## **Bowley, Todd**

From:

Bowley, Todd

Sent:

Tuesday, January 26, 2021 9:28 AM

To:

'pconrad@hendersoncounty.ky.gov'; 'beechgrovewaters@bellsouth.net'

Subject:

**PSC Rate Notice** 

**Attachments:** 

PSC Filing 01262021 Notice.pdf

Please see the attached notice for the rate changes that will be published. I'm filing the required paperwork with the PSC today for the changes that go in effect for March consumption (April billings). You all should have received the calculations and details of the new rates back in December.

Let me know if you have any questions.

**Thanks** 

Todd Bowley Chief Financial Officer



111 Fifth Street Henderson, KY 42420 bowleyt@hkywater.org 270-869-6607 270-860-1378 (Cell)

## **NOTICE**

Henderson Water Utility ("Henderson Water") is providing notice that on January 26, 2021, it filed with the Public Service Commission to increase the wholesale rates it charges Henderson County Water District and Beech Grove Water System effective for water service rendered on and after March 1, 2021. The proposed rates are as follows:

	Current Rate	Proposed Rate	\$ Change	% Change
Henderson County Water Dist	rict			
North System	\$3.0029 per 1,000 gallons	\$3.5029 per 1,000 gallons	\$0.5000 per 1,000 gallons	16.65% Increase
South System	\$2.6818 per 1,000 gallons	\$3.2549 per 1,000 gallons	\$0.5731 per 1,000 gallons	21.37% Increase
Beech Grove Water System	\$2.7470 per 1,000 gallons	\$3.3919 per 1,000 gallons	\$0.6449 per 1,000 gallons	23.48% increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the offices of Henderson Water Utility located at 111 Fifth Street in Henderson, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <a href="http://psc.ky.gov">http://psc.ky.gov</a>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <a href="http://psc.ky.gov">http://psc.ky.gov</a>.

The rates contained in this notice are the rates proposed by Henderson Water but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

## Bowley, Todd

From:

Bowley, Todd

Sent:

Thursday, January 21, 2021 7:58 AM

To:

'Terry Carver'

Subject:

RE: 2021 HCWD Water Purchase Rate Increase

**Attachments:** 

FY 2019-2020 NORTH-SOUTH PLANT CONSUMP.pdf

Terry

See attached.

Let me know if you need anything else.

**Thanks** 

Todd Bowley Chief Financial Officer



111 Fifth Street Henderson, KY 42420 bowleyt@hkywater.org 270-869-6607 270-860-1378 (Cell)

From: Terry Carver <tcarver@kempercpa.com>
Sent: Wednesday, January 20, 2021 5:26 PM
To: Bowley, Todd <todd.bowley@hkywater.org>
Subject: 2021 HCWD Water Purchase Rate Increase

### Hi Todd:

Pete Conrad at the HCWD has requested that we review the water rate calculations related to the fiscal year ended June 30, 2020 financials.

As in the past, can you please email me a copy of the 2019-2020 North-South Plant consumption worksheet (see attached copy from 2018-2019). Pete provided me a copy of the HWU Audit Report FYE 06/30/2020.

Many thanks for the assistance.

Respectively, Terry Carver

#### **Partner**

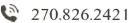
## Kemper CPA Group LLP | 941 N. Green Street | P.O. Box 676 | Henderson, KY 42419-0676

Ph (270) 826-4474 | Fx (270) 826-6735 | tcarver@kempercpa.com | kempercpa.com

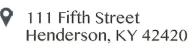


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www.hkywater.org



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	New Rate			
	Per 1,000 Gallons	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



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 Ringe Hamord CPAS PSC

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

Operating expenses	\$	6,075,926
Interest expense	AND ADDRESS OF THE PARTY OF THE	101,925
Total cost		6,177,851
Less: City of Henderson overhead allocation	waterproproprietal and control of the control of th	(227,500)
Net expenses applicable to Henderson County Water District	\$	5,950,351
Calculation of North Water Cost per Contract: Expenses per above Volume in gallons Rate per 1000 gallons	\$ 2,1 \$	5,950,351 23,351,260 2.8023
Times contract factor	***************************************	1.25
Calculated rate per 1,000 gallons	\$	3.5029



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.

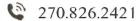
In our opinion, the Henderson County Water District Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky December 15, 2020 Ring Danisch CPA-PSC

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

Operating expenses	\$	2,493,588
Interest expense		47,037
Total cost		2,540,625
Less: City of Henderson overhead allocation	e	(65,000)
Net expenses applicable to HCWD	\$	2,475,625
Calculation of South Water Cost per Contract:  Expenses per above Volume in gallons	9	2,475,625 50,741,456
Rate per 1000 gallons Times contract factor	\$	2.6039 1.25
Calculated rate per 1,000 gallons	\$	3.2549





www.hkywater.org



December 18, 2020

Tommy Conrad Beech Grove Water System, Inc. 445 Highway 56 North Calhoun, Kentucky 42327

Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Beech Grove Water System, 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 South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rate:

BEECH GROVE WATER RATE			
Current Rate New Rate			
Per 1,000 Gallons	Per 1,000 Gallons		
\$2.7470	\$3.3919		

These revised rates are to go into effect on the billing for March 2021 consumption. We appreciate the opportunity to serve the Beech Grove Water System. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley

Chief Financial Officer



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

We have examined the accompanying Beech Grove Water System, Inc. 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 Agreement dated October 14, 2014. 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 Agreement, 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 Beech Grove Water System, Inc. 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 Agreement, in all material respects.

Owensboro, Kentucky December 15, 2020 Ring Hamock CPAS PEC

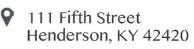
## Beech Grove Water System, Inc. Calculation of South Water Cost per Contract 6/30/2020

Operating expenses	\$	2,493,588
Interest expense	*************	47,037
Total cost	\$	2,540,625
Net expenses applicable to Beech Grove Water System, Inc.	\$	2,540,625
Calculation of South Water Cost per Contract:  Expenses per above  Billable volume in gallons	\$	2,540,625 61,372,838
Rate per 1000 gallons Times contract factor	\$ ,	2.9495 1.15
Calculated rate per 1,000 gallons	\$	3.3919









December 18, 2020

Mayor Ozzie O'Nan City of Sebree 36 S. Spring St. Sebree, KY 42455

Dear Mr. O'Nan:

In accordance with the contract between the Henderson Water Utility (HWU) and the City of Sebree, the costs of providing water and wastewater 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 South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rates:

City of Sebree Rate		
	Current Rate	New Rate
,	Per 1,000 Gallons	Per 1,000 Gallons
Water	\$2.6153	\$3.1899
Wastewater	\$4.1713	\$4.4570

These revised rates are to go into effect on the billing for March 2021 consumption. We appreciate the opportunity to serve the City of Sebree. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley

Chief Financial Officer



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

We have examined the accompanying Sebree City Calculation of 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 and Sewer Service Agreement (Agreement) dated September 26, 1995. 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 Agreement, 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 Sebree City Calculation of Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky December 15, 2020 Ring Hamock alks PSC

# Sebree City Calculation of Water Cost per Contract 6/30/2020

Operating expenses		2,493,588
Interest expense	***************************************	47,037
Total cost		2,540,625
Less: City of Henderson overhead allocation Depreciation on grant		(65,000) (49,445)
Net expenses applicable to Sebree City	\$	2,426,180
Calculation of Water Cost per Contract:  Expenses per above Volume in gallons  Rate per 1000 gallons Times contract factor		2,426,180 250,741,456 2.5519 1.25
Calculated rate per 1,000 gallons	\$	3.1899



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

We have examined the accompanying Sebree City Calculation of Wastewater Treatment 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 and Sewer Service Agreement (Agreement) dated September 26, 1995. 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 Agreement, 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 Sebree City Calculation of Wastewater Treatment Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky December 15, 2020 Ring Hamod CPAs PSC

# Sebree City Calculation of Wastewater Treatment Cost per Contract 6/30/2020

Operating expenses	\$	2,832,494
Interest expense	- Automorphisms	17,856
Total cost		2,850,350
Less: City of Henderson overhead allocation Depreciation on expansion Depreciation on grant	****	(65,000) (89,565) (32,996)
Net expenses applicable to Sebree City		2,662,789
Calculation of Wastewater Treatment Cost per Contract: Expenses per above Volume in gallons		2,662,789 46,806,299
Rate per 1000 gallons Times contract factor		3.5656 1.25
Calculated rate per 1,000 gallons	\$	4.4570

## **Bowley, Todd**

From:

Bowley, Todd

Sent:

Friday, December 4, 2020 12:30 PM

To:

'pconrad@hendersoncounty.ky.gov'

Cc:

Williams, Tom

**HCWD Contract Rates** 

Subject: Attachments:

HCWD Water Costs FY20 Draft.pdf; HWU Audit Report 2020.pdf

#### Pete

Attached is our audit report for fiscal year ending June 30, 2020 and a draft of the calculations for the North and South rates per our contracts. Our auditors are working now to confirm the calculations to provide their report on them.

I wanted to go ahead and get you a draft, since both increased by decent amounts. South increase is driven mainly by increase in power costs for pumping water to the treatment plan related to the shut down of the Big Rivers power plants in Sebree. North increase is driven mainly by increased allocation of Admin and SOC costs to North system due to that is where majority of our time was spent working last fiscal year.

I'll get you final copies and the auditor's report on the calculations when I receive. Let me know if you have questions or wish to discuss.

#### **Thanks**

Todd Bowley Chief Financial Officer



111 Fifth Street Henderson, KY 42420 bowleyt@hkywater.org 270-869-6607 270-860-1378 (Cell)

## **Bowley, Todd**

From:

Bowley, Todd

Sent:

Wednesday, February 5, 2020 11:28 AM

To:

'pconrad@hendersoncounty.ky.gov'; 'beechgrovewaters@bellsouth.net'

Subject: Attachments:

**PSC Rate Notice** 

(

CCE02052020.pdf

Please see the attached notice for the rate changes that will be published. I'm filing the required paperwork with the PSC today for the changes that go in effect for March consumption (April billings).

**Thanks** 

Todd Bowley Chief Financial Officer



111 Fifth Street Henderson, KY 42420 bowleyt@hkywater.org 270-869-6607 270-860-1378 (Cell)

## NOTICE

Henderson Water Utility ("Henderson Water") is providing notice that on February 5, 2020, it filed with the Public Service Commission to increase(decrease) the wholesale rates it charges Henderson County Water District and Beech Grove Water System effective for water service rendered on and after March 1, 2020. The proposed rates are as follows:

	Current Rate	Proposed Rate	\$ Change	% Change
Henderson County Water Distr	ict			
North System	\$3.2064 per 1,000 gallons	\$3.0029 per 1,000 gallons	(\$0.2035) per 1,000 gallons	6.37% Decrease
South System	\$2.5708 per 1,000 gallons	\$2.6818 per 1,000 gallons	\$0.0111 per 1,000 gallons	4.32% Increase
Beech Grove Water System	\$2.6165 per 1,000 gallons	\$2.7470 per 1,000 gallons	\$0.1305 per 1,000 gallons	4.99% increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the offices of Henderson Water Utility located at 111 Fifth Street in Henderson, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <a href="http://psc.ky.gov">http://psc.ky.gov</a>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <a href="http://psc.ky.gov">http://psc.ky.gov</a>.

The rates contained in this notice are the rates proposed by Henderson Water but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

## **Bowley, Todd**

From:

Bowley, Todd

Sent:

Thursday, January 16, 2020 11:22 AM

To:

'Terry Carver'

Cc:

Pete Conrad (pconrad@hendersoncounty.ky.gov)

Subject:

RE: 2020 HCWD Water Purchase Rate Increase

**Attachments:** 

HWU Audit Report 2019.pdf; FY 2018-2019 NORTH-SOUTH PLANT CONSUMP.pdf

Terry

Please see attached. Let me know if you need anything else.

**Thanks** 

Todd Bowley Chief Financial Officer



111 Fifth Street Henderson, KY 42420 bowleyt@hkywater.org 270-869-6607 270-860-1378 (Cell)

From: Terry Carver <tcarver@kempercpa.com>
Sent: Thursday, January 16, 2020 10:01 AM
To: Bowley, Todd <todd.bowley@hkywater.org>

Cc: Pete Conrad (pconrad@hendersoncounty.ky.gov) <pconrad@hendersoncounty.ky.gov>

Subject: 2020 HCWD Water Purchase Rate Increase

#### Hi Todd:

Pete Conrad at the HCWD has requested that we review the water rate calculations related to the fiscal year ended June 30, 2019 financials.

As in the past, can you please email me a copy of the 2018-2019 North-South Plant consumption worksheet (see attached copy), and a copy of the HWU Audit Report FYE 06/30/2019.

Many thanks for the assistance.

Respectively, Terry Carver

**Terry Carver, CPA** 

Partner

## Kemper CPA Group LLP | 941 N. Green Street | P.O. Box 676 | Henderson, KY 42419-0676

Ph (270) 826-4474 | Fx (270) 826-6735 | tcarver@kempercpa.com | kempercpa.com





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## **Bowley, Todd**

From:

Terry Carver <tcarver@kempercpa.com>

Sent:

Thursday, January 16, 2020 10:01 AM

To:

Bowley, Todd

Cc:

Pete Conrad (pconrad@hendersoncounty.ky.gov)

Subject:

2020 HCWD Water Purchase Rate Increase

**Attachments:** 

FY 2017-2018 NORTH-SOUTH PLANT CONSUMP.pdf

**Follow Up Flag:** 

Follow up

Flag Status:

Completed

Hi Todd:

Pete Conrad at the HCWD has requested that we review the water rate calculations related to the fiscal year ended June 30, 2019 financials.

As in the past, can you please email me a copy of the 2018-2019 North-South Plant consumption worksheet (see attached copy), and a copy of the HWU Audit Report FYE 06/30/2019.

Many thanks for the assistance.

Respectively, Terry Carver

### **Terry Carver, CPA**

Partner

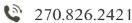
Kemper CPA Group LLP | 941 N. Green Street | P.O. Box 676 | Henderson, KY 42419-0676 Ph (270) 826-4474 | Fx (270) 826-6735 | tcarver@kempercpa.com | kempercpa.com



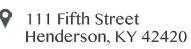


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January 8, 2020

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, 2019 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	New Rate		
	Per 1,000 Gallons	Per 1,000 Gallons		
North	\$3.1509	\$3.0029		
South	\$2.5039	\$2.6818		

These revised rates are to go into effect on the first billing after March 31, 2020. 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



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, 2019. 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, 2019, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky December 16, 2019 Ringe Hamock COK PSC

## Henderson County Water District Calculation of North Water Cost per Contract 6/30/2019

Operating expenses	\$	5,479,289
Interest expense		106,519
Total cost		5,585,808
Less: City of Henderson overhead allocation		(217,000)
Net expenses applicable to Henderson County Water District	\$	5,368,808
Calculation of North Water Cost per Contract:  Expenses per above	\$	5,368,808
Volume in gallons	2,2	34,826,585
Rate per 1000 gallons Times contract factor	\$	2.4023 1.25
Calculated rate per 1,000 gallons	\$	3.0029



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, 2019. 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, 2019, is presented in accordance with the Contract, in all material respects.

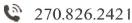
Owensboro, Kentucky December 16, 2019

Ring Hanot CAR PSC

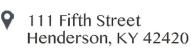
## Henderson County Water District Calculation of South Water Cost per Contract 6/30/2019

Operating expenses	\$	2,005,557
Interest expense	-	49,207
Total cost		2,054,764
Less: City of Henderson overhead allocation	-	(62,000)
Net expenses applicable to HCWD	\$	1,992,764
Calculation of South Water Cost per Contract:		
Expenses per above	\$	1,992,764
Volume in gallons	-	28,834,708
Rate per 1000 gallons	\$	2.1454
Times contract factor		1.25
Calculated rate per 1,000 gallons	\$	2.6818









January 8, 2020

Tommy Conrad Beech Grove Water System, Inc. 445 Highway 56 North Calhoun, Kentucky 42327

Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Beech Grove Water System, the costs of providing water services based on our fiscal year June 30, 2019 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rate:

BEECH GROVE WATER RATE			
Current Rate	New Rate		
Per 1,000 Gallons	Per 1,000 Gallons		
\$2.5031	\$2.7470		

These revised rates are to go into effect on the billing for March 2020 consumption. We appreciate the opportunity to serve the Beech Grove Water System. If you have questions concerning this letter please contact me.

Sincerely,

**Todd Bowley** 

Chief Financial Officer



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

We have examined the accompanying Beech Grove Water System, Inc. Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2019. Henderson Water Utility's management is responsible for the Calculation in accordance with the Agreement dated October 14, 2014. 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 Agreement, 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.

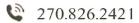
In our opinion, the Beech Grove Water System, Inc. Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2018, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky December 16, 2019 Ring Hower CPAS PSC

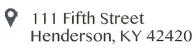
# Beech Grove Water System, Inc. Calculation of South Water Cost per Contract 6/30/2019

Operating expenses	\$ 2,005,557
Interest expense	49,207
Total cost	\$ 2,054,764
Net expenses applicable to Beech Grove Water System, Inc.	\$ 2,054,764
Calculation of South Water Cost per Contract:  Expenses per above  Billable volume in gallons	2,054,764 60,217,074
Rate per 1000 gallons Times contract factor	\$ 2.3887 1.15
Calculated rate per 1,000 gallons	\$ 2.7470









January 8, 2020

Mayor Ozzie O'Nan City of Sebree 36 S. Spring St. Sebree, KY 42455

Dear Mr. O'Nan:

In accordance with the contract between the Henderson Water Utility (HWU) and the City of Sebree, the costs of providing water and wastewater services based on our fiscal year June 30, 2019 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rates:

City of Sebree Rate		
	Current Rate	New Rate
	Per 1,000 Gallons	Per 1,000 Gallons
Water	\$2.4348	\$2.61.53
Wastewater	\$3.9846	\$4.1713

These revised rates are to go into effect on the billing for March 2020 consumption. We appreciate the opportunity to serve the City of Sebree. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley

Chief Financial Officer



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

We have examined the accompanying Sebree City Calculation of Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2019. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water and Sewer Service Agreement (Agreement) dated September 26, 1995. 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 Agreement, 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 Sebree City Calculation of Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2019, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky December 16, 2019 Ring Hanak CDAS PEC

# Sebree City Calculation of Water Cost per Contract 6/30/2019

Operating expenses	\$	2,005,557
Interest expense		49,207
Total cost		2,054,764
Less: City of Henderson overhead allocation Depreciation on grant		(62,000) (49,446)
Net expenses applicable to Sebree City	\$	1,943,318
Calculation of Water Cost per Contract:  Expenses per above Volume in gallons	9	1,943,318 28,834,708
Rate per 1000 gallons Times contract factor	\$	2.0922 1.25
Calculated rate per 1,000 gallons		2.6153



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

We have examined the accompanying Sebree City Calculation of Wastewater Treatment Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2019. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water and Sewer Service Agreement (Agreement) dated September 26, 1995. 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 Agreement, 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 Sebree City Calculation of Wastewater Treatment Cost per Contract of the Henderson Water Utility for the year ended June 30, 2019, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky December 16, 2019 Rugellanock Cotte PSC

## Sebree City Calculation of Wastewater Treatment Cost per Contract 6/30/2019

Operating expenses	\$	2,603,389
Interest expense	-	19,358
Total cost		2,622,747
Less: City of Henderson overhead allocation Depreciation on expansion Depreciation on grant		(62,000) (89,565) (32,996)
Net expenses applicable to Sebree City	\$	2,438,186
Calculation of Wastewater Treatment Cost per Contract:  Expenses per above Volume in gallons		2,438,186 30,639,815
Rate per 1000 gallons Times contract factor	\$	3.3371 1.25
Calculated rate per 1,000 gallons	\$	4.1713