance-Gen Lab SM	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	1,172.76
Insurance-Gen Lab TO	293.18	293.18	293.18	293.18	293.18	293.18	293.18	293.18	293.18	293.18	293.18	293.18	3,518.16
Insurance-Gen Lab TM	122.16	122.16	122.16	122.16	122.16	122.16	122.16	122.16	122.16	122.16	122.16	122.16	1,465.92
Insurance-Gen Lab DO	757.37	757.37	757.37	757.37	757.37	757.37	757.37	757.37	757.37	757.37	757.37	757.37	9,088.44
Insurance-Gen Lab DM	781.80	781.80	781.80	781.80	781.80	781.80	781.80	781.80	781.80	781.80	781.80	781.80	9,381.60
Insurance-Gen Lab CAE	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	97.73	1,172.76
Insurance-Gen Lab AG	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	146.59	1,759.08
Insurance-Workers Comp TO	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	15,019.44
Insurance-Workers Comp DO	401.63	401.63	401.63	401.63	401.63	401.63	401.63	401.63	401.63	401.63	401.63	401.63	4,819.56
Insurance-Workers Comp DM	927.15	927.15	927.15	927.15	927.15	927.15	927.15	927.15	927.15	927.15	927.15	927.15	11,125.80
Insurance-Workers Comp CAE	31.13	31.13	31.13	31.13	31.13	31.13	31.13	31.13	31.13	31.13	31.13	31.13	373.56
Insurance-Workers Comp AG	501.13	501.13	501.13	501.13	501.13	501.13	501.13	501.13	501.13	501.13	501.13	501.13	6,013.56
Insurance-Other CAE	331.35	331.35	331.35	331.35	331.35	331.35	331.35	331.35	331.35	331.35	331.35	331.35	3,976.20
Insurance-Other AG	470.65	470.65	470.65	470.65	470.65	470.65	470.65	470.65	470.65	470.65	470.65	470.65	5,647.80
Miscellaneous Expense TO	432.14	350.24	337.19	350.10	350.10	426.01	350.04	330.04	354.13	334.33	709.30	334.30	4,657.92
Miscellaneous Expense TM	81.68	81.68	81.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	245.04
Miscellaneous Expense DO	0.00	0.00	0.00	0.00	0.00	51.50	0.00	0.00	0.00	0.00	0.00	0.00	51.50
Miscellaneous Expense DO	0.00	0.00	0.00	121.99	650.00	2,001.50	1,300.00	0.00	650.00	0.00	0.00	0.00	4,723.49
Miscellaneous Expense DM	0.00	37.62	74.88	243.98	18.09	51.50	0.00	650.00	0.00	0.00	0.00	0.00	1,076.07
Miscellaneous Expense CAE	436.92	223.56	213.56	223.14	223.14	223.14	222.98	212.98	225.18	215.81	215.81	215.81	2,852.03
Miscellaneous Expense CAE	296.00	97.28	364.26	0.00	319.20	102.87	75.00	0.00	0.00	0.00	0.00	0.00	1,254.61
Miscellaneous Expense CAE-OVS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.30
Miscellaneous Expense AG	2,100.00	0.00	0.00	0.00	2.23	0.00	0.00	0.00	0.00	1,850.00	(1,700.00)	0.00	2,252.23
Miscellaneous Expense AG	2,064.36	799.46	1,645.39	775.80	2,082.47	2,234.79	1,473.41	3,163.71	1,257.48	1,187.76	704.35	539.22	17,928.20
Total Expenses	207,619.38	317,539.15	244,804.64	240,215.43	238,367.06	299,198.70	253,148.39	274,265.91	235,594.20	271,364.56	241,657.39	222,620.25	3,046,395.06
Net Income	(\$ 50,321.83)	(137,565.28)	(92,437.55)	(85,042.49)	(32,194.28)	(114,190.63)	(30,611.28)	(69,588.33)	(20,047.15)	(68,109.87)	(32,927.60)	(12,733.57)	(\$ 745,769.86)

Exhibit B – 2019 Financial Statement

2019 Unaudited	January	February	March	April	May	June	2019 YTD
Revenues							
Interest & Dividend Income	\$ 0.06	0.00	0.00	0.00	0.00	0.04	\$ 0.10
Interest & Dividend Income	9.15	5.19	5.78	6.28	6.05	5.21	\$ 37.66
Unmetered Water Revenues	9.80	21.00	0.00	0.00	0.00	7.87	\$ 38.67
Metered Sales To Resid Cust	153,080.47	146,662.44	154,725.57	137,129.78	148,427.08	162,360.17	\$ 902,385.51
Metered Sales to Comm Cust	28,907.09	22,618.71	25,298.67	20,932.33	25,712.94	22,096.47	\$ 145,566.21
Metered Sales to Comm Exempt	7,830.73	6,423.32	8,117.75	7,923.86	10,663.61	8,640.81	\$ 49,600.08
Other Sales to Public Auth	0.00	0.00	0.00	0.00	0.00	976.26	\$ 976.26
Miscellaneous Service Revenue	2,484.00	5,520.00	1,604.00	3,412.00	2,584.37	3,672.00	\$ 19,276.37
Other Water Revenues-Penalties	5,988.71	6,108.06	6,096.02	4,839.01	5,617.88	5,552.56	\$ 34,202.24
Other Revenues	0.00	19,967.63	0.00	0.00	0.00	0.00	\$ 19,967.63
Other Revenues-Vendors Comp	24.40	30.24	22.24	24.84	21.67	24.52	\$ 147.91
Other Water Revenues-Sur Charge	14,292.09	14,266.95	14,187.34	14,183.15	14,178.96	14,220.86	\$ 85,329.35
Sales Returns and Allowances	0.00	0.00	0.00	0.00	3,020.00	0.00	\$ 3,020.00
Total Revenues	212,626.50	221,623.54	210,057.37	188,451.25	210,232.56	217,556.77	\$ 1,260,547.99
Cost of Sales							
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	\$ 0.00
Gross Profit	212,626.50	221,623.54	210,057.37	188,451.25	210,232.56	217,556.77	\$ 1,260,547.99
Expenses							
Depreciation Expense	64,441.92	64,441.92	64,441.92	64,441.92	64,441.92	64,441.92	\$ 386,651.52
Utility Regulatory Assess Fees	0.00	0.00	0.00	0.00	0.00	0.00	\$ 0.00
Payroll Taxes-SS & MC	4,887.91	4,872.85	4,761.86	4,620.06	4,756.52	5,256.72	\$ 29,155.92
Payroll Taxes-Unemployment	257.41	235.91	142.74	62.54	49.75	46.65	\$ 795.00
Interest on Long-Term Debt	486.23	0.00	989.90	474.55	462.16	474.55	\$ 2,887.39
Interest Expense	1,263.70	0.00	0.00	0.00	0.00	1,208.97	\$ 2,472.67
Amortization of Premon Debt	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	(62.73)	\$ (376.38)
Salaries and Wages - Emp TO	17,583.98	15,516.71	13,664.34	14,731.29	14,398.80	15,059.25	\$ 90,954.37
Salaries and Wages - Emp DO	8,654.64	8,252.47	9,543.70	8,586.70	8,646.82	8,266.62	\$ 51,950.95
Salaries and Wages - Emp DM	12,475.17	12,205.85	8,944.36	8,161.42	8,765.89	10,321.35	\$ 60,874.04
Salaries and Wages - Emp DM	19,490.50	21,659.05	24,478.49	22,183.17	23,537.26	28,030.22	\$ 139,378.69
Salaries and Wages - Emp CAE	5,394.58	5,695.25	5,173.55	6,287.98	6,385.91	6,596.13	\$ 35,533.40
Salaries and Wages - Emp AG	750.00	750.00	750.00	750.00	750.00	750.00	\$ 4,500.00
Employee Pensions & Ben TO	5,253.16	4,694.49	4,445.01	4,493.83	4,488.84	4,561.32	\$ 27,936.65
Employee Pensions & Ben DO	483.26	483.26	483.26	483.26	483.26	483.26	\$ 2,899.56
Employee Pensions & Ben DM	8,324.77	9,266.85	9,117.50	8,361.97	8,348.43	8,828.46	\$ 52,247.98
Employee Pensions & Ben CAE	2,881.05	2,935.91	2,842.93	3,057.77	3,086.60	3,134.46	\$ 17,938.72
Employee Pensions & Ben AG	735.35	735.35	735.35	735.35	735.35	735.35	\$ 4,412.10
Purchased Water SO	11,155.39	567.20	49.66	2,304.86	(23,851.16)	(3,103.97)	\$ (12,878.02)
Purchased Power SO	7,604.38	2,778.11	2,189.06	2,251.82	11,737.46	15,558.58	\$ 42,119.41
Purchased Power TO	13,134.72	10,639.41	10,368.93	9,815.67	9,886.20	35.27	\$ 53,880.20
Purchased Power DO	9,957.01	8,889.39	8,463.03	8,448.43	11,641.61	18,303.73	\$ 65,703.20
Purchased Power AG	650.71	572.02	499.81	460.56	358.91	167.69	\$ 2,709.70
Chemicals TO	18,377.40	6,039.33	14,842.26	11,880.48	18,566.61	18,425.21	\$ 88,131.29
Chemicals DO	0.00	0.00	0.00	0.00	475.82	0.00	\$ 475.82
Materials & Supplies TO	535.92	535.92	535.92	498.42	5,117.60	685.32	\$ 7,909.10
Materials & Supplies DO	0.00	0.00	0.00	0.00	0.00	0.00	\$ 0.00
Materials & Supplies DO	2,456.89	206.50	625.00	2,780.44	1,230.90	2,307.73	\$ 9,607.46
Materials & Supplies DM	0.00	713.85	0.00	0.00	0.00	0.00	\$ 713.85
Materials & Supplies DM	4,051.35	7,458.37	8,269.83	2,709.26	8,643.49	5,423.99	\$ 36,556.29
Materials & Supplies CAE	1,804.55	1,840.44	1,351.34	3,729.47	3,221.90	758.59	\$ 12,706.29

Exhibit B – 2019 Financial Statement (continued)

2019 Unaudited	January	February	March	April	May	June	2019 YTD
Contractual Ser-Acct CAE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Ser-Acct AG	3,500.00	1,750.00	650.00	650.00	950.00	0.00	7,500.00
Contractual Ser-Leg AG	1,552.04	1,817.70	0.00	734.80	822.30	3,571.64	8,498.48
Contractual Ser-Wtr Test TO	854.75	1,235.75	1,157.50	974.50	1,275.75	947.75	6,446.00
Contractual Ser-Other SO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contractual Ser-Other TM	2,772.59	0.00	0.00	0.00	1,270.15	0.00	4,042.74
Contractual Ser-Other DO	0.00	0.00	0.00	0.00	360.00	0.00	360.00
Contractual Ser-Other DO	0.00	0.00	0.00	0.00	821.59	1,301.30	2,122.89
Contractual Ser-Other DM	232.00	2,076.25	2,904.01	223.00	2,502.41	1,293.50	9,231.17
Contractual Ser-Other CAE	389.39	1,609.99	3,047.99	4,650.99	409.49	270.00	10,377.85
Contractual Ser-Other AG	2,738.00	5,999.00	6,203.64	1,035.00	10,752.63	5,018.48	31,746.75
Rental of Bld/RI Prop DO	0.00	196.53	0.00	(25.00)	0.00	0.00	171.53
Rental of Bld/RI Prop CAE	730.26	730.26	730.26	740.26	730.26	730.26	4,391.56
Rental of Equipment SO	1,613.50	0.00	0.00	17,159.55	7,000.00	24,319.10	50,092.15
Rental of Equipment DM	0.00	112.08	157.95	0.00	46.07	0.00	316.10
Transportation Expense TM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transportation Expense DO	558.83	128.91	376.84	553.12	97.97	932.33	2,648.00
Transportation Expense DM	32.98	0.00	0.00	1,396.94	3,786.17	207.84	5,423.93
Transportation Expense DM	3,376.13	7,419.60	2,024.83	3,686.70	2,577.64	4,612.56	23,697.46
Transportation Expense CAE	492.58	492.58	492.58	492.58	492.58	656.78	3,119.68
Insurance-Vehicles SO	38.47	38.47	38.47	38.47	38.47	38.47	230.82
Insurance-Vehicles SM	38.47	38.47	38.47	38.47	38.47	38.47	230.82
Insurance-Vehicles TO	38.47	38.47	38.47	38.47	38.47	38.47	230.82
Insurance-Vehicles TM	38.47	38.47	38.47	38.47	38.47	38.47	230.82
Insurance-Vehicles DO	246.20	246.20	246.20	246.20	246.20	246.20	1,477.20
Insurance-Vehicles DM	269.29	269.29	269.29	269.29	269.29	269.29	1,615.74
Insurance-Vehicles CAE	38.47	38.47	38.47	38.47	38.47	38.47	230.82
Insurance-Vehicles AG	61.55	61.55	61.55	61.55	61.55	61.55	369.30
Insurance-Gen Liab SO	146.59	146.59	146.59	146.59	146.59	146.59	879.54
Insurance-Gen Liab SM	97.73	97.73	97.73	97.73	97.73	97.73	586.38
Insurance-Gen Liab TO	293.18	293.18	293.18	293.18	293.18	293.18	1,759.08
Insurance-Gen Liab TM	122.16	122.16	122.16	122.16	122.16	122.16	732.96
Insurance-Gen Liab DO	757.37	757.37	757.37	757.37	757.37	757.37	4,544.22
Insurance-Gen Liab DM	781.80	781.80	781.80	781.80	781.80	781.80	4,690.80
Insurance-Gen Liab CAE	97.73	97.73	97.73	97.73	97.73	97.73	586.38
Insurance-Gen Liab AG	146.59	146.59	146.59	146.59	146.59	146.59	879.54
Insurance-Workers Comp TO	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	1,251.62	7,509.72
Insurance-Workers Comp DO	401.63	401.63	401.63	401.63	401.63	401.63	2,409.78
Insurance-Workers Comp DM	927.15	927.15	927.15	927.15	927.15	927.15	5,562.90
Insurance-Workers Comp CAE	31.13	31.13	31.13	31.13	31.13	31.13	186.78
Insurance-Workers Comp AG	501.13	501.13	501.13	501.13	501.13	501.13	3,006.78
Insurance-Other CAE	331.35	331.35	331.35	331.35	331.35	331.35	1,988.10
Insurance-Other AG	470.65	470.65	470.65	470.65	470.65	148.20	2,501.45
Advertising Expense AG	0.00	0.00	0.00	0.00	0.00	98.05	98.05
Miscellaneous Expense SO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense SO	0.00	0.00	0.00	0.00	86.94	0.00	86.94
Miscellaneous Expense TO	339.27	252.33	426.21	0.00	0.00	797.58	1,815.39
Miscellaneous Expense TM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense DO	0.00	0.00	740.08	2,205.31	2,837.62	42.00	5,825.01
Miscellaneous Expense DM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense CAE	215.85	0.00	431.70	0.00	215.41	455.62	1,318.58
Miscellaneous Expense CAE	75.00	73.00	232.74	99.92	164.68	71.00	716.34
Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00	20.00	20.00
Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expense AG	0.00	252.29	0.00	0.00	0.00	30.88	283.17
Miscellaneous Expense AG	1,067.83	902.47	8,571.76	649.09	585.43	289.81	12,066.39
Interest Expense	1,744.87	691.81	691.81	691.81	691.81	691.81	5,203.92
Other Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wages Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Contractor -- Operations	123.01	0.00	500.00	2,383.35	6,122.55	8,053.77	17,182.68
Total Expenses	252,565.30	224,791.43	234,114.12	237,677.61	248,030.77	277,911.45	1,475,090.68
Net Income	(\$ 39,938.80)	(3,167.89)	(24,056.75)	(49,226.36)	(37,798.21)	(60,354.68)	(\$ 214,542.69)