


PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND WATER ASSOCIATIONS (807 KAR 5:068)																							
Name of Utility	Henderson County Water District																						
Date	1/28/2021																						
Address	655 South Main, P.O. Box 655																						
City, State, Zip	Henderson KY, 42419																						
Telephone Number	(270) 826-9802																						
Email Address	pconrad@hendersoncounty.ky.gov																						
<p>1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Supplier(s)</th> <th style="width: 30%;">Base Rate</th> <th style="width: 30%;">Changed Rate</th> <th style="width: 5%;"></th> </tr> </thead> <tbody> <tr> <td>Henderson Water Utility, North</td> <td>\$3.0029</td> <td>\$3.5029</td> <td></td> </tr> <tr> <td>Henderson Water Utility, South</td> <td>\$2.6818</td> <td>\$3.2549</td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Supplier(s)	Base Rate	Changed Rate		Henderson Water Utility, North	\$3.0029	\$3.5029		Henderson Water Utility, South	\$2.6818	\$3.2549									
Supplier(s)	Base Rate	Changed Rate																					
Henderson Water Utility, North	\$3.0029	\$3.5029																					
Henderson Water Utility, South	\$2.6818	\$3.2549																					
<p>1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit</p>																							
<p>2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">From</td> <td style="width: 35%;">1/ 2020</td> <td style="width: 10%; text-align: center;">through</td> <td style="width: 40%;">12/2020</td> </tr> <tr> <td></td> <td style="text-align: center;">(month and year)</td> <td></td> <td style="text-align: center;">(month and year)</td> </tr> </table>				From	1/ 2020	through	12/2020		(month and year)		(month and year)												
From	1/ 2020	through	12/2020																				
	(month and year)		(month and year)																				
<p>3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.</p>																							

Supplier(s)	Gallons Purchased during 12 month period
Henderson Water Utility, North	435,665,770
Henderson Water Utility, South	28,665,016
TOTAL PURCHASES	464,330,786
4. Total gallons sold for the 12 month period	334,990,394
5. Increased water cost	\$234,260.81
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	\$0.684480542
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	March 31, 2021
Signature of Utility Officer	
Superintendent	
	Title



Henderson Water Utility

WATER • WASTEWATER • STORMWATER

☎ 270.826.2421

💻 www.hkywater.org

📍 111 Fifth Street
Henderson, KY 42420

December 18, 2020

Mr. Pete Conrad
Henderson County Water District
655 South Main Street
P.O. Box 655
Henderson, Kentucky 42419

Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Henderson County Water District, the costs of providing water services based on our fiscal year June 30, 2020 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our North and South Water Systems. Enclosed is a copy of each individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rates:

Henderson County Water District		
	Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
North	\$3.0029	\$3.5029
South	\$2.6818	\$3.2549

These revised rates are to go into effect on the first billing after March 31, 2021. We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley
Chief Financial Officer





Riney Hancock CPAs
PSC

INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Henderson County Water District Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky
December 15, 2020

Riney Hancock CPAs PSC

..... www.rineyhancock.com - info@rineyhancock.com

2900 Veach Road, Suite 2 - Owensboro, Kentucky 42303 - 270-926-4540 - Fax: 270-926-1494

313 Southeast First Street - Evansville, Indiana 47713 - 812-423-0300 - Fax: 812-423-6282

A member of Allinial Global - An association of legally independent firms

**Henderson County Water District
Calculation of South Water Cost per Contract
6/30/2020**

Operating expenses	\$ 2,493,588
Interest expense	<u>47,037</u>
Total cost	2,540,625
Less: City of Henderson overhead allocation	<u>(65,000)</u>
Net expenses applicable to HCWD	<u><u>\$ 2,475,625</u></u>

Calculation of South Water Cost per Contract:

Expenses per above	\$ 2,475,625
Volume in gallons	<u>950,741,456</u>
Rate per 1000 gallons	\$ 2.6039
Times contract factor	<u>1.25</u>
Calculated rate per 1,000 gallons	<u><u>\$ 3.2549</u></u>



Riney Hancock CPAs
PSC

INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of North Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Henderson County Water District Calculation of North Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky
December 15, 2020

Riney Hancock CPAs PSC

..... www.rineyhancock.com - info@rineyhancock.com

2900 Veach Road, Suite 2 - Owensboro, Kentucky 42303 - 270-926-4540 - Fax: 270-926-1494

313 Southeast First Street - Evansville, Indiana 47713 - 812-423-0300 - Fax: 812-423-6282

A member of Allinial Global - An association of legally independent firms

**Henderson County Water District
Calculation of North Water Cost per Contract
6/30/2020**

Operating expenses	\$ 6,075,926
Interest expense	<u>101,925</u>
Total cost	6,177,851
Less: City of Henderson overhead allocation	<u>(227,500)</u>
Net expenses applicable to Henderson County Water District	<u><u>\$ 5,950,351</u></u>

Calculation of North Water Cost per Contract:

Expenses per above	\$ 5,950,351
Volume in gallons	<u>2,123,351,260</u>
Rate per 1000 gallons	\$ 2.8023
Times contract factor	<u>1.25</u>
Calculated rate per 1,000 gallons	<u><u>\$ 3.5029</u></u>

NOTICE

Notice is hereby given that Henderson County Water District ("District") received approval from the Public Service Commission ("PSC") to adjust its rates pursuant to a increased wholesale rate from its water supplier, Henderson Water Utility. The new rates shown below will be effective for service rendered after March 31, 2021.

<u>Monthly Rates</u>	<u>Prior Rate</u>	<u>New Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
<u>5/8-Inch x 3/4 -Inch Meter</u>				
First 2,000 gallons (minimum bill)	\$19.92	\$21.30	\$1.38	6.48%
Next 8,000 gallons (per 1,000 gallons)	7.27	7.96	0.69	8.67%
Next 20,000 gallons (per 1,000 gallons)	6.74	7.43	0.69	9.29%
Over 30,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
<u>1-Inch Meter</u>				
First 5,000 gallons (minimum bill)	\$41.73	\$45.18	\$3.45	7.64%
Next 5,000 gallons (per 1,000 gallons)	7.27	7.96	0.69	8.67%
Next 20,000 gallons (per 1,000 gallons)	6.74	7.43	0.69	9.29%
Over 30,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
<u>2-Inch Meter</u>				
First 16,000 gallons (minimum bill)	\$118.52	\$129.56	\$11.04	8.52%
Next 14,000 gallons (per 1,000 gallons)	6.74	7.43	0.69	9.29%
Over 30,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
<u>3-Inch Meter</u>				
First 30,000 gallons (minimum bill)	\$212.88	\$233.58	\$20.70	8.86%
Over 30,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
<u>4-Inch Meter</u>				
First 50,000 gallons (minimum bill)	\$337.08	\$371.58	\$34.5	9.29%
Over 50,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
<u>6-Inch Meter</u>				
First 100,000 gallons (minimum bill)	\$647.58	\$716.58	\$69.00	9.63%
Over 100,000 gallons (per 1,000 gallons)	6.21	6.90	0.69	10.00%
Vol. Fire Dept. (Metered Services/Flat Rate)	\$19.92	\$21.30	\$1.38	6.48%

The monthly bill for an average customer using 4,000 gallons of water each month will increase \$2.76 (or 7.42%) from \$34.46 to \$37.22.

A person may examine this application at the district's office located at 655 South Main Street in Henderson; telephone (270)826-9802.

A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

HCWD 2021 Pass-Thru calculation

HWU-North

	Purchased Water	Cost		Total
Current Rate	435,665.770		3.0029	1,308,260.74073
Proposed Rate	435,665.770		3.5029	1,526,093.62573
		Difference		217,832.88500

HWU-South

	Purchased Water	Cost		Total
Current Rate	28,665.016		2.6818	76,873.83991
Proposed Rate	28,665.016		3.2549	93,301.76058
		Difference		16,427.92067

HWU-North		217,832.88500
HWU-South		16,427.92067
Total Difference		234,260.80567

Cost Divded by	234,260.80567
Water Sold	342,246.114
Purchased water adjustment factor	0.684480542

FOR Henderson & Webster Counties

PSC KY NO. _____

SHEET NO. 3

CANCELLING PSC KY NO. _____

SHEET NO. 3

Henderson County Water District
(NAME OF UTILITY)

5/8-Inch x 3/4 -Inch Meter

First	2,000 gallons	\$21.30 Minimum bill
Next	8,000 gallons	7.96 per 1,000 gallons
Next	20,000 gallons	7.43 per 1,000 gallons
Over	30,000 gallons	6.90 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$45.18 Minimum bill
Next	5,000 gallons	7.96 per 1,000 gallons
Next	20,000 gallons	7.43 per 1,000 gallons
Over	30,000 gallons	6.90 per 1,000 gallons

2-Inch Meter

First	16,000 gallons	\$129.56 Minimum bill
Next	14,000 gallons	7.43 per 1,000 gallons
Over	30,000 gallons	6.90 per 1,000 gallons

3-Inch Meter

First	30,000 gallons	\$233.58 Minimum bill
Over	30,000 gallons	6.90 per 1,000 gallons

4-Inch Meter

First	50,000 gallons	\$371.58 Minimum bill
Over	50,000 gallons	6.90 per 1,000 gallons

6-Inch Meter

First	100,000 gallons	\$716.58 Minimum bill
Over	100,000 gallons	6.90 per 1,000 gallons

DATE OF _____
MONTH / DATE / YEAR

DATE EFFECTIVE March 31, 2021
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2021- DATED _____

FOR Henderson & Webster Counties
PSC KY NO. _____
SHEET NO. 3
CANCELLING PSC KY NO. _____
SHEET NO. 3

Henderson County Water District
(NAME OF UTILITY)

Volunteer Fire Department (Metered Services) \$21.30 per month

The monthly charge for water usage of the respective minimum water rates set out above shall be computed in increments of 10 gallons. Accordingly, a customer having a 5/8 inch meter who consumes at least 2,010 gallons of water and not more than 2,019 gallons of water in any month shall pay the amount of \$21.38 for the month (\$21.30 plus \$0.08). A customer having a 5/8 inch meter who consumes at least 2,020 and not more than 2,029 gallons of water in any month shall pay the amount of \$21.46 for that month (\$21.30 plus \$0.16).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID #0510188	\$3.5029 per 1,000 Gallons
Henderson Water Utilities (South) PWSID #0510510	\$3.2549 per 1,000 Gallons

DATE OF _____
MONTH / DATE / YEAR

DATE EFFECTIVE March 31, 2021
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2021- DATED _____

Resolution

The Henderson County Water District met at its regular monthly business meeting on Wednesday January 27, 2021 at the office of the Henderson County Water District through electronic means and upon motion of Commissioner Mike Skaggs seconded by Commissioner Brian Pritchett, the following resolution was enacted:

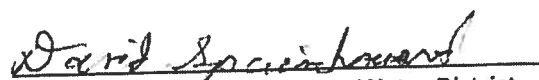
Whereas, the Henderson County Water District received notice from the Henderson Water Utility of the increased wholesale cost of water beginning with the first bill after March 31, 2021: and

Whereas, the Henderson County Water District's auditor has approved the Henderson Water Utility's methodology for determining the cost;

Now, therefore, upon unanimous vote after motion and second as set forth above, the Board of Commissioners resolve as follows:

1. The purchased water increase is accepted and the increase is to be implemented upon approval by the Kentucky Public Service Commission.
2. The Henderson County Water District hereby authorizes the Superintendent and counsel to file the necessary purchased water application with the Kentucky Public Service Commission

This the 27th day of January, 2021.


Chairman, Henderson County Water District

Attest:


Secretary