

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

JOINT ELECTRONIC APPLICATION OF WEST CARROLL)	
WATER DISTRICT AND THE CITY OF CARROLLTON ON)	
BEHALF OF CARROLLTON UTILITIES FOR (1) AN APPROVAL)	
OF THE PROPOSED ASSET ACQUISITION AND TRANSFER)	
OF CONTROL OF WEST CARROLL WATER DISTRICT TO)	CASE NO.
THE CITY OF CARROLLTON ON BEHALF OF CARROLLTON)	2021-00155
UTILITIES PURSUANT TO KRS 278.218, KRS 278.020(6) AND)	
KRS 278.020(7), AND, (2) ALL OTHER REQUIRED APPROVALS)	
AND RELIEF)	

VERIFIED JOINT APPLICATION

Carrollton Utilities (“Carrollton” or “Transferee”) and West Carroll Water District (“West Carroll” or “Transferor”) (collectively, the “Joint Applicants”), by their undersigned representatives hereby request pursuant to KRS 278.218, KRS 278.020(6) and 278.020(7), that the Kentucky Public Service Commission (“Commission”), approve by June 8, 2021 the proposed asset acquisition and transfer of control of West Carroll to Carrollton and grant any other required approvals and relief required for the Joint Applicants to complete the transactions described below.

Joint Applicants provide the following information in support of their Joint Application:

I. DESCRIPTION OF THE JOINT APPLICANTS

A. City of Carrollton on behalf of Carrollton Utilities (Transferees)

1. The City of Carrollton is a municipality and a home rule city that was incorporated on February 16, 1838. The City of Carrollton’s mailing address is 750 Clay Street, P.O. Box 156, Carrollton, KY 41008. The electronic mail address for the city is radams@carrolltonky.net.

2. Carrollton Utilities is a municipally owned utility, created by the City of Carrollton in 1951. Carrollton Utilities provides natural gas, water and sewer service to portions of Carroll, Gallatin, Owen, Henry, and Trimble Counties, including the cities of Carrollton, Prestonville, Ghent, Sanders, Worthville, Glencoe, Sparta, Owenton, Campbellsburg, and Milton. Carrollton Utilities has approximately 93 miles of steel high pressure gas mains and 74 miles of plastic mains with 2,621 natural gas services. Carrollton Utilities annually treats and delivers over 250 million gallons of water through 37 miles of water mains and serves 1590 customers in Carrollton and surrounding areas. Carrollton Utilities operates the Carroll-Gallatin-Owen-Henry Regional Sewer System which serves parts of four counties including eight cities with approximately 170 miles of sewer mains and fifty-five lift stations and serves approximately 3,200 customers. Currently, Carrollton Utilities operates and maintains West Carroll Water District pursuant to an Operations Agreement. Carrollton Utilities also operates a water treatment plant and utilizes groundwater supply via three production wells with a capacity of 1.5 million gallons per day.

3. Carrollton Utilities' mailing address is 900 Clay Street, Carrollton, KY 41008 and the electronic mail address is bosborne@cuky.us.

B. West Carroll Water District (Transferor),

4. West Carroll Water District is a water district formed under KRS Chapter 74 by the Carroll County and Trimble County fiscal courts in 1974 to provide water to customers on the west end of the county. The business and mailing address of West Carroll Water District is 900 Clay Street Carrollton KY, and its electronic mail address is gvsedwards1@hughes.net. West Carroll Water District has been authorized by the Commission to provide water service in Carroll, Trimble and Henry Counties.

5. West Carroll Water District serves approximately 990 customers with 109 miles of mains in three counties. West Carroll Water District has a five-member board and no employees.

Since approximately 1998, Carrollton Utilities has provided the operations, maintenance, customer service, etc., for West Carroll Water District pursuant to the Operation Agreement between the two.

II. DESIGNATED CONTACTS FOR JOINT APPLICANTS

6. Questions, correspondence or other communications concerning this filing should be directed to:

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III. DESCRIPTION OF THE TRANSACTION

7. Pursuant to the Asset Purchase Agreement (the “Agreement”), dated April 1, 2021,¹ by and among the City of Carrollton on behalf of Carrollton Utilities and West Carroll Water District, the City of Carrollton on behalf of Carrollton Utilities will acquire all of the assets and customer accounts of West Carroll Water District. The City of Carrollton on behalf of Carrollton Utilities will also assume all of the liabilities of West Carroll Water District (“Transaction”).

¹ The Agreement is attached as Exhibit 1 to the Joint Application.

8. West Carroll Water District's customers will not see a difference in their service, their rates or their bills, other than the name of the entity providing the water service. Currently Carrollton Utilities, operates and maintains the entire WCWD service territory. WCWD does not have any employees. Carrollton Utilities currently provides all of the operations, maintenance, meter reading and billing services for WCWD and its customers. Carrollton Utilities is proposing to adopt the current rates of WCWD to serve the WCWD customers.

9. As a result of the Transaction, West Carroll Water District will no longer have assets, liabilities or customers and after the closing of the Transaction will petition the county fiscal courts within in which its service territory lies to allow West Carroll Water District to dissolve.

10. Carrollton Utilities will provide water service for all of West Carroll Water District's customers. Carrollton Utilities has provided all of the operation and maintenance services for West Carroll Water District for the past 22 years pursuant to an Operational Agreement. Carrollton Utilities has also provided all meter reading, billing and customer service operations for West Carroll Water District.

11. After the closing of the Transaction, Carrollton Utilities will continue to provide the same services for the former customers of West Carroll Water District as it has been providing for the past 22 years. Carrollton Utilities will also continue to provide this service at the same rates West Carroll Water District was charging these customers.

IV. JOINT APPLICANTS SATISFY THE STATUTORY STANDARDS FOR THE COMMISSION TO APPROVE THE TRANSFER OF CONTROL UNDER KRS 278.218, KRS 278.020(6) AND KRS 278.020(7).

A. Relevant Statutory Provisions

12. KRS 278.218 states that "No person shall acquire or transfer ownership of or control..., any assets that are owned by a utility... (a) The assets are to be transferred by the utility

for reasons other than obsolescence; or (b) the assets will continue to be used to provide the same or similar service to the utility or its customers...”

13. Under Kentucky law, Commission approval is required before any corporation “shall acquire or transfer ownership of, or control, or the right to control, any utility....by sale of assets, transfer of stock, or otherwise...”, and such approval shall be granted if the person acquiring the utility “has the financial, technical, and managerial abilities to provide reasonable service.”²

14. Similarly, no person “shall acquire control, either directly or indirectly” of any jurisdictional utility without obtaining Commission approval which will be granted if it is “in accordance with law, for a proper purpose and is consistent with the public interest.”³ “Control” is defined as “the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a utility,” and the Commission presumes “control” when a corporation, “directly or indirectly, owns ten percent (10%) or more of the voting securities of the utility,” and “may be rebutted by a showing that ownership does not in fact confer control.”⁴

15. As discussed below, Joint Applicants submit that the proposed Transaction satisfies the Commission’s requirement for approval of a transfer of control under KRS 278.218, KRS 278.020(6) and KRS 278.020(7) because the City of Carrollton on behalf of Carrollton Utilities clearly has the financial, technical, and managerial abilities to provide reasonable service, and the Transaction is in accordance with law, for a proper purpose and is consistent with the public interest.

16. Joint Applicants meet the standard of review under KRS 278.218, KRS 278.020(6) and KRS 278.020(7) as the City of Carrollton on behalf Carrollton Utilities will clearly continue

² KRS 278.020(6)

³ KRS 278.020(7)

⁴ *Id.*

to have “the financial, technical, and managerial abilities to provide reasonable service”, and the Transaction will be “in accordance with law, for a proper purpose and is consistent with the public interest.”⁵

B. Joint Applicants Have the Financial, Technical, and Managerial Abilities to Continue Providing Reasonable Service.

17. In support of their request for approval, Joint Applicants submit evidence of their financial, technical and managerial capabilities⁶. Carrollton Utilities has been performing all of the management and technical duties for West Carroll Water District for the past 22 years. Carrollton Utilities will continue to have the qualified workforce to provide these services after the Transaction. Carrollton Utilities will adopt the rates of West Carroll Water District, for West Carroll Water District customers, that were approved by the West Carroll Water District Board, which have proven to be sufficient to provide enough revenue to maintain West Carroll Water District along with providing a margin. Carrollton Utilities is also providing its audited financial statements as Exhibit 4 to this Application in support.

18. Continued Management Ability. Joint Applicants expect Carrollton Utilities’ management to remain the same as it has been for the past 22 years while it has been providing management services for West Carroll Water District. Furthermore, the City of Carrollton has agreed in the Asset Purchase Agreement to draft and pass an ordinance providing for one of the Commissioners on Carrollton Utilities’ Commission to be a person residing in and would be a customer of West Carroll Water District as its service territory existed at the time of closing.

⁵ KRS 278.218; KRS 278.020(6); KRS 278.020(7).

⁶ Refer to the written testimony of Bill Osborne on behalf of the City of Carrollton and Carrollton Utilities attached as Exhibit 2 to the Application; and, Vickie Edwards on behalf of West Carroll Water District attached as Exhibit 3 to the Application.

19. Continued Financial Capability. Carrollton Utilities will continue to be financially capable of fulfilling all of the requirements of providing safe and reliable service to the existing West Carroll Water District customers. This capability will be unaffected by the change in ownership from West Carroll Water District to the City of Carrollton. The audited financial statements of Carrollton Utilities for the fiscal year ending June 30, 2020, is attached as Exhibit 4 to this Application.

20. Continued Technical Capability. Under the new ownership, Carrollton Utilities will at least maintain, if not enhance, its technical capabilities after the Transaction closes. Carrollton Utilities will continue to conduct the operations of West Carroll Water District using the same equipment, buildings, systems, software licenses and other assets it has used under the Operational Agreement for the past 22 years. Carrollton Utilities will continue to own or control all of the necessary capabilities required to continue to provide high quality services seamlessly.

C. The Transaction is in Accordance with Law, for a Proper Purpose, and Consistent with the Public Interest.

21. Post-closing, Carrollton Utilities will continue to focus on updating and repairing the existing West Carroll Water District system and concentrate on finding and repairing leaks in order to continue its high standards for customer service.

22. The Transaction will not interfere with West Carroll Water District customers' service, in fact, West Carroll Water District customers will continue to see the same Carrollton Utilities' employees they have grown accustomed to interacting with for service, repairs, bill payment, customer service, etc. As stated above, Carrollton Utilities has been providing all of the management, operations, maintenance, customer service and billing services pursuant to the Operational Agreement for the past 22 years for West Carroll Water District customers. The

proposed Transaction will have no adverse impact on customers including the amount they are billed for service.

23. In Case No. 2019-00041⁷, the Commission's Final Order urged West Carroll Water District to discuss a merger with Carrollton Utilities. This recommendation came after a hearing was held at the Commission on July 11, 2019 in which the Commission heard testimony from Vickie Edwards, Chairwoman of West Carroll Water District, Bill Osborne, general manager of Carrollton Utilities and Chris Rose, operations field supervisor. Testimony was provided as to why the Operational Agreement was entered into with Carrollton Utilities to provide the services provided for the past 22 years, the actual services provided by Carrollton Utilities and the fact that West Carroll Water District does not have any employees. The Joint Applicants believe that the record pertaining to West Carroll Water District in Case No. 2019-00041 should be incorporated into this proceeding to provide additional support for the Application.

24. The Transaction will affect the regulatory authority of the Commission since West Carroll Water District will cease to exist and Carrollton Utilities is a municipal utility. The Commission will no longer have jurisdiction over the rates and services provided by Carrollton Utilities to the existing West Carroll Water District customers. In light of this fact, the City of Carrollton has agreed to amend its existing ordinance regarding the makeup of the Carrollton Utilities' Commission to provide for one Commissioner to be a customer and resident of the service territory of West Carroll Water District as that service territory exists at the time of closing. This will ensure that West Carroll Water District customers have representation on the Carrollton Utilities' Commission.

⁷ *In the Matter of: Electronic Investigation Into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities*, Case No. 2019-00041.

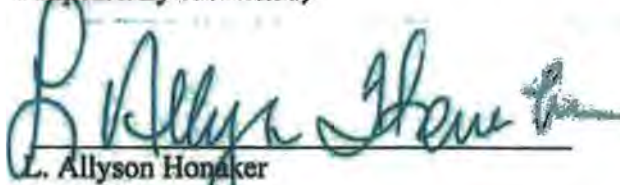
25. In short, the Transaction is in accordance with law, for a proper purpose, and in the public interest.

V. CONCLUSION AND REQUEST FOR RELIEF

26. For the foregoing reasons, Joint Applicants respectfully request the Commission afford them the following relief: (1) approve the requested Application for Transfer of Control pursuant to KRS 278.218, KRS 278.020(6) and KRS 278.020(7); (2) determine that the Commission, after the closing, will no longer have jurisdiction over the rates and services provided by Carrollton Utilities to the customers in West Carroll Water District's service territory; (3) incorporate the record pertaining to West Carroll Water District in Case No. 2019-00041 into this proceeding; (4) review and approve the Application within 60 days as provided in KRS 78.020(7); and, (5) grant all other relief necessary and appropriate to effect the Joint Applicants' Asset Purchase Agreement.

Respectfully submitted, this 8th day of April, 2021.

Respectfully submitted,



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- Exhibit 5 – WCWD’s List of Liabilities
- Exhibit 6 – WCWD’s Water Service Area Map (Confidential)
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- Exhibit 8 – WCWD’s Kentucky DLG Registration
- Exhibit 9 – WCWD’s Annual Report to PSC
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EXHIBIT 2

DIRECT TESTIMONY OF BILL OSBORNE ON BEHALF OF CARROLLTON UTILITIES AND THE CITY OF CARROLLTON

- Exhibit BO-1 – Key Personnel Biographies

EXHIBIT 3

DIRECT TESTIMONY OF VICKIE EDWARDS ON BEHALF OF WEST CARROLL WATER DISTRICT

EXHIBIT 4

AUDITED FINANCIAL STATEMENTS OF CARROLLTON UTILITIES

EXHIBIT 1

ASSET PURCHASE AGREEMENT

ASSET ACQUISITION AGREEMENT

This Asset Acquisition Agreement, hereafter “Asset Acquisition Agreement” or “Agreement” is entered into this 1st day of April, 2021 by and between

West Carroll Water District “WCWD”
900 Clay Street
Carrollton KY 41008

AND

CITY OF CARROLLTON “CARROLLTON” City Hall
500 Clay Street
Carrollton, KY 41008
On behalf of CARROLLTON UTILITIES
900 Clay Street
Carrollton, KY 41008

RECITALS

WHEREAS, WCWD executed a certain Resolution dated March 18, 2021 governing CARROLLTON’s proposed acquisition of WCWD Water Systems which is attached as Exhibit 1;

WHEREAS WCWD and CARROLLTON UTILITIES have in place a Water Purchase Agreement, which is attached as Exhibit 2 last dated January 20, 2005 whereby CARROLLTON UTILITIES has sold water at wholesale to WCWD and has an Agreement dated April 1, 1999 and supplemented on September 21, 2017, to perform operations and maintenance services to WCWD, which is attached as Exhibit 3;

WHEREAS CARROLLTON through CARROLLTON UTILITIES has the managerial, technical and financial ability to support the acquisition as described herein and to provide reasonable utility service to its existing customers as well as to the customers of WCWD.

NOW, THEREFORE, the parties agree as follows:

SECTION ONE – DEFINITIONS FOR THIS ASSET ACQUISITION AGREEMENT

As used in this Asset Acquisition Agreement, the following terms have the following meanings:

“Assets” shall mean all of WCWD’S water system property, real and personal, tangible and intangible, including, but not limited to the distribution system, equipment, materials, real and personal property, easements, lien rights, developer contracts, tapping fee contracts, leases, contracts, grants, pending grants, construction reserve funds, operating reserve funds, all accounts, including but not limited to accounts receivable, licenses, right to serve, if any, and promissory notes to be owned by CARROLLTON in this Asset Acquisition Agreement, a complete inventory of which has been reviewed and agreed to by the parties and included as Exhibit 4 and incorporated herein by reference.

“CARROLLTON” shall mean the City of Carrollton, Kentucky on behalf of Carrollton Utilities.

“Liabilities” shall mean all of “WCWD’s water system liabilities known, unknown or contingent, including but not limited to debt and the contractual obligations of WCWD, to be assumed by CARROLLTON in this Asset Acquisition Agreement, a complete list of which known liabilities has been reviewed and agreed to by the parties and is included as Exhibit 5 and incorporated herein by reference.

“Closing Date” shall mean the date at which CARROLLTON takes possession of the assets and responsibility for operation of WCWD’s water system, no later than 60 calendar days after approval by the Public Service Commission of this Asset Acquisition Agreement, this Closing Date and the date of execution of the Asset Acquisition Agreement may be extended in writing by mutual agreement of the parties.

“Resolution” shall mean that document executed by WCWD on the subject of acquisition of the assets of WCWD’s water system, and any amendments to that Resolution, which are included in this Asset Acquisition Agreement at Exhibit 1.

SECTION TWO – ASSET ACQUISITION

Upon the terms and conditions contained in this Asset Acquisition Agreement and for good and valuable consideration as outlined in this Asset Acquisition Agreement, the sufficiency of which is acknowledged by the parties through their Asset Acquisition Agreement and evidenced by their signatures herein below, CARROLLTON and WCWD agree that CARROLLTON is to acquire the assets listed in Exhibit 4 and the liabilities (including, but not limited to the known liabilities listed in Exhibit 5) of the WCWD’s water system.

A. Terms

This Asset Acquisition Agreement includes the conveyance to CARROLLTON of all assets owned by WCWD, as the term “assets” is defined for this Asset Acquisition Agreement and as those assets are listed in Exhibit 4 as well as CARROLLTON assuming all of the liabilities of WCWD as the term “liabilities” is defined for this Asset Acquisition Agreement and those liabilities are listed in Exhibit 5. As a result of this acquisition and after the Closing date, CARROLLTON shall be responsible for water service, management, administration and ownership of the following:

- WCWD water service area as shown in Exhibit 6;
- WCWD Assets including those assets shown in Exhibit 4;
- WCWD customer accounts as shown in Exhibit 7; and
- WCWD liabilities, including but not limited to those liabilities shown in Exhibit 5.

B. Consideration

The consideration is the mutual agreement between the parties that CARROLLTON will assume all of the debt and liabilities of WCWD and WCWD will transfer all of its assets and customers to CARROLLTON.

SECTION THREE – WCWD ASSETS AND LIABILITIES

Pursuant to the terms of this Asset Acquisition Agreement, on the Closing Date, WCWD shall convey, assign and deliver to CARROLLTON and CARROLLTON agrees to accept from WCWD any and all assets including those listed in Exhibit 4. WCWD shall convey, assign and deliver to CARROLLTON and CARROLLTON agrees to accept any and all liabilities including those listed in Exhibit 5.

A. Title and Possession

WCWD shall deliver title and possession of assets to CARROLLTON on the Closing Date. In addition, WCWD through its authorized representative(s) shall execute instruments of transfer of all or any portion of the assets, such as deeds, bills of sale and other instruments in writing as may be reasonably requested by CARROLLTON and CARROLLTON to prepare said instruments of transfer of all or any portion of the assets.

WCWD further agrees to cooperate with preparation and execution of any additional written instruments of transfer as may be reasonably requested after the Closing Date with respect to specific assets being acquired by CARROLLTON hereunder, where the need for such instrument may later appear (for example, an overlooked water line easement of record later discovered). WCWD and CARROLLTON agree that CARROLLTON will prepare any such additional written instruments of transfer and that WCWD authorized representative(s) shall sign any such additional instruments.

B. Financial Statements

WCWD has complied with KRS 65A.030 by registering with the Ky. Department for Local Government (Exhibit 8). WCWD has complied with the filing of annual financial reports with the PCS. The most recent report for 2019 is included as Exhibit 9.

WCWD has furnished and CARROLLTON has reviewed and found satisfactory a schedule of assets, a copy of which is attached as Exhibit 4 and incorporated herein by reference.

C. Liabilities

WCWD has outstanding liabilities with Rural Development and Kentucky Infrastructure Authority. Copies of these loan documents and the outstanding balances are attached as Exhibit 10.

D. Customer List

WCWD has furnished and CARROLLTON has reviewed the WCWD list of customers which is attached as Exhibit 7 and incorporated herein by reference.

SECTION FOUR – TAXES

Any federal, states or local taxes or assessments of any kind or description assessed against the assets or WCWD'S operation of those assets and attributable to the period prior to the Closing Date will be assumed by CARROLLTON. Sales, use, transfer, purchase and documentary taxes, if any, payable by reason of the transaction required to fulfill the terms of this agreement and due at the Closing Date shall be the responsibility and obligation of CARROLLTON. Any and all

taxes, sales, use or otherwise, assessed on the assets or the operation thereof, upon or after the Closing Date shall be the responsibility and obligation of CARROLLTON.

SECTION FIVE – EXECUTION OF THE ASSET ACQUISITION AGREEMENT AND CLOSING DATE

Execution of the Asset Acquisition Agreement shall take place on June 30, 2021 if approval has been received from the Kentucky Public Service Commission. The Closing Date may be extended in writing by mutual agreement of the parties. This Agreement is contingent upon receiving Kentucky Public Service Commission approval.

SECTION SIX – WCWD’S REPRESENTATIONS AND WARRANTIES

A. Authority

WCWD represents and warrants that it owns the assets of the water district, validly existing and in good standing under the laws of the Commonwealth of Kentucky, having full power and authority to own the assets and to conduct the water distribution business as and where such business has and is now being conducted.

B. Title and Authority to Convey

WCWD represents and warrants that it has good and marketable title to all of its assets (listed in Exhibit 4 to this Agreement and incorporated herein by reference), and upon conveyance of same to CARROLLTON, each of the assets listed in Exhibit 4 will be free and clear of all claims, mortgages, security interests, equities, restrictions, liens, encroachments, pledges, options, purchase rights, charges or encumbrances of any kind, except those already disclosed to CARROLLTON, that it has the right to sell and convey the assets, make any necessary assignments, and convey the right to deliver water in WCWD’S water system without referendum or further approval of any other governmental agency or entity, and that it has the full right, power, authority and capacity to execute, deliver and perform this Asset Acquisition Agreement in accord with its terms, which approval is evidenced by Resolution of WCWD at Exhibit 1 and incorporated herein by reference. This Asset Acquisition Agreement constitutes a legal, valid and binding obligation on WCWD.

C. Operating System

WCWD represents and warrants that all the assets (listed at Exhibit 4 and incorporated Herein by reference) are in working order, ordinary wear and tear excepted, sufficient to enable CARROLLTON to provide water service to WCWD’s customers without interruption in service.

D. Environmental Matters

WCWD represents and warrants that to the best of its knowledge that there are no toxic, hazardous or carcinogenic substances or wastes disposed, stored or present on, in or under any of the assets to be transferred to CARROLLTON under the terms of the Agreement. WCWD further represents that it has not arranged for the shipment of any toxic substances and/or wastes, hazardous substances and/or carcinogenic substances and/or wastes. WCWD also represents that

it has not arranged for the processing, recycling, reclamation, reprocessing, storage or disposal at any site listed on the National Priorities List, any Kentucky State Superfund Site, or any facility not duly authorized and permitted to accept and treat, process, recycle, reclaim, reprocess, store, or dispose of such substances and wastes.

E. Financial Statements

WCWD has complied with the financial reporting requirements of KRS 65A.030 by registering with the Ky. Department for Local Government (Exhibit 8). Financial Reports have been included in the 2019 Annual Report to the Public Service Commission (Exhibit 9) and provided to the City of CARROLLTON.

F. Litigation (Pending and Anticipated)

WCWD represents and warrants that there are no claims, actions, suits, arbitrations, mediations, proceedings or investigations, administrative, judicial or otherwise, affecting the WCWD water distribution system operations or WCWD's ownership or possession of the asset, that have not been disclosed to CARROLLTON.

G. Customer List and Metering

WCWD represents and warrants that all users of water connected to the WCWD distribution are listed as WCWD customers on the customer list at Exhibit 7, incorporated herein by reference, and further, that those customers, including and governmental facilities, are metered.

SECTION SEVEN- CARROLLTON'S REPRESENTATIONS AND WARRANTIES

A. Valid Existence

CARROLLTON represents and warrants that it is a municipality, home rule city.

B. Authority

CARROLLTON has full right, power and authority to execute this Asset Acquisition Agreement and to perform the terms and conditions contained herein without further approval of any governmental agency or entity, other than the approval of its own City Council, which approval is evidenced by Resolution at Exhibit 11 and incorporated herein by reference. This Asset Acquisition Agreement constitutes a legal, valid and binding obligation for CARROLLTON.

SECTION EIGHT – DUE AT CLOSING

A. Due from WCWD to CARROLLTON.

Unless CARROLLTON produces a written waiver of any item listed herein, WCWD shall deliver to CARROLLTON at closing the following:

1. A document evidencing in writing to CARROLLTON the exclusive authority if there be any such exclusive authority granted to WCWD, to provide water service to the properties and residents of WCWD.

2. A general warranty deed for any real property owned by WCWD to be prepared by CARROLLTON, and said deed to be duly executed, acknowledged and delivered by WCWD conveying to CARROLLTON marketable fee simple title to such real property at the closing.
3. All of WCWD'S title and ownership interest (listed in Exhibit 4). The parties agree that any deed or deeds transferring to CARROLLTON all of WCWD's title and ownership interest in and to easements of record, used and/or acquired by WCWD to install and/or maintain water distribution facilities shall be prepared by CARROLLTON and signed by WCWD's authorized representative within thirty (30) days of the Closing Date.
4. All of WCWD's title and ownership interest and any other interest in personal property, tangible or intangible. The parties agree that any bill of sale for personal property (tangible or intangible) which personal property is among the assets transferred to CARROLLTON shall be signed by WCWD's authorized representative within forty-five (45) days of the Closing Date.
5. Any inventory, taken by CARROLLTON in the presence of WCWD representative no later than 30 days in advance of the Closing Date, detailing all materials and supplies on hand and to be included within the assets in the Schedule of Assets which is included as Exhibit 4 to this Asset Acquisition Agreement and incorporated herein by reference.
6. All customer records including the customer list described in Section Three, Paragraph E and set out in Exhibit 7), and engineering and supplier records relating to WCWD water system, including but not limited to a list of all WCWD customers, current as of the date of the closing and in a form satisfactory to CARROLLTON.
7. Possession of the Assets detailed in the Schedule of Assets included as Exhibit 4.
8. Written affirmation of WCWD representations and warranties.
9. A certified copy of WCWD's resolution authorizing WCWD to enter into and perform the terms of this Asset Acquisition Agreement and further authorizing its authorized representative to execute the Asset Acquisition Agreement on behalf of WCWD.
10. An opinion from WCWD's counsel, satisfactory in form to CARROLLTON, as to matters set forth in Section Six of this Asset Acquisition Agreement – WCWD's Representations and Warranties.
11. A list of all pending legal actions, including administrative, regulatory, civil, criminal and other legal actions to which WCWD's water system is a party (Exhibit 12), as well as a list of all agreement, including but not limited to contracts, to which WCWD's water system is a party.
12. Any such other documentation, at the closing or later if requested, as may be reasonably necessary to effect consummation of the transactions contemplated by and/or required by this Agreement, including but not limited to, transfer from WCWD to CARROLLTON of title to and ownership of the water distribution facilities and appurtenances thereto.

B. Due from CARROLLTON to WCWD

Unless WCWD produces a written waiver of any item listed herein, CARROLLTON shall deliver to WCWD at closing the following:

1. A certified copy of CARROLLTON's Resolution authorizing CARROLLTON's Mayor to enter into and perform the terms of this Asset Acquisition Agreement, including acceptance of assets and liabilities listed in Exhibits 4 and 5, respectively, pursuant to the terms of this Agreement.
2. An opinion from CARROLLTON's counsel, to satisfactorily inform WCWD, as to matters set forth in Section Seven of this Asset Acquisition Agreement – CARROLLTON's representations and Warranties.
3. Written affirmation of CARROLLTON's representations and warranties.

SECTION NINE – DEFAULTS

A. Default by Either CARROLLTON or WCWD or Both

If the Asset Acquisition Agreement is not executed at the request of either of the parties or by mutual agreement of the parties, each party shall be solely responsible for its own expenses.

SECTION TEN- MISCELLANEOUS MATTERS

A. Risk of Loss

After the Closing Date when CARROLLTON receives the assets and accepts any liabilities described in Exhibits 4 and 5, the risk of loss shall shift from WCWD to CARROLLTON, WCWD having borne exclusively the risk of loss during negotiation of the Asset Acquisition Agreement.

B. Transfer of Customer Accounts

WCWD shall conduct its final reading of all of its customer's meters prior to closing on the terms of the Asset Acquisition Agreement; CARROLLTON agrees to accept WCWD's final reading on the consumption of each account as CARROLLTON's beginning reading. The parties agree to work together on meter reading to assure a smooth transition of this process. Any payment for service rendered prior to the Closing Date and received after the Closing Date shall be deposited with CARROLLTON.

C. Applications for Service Connections

CARROLLTON will effect any water service connections after the Closing Date which WCWD has approved in the ordinary course of business and for which WCWD has been paid its usual and customary fees and/or deposits prior to the Closing Date; WCWD agrees to surrender to CARROLLTON any deposit paid by the customer, and CARROLLTON agrees to make no further charge to the customer thereafter.

D. Other Payments to WCWD and invoices Owed by WCWD

Any other Payments due to WCWD prior to the Closing Date and received after the Closing Date shall be deposited with CARROLLTON; any invoices owed by WCWD in the ordinary and regular course of its business prior to and after the Closing Date shall be paid by CARROLLTON.

E. Notices

Any notices, requests, waiver or other communications required or permitted to be given under this Asset Acquisition Agreement shall be in writing, and shall be delivered by hand or courier or US mail, postage pre-paid, and addressed to each party as set fourth in this Asset Acquisition Agreement with copies to parties' counsels at this current addresses.

F. Entire Agreement

This Asset Acquisition Agreement, including the Resolution previously incorporated herein by reference supersedes all prior discussion and agreements between WCWD and CARROLLTON, with respect to this asset acquisition. All promises, inducements, offers, solicitations, agreements, commitments, representations, and warranties heretofore made between the parties are merged into this Asset Acquisition Agreement shall not be modified or amended except in writing executed by both parties. Covenants, representations and warranties made in this Asset Acquisition Agreement remain in full force and effect, surviving the closing.

G. Headings and Options

All headings, captions, sections, and section numbers and letters are solely for the purpose of facilitating reference to this Asset Acquisition Agreement and shall not supplement, limit, or otherwise vary in any respect the text of this Agreement.

H. Successors and Assigns

This Asset Acquisition Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. Nothing in this agreement shall be construed to create any rights or obligations except among the between the parties thereto, and no person or entity shall be regarded as a third party beneficiary of this Asset Acquisition Agreement.

I. Indemnifications

Each party agrees to indemnify and hold the other party harmless from claims made against it and expenses incurred in defense of same, resulting from one or more breaches of the representations, warranties and covenants contained in this Asset Acquisition Agreement. The parties agree that that the indemnifications by WCWD under the terms of this Asset Acquisition Agreement, including the cost of legal representation, shall be drawn from WCWD if such costs are occasioned by WCWD's breach(es) if the representations, warranties and covenants contained in this Asset Acquisition Agreement. The parties acknowledge that WCWD's actions and decisions regarding indemnifications will be made on behalf of the WCWD ratepayers and with the best interest of those ratepayers in mind.

J. Defense of Territory

To the extent that, at the time of execution of this Asset Acquisition Agreement, there exists any exclusive authority granted to WCWD to provide water service to the properties and residents of WCWD water system, CARROLLTON agrees to take reasonable steps necessary to preserve that exclusive authority, as determined in CARROLLTON's sole discretion.

K. Rates for former WCWD Customers

CARROLLTON will charge rates for the former WCWD customers as set out in the rate schedule currently in place for WCWD customers and on file with the Kentucky Public Service Commission as shown in Exhibit 13. The parties acknowledge that CARROLLTON may in the future change its fees based on the cost of operating, maintaining and producing water for the customer of the system. When existing debt service is fully retired, the customer rates will be changed accordingly.

L. Service to Former WCWD Customers

CARROLLTON reaffirms and reiterates its commitment to serve customers of the former WCWD water system in a fair and non discriminatory manner and in harmony with the CARROLLTON UTILITIES Service Rules and Regulations.

Parties acknowledge that CARROLLTON has a utility commission that manages and operates the Carrollton water, wastewater and gas system, CARROLLTON UTILITIES. The Commission is currently comprised of four members with one member residing in and being a customer of the West Carroll Water District. CARROLLTON agrees to amend its ordinance to state that the Carrollton Utilities Commission shall be comprised of at least one (1) member with a residence located in WCWD's service territory, as that territory existed at the time of closing on this Agreement, and who would have been a customer of WCWD, if WCWD were still providing utility services in its service territory, as that territory existed at the time of closing on this Agreement.

M. Funding and Interim Funding for WCWD

In addition to provisions of Section Ten paragraphs B and D, WCWD and CARROLLTON, agree that any balances in any WCWD accounts at the Closing Date shall be transferred to the CARROLLTON accounts at the Closing Date.

N. Supplemental Representations

The parties agree that both parties may supplement their representations and warranties and exhibits to this Asset Acquisition Agreement during the time period between execution of this Asset Acquisition Agreement and the Closing Date.

O. Notice of Significant Actions During Interim Period

The parties acknowledge that there may be a period of time between the execution of this Asset Acquisition Agreement and the Closing Date, and both parties agree to provide notice to the other party of any action or event which may impair the value of any asset (by \$10,000 or more) or increase a liability (by \$10,000) or more) subject to this Agreement, including but not limited to those assets and liabilities listed at Exhibits 4 and 5. The parties agree that any such notice shall be provided within forty-eight (48) hours of the party's knowledge of that action or event.

P. Cooperation for Preparation of Consumer Confidence Report

The parties recognize that CARROLLTON has prepared the Consumer Confidence Report (CCR) in the past for WCWD and will continue to do so for the year 2020 and beyond.

WHEREFORE, THE PARTIES TO THIS Asset Acquisition Agreement affix their signatures as of the date first hereinabove written.

WEST CARROLL WATER DISTRICT



Vickie Edwards, Chairman

CITY OF CARROLLTON



Robb Adams, Mayor

COMMONWEALTH OF KENTUCKY)

COUNTY OF CARROLL)

I, the undersigned Notary Public, do hereby certify that the foregoing instrument was duly subscribed, acknowledged and sworn to before me by Vickie Edwards, Chairwoman of West Carroll Water District, who is personally known to me (or proved to me on the basis of satisfactory evidence), as his duly authorized act, on this the 18th day of March, 2021.


NOTARY PUBLIC State at Large

NOTARY ID# 613418

MY COMMISSION EXPIRES: 12-10-2022

COMMONWEALTH OF KENTUCKY)

COUNTY OF CARROLL)

I, the undersigned Notary Public, do hereby certify that the foregoing instrument was duly subscribed, acknowledged and sworn to before me by Rob Adams, Mayor of the City of Carrollton, who is personally known to me (or proved to me on the basis of satisfactory evidence), as his duly authorized act, on this the 1st day of April, 2021.


NOTARY PUBLIC State at Large

NOTARY ID# 613418

MY COMMISSION EXPIRES: 12-10-2022

EXHIBIT 1
WCWD BOARD
RESOLUTION

**RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WEST CARROLL WATER DISTRICT**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF WEST CARROLL
WATER DISTRICT AUTHORIZING THE SIGNING OF THE ASSET
PURCHASE AGREEMENT WITH THE CITY OF CARROLLTON ON
BEHALF OF CARROLLTON UTILITIES AND TO FILE AN
APPLICATION WITH THE KENTUCKY PUBLIC SERVICE
COMMISSION APPROVING THE TRANSFER OF CONTROL**

A meeting of the Board of Directors of West Carroll Water District (“West Carroll”) was held at the Carrollton Utilities, at 900 Clay Street, Carrollton, Kentucky, in person and by real-time, interactive electronic means, on March 18, 2021, after due and proper notice of such meeting was given, and after a quorum was declared, during which meeting the Board discussed and considered the Asset Purchase Agreement between West Carroll and the City of Carrollton on behalf of Carrollton Utilities and the need to approve and authorize signing of the Asset Purchase Agreement. The Board also discussed the need to file an Application with supporting exhibits, seeking approval of the transfer of control of West Carroll to Carrollton Utilities through the City of Carrollton.

Upon motion by Jim Lucas seconded by Dan Reisner , and duly carried, the following RESOLUTION was unanimously adopted:

WHEREAS, West Carroll is a water district created by statutes, and its purpose is to provide safe, efficient and reliable water service at rates and on terms that are fair, just and reasonable; and,

WHEREAS, the Board has reviewed the Kentucky Public Service Commission’s Final Order and the recommendations included for West Carroll in Case No. 2019-00041 and, it has become apparent to the Board of Directors that the best course of action is to enter into the Asset Purchase Agreement with the City of Carrollton on behalf of Carrollton Utilities; and,

WHEREAS, the Board of Directors has solicited, obtained and reviewed the recommendations of the board members, counsel and the Carroll County Judge Executive and all are in agreement that the Asset Purchase Agreement is the best course of action;

NOW, THEREFORE BE IT RESOLVED by the West Carroll Board of Directors that Vickie Edwards, chairwoman of West Carroll Water District is authorized and directed to sign the

Asset Purchase Agreement to transfer all assets and liabilities of West Carroll to the City of Carrollton on behalf of Carrollton Utilities and the Board authorizes Vickie Edwards to sign and verify the Application to be filed with the Kentucky Public Service Commission approving same and for Vickie Edwards to provide testimony to support said Application.

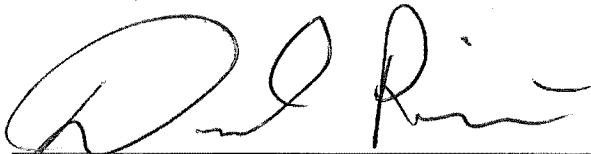
CERTIFICATION

I, Vickie Edwards, Chairman of West Carroll Water District, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of West Carroll held in person and virtually on March 18, 2021, at which meeting a quorum was present.



VICKIE EDWARDS, CHAIRWOMAN

ATTEST:



SECRETARY

EXHIBIT 2
WCWD and CU
WATER PURCHASE
AGREEMENT

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT entered into this the 20th day of January, 2005, by and between THE CITY OF CARROLLTON, by and through Ann Deatherage, Mayor, and THE CARROLLTON UTILITIES COMMISSION, by and through Ron McMillan, Chairperson, hereinafter referred to as "Seller", and the WEST CARROLL WATER DISTRICT, Carrollton, Kentucky 41008, hereinafter referred to as "Purchaser",

WHEREAS, the Seller and the Purchaser entered into a Water Purchase Contract dated June 12, 1991, (hereinafter "Contract") for the sale and the purchase of water; and,

WHEREAS the Purchaser has obtained a loan through United States of America, Department of Agriculture, Rural Economic Community Development for improvement and expansion of its water lines; and,

WHEREAS a condition of the loan is the availability of water to the Purchaser for the period of the loan which includes through December 31, 2045,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES:

1. The Seller will supply water to the Purchaser for a period through and including December 31, 2045, with the original term of the parties' Contract being extended from its initial term of twenty (20) years, to this date. The Purchaser is granted an option to renew or extend the Contract for an additional term of twenty (20) years, commencing at the end of the original term, which is amended to be December 31, 2045, with no notice of the extension being required to be given by the Purchaser; and,

2. That the remaining terms and conditions of the parties' Contract shall remain in full force and effect.

Witness the signatures of the parties hereto on the date first above written.

CITY OF CARROLLTON

By: Ann Deatherage
Ann Deatherage, Mayor

THE CARROLLTON UTILITIES COMMISSION

By: Ron A. McMillan
Ron McMillan, Chairperson

SELLER

WEST CARROLL WATER DISTRICT

By: Vickie Edwards
Vickie Edwards, Chairperson

PURCHASER

RESOLUTION #R04-33

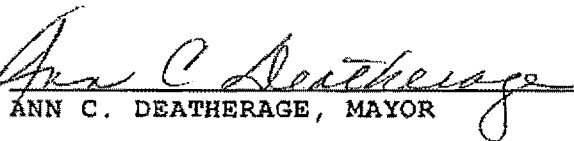
AUTHORIZE CONTRACT EXTENSION
WITH WEST CARROLL WATER

WHEREAS, the City of Carrollton is desirous to extend the contract with West Carroll Water for a period through and including December 31, 2045, with the original term of the parties' Contract being extended from its initial term of twenty (20) years, to this date; and

WHEREAS, it is necessary for the Mayor to sign said Contract;

NOW, THEREFORE, BE IT RESOLVED by the City of Carrollton that the Mayor is authorized to sign on behalf of the City of Carrollton any and all documents necessary to extend the contract with West Carroll Water for a period through and including December 31, 2045, with the original term of the parties' Contract being extended from its initial term of twenty (20) years, to this date.

After a reading in full on the 12TH day of January, 2005, and on motion by MR. LOUDEN, seconded by MS. GROBMYER, the resolution was adopted by a vote of 6 ayes and 0 nays.


ANN C. DEATHERAGE, MAYOR

ATTEST:


BECKY H. PYLES
CITY CLERK/TREASURER

WATER PURCHASE CONTRACT

THIS CONTRACT for the sale and purchase of water is entered into as of this the 12 day of June, 1991, by and between:

THE CITY OF CARROLLTON, KENTUCKY, by and through Charles W. Webster, Mayor of the City of Carrollton, and THE CARROLLTON UTILITIES COMMISSION, by and through Mary Frances Mefford, Chairperson, Carrollton Utilities Commission, hereinafter referred to as the "Seller"; and,

WEST CARROLL COUNTY WATER DISTRICT, Carrollton, Kentucky, hereinafter referred to as the "Purchaser".

WHEREAS, the Purchaser is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose the Purchaser will require a supply of treated water; and,

WHEREAS, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users proposed to be served by Purchaser with water from Seller's system (with other customers of Purchaser to be served with water obtained from other sources); and,

WHEREAS, the Seller by and through the Carrollton Utilities Commission, an agency of the City of Carrollton, Kentucky, entered into a contract for the sale of the purchase of water on the 19th day of June, 1981; and,

WHEREAS, the parties hereto desire to reaffirm, readopt and reiterate said contract with certain modifications and changes.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. THE SELLER AGREES:

1. (Quality and Quantity) to furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky State Board of Health in such quantity as may be required by the Purchaser not to exceed Five Million (5,000,000) gallons per month; provided, however, that the occasional, or even regular, furnishing of water by Seller to Purchaser at a rate exceeding 5,000,000 gallons per month shall not in and of itself bind or require Seller to continue doing so.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 90 psig from an existing six (6) inch main supply at a point located in the City of Carrollton, Kentucky, on Highland Avenue (U.S. Highway

No. 42) at or near Second Street. If a greater pressure is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to any catastrophe or force majeure such as, but without limiting the generality of the foregoing, main supply line breaks, power failure, flood, fire and use of water to fight fire (whether within or without the limits of the City of Carrollton, Kentucky), earthquake or failure of supply shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Sewer Charge Collection Enforcements) The Purchaser agrees to furnish to the Seller on or before the 1st day of each month the total volume of water used by each of Purchaser's customers who are users of the City of Carrollton's sewer facilities. The volume shall be furnished on a per customer basis to enable billing by the municipal sewer for use of sewer facilities. Further, Purchaser agrees to discontinue water service to any person who is delinquent in paying city sewer charges within five (5) days after receipt of a written notice of the delinquency from the Seller.

4. (Metering Equipment) To maintain at its own expense at the point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the

Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the twelve (12) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the first day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

5. (Billing Procedure) To furnish the Purchaser not later than the fifteenth (15th) day of each month with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. THE PURCHASER AGREES:

1. (Rates and Payment Date) To pay the Seller, not later than the thirtieth (30th) day of each month, for water delivered during the preceding month in accordance with the

following schedule of rates:

First	1,000 gallons	\$ 2.50 Minimum
Next	4,000 gallons	1.15 per 1,000
Next	15,000 gallons	.85 per 1,000
Next	20,000 gallons	.75 per 1,000
Next	60,000 gallons	.55 per 1,000
Next	300,000 gallons	.45 per 1,000
Over	400,000 gallons	.40 per 1,000

2. To furnish and install all necessary metering equipment, meter, and meter pit with bypass in lieu of paying a connection fee to Seller. The meter and meter pit installation shall be approved by the Manager of the Seller.

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND THE PURCHASER AS FOLLOWS:

1. (Term of Contract) That this contract shall extend for a period of twenty (20) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser, and the Purchaser is hereby granted an option to renew or extend this contract for an additional term of twenty (20) years, commencing at the end of the original term aforesaid, no notice of extension is required to be given.

2. (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing of the date for the initial delivery of water, including that required under paragraph 3 of this section C. Without such notice being given and the elapse of said

thirty (30) day period, the Seller shall be under no obligation to deliver water to the purchaser.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonable close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction. Such water will be metered and priced according to the rate schedule set forth in paragraph 1 of section B and will be paid for by the contractor or, on his failure to pay, by the Purchaser.

4. That the Seller will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with the maximum quantity called for by Paragraph 1 of Section A. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In case of a water shortage suffered by the City, all the towns, water districts, corporations, or other groups purchasing water from the City of Carrollton on a contract basis, shall share in the shortage in same ratio or proportion as others in this contract class.

5. (Modification of Contract) That the schedule of rates to be paid by the Purchaser for water delivered shall at all times be those rates that are in effect for users located within the corporate limits of the City of Carrollton, Kentucky (city

rates). That is, the schedule of rates set forth in paragraph 1 of section B being the present city rates, any change by the Seller in such city rates (whether increase or decrease) shall automatically apply to the rates to be paid by the Purchaser under this contract. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for a loan from the United States of America.

10. (Prior Contract) This contract supersedes a water purchase contract by and between the parties dated June 19, 1981. The original term of the contract was twenty (20) years from and after June 19, 1981, and the term of this contract shall be for twenty (20) years from and after the contract entered into on June 19, 1981, and shall expire on June 19, 2001.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

CITY OF CARROLLTON, KENTUCKY
Seller

By: Charles W. Webster
Charles W. Webster, Mayor

ATTEST:

Becky H. Pyles
Becky H. Pyles
City Clerk/Treasurer

CARROLLTON UTILITIES COMMISSION,
Seller

By: Mary Frances Mefford
Mary Frances Mefford,
Chairperson

ATTEST:

Gerald L. Ballinger
Gerald Ballinger, Manager

WEST CARROLL COUNTY WATER
DISTRICT, Purchaser

By: Jerry Smith, Chairman

ATTEST:

William B. Durr
Secretary

THIS CONTRACT between the Carrollton Utilities Commission as Seller and the West Carroll County Water District as Purchaser dated the 12th day of June, 1991, is approved on behalf of the Farmers Home Administration on this the 18th day of JULY, 1991.

By: Jimmy H. Hall
Title: ESOP Specialist

EXHIBIT 3
WCWD and CU
MAINTENANCE
SERVICE
AGREEMENT

OPERATIONAL AGREEMENT
BETWEEN
CARROLLTON UTILITIES
AND
WEST CARROLL WATER DISTRICT
APRIL 1, 1999

This Agreement to provide the operation and maintenance of facilities, customer billing services, accounting functions and related services of a water system is entered into this the 1st day of April, 1999, by and between:

CARROLLTON UTILITIES, by and through the Carrollton Utilities Commission of the City of Carrollton, Kentucky, hereinafter referred to as the "Operator"; and

WEST CARROLL WATER DISTRICT, Carrollton, Kentucky, hereinafter referred to as the "Owner" or "District".

WHEREAS, the Owner is organized and established under the provisions of Chapter 74 of the Kentucky Revised Statutes for the purpose of owning a water supply distribution system serving users within the areas described in plans now on file at the Kentucky Public Service Commission and to accomplish this purpose the Owner requests a third party to provide operation and maintenance of its facilities, customer billing services, accounting functions and related services; and

WHEREAS, the Operator owns and operates an adjoining municipal water supply distribution system established under the provisions of the Kentucky Revised Statutes and is capable of providing the operation and maintenance of facilities, customer billing services, accounting functions and related services to the Owner; and

WHEREAS, the parties hereto desire to enter into a contract to provide these services.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth;

A. THE OPERATOR AGREES:

To furnish to the Owner, during the term of this contract or any renewal or extension thereof, the general operation and maintenance, customer billing services, accounting functions and related services as required to operate the Owner's facilities known as the West Carroll Water District. The provisions as described herein shall establish the general parameters of the agreement and exceptions thereof. The operations conducted shall comply with the requirements as established by the Kentucky Public Service Commission, Kentucky Division of Water or other authorized regulatory agency for the operations of a water supply distribution system of a water district. These regulatory requirements shall apply only to the operations of the District and in no way shall effect the operations by the Operator for its retail customers of the City of Carrollton. The Operator further agrees to operate the water distribution system within the policies established by the Board of the District.

B. THE OWNER AGREES:

To compensate the Operator for the operation and maintenance of facilities, customer billing services, accounting functions and related services as established in this Agreement. The Owner further agrees to provide the necessary materials and supplies, third party contracts and related requirements as further established in this agreement. The District shall remain the owner of the water supply distribution system and maintain policy responsibilities for its operation.

TERMS AND CONDITIONS

1. **EFFECTIVE DATE.** This Operational Agreement shall be effective April 1, 1999.
2. **TERM.** The term for the Operational Agreement shall be for a period of one (1) year from the effective date of the Agreement. If neither party amends this Agreement as set forth in Section 3 or terminates the Agreement as set forth in Section 4, the Agreement will rollover for an additional term of one (1) year and the responsibilities of each party shall be as established in the Agreement. The Agreement may be extended for an additional period as mutually agreed to by the parties
3. **COMPENSATION.** The District shall compensate Carrollton Utilities as established in the addendum to the Agreement as set forth in Exhibit "A". An amendment to the compensation requirement shall require the amendment of Exhibit "A".
4. **AMENDMENT.** This Agreement may be amended upon the mutual agreement of both parties. A request to amend the Agreement shall be provided in writing by the party requesting the amendment. In the event either party request an amendment to the Agreement prior to an extension or renewal of the Agreement, the requested amendment must be made no later than thirty (30) days prior to the date the Agreement will terminate.
5. **TERMINATION.** Either party upon sixty (60) days' notice may terminate this Agreement. This notice shall be made in writing by the party requesting the termination. The parties agree to be obligated to the terms and conditions of this Agreement for a minimum of sixty (60) days following the termination of the Agreement, if requested by the Owner, to allow for the negotiation with another party to operate the system.
6. **SYSTEM OPERATION AND MAINTENANCE, CUSTOMER BILLING SERVICES AND ACCOUNTING RESPONSIBILITIES.**
 - A. **RESPONSIBILITIES OF THE OPERATOR.** The Operator shall be responsible for the general operation of the District water supply distribution facilities to include the requirements for personnel, equipment and tools to conduct these operational functions. The financial recovery of these expenses shall be as set forth in Section 3. The compensation by the Owner shall cover personnel salaries for regular time or overtime, all employee benefits, equipment and tool costs whether owned or rented by the Operator. Operational responsibilities considered general operations and the responsibility of the Operator are identified below. This list is not inclusive of all activities, but establishes a guideline to establish the responsibilities of the Operator.
 - (1) **CUSTOMER SERVICE LINE/METER INSTALLATION.** The Operator shall install the customer service line from the main to the customer's property in accordance to the policy established by the District Board (Board). The customer shall be invoiced for the installation of the customer service line/meter at the rate established by the Board. In the event a customer requests water service within the service territory, but water service is not available, the Operator will inform the Board of the action (system extension) required to provide service.

- (2) **WATER MAIN REPAIR.** The Operator shall repair normal and routine water main breaks in accordance to the operational guideline as established by the Board. The term normal and routine does not include the repair of a major portion of line (distance to exceed 100 feet of repair and/or replacement), repair or replacement of river crossing pipe, distribution system extensions and other similar facility repairs/improvements.
- (3) **METER READING.** The Operator shall read meters on a monthly basis.
- (4) **MAINTENANCE OF WATER STORAGE TANKS.** The Operator shall conduct the general and routine maintenance to operate all water storage tanks. The Operator will review the operation of water storage tanks and make recommendations to improve operational efficiency to the Board. The District is responsible for the purchase of material to make storage tanks operational. Tank inspections as may be required by third parties and tank painting or other structural improvements are the responsibility of the Owner.
- (5) **PUMP STATIONS AND PRESSURE REDUCING STATIONS.** The Operator shall maintain pump stations and pressure reducing stations in a functional manner. The Operator shall not be responsible for the purchase of materials required to maintain these facilities and the cost to repair or replace pumps and motors.
- (6) **SERVICE CALLS/COMPLAINTS.** The Operator shall be responsible for the timely response to customer service requests such as meter connects and disconnects, meter rereads or other service related requests or complaints.
- (7) **WATER SAMPLE COLLECTION.** The Operator shall be responsible for the collection of water sampling requirements as established by the Kentucky Division of Water or other regulating agency. The Operator will conduct the sample analysis for any parameter that its personnel are qualified to analyze. The Operator will insure that samples to be analyzed by a third party laboratory are collected in accordance to regulatory requirements. The Operator will forward samples for analysis to third party laboratories as established by the Owner.
- (8) **DISTRIBUTION INTEGRITY.** In addition to the specific requirements established above the Operator will oversee the general operation and integrity of the water distribution system. This shall include activities such as meter change-out requirements, leak surveys, valve maintenance, etc.
- (9) **CUSTOMER BILLING SERVICES.** The Operator shall maintain the records required to bill customers of the District for water service received each month in accordance to the rates and charges (including taxes and/or surcharges) as directed by the applicable tariff and policy provisions approved by the Board and/or the Kentucky Public Service Commission. The parties understand that the party currently providing these services to the District is responsible for providing all available records to facilitate the Operator.
- (10) **ACCOUNTING FUNCTIONS.** The Operator shall maintain the records required to account for the fiscal activities of the District in accordance to generally accepted accounting principals as directed by the applicable tariff and policy provisions approved by the Board and/or the Kentucky Public Service Commission. The parties understand that the party currently providing these services to the District is responsible for providing all available records to facilitate the Operator.
- (11) **ADMINISTRATIVE RESPONSIBILITIES AND REPORTING.** The Operator shall administer the day-to-day operational activities, customer billing services, accounting functions and related services as indicated within this Agreement on behalf of the District in accordance to Board policy and regulatory agency requirements. The operations conducted shall comply with the requirements as established by the Kentucky Public Service

Commission, Kentucky Division of Water or other authorized regulatory agency for the operations of a water supply distribution system for a water district. The Operator shall report its activities to the Board at the monthly meeting of the District and upon request.

B. RESPONSIBILITIES OF THE OWNER. The Owner shall be responsible for materials, third party services and other related activities for the operation of the District. Operational responsibilities considered general operations and the responsibility of the Owner are identified below. This list is not inclusive of all activities, but establishes a guideline to establish the responsibilities of the Owner.

- (1) MATERIALS AND SUPPLIES. The Owner shall be responsible for the purchase of all materials and supplies required to operate the District. This shall include materials and supplies for the installation and/or repair of mains, services, meter sets, pressure reducing/regulating equipment, pump stations appurtenances including pumps and motors or other materials and supplies required to operate the water supply distribution system.
- (2) UTILITY SERVICES. The Owner shall be responsible for the payment of services provided by water suppliers, electric companies and telephone companies as it specifically relates to telemetry services only.
- (3) THIRD PARTY SERVICES. The Owner shall be responsible for the procurement and payment for services to include engineering, operations consultants, legal consultants, auditors, financial and banking services, water testing laboratory or other related third parties required to operate the District.
- (4) CAPITAL IMPROVEMENTS, EXTENSIONS AND REPLACEMENT OF FACILITIES. The Owner shall be responsible for the authorization, engineering, design, contracting and other related requirements for capital improvements, extensions and replacement of facilities.
- (5) POLICY. The Owner is responsible for the establishment of policy for the operation of the District in accordance to the regulations of the Kentucky Public Service Commission, Kentucky Division of Water and other appropriate regulatory agencies.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, acting under their respective governing bodies, have caused this contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

WEST CARROLL WATER DISTRICT
OWNER

CARROLLTON UTILITIES
OPERATOR

By: *Vickie Edwards*
VICKIE EDWARDS, CHAIR

By: *Ronald McMillan*
RONALD McMILLAN, CHAIR

Date: 4/15/99

Date: 4-22-99

ATTEST: *Chuffed Summers*
4-15-99

ATTEST: _____

SUPPLEMENTAL AGREEMENT

This supplemental agreement entered into this the 21st day of September 2017, by and between Carrollton Utilities and West Carroll Water District

WHEREAS, Carrollton Utilities and West Carroll Water District entered into an Operational Agreement dated April 1, 1999.

WHEREAS, the parties desire to amend certain sections of that agreement,

NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES TO AMEND THE CONTRACT AS FOLLOWS:

- 1. Exhibit "A" Annual Compensation -- \$248,178.45
 Monthly Compensation -- \$20,681.54

Effective July 1, 2017 until amended by the parties

WEST CARROLL WATER DISTRICT



 Vickie Edwards, Chairperson

CARROLLTON UTILITIES



 Greg Goff, Chairman

EXHIBIT 4
WCWD'S LIST OF
ASSETS

Exhibit 4

Asset List

Water Storage Tanks

Culls Ridge 50,000 Gallon Standpipe

Mound Hill 112,000 Gallon Standpipe

Bells Ridge 100,000 Gallon Elevated Tank

Gilgal 50,000 Gallon Elevated Tank

Booster Pump Stations

Mound Hill Booster (20 Mound Hill Road)

Kings Ridge Booster

Hardy Creek Booster

Gilgal Booster

Mound Hill #2 (1482 Mound Hill Road)

Mains

Approximately 109 miles of water main and appurtenances

Services

Approximately 1000 customer services including service line, meter, vaults and appurtenances.

Inventory

All inventory of parts, tools and equipment.

Cash, Reserve Accounts, Receivables

As Listed in Exhibit 5

EXHIBIT 5
WCWD'S LIST OF
LIABILITIES

West Carroll Water District
Balance Sheet
For the Period Ending 12/31/2020

Assets

20-100-10100	PETTY CASH	\$50.00	\$0.00	
20-100-10200	OPERATING ACCOUNT FIRST NATIONAL BANK	\$252,493.98	\$0.00	
20-100-10600	DEPRECIATION RESERVE	\$50,037.62	\$0.00	
20-100-10700	WEST CARROLL ICS ACCOUNT	\$28,833.13	\$0.00	
20-100-12100	CUSTOMER ACCOUNTS RECEIVABLE	\$70,108.15	\$0.00	
20-100-12400	MISC ACCOUNTS RECEIVABLE	\$2,412.74	\$0.00	
20-100-13000	ALLOWANCE FOR DOUBTFUL ACCOUNT	\$0.00	\$8,647.75	
20-100-13100	PREPAID EXPENSES	\$4,682.35	\$0.00	
20-100-13300	INVENTORY	\$18,777.55	\$0.00	
20-100-30200	DIST. RESERVOIR & STANDPIPE	\$509,248.79	\$0.00	
20-100-30300	TRANSMISSION DIST. MAINS	\$3,576,896.10	\$0.00	
20-100-30400	SERVICES	\$150,812.53	\$0.00	
20-100-30500	METERS	\$189,409.47	\$0.00	
20-100-30600	METER INSTALLATION	\$148,381.85	\$0.00	
20-100-30700	HYDRANTS	\$39,504.68	\$0.00	
20-100-30800	FENCE	\$12,481.58	\$0.00	
20-100-31100	PUMPING STATIONS	\$338,471.63	\$0.00	
20-100-31700	BELLS RIDGE TANK PROJECT	\$478,375.15	\$0.00	
20-100-31800	ACCUMULATED DEPRECIATION	\$0.00	\$3,012,460.00	
20-100-31900	LAND & RIGHT OF WAYS	\$18,754.16	\$0.00	
20-100-32400	ORGANIZATION COST	\$17,853.90	\$0.00	
20-100-32500	ALLOWANCE FOR AMORTIZATION	\$0.00	\$17,715.32	
20-100-10800	DEPRECIATION RESERVE CD (FNB)	\$10,050.14	\$0.00	
20-100-10900	BOND FUND (FNB)	\$40,125.55	\$0.00	\$381,590.42 TOTAL CASH
20-100-31300	FEMA PROJECTS	\$112,451.07	\$0.00	\$3,031,389.05 TOTAL ASSETS

Liabilities

20-200-21100	ACCOUNTS PAYABLE	\$0.00	\$32,700.04	
20-200-21300	CUSTOMER RENTAL DEPOSITS	\$0.00	\$12,150.00	
20-200-21400	ACCURED INTEREST / DEPOSITS	\$0.00	\$23.73	
20-200-21500	ACCURED INTEREST - LTD	\$0.00	\$12,002.50	
20-200-21900	SALES TAX PAYABLE	\$12.52	\$0.00	
20-200-22000	SCHOOL TAX / CARROLL	\$0.00	\$2,366.98	
20-200-22100	SCHOOL TAX/TRIMBLE	\$0.00	\$494.74	
20-200-22200	SCHOOL TAX / HENRY	\$0.00	\$17.37	
20-200-25200	FMHA BONDS #2	\$0.00	\$6,500.00	
20-200-25300	FMHA BONDS #3	\$0.00	\$219,500.00	
20-200-25400	FMHA BONDS #4	\$0.00	\$298,000.00	
20-200-21130	REFUNDS PAYABLE	\$0.00	\$215.60	
20-200-21600	ACCRUED INTEREST - KIA	\$0.00	\$533.92	
20-200-25500	NOTE PAYABLE TO CU	\$0.00	\$471,869.53	
20-200-25600	NOTE PAYABLE TO CU - INTERCONNECT PROJECT	\$0.00	\$28,198.86	
20-200-25800	UNEARNED INCOME	\$0.00	\$51,973.80	\$1,136,547.07 TOTAL LIABILITIES

EXHIBIT 6
WCWD'S
WATER
SERVICE
AREA MAP
(FILED UNDER
SEAL)

EXHIBIT 7
WCWD'S
CUSTOMER
ACCOUNTS
(FILED
UNDER SEAL)

EXHIBIT 8
WCWD'S
KENTUCKY
DEPARTMENT OF
LOCAL
GOVERNMENT
REGISTRATION



SPGE Registration

Special Purpose Governmental Entities (SPGEs) Registration and Board Reporting Form

Registration Year: 2021

Instructions

Due to the website shutdown, all SPGEs must manually complete the Registration Form, Registration Fee, Budget Estimates, Budget Amendments, and Year-End Actuals. The Department for Local Government (DLG) will mail each form to the email addresses provided on this form. Once completed all forms, Audits and Attestation Engagements must be emailed to dlg-csd@ky.gov.

To pay the Registration Fee you must first complete and submit this Registration Form to DLG. Please hover your mouse over the red triangles in each section for explanations. DLG will then send a payment link containing the Registration Fee amount to the email addresses you have provided on this form. If you have checked the "Text Msg" box, you will be sent a payment link through your phone as well. You will use this link to pay the Registration Fee. DLG will email the Budget Summary Forms to be completed when your payment is processed. Audits and Attestation Engagements can be emailed to DLG once completed.

SPGE CONTACT INFORMATION

SPGE Name: * Required WEST CARROLL WATER DISTRICT		Taxing Authority? <input type="checkbox"/> Yes <input type="checkbox"/> No		EID#: * Required
Mailing Address: * Required PO BOX 45		Participation Date: 07/01/14		Counties Served * Required TRIMBLE, CARROLL, HENRY
City: * Required CARROLLTON	Zip Code: * Required 41008	Telephone Number: * Required (502) 732-7055	Fax Number: (502) 732-7058	
Contact Name: * Required SARAH HUDGINS		District Email: * Required SHUDGINS@CUKY.US		Headquartered County: * Required Select One
Email Backup 1 * Required BILL OSBORNE		Email Backup 2 BOSBORNE@CUKY.US		Cell Number <input type="checkbox"/> Text Msgs
Website URL:		SPGE Type: * Required Enterprise	District Type: * Required Water District	

Types of services provided by SPGE: * Required
WEST CARROLL WATER DISTRICT PROVIDES WATER SERVICE TO CUSTOMERS IN CARROLL, TRIMBLE, AND HENRY COUNTIES

Operational boundaries and service area of SPGE: * Required

List contact information for all federal, state and local entities that have oversight over the SPGE: * Required

Entity Name	Entity Address	Entity Phone Number
BOARD	PO BOX 45	(502) 732-7055

DATA SUPPLIED BY

The "Data Supplied By" is the same as the information provided under the section "SPGE Contact Information". Yes

Skip this section if you answered "Yes" above

Supplier Name: * Required	Telephone Number: * Required	Extension:
---------------------------	------------------------------	------------

Title: * Required

Mailing Address: * Required	City: * Required
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State:* Required	Zip:* Required	Email:* Required	<input type="checkbox"/> Text Mgs
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SPGE CREATION AND OPERATIONAL INFORMATION

KRS under which SPGE was established:* Required	Date SPGE was established:* Required	Date of last Audit:* Required
---	--------------------------------------	-------------------------------

Establishing entity:* Required

Select One

KRS under which SPGE operates:* Required	Ethics Ordinance:* Required
	<input type="checkbox"/> County <input type="checkbox"/> City Provisions adopted

FY 2021 REGISTRATION FEE - Calculation verified by DLG

Sum of total annual revenues from all sources from the FY 2019 Year-End Actuals	\$0.000
FY 2021 - Registration Fee Amount Due: (An electronic Link will be sent to you to make payment)	TBD

Taxes and Fees* Required

Does your entity charge taxes or fees? If yes, please list below. If no, skip to the next section Yes No

List the five (5) highest revenue producing taxes and/or fees imposed and collected in the previous year. If the top five (5) taxes/fees do not produce at least 85% of all tax/fee revenues received, continue listing until the total is at least 85%. If you have fewer than five (5) taxes/fees, list all.

Tax/Fee Type	Statute/Source of Authority	Tax Rate/Fee Amount

SPGE BOARD MEETINGS* Required

Meeting Date: THIRD THURSDAY OF EVERY MONTH	Meeting Time: 6:00	Location: 900 CLAY ST CARROLLTON KY 41008
--	-----------------------	--

SPGE BOARD MEMBERS* Required

Title: CHAIRPERSON	First Name: VICKIE	Last Name: EDWARDS
Address: 1894 HUNTERS HEIGHTS ROAD		
City: MILTON	Zip Code: 40045	Telephone:
Term Expires	Term: <input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input checked="" type="checkbox"/> 4th Unexpired	

Title: SECRETARY	First Name: DAVID	Last Name: PIRTLE
Address: 2617 PALMYRA RD		
City:	Zip Code:	Telephone:

BEDFORD	40006	
Term Expires	Term:	<input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired

Continued --- SPGE BOARD MEMBERS

Title:	First Name:	Last Name:
BOARD MEMBER	DAN	REISNER
Address:		
1350 GILGAL ROAD		
City:	Zip Code:	Telephone:
TURNERS STATION	40075	
Term Expires	Term:	<input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired

Title:	First Name:	Last Name:
BOARD MEMBER	KAREN	LOVINS
Address:		
1812 PALMYRA RD		
City:	Zip Code:	Telephone:
BEDFORD	40006	
Term Expires	Term:	<input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired

Title:	First Name:	Last Name:
BOARD MEMBER	JAMES	LUCAS
Address:		
2175 MILL CREEK ROAD		
City:	Zip Code:	Telephone:
CARROLLTON	41008	
Term Expires	Term:	<input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired

Title:	First Name:	Last Name:
Address:		
City:	Zip Code:	Telephone:
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Continued --- SPGE BOARD MEMBERS

Title:	First Name:	Last Name:

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City:	Zip Code:	Telephone:

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City:	Zip Code:	Telephone:

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Important Submission Information

Thank you!

- For DLG's records, the date submitted will be the final completed form sent by email to DLG-CSD@ky.gov. To limit delays, please make sure all required sections/fields are complete.
- DLG will calculate the Registration Fee and provide an invoice to make payment.
- Once payment has been received and processed, DLG will provide the Budget Summary Form to complete.



DLG-CSD@KY.GOV



(502) 892-3490

Internal USE ONLY:	ID#: _____	EID#: _____	Participation Date: _____
Reporting Cycle:	1st (Jan-Dec): _____	2nd (Apr-Mar): _____	3rd (Jul-Jun): _____ 4th (Oct-Sep): _____

Headquartered County	District Type	Establishing Entity	SPGE Type
Select One	Select One	Select One	Select One
Adair	Agricultural Extension	By Ballot (Public)	Select One
Allen	Air Board	City	Enterprise
Anderson	Air Pollution Control	County	Housing Authority - Jul-Jun Cycle
Ballard	Ambulance	Interlocal Agreement	Non-Enterprise (Non Taxing)
Barren	Area Development	Kentucky General Assembly	Non-Enterprise (Taxing)
Bath	Area Planning Commission	Non-Profit Incorporation	TVA Municipal Utilities (With components)
Bell	Community Action Corporation		TVA Municipal Utilities (Without components)
Boone	Community Improvement		
Bourbon	Drainage and Levee		
Boyd	Fire Protection		
Boyle	Fire Protection (Chapter 273 – Vol. Fire)		
Bracken	Flood Control		
Breathitt	Hospital		
Breckinridge	Housing Authority		
Bullitt	Industrial Development Authority/Economic Development		
Butler	Library		
Caldwell	Mass Transit Authority		
Calloway	Mental Health		
Campbell	Other		
Carlisle	Parks and Recreation		
Carroll	Public Health		
Carter	Rescue Squad		
Casey	Riverport Authority		
Christian	Road District		
Clark	Sanitation District		
Clay	Sewer District		
Clinton	Soil and Water Conservation		
Crittenden	Solid Waste Management		
Cumberland	Tourist and Convention		
Daviess	Urban Services		
Edmonson	Water District		
Elliott	Watershed Conservancy		
Estill			
Fayette			
Fleming			
Floyd			
Franklin			
Fulton			
Gallatin			
Garrard			
Grant			
Graves			
Grayson			
Green			
Greenup			
Hancock			
Hardin			
Harlan			
Harrison			
Hart			
Henderson			
Henry			
Hickman			
Hopkins			
Jackson			
Jefferson			
Jessamine			
Johnson			
Kenton			
Knott			
Knox			
LaRue			
Laurel			
Lawrence			
Lee			
Leslie			
Letcher			
Lewis			
Lincoln			
Livingston			
Logan			
Lyon			
Madison			
Magoffin			
Marion			
Marshall			
Martin			
Mason			
McCracken			
McCreary			
McLean			
Meade			
Menifee			
Mercer			
Metcalfe			
Monroe			
Montgomery			

Morgan
Muhlenberg
Nelson
Nicholas
Ohio
Oldham
Owen
Owsley
Pendleton
Perry
Pike
Powell
Pulaski
Robertson
Rockcastle
Rowan
Russell
Scott
Shelby
Simpson
Spencer
Taylor
Todd
Trigg
Trimble
Union
Warren
Washington
Wayne
Webster
Whitley
Wolfe
Woodford



Continued --- SPGE BOARD MEMBERS

Title:	First Name:	Last Name:
Address:		
City:	Zip Code:	Telephone:
Term Expires	Term: <input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired	

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City:	Zip Code:	Telephone:
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Continued --- SPGE BOARD MEMBERS

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City:	Zip Code:	Telephone:
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City:	Zip Code:	Telephone:
Term Expires	Term: <input type="checkbox"/> <input type="checkbox"/> 1st <input type="checkbox"/> 2nd <input type="checkbox"/> 3rd <input type="checkbox"/> 4th Unexpired	

1st 2nd 3rd 4th Unexpired

Sarah Hudgins

From: Department of Local Government <support@kentucky.gov>
Sent: Wednesday, December 9, 2020 1:51 PM
To: shudgins@cuky.us; BOSBORNE@CUKY.US
Subject: DLG SPGE Payments - Prompt Pay Receipt - 1745

Receipt for 64601510 West Carroll Water District

You have successfully completed your payment.

TRANSACTION DETAILS

Order ID
64601510
Payment Date
12/9/2020, 1:51:13 PM EST
Entity
Department of Local Government
Service
DLG SPGE Payments
Unique Identifier
1745
Description
FY 2021 Registration Fee
Payment Method
Echeck (*9398)
Subtotal
\$500.00
Total Amount Paid
\$500.00

CUSTOMER INFORMATION

Customer Name
West Carroll Water District
Email Address
shudgins@cuky.us
Email Address
BOSBORNE@CUKY.US

EXHIBIT 9
WCWD'S ANNUAL
REPORT TO PSC

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 2019

Name of Utility Reporting West Carroll Water District

FEIN # (Federal Employer Identification Number)

Table with 10 columns containing FEIN digits: 3, 1, -, 0, 8, 9, 1, 4, 9, 3

Address of Utility: 900 Clay Phone: 502-732-7055

City: Carrollton State: KY Zip: 41008 Fax: 502-732-7058

E-Mail: Web Site: www.carrolltonutilities.com

Primary Regulatory Contact: Vickie Edwards Chairperson
(Name) (Title)

- (1) Gross Revenues of Electric Utility \$
(2) Gross Revenues of Gas Utility \$
(3) Gross Revenues of Water Utility \$ 603,935
(4) Gross Revenues of Sewer Utility \$
(5) Other Operating Revenues \$ 27,206
*** TOTAL GROSS REVENUES \$ 631,141

OATH

State of.....Kentucky.....)
) ss.
County of....Carroll.....)

Vickie Edwards being duly sworn, states that he/she is
(Officer)

Chairperson of the West Carroll Water District that the
(Official Title) (Utility Reporting)

above report of gross revenues is in exact accordance with West Carroll Water District
(Utility Reporting)

and that such books accurately show the gross revenues of: West Carroll Water District
(Utility Reporting)

derived from Intra-Kentucky business for the calendar year ending December 31, 2019

Vickie L. Edwards, Chairperson
(Officer) (Title)

This the 27th day of March, 2020

Veresa Ford Lewis
(Notary Public)

Carroll
(County)

2/05/2022
(Commission Expires)

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN
THE ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST
BE RECONCILED ON THE REVERSE OF THIS REPORT

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations						
Annual Report of						
Respondent	WEST CARROLL WATER DISTRICT	900 CLAY ST	P.O. BOX 45	CARROLLTON	KY	41008

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Principal Payment and Interest Information

Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	\$41,157.00	
Is Principal Current?	Y	
Is Interest Current?	Y	
Has all long-term debt been approved by the Public Service Commission?	Y	

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Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	Y		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit	X		
Compilation			
Review			
Date of Audit			12/31/2019
Please enclose a copy of the accountant's report with annual report.			

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Additional Requested Information

	Name	Electronic Info
Name of Utility and Web Address	WEST CARROLL WATER DISTRICT	www.carrolltonutilities.com
Contact Name and Email Address	VICKIE EDWARDS	gvsedwards@hughes.net

Note:
NOTE

WEST CARROLL WATER DISTRICT HAS A TAB ON THIS SITE. NO SEPARATE SITE IS MAINTAINED.

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Additional Information Required

	Case Num	Date	Explain
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N/A

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement,building construction, expansion. If expansion, provide the estimated number of new customers): N/A

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

WEST CARROLL WATER DISTRICT

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History-Location (Ref Page: 4)

	Name	Address		City	State	Zip	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.							
principal office in KY	WEST CARROLL WATER DISTRICT	900 CLAY ST	P.O. BOX 45	CARROLLTON	KY	41008	(502) 732-7055
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.							
	VICKIE EDWARDS	P.O. BOX 45		CARROLLTON	KY	41008	
Location where books are located	WEST CARROLL WATER DISTRICT	900 CLAY ST.	P.O. BOX 45	CARROLLTON	KY	41008	
Name of the Headquartered County	CARROLL						

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History-Date Organized (Ref Page: 4)

	Date
Date of Organization	7/1/1960

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History-Laws of Organization (Ref Page: 4)

		List
If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	N/A	
Date and Authority for each consolidation and each merger.	N/A	

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History-Departments (Ref Page: 4)

		List
State whether respondent is a water district or association	WATER DISTRICT	
Name all operating departments other than water	N/A - ONLY WATER	

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History - Counties (Ref Page: 5)

Carroll, Henry, Trimble

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History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	0
Number of Part-time employees	0

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Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	County of Residence
Person to send correspondence:	Chairperson	Edwards	Vickie	900 Clay Street; P.O. Box 45			
Person who prepared this report	Raisor, Zapp & Woods, PSC			P.O. Box 354; Carrollton, KY 41008			
Managers							
	Carrollton Utilities			900 Clay St.; P.O. Box 45; Carrollton, KY 41008	\$0.00		
					\$1,800.00		

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Commissioners (Water Districts Only)

Item

Explain

Have visited the Water Commissioner site using the link provided below.

Attest Commissioners listed below are correct for the report period and current commissioner details are up to date.

Commissioners during Report						
Title	First Name	Last Name	Appointment	TermExpires	County Of Residence	Salary
Chairperson	Vickie	Edwards	1/1/2017	1/1/2021	Carroll	1800.00
Member	Karen	Lovins	9/22/2016	9/22/2020	Trimble	1800.00
Member	James	Lucas	2/25/2015	2/19/2019	Carroll	1800.00
Member	James	Lucas	2/28/2019	2/28/2023	Carroll	1800.00
Secretary	David	Pirtle	9/1/2018	9/1/2022	Trimble	1800.00
Member	Dan	Reisner	2/28/2018	2/28/2022	Carroll	1800.00

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Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$5,566,984.00	\$5,576,134.00
Less: Accumulated Depreciation and Amortization (108-110)	\$2,819,604.00	\$2,923,675.00
Net Plant	\$2,747,380.00	\$2,652,459.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$2,747,380.00	\$2,652,459.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)	\$38,898.00	\$39,911.00
Other Special Funds (127)	\$60,775.00	\$118,172.00
Total Other Property and Investments	\$99,673.00	\$158,083.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$189,389.00	\$257,746.00
Special Deposits (132)		
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$65,809.00	\$61,721.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	\$17,206.00	\$18,778.00
Stores Expense (161)		
Prepayments (162)	\$3,956.00	\$3,953.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		

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Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)	\$23,953.00	\$22,731.00
Total Current and Accrued Assets	\$300,313.00	\$342,198.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deferred Debits		
TOTAL ASSETS AND OTHER DEBITS	\$3,147,366.00	\$3,152,740.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	(\$1,133,832.00)	(\$1,140,929.00)
Donated Capital (215.2)	\$3,109,511.00	\$3,114,151.00
Total Equity Capital	\$1,975,679.00	\$1,973,222.00
LONG-TERM DEBT		
Bonds (221)	\$572,000.00	\$549,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$536,563.00	\$518,406.00
Total Long Term Debt	\$1,108,563.00	\$1,067,406.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$35,233.00	\$32,881.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$11,310.00	\$11,450.00
Accrued Taxes (236)		
Accrued Interest (237)	\$13,137.00	\$12,572.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$3,444.00	\$3,235.00
Misc. Current and Accrued Liabilities (242)		
Total Current and Accrued Liabilities	\$63,124.00	\$60,138.00
DEFFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)		\$51,974.00
Total Deferred Credits		\$51,974.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

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Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	\$3,147,366.00	\$3,152,740.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$597,288.00	\$631,141.00
Operating Expenses (401)	\$457,091.00	\$502,334.00
Depreciation Expenses (403)	\$104,557.00	\$104,071.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$1,716.00	\$1,857.00
Utility Operating Expenses	\$563,364.00	\$608,262.00
Utility Operating Income	\$33,924.00	\$22,879.00
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	\$33,924.00	\$22,879.00
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$428.00	\$586.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$428.00	\$586.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$31,850.00	\$30,562.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	\$31,850.00	\$30,562.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	\$2,502.00	(\$7,097.00)

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Statement of Retained Earnings (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end:)	
Total Appropriated Retained Earnings	
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	(\$1,133,832.00)
Balance transferred from Net Income Before Contributions (435)	(\$7,097.00)
Changes to account:	
Appropriations of Retained Earnings (436)	
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	(\$1,140,929.00)

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Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$477,622.00	\$2,461,309.00	\$170,580.00	\$3,109,511.00
Credits				
Proceeds from capital contributions (432)	\$4,640.00	\$0.00	\$0.00	\$4,640.00
Other Credits (explain)				
	\$0.00	\$0.00	\$0.00	\$0.00
Debits (explain - requires Commission Approval)				
Balance End of Year	\$482,262.00	\$2,461,309.00	\$170,580.00	\$3,114,151.00

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Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	\$5,576,134.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$5,576,134.00

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Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	\$2,819,604.00
Credit during year	
Accruals Charged to Account 108.1	\$104,071.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify) (specify)	
Salvage Value Recovered on Plant Retired	
Other Credits (specify)	
Total Credits	\$104,071.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits (specify)	
Total Debits	
Balance at End of Year	\$2,923,675.00

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Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Organization (301)	\$17,854.00	\$0.00	\$0.00	\$17,854.00	\$17,854.00	\$0.00	\$0.00	\$0.00	\$0.00
Franchises (302)									
Land and Land Rights (303)	\$18,754.00	\$0.00	\$0.00	\$18,754.00	\$0.00	\$10,776.00	\$0.00	\$7,978.00	\$0.00
Structures and Improvements (304)									
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	\$338,471.00	\$0.00	\$0.00	\$338,471.00	\$0.00	\$338,471.00	\$0.00	\$0.00	\$0.00
Water Treatment Equipment (320)									
Distribution Reservoirs and Standpipes (330)	\$987,624.00	\$0.00	\$0.00	\$987,624.00	\$0.00	\$0.00	\$0.00	\$987,624.00	\$0.00
Transmission and Distribution Mains (331)	\$3,685,150.00	\$0.00	\$0.00	\$3,685,150.00	\$0.00	\$0.00	\$0.00	\$3,685,150.00	\$0.00
Services (333)	\$149,602.00	\$1,211.00	\$0.00	\$150,813.00	\$0.00	\$0.00	\$0.00	\$150,813.00	\$0.00
Meters and Meter Installations (334)	\$317,542.00	\$7,939.00	\$0.00	\$325,481.00	\$0.00	\$0.00	\$0.00	\$325,481.00	\$0.00
Hydrants (335)	\$39,505.00	\$0.00	\$0.00	\$39,505.00	\$0.00	\$0.00	\$0.00	\$39,505.00	\$0.00
Backflow Prevention Devices (336)									

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Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intngble. Plant (g)	Supply & Pump.	Water Treatmnt.	Trans. and Distr.	General Plant
Other Plant and Misc. Equipment (339)	\$12,482.00	\$0.00	\$0.00	\$12,482.00	\$0.00	\$0.00	\$0.00	\$12,482.00	\$0.00
Office Furniture and Equip. (340)									
Transportation Equipment (341)									
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)									
Laboratory Equipment (344)									
Power Operated Equipment (345)									
Communication Equipment (346)									
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	\$5,566,984.00	\$9,150.00	\$0.00	\$5,576,134.00	\$17,854.00	\$349,247.00	\$0.00	\$5,209,033.00	\$0.00

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Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg	Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)	\$17,269.00		\$446.00	\$0.00	\$0.00	\$0.00	\$17,715.00
Franchises (302)							
Land and Land Rights (303)							
Structures and Improvements (304)							
Collecting and Impounding Reservoirs (305)							
Lake, River and Other Intakes (306)							
Wells and Springs (307)							
Infiltration Galleries and Tunnels (308)							
Supply Mains (309)							
Power Generating Equipment (310)							
Pumping Equipment (311)	\$110,510.00		\$16,993.00	\$0.00	\$0.00	\$0.00	\$127,503.00
Water Treatment Equipment (320)							
Distributions Reservoirs and Standpipes (330)	\$335,525.00		\$21,561.00	\$0.00	\$0.00	\$0.00	\$357,086.00
Transmission and Distribution Mains (331)	\$2,002,709.00		\$56,008.00	\$0.00	\$0.00	\$0.00	\$2,058,717.00
Services (333)	\$113,930.00		\$2,807.00	\$0.00	\$0.00	\$0.00	\$116,737.00
Meters and Meter Installations (334)	\$218,908.00		\$5,348.00	\$0.00	\$0.00	\$0.00	\$224,256.00
Hydrants (335)	\$9,755.00		\$791.00	\$0.00	\$0.00	\$0.00	\$10,546.00
Backflow Prevention Devices (336)							
Other Plant and Miscellaneous Equipment (339)	\$10,998.00		\$117.00	\$0.00	\$0.00	\$0.00	\$11,115.00
Office Furniture and Equip. (340)							
Transportation Equipment (341)							
Stores Equipment (342)							

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Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)						
Laboratory Equipment (344)						
Power Operated Equipment (345)						
Communication Equipment (346)						
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	\$2,819,604.00	\$104,071.00	\$0.00	\$0.00	\$0.00	\$2,923,675.00

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Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	\$0.00
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	\$0.00

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Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Description	Total
Acquisition Adjustments (114)	
(specify)	
Total Plant Acquisition Adjustments	\$0.00
Accumulated Amortization (115)	
(specify)	
Total Accumulated Amortization	
Net Acquisition Adjustments	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$70,369.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	\$70,369.00
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	\$6,588.00
Add:	
Provision for uncollectibles for current year	\$6,088.00
Collections of accountst previously written off	\$1,384.00
Other	
(specify)	
Total Additions	\$7,472.00
Deduct accounts written off during year:	
Other	
(specify)	\$5,412.00
Total Deductions	\$5,412.00
Balance end of Year	\$8,648.00
Total Accounts and Notes Receivable - Net	\$61,721.00

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Investments and Special Funds (Ref Page: 17)

Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)		
Total Investment in Associated Companies		
Utility Investments (124)		
Total Utility Investments		
Other Investments (125)		
Total Other Investments		
Sinking Funds (126)		
BOND & INTEREST	\$39,911.00	\$39,911.00
Total Sinking Funds	\$39,911.00	\$39,911.00
Other Special Funds (127)		
DEPRECIATION ACCOUNT	\$54,748.00	\$54,748.00
CUSTOMER DEPOSITS	\$11,450.00	\$11,450.00
FEMA FUNDING	\$51,974.00	\$51,974.00
Total Other Special Funds	\$118,172.00	\$118,172.00

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Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	\$18,778.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	\$18,778.00

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Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	\$3,953.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	\$3,953.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	\$0.00
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense	\$0.00	\$0.00
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt	\$0.00	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
Extraordinary Property Losses (182)	
(Specify)	\$0.00
Total Extraordinary Property Losses	\$0.00

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Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	\$0.00
Add credits during year	
Deduct charges during year	
Balance end of year	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Long Term Debt (Ref Page: 22)

Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
NOTE PAYABLE - CARROLLTON UTILITIES		12/1/2044	1.2500	\$6,258.00	\$489,185.00
NOTE PAYABLE - CARROLLTON UTILITIES		12/1/2045	1.0000	\$299.00	\$29,221.00
Total			0.0000	\$6,557.00	\$518,406.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Bonds - Account 221 (Ref Page: 23)

	Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
	\$114,000.00	\$114,000.00	\$0.00	\$12,500.00	\$625.00	\$775.00
	\$395,000.00	\$395,000.00	\$0.00	\$231,500.00	\$10,418.00	\$10,665.00
	\$369,000.00	\$369,000.00	\$0.00	\$305,000.00	\$12,962.00	\$13,090.00
Total	\$878,000.00	\$878,000.00	\$0.00	\$549,000.00	\$24,005.00	\$24,530.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
1981	1/1/2021	5.0000	\$114,000.00	\$101,500.00	\$12,500.00
1994	1/1/2033	4.5000	\$395,000.00	\$163,500.00	\$231,500.00
2005	1/1/2044	4.2500	\$369,000.00	\$64,000.00	\$305,000.00
Total			\$878,000.00	\$329,000.00	\$549,000.00

(The total of Column 12 must agree with the total of col 4)

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Nominal	Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable				0.0000	\$0.00	\$0.00
Total Account 232					\$0.00	\$0.00
Account 234 - Notes Payable to Associated Companies				0.0000	\$0.00	\$0.00
Total Account 234					\$0.00	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
Show Payable to Each Associated Company Separately	
(Specify)	\$0.00
Total	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$1,168.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$689.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$1,857.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$1,168.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$689.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$1,857.00
Balance end of year	

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Accrued Interest (Account 237) (Ref Page: 25)

Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued(c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:				
	\$463.00	\$625.00	\$775.00	\$313.00
	\$5,456.00	\$10,418.00	\$10,665.00	\$5,209.00
	\$6,609.00	\$12,962.00	\$13,090.00	\$6,481.00
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
Notes Payable:				
	\$528.00	\$6,258.00	\$6,276.00	\$510.00
	\$25.00	\$299.00	\$300.00	\$24.00
	\$0.00	\$0.00	\$0.00	\$0.00
Customer Deposits:				
	\$56.00	\$0.00	\$21.00	\$35.00
Other				
	\$0.00	\$0.00	\$0.00	\$0.00
Total Acct. No 237	\$13,137.00	\$30,562.00	\$31,127.00	\$12,572.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
Total Miscellaneous Current and Accrued Liabilities	\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 666.1 (c)	Expensed During Year Acct (d)	Expensed During Year Amount (e)
2019-00041	\$15,816.00	\$0.00		\$15,816.00
Total	\$15,816.00	\$0.00		\$15,816.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers	Year End Customers	Amount
Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	936	938	\$580,687.00
Sales to Commercial Customers (461.2)	45	44	\$23,248.00
Sales to Industrial Customers (461.3)			
Sales to Public Authorities (461.4)			
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	981	982	\$603,935.00
Fire Protection Revenue (462)			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	981	982	\$603,935.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			\$14,107.00
Miscellaneous Service Revenues (471)			\$10,930.00
Rents from Water Property (472)			
Interdepartments Rents (473)			
Other Water Revenues (474)			\$2,169.00
Total Other Water Revenues			\$27,206.00
Total Water Operating Revenues			\$631,141.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp- Op. (d)	Supply and Exp- Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Salaries and Wages-Employees (601)									
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	\$9,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,000.00
Employee Pensions and Benefits (604)									
Purchased Water (610)	\$162,622.00	\$162,622.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)	\$14,355.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,355.00	\$0.00	\$0.00	\$0.00
Fuel for Power Production (616)									
Chemicals (618)									
Materials and Supplies (620)	\$24,708.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,708.00	\$0.00	\$0.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)	\$6,465.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,465.00
Contractual Services - Legal (633)	\$487.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$487.00
Contractual Services - Management Fees (634)	\$246,811.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$185,108.00	\$61,703.00	\$0.00
Contractual Serves - Water Testing (635)	\$5,163.00	\$0.00	\$0.00	\$5,163.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Other (636)									
Rental of Bld./Real Property (641)									

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp- Op. (d)	Supply and Exp- Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt Exp-Maint. (g)	Trans and Dist. Exp- Op (h)	Trans and Dist. Exp- Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Rental of Equipment (642)									
Transportation Expenses (650)									
Insurance - Vehicle (656)									
Insurance - General Liability (657)	\$8,590.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,590.00
Insurance - Worker's Compensation (658)									
Insurance - Other (659)									
Advertising Expenses (660)	\$222.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$222.00
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)	\$15,816.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,816.00
Water Resource Conservation Expense (668)									
Bad Debt (670)	\$6,088.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,088.00	\$0.00
Miscellaneous Expenses (675)	\$2,007.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,007.00
Total	\$502,334.00	\$162,622.00	\$0.00	\$5,163.00	\$0.00	\$14,355.00	\$209,816.00	\$67,791.00	\$42,587.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000's) (b)	Water Pumped from Wells (Omit 000's) (c)	Total Water Pumped and Purchased (Omit 000's) (d)	Water Sold To Customers (Omit 000's) (e)
January	6,652	0	6,652	3,833
February	7,739	0	7,739	4,246
March	6,154	0	6,154	3,258
April	5,339	0	5,339	3,029
May	6,171	0	6,171	3,854
June	6,856	0	6,856	4,422
July	6,807	0	6,807	3,900
August	7,212	0	7,212	4,573
September	7,258	0	7,258	3,764
October	7,792	0	7,792	3,988
November	7,011	0	7,011	4,192
December	5,608	0	5,608	3,101
Total for the year	80,599	0	80,599	46,160

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000's)	0	
Minimum Gallons pumped by all methods in any one day (Omit 000's)	0	

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Pumping and Water Statistics - part three (Ref Page: 29)

List

If water is purchased indicate the following:

Vendor	CARROLLTON UTILITIES
Point of Delivery	U.S. 42, CARROLLTON, KY

Note:

ADDITIONAL VENDORS:
HENRY COUNTY WATER DISTRICT
HWY 55
CARROLLTON, KY 41008

MILTON WATER & SEWER
FAIRVIEW RIDGE
MILTON, KY

TRIMBLE COUNTY WATER DISTRICT
HWY 1426 KINGS RIDGE ROAD
CARROLLTON, KY 41008

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Pumping and Water Statistics - part four (Ref Page: 29)

Entity Receiving Water	Maximum Daily	Maximum Monthly
If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons. N/A	0	0

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Sales For Resale (466) (Ref Page: 30)

	Company	Gallons (Omit 000's)	Avg. Rate Per 1000 Gallons (Cents)	Amount
	N/A	0	\$0.00	\$0.00
Total		0		\$0.00

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Water Statistics (Ref Page: 30)

Description	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	0	
3. Water Purchased	80,599	
4. Total Produced and Purchased	80,599	
6. Water Sales:		
7. Residential	43,389	
8. Commercial	2,771	
9. Industrial		
10. Bulk Loading Stations		
11. Wholesale		
12. Public Authorities		
13. Other Sales (explain)		
14. Total Water Sales	46,160	
16. Other Water Used		
17. Utility/water treatment plant		
18. Wastewater plant		
19. System flushing	364	
20. Fire department	20	
20. Other		
22. Total Other Water Used	384	
24. Water Loss		
25. Tank Overflows		
26. Line Breaks	15,814	
27. Line Leaks	18,241	
28. Excavation Damages		
29. Theft		
30. Other Loss (Explain)		
31. Total Water Loss	34,055	

Note: Line 14 + Line 22 + Line 31 must equal
Line 4

Water Loss Percentage

Line 31 divided by Line 4

42.2524

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Plant Statistics (Ref Page: 31)

Give the following information	
Number of fire hydrants, by size	11-6"
Number of private fire hydrants, by size	NONE
If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well	PURCHASED
If produced whether supply is by gravity, pumping or a combination	COMBINATION
Type, capacity, and elevation of reservoirs at overflow and ground level	GILGAL 50,000 GALLON DOUBLE ELLIPSOIL-GROUND ELEVATION 881'; OVERFLOW ELEVATION 976'; MOUND HILL 47,000 GALLON STANDPIPE-GROUND ELEVATION 940'; OVERFLOW ELEVATION 1,010'; CULLS RIDGE 111,000 GALLON STANDPIPE-GROUND ELEVATION 851'; OVERFLOW ELEVATION 935'; BELL'S RIDGE 100,000 GALLON DOUBLE ELLIPSOIDAL TANK-GROUND ELEVATION 925'; OVERFLOW ELEVATION 1,075'
Miles of main by size and kind	1' PVC 1,406, 2' PVC 8,800; 3' PVC 257,600; 4' PVC 178,012; 6' PVC 37,285; 8' PVC 13,570; 4' DUCTILE IRON 2,410; 6' DUCTILE IRON 2,500; 8' HOPE 300
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	NONE
Type of disinfectant, number of units and capacity in pounds per 24 hours	NONE
Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/ low duty	GILGAL PART ID CR10-10 7.5 HP, GRUNDFOS 2X2 250 @ 230/460 3 PHASE T PE, 7.5 HP @ 55 GPM VARIABLE FREQUENCY DR KINGS RIDGE PART ID CR10-12 HP, GRUNDFOS 2X2 250 @ 230/460 3 PHASE T PE 10HP @ 60 GPM VARIABLE FREQUENCY DR MOUND HILL 150 GPM HARDY CREEK PACKAGE 38 GPM; MOUND HILL BLADDER BASTER 2-2 HP BLADDER PUMPS 50 GPM
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH	
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	
Capacity of clear well	N/A
Peak month, in gallons of water sold	August, 4573
Peak day, in gallons of water sold	NOT AVAILABLE

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Plant Statistics - Part B (Ref Page: 31)

		Type
--	--	------

Choose one to indicate the type of Water Supply

Purchase

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Plant Statistics - Part C (Ref Page: 31)

		Type
--	--	------

Choose one to indicate the type of Water Supply Method

Combination

31900 West Carroll Water District 01/01/2019 - 12/31/2019

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	5576134.00	5576134.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	2923675.00	2923675.00	OK	
Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Acquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0.0000	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	39911.00	39911.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	118172.00	118172.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144	61721.00	61721.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	18778.00	18778.00	OK	

31900 West Carroll Water District 01/01/2019 - 12/31/2019

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	3953.00	3953.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0.0000	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0.0000	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0.0000	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	-1140929.00	-1140929.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	3114151.00	3114151.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	549000.00	549000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	549000.00	549000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	518406.00	518406.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0.0000	OK	

31900 West Carroll Water District 01/01/2019 - 12/31/2019

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233		0 0.0000	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234		0 0.0000	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance		0 0	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance		0 0	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	13137.00	13137.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	12572.00	12572.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities		0 0.0000	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251		0 0.0000	OK	
Accts 252 Advances for Construction agrees with Sched: Advances for Construction (Accts 252) (ref pg 21) Line: Total 252		0 0.0000	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	3152740.00	3152740.00	OK	
Comparitive Operating Statement (ref pg 10)				

31900 West Carroll Water District 01/01/2019 - 12/31/2019

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	631141.00	631141.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	502334.00	502334.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	1857.00	1857.00	OK	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	1857.00	1857.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	30562.00	30562.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	-7097.00	-7097.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	5576134.00	5576134.00	OK	
The analysis of water utility plant accounts Cols c though k has been completed (Ref pg 14)				
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				
Sched: Misc. Defferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transferred to 186.1	0.0000	0.0000	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				

31900 West Carroll Water District 01/01/2019 - 12/31/2019

CheckList

Item	Value 1	Value 2	Agree	Explain
------	---------	---------	-------	---------

Schedule of Bond Maturities has been completed (ref pg 23)

Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)

The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)

The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)

Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)

Have visited the Water Commissioner site. (Water Districts ONLY)

Attest Commissioners listed on the Commissioner Schedule are correct for the report period and current commissioner details are up to date. (Water Districts ONLY)

Oath Page Has been Completed

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Upload supporting documents

Document

Description

Supports

31900 West Carroll Water District 01/01/2019 - 12/31/2019

Oath Page not on File

Create and Upload Oath Pg

OATH

Commonwealth of Kentucky)
County of CARROLL) ss:

VICKIE EDWARDS makes oath and says
(Name of Officer)

that he/she is CHAIRPERSON of
(Official title of officer)

West Carroll Water District
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2019 , to and including December 31, 2019

Vickie L. Edwards, Chairperson
(Signature of Officer)

subscribed and sworn to before me, a Notary Public , in and for
the State and County named in the above this 27th day of March, 2020.

(Apply Seal Here)

My Commission expires 2/05/2022
Teresa Ford Lewis
(Signature of officer authorized to administer oath)

EXHIBIT 10
WCWD'S
OUTSTANDING
LOANS TO RUS AND
KIA



February 17, 2021

Chairman Vickie Edwards
West Carroll Water District
PO Box 45
Carrollton, KY 41008

RE: Loan Balances

Dear Chairman Edwards:

As of December 31, 2020, the West Carroll Water District had three loans with outstanding balances. They are as follows:

- 1) Loan 91-04 had a balance of \$6,662.50. On January 1, 2021 final payment was made and this loan has been Paid-in-Full. (Original Loan Amount \$114,000)
- 2) Loan 91-05 has a current principal balance of \$207,000. As of February 15, 2021, the accrued interest was \$1,071.86. (Original Loan Amount \$395,000)
- 3) Loan 91-06 has a current principal balance of \$291,000. As of February 15, 2021, the accrued interest was \$1,487.56. (Original Loan Amount \$369,000)

If you need additional information, please contact me.

Sincerely,

Greg Pridemore

for Kimberly McCay
Acting Field Director

Rural Development • Shelbyville Area Office

65 Brighton Blvd., Suite 3 • Shelbyville, KY 40065
Voice (502) 633-3294 Ext. 4 • Fax (855) 784-0871

USDA is an Equal Opportunity Lender, Provider and Employer.

EXHIBIT 11
CARROLLTON CITY
COUNCIL
RESOLUTION

RESOLUTION 2021-02

**RESOLUTION APPROVING ASSET ACQUISITION AGREEMENT BETWEEN
CITY OF CARROLLTON AND WEST CARROLL WATER DISTRICT
AND AUTHORIZING MAYOR TO ENTER INTO ASSET
ACQUISITION AGREEMENT**

WHEREAS, the Carrollton Utilities Commission, recommends that the City of Carrollton enter into the attached Asset Acquisition Agreement with West Carroll Water District; and,


WHEREAS, West Carroll Water District has previously approved the attached Asset Acquisition Agreement; and,

WHEREAS, it is in the best interest of the public for the City of Carrollton to enter into the attached Asset Acquisition Agreement;

NOW, THEREFORE, BE IT RESOLVED by the City of Carrollton as follows:

1. That the attached Asset Acquisition Agreement with West Carroll Water District be and hereby is approved; and,
2. The Mayor is authorized to enter the attached Asset Acquisition Agreement with West Carroll Water District.

After a reading in full on the 22nd day of March, 2021, and on motion by Councilman Craig, seconded by Councilman Loudon, the resolution was adopted by a vote of 5 ayes and 0 nays.



ROBB ADAMS, MAYOR

ATTEST:



MELINDA WRIGHT-MOORE
CITY CLERK-TREASURE

EXHIBIT 12
WCWD'S LIST OF
PENDING LEGAL
ACTIONS

Exhibit 12

List of Lawsuits and Contracts

West Carroll Water District is not a party to any lawsuit at this time.

West Carroll Water District is currently committed to Raisor, Zapp and Woods for the annual audit.

West Carroll Water District's water purchase contracts are attached to this Exhibit. There are no other contracts other than those identified elsewhere in this agreement (purchase water contract with CU, Maintenance Agreement with CU, long term debts).

SUPPLEMENTAL AGREEMENT TO PROVIDE WATER SERVICE

This SUPPLEMENTAL AGREEMENT entered into this 22nd day of August, 2012, by and between THE CITY OF MILTON, KENTUCKY, a municipal corporation with an address of 10179 U.S. Highway 421N, Milton, Kentucky 40045, hereinafter referred to as "MILTON", and WEST CARROLL WATER DISTRICT, with an address of P.O. Box 45, Carrollton, Kentucky 41008, hereinafter referred to as "WEST CARROLL";

WHEREAS, MILTON and WEST CARROLL entered into an Agreement to provide water service on or about January 20, 2005, which automatically renews on July 1 of each year through December 31, 2045; and,

WHEREAS, under the Consideration terms of said agreement, the rate amount for water to be provided to be paid by WEST CARROLL to MILTON may be negotiated between the parties; and,

WHEREAS, the parties have negotiated and desire to enter into this Supplemental Agreement for the purposes of establishing the rate amount for water to be provided,

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Effective upon approval by the Kentucky Public Service Commission, WEST CARROLL will pay MILTON the sum of \$1.84 per 1,000 gallons of water provided by MILTON to WEST CARROLL, being an increase from \$1.50 per 1,000 gallons of water pursuant to the parties' previous Agreement;

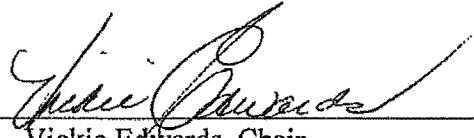
2. The agreed upon rate that WEST CARROLL shall pay to MILTON as stated herein shall continue in effect for a two (2) year period from the date of the approval of the Kentucky Public Service Commission.

Witness the signatures of the parties hereto on the date first above written.

CITY OF MILTON, KENTUCKY

WEST CARROLL WATER DISTRICT

By: 
Denny Jackson, Mayor

By: 
Vickie Edwards, Chair

Date Signed: 8/22/2012

Date Signed: August 16, 2012

SUPPLEMENTAL WATER PURCHASE CONTRACT

THE SUPPLEMENTAL WATER PURCHASE CONTRACT entered into this the 29 day of September, 2016 by and between HENRY COUNTY WATER DISTRICT #2 , Campbellsburg, Kentucky, party of the first (herein referred to as "Seller"), and the WEST CARROLL WATER DISTRICT, Carrollton, Kentucky 41008, party of the second part (herein referred to as "Purchaser").

WHEREAS, the parties entered into a Water Purchase Contract (hereinafter "Contract") to provide water service dated February 24, 1974, that provides for the supply of water by the Seller to the Purchaser for a period of sixty (60) years from date; and,

WHEREAS, the parties desire to clarify the obligations specified in the contract.


NOW THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES.

1. The meter vault shall be exclusively owned by Seller with Purchaser having the right to access its equipment located therein.
2. The Purchaser shall own, operate and maintain the pressure regulator located in the same vault where the Seller's meter is located. Neither party shall have any responsibility or right to maintain, repair or otherwise interfere with other's equipment.
3. Section A. 2. is changed to read as follows: That water will be furnished at a reasonably constant pressure calculated at a minimum of 110 psi from an existing four (4) inch main supply at a point located 1 ½ mile south of Covehill Church on Kentucky Highway #55.

The remaining terms and conditions of the parties' Contract and subsequent revisions shall remain in full force and effect.

Witness the signatures of the parties hereto on the date first above written.

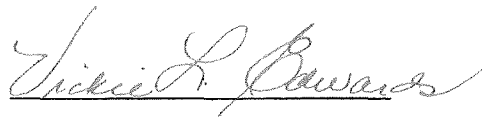
HENRY COUNTY WATER DISTRICT#2



Chairperson

Seller

WEST CARROLL WATER DISTRICT



Chairperson

Purchaser

"ATTACHMENT H" - RECEIVED

AUG 15 1985

USDA-PHA
Form PHA 442-30
(3-4-80)

WATER PURCHASE CONTRACT APR 24 1989

DIVISION OF UTILITY
ENGINEERING & SERVICES

This contract for the sale and purchase of water is entered into as of the 24th day of April, 1989, between the Trimble County Water District, Bedford, Kentucky

(Address)

hereinafter referred to as the "Seller" and the West Carroll County Water District, PUBLIC SERVICE COMMISSION OF CARROLLTON, CARROLL COUNTY, KENTUCKY 41008

(Address)

hereinafter referred to as the "Purchaser",

APR 18 1988

WITNESSETH:

PURSUANT TO 207 KAR 5:011, CHAPTER 11

Whereas, the Purchaser is organized and established under the provisions of Chapter 11 of Kentucky Revised Statutes for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Unanimous decision No. _____ enacted on the 16th of January, 1974, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said sales agreement was approved, and the execution of this contract carrying out the said agreement by the Trimble County Water District, Inc. and attested by the Secretary, was duly authorized, and

Whereas, by unanimous decision of the West Carroll Co. Water Dist., Commission of the Purchaser, enacted on the 18th day of January, 1977, the purchase of water from the Seller in accordance with the terms set forth in the said Purchase Agreement was approved, and the execution of this contract by the West Carroll Co. Water District, Inc. attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Kentucky State Board of Health

in such quantity as may be required by the Purchaser not to exceed 500,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 60 psi from an existing six (6) inch main supply at a point located at intersection of New Hope Road with U.S. Highway #421

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate

shall be corrected for the 12 months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller

and Purchaser shall agree upon a different amount. The metering equipment shall be read on 15th day of month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

* 1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ _____ for the first _____ gallons, which amount shall also be the minimum rate per month.

b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.

c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

2. To furnish and install all necessary metering equipment, meter and meter pit with bypass in lieu of paying a connection fee to the seller.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

*1.a. Flat rate of 45¢ per 1,000 gallons.

APR 18 1988

PURSUANT TO 207 KAR 5:011,
SECTION 9 (1)

BY: James A. Hill
PUBLIC SERVICE COMMISSION MANAGER

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of _____ dollars which shall cover any and all costs of the Seller for installation of the metering equipment and _____

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 60 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 500.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every five (5) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. (Pledge) This contract is hereby pledged to the United States of America, acting through the Farmers Home Administration, as part of the security for a loan from the United States of America.

P.O.
N.S.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

W.R.
H.A.B.

APR 18 1988

PURSUANT TO 207 KAR 5:011,
SECTION 9 (1)

BY: Shirley A. Hill
PUBLIC SERVICE COMMISSION MANAGER

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in 3 counterparts, each of which shall constitute an original.

Seller:

TRIMBLE COUNTY WATER DISTRICT

By Hubert S. Stark
Hubert Stark
Title Chairman

Attest:

Harold Bryan
Secretary

Purchaser:

WEST CARROLL COUNTY WATER DISTRICT

By Woodson Robertson
Woodson Robertson
Title Commission Chairman

Attest:

Harold Bryan
Secretary

West Carroll County Water District

This contract is approved on behalf of the Farmers Home Administration this 2 day of December, 19 74.

By John T. Harrison
Title Chief Community Program

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EXECUTIVE

APR 18 1988

PURSUANT TO 197 KAR 5:011,
SECTION 9(1)

BY: George A. Wee
PUBLIC SERVICE COMMISSION MANAGER

RECEIVED

Position 5

FEB 16 2011

Form RD 442-30
(Rev. 10-96)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015
WEST CARROLL WATER DIST.

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the _____ day of February _____, 2011, between the Trimble County Water District #1

34 East Morgan Street, Bedford, Trimble County, Kentucky 40006
(Address)

hereinafter referred to as the "Seller" and the West Carroll Water District

P.O. Box 34, Carrollton, Carroll County, Kentucky 41008
(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter _____ of the Code of Kentucky Revised Statutes (KRS), for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the _____ day of January _____, 2011, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Chairperson _____, and attested by the Secretary, was duly authorized, and

Whereas, by Resolution _____ of the Board _____ of the Purchaser, enacted on the _____ day of February _____, 2011, the purchase of water from the Seller in accordance with the terms set forth in the said Contract _____ was approved, and the execution of this contract by the Chairperson _____, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky

in such quantity as may be required by the Purchaser not to exceed 2,000,000 gallons per month.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at

30 PSI from an existing to be construction 6 inch main supply at a point located 42 East and Hardy Creek Road area in Trimble County, Kentucky,

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the 12 months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on

last business day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 20th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 1st day of each month, for water delivered in accordance with the following schedule of rates:

a. \$ 205.50 for the first 50,000 gallons, which amount shall also be the minimum rate per month.

b. \$ 3.60 cents per 1000 gallons for water in excess of 50,000 gallons but less than 250,000 gallons.

c. \$ 1.74 cents per 1000 gallons for water in excess of 300,000 gallons.
with a limit not to exceed 2,000,000 gallons of water per month

1.A. (Minimum) The Purchaser agrees to purchase not less than 250,000 gallons of water per month.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \$0.00 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and Seller will bear the cost of the construction of the connection for water supply.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of 5 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.
3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ which will be paid by the contractor or, on his failure to pay, by the Purchaser.
4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.
5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every 1 year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.
6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.
7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions here of pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.
8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in duplicate counterparts, each of which shall constitute an original.

Seller:

The Trimble County Water District No. 1

By _____

Title Wayne Smith, Chairperson

Attest:

Secretary

Purchaser:

West Carroll Water District

By _____

Title Chairperson

Attest:

Secretary

This contract is approved on behalf of Rural Development this _____ day of February,
2,011.

By _____

Title _____

EXHIBIT 13
WCWD'S TARIFF ON
FILE WITH PSC

P.S.C. Ky. No _____

Cancels P.S.C. Ky. No 97-225

WEST CARROLL WATER DISTRICT
OF
CARROLLTON, KY 41008

Rates, Rules and Regulations for Furnishing
WATER
FOR THE
WEST CARROLL WATER DISTRICT

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued: January 25, 2000 Effective: March 1, 2000

Issued by: WEST CARROLL WATER DISTRICT

by:

Cherie R. Burdette

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 01 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

By: *Stephan D. Bell*
SECRETARY OF THE COMMISSION

FOR Carroll Co. - Carrollton, KY

PSC KY NO. 1

16th Revised SHBET NO. 1

CANCELLING PSC KY NO. 1

15th Revised SHEET NO. 1

West Carroll Water District
(Name of Utility)

RATES AND CHARGES

A: MONTHLY WATER RATES

All Meter Sizes

First	2,000 gallons	\$30.33 minimum bill	(1)
Next	3,000 gallons	10.72 per 1,000 gallons	(1)
Next	5,000 gallons	9.71 per 1,000 gallons	(1)
Next	10,000 gallons	8.69 per 1,000 gallons	(1)
Over	20,000 gallons	7.71 per 1,000 gallons	(1)

DATE OF ISSUE July 1, 2019
Month/Date/Year

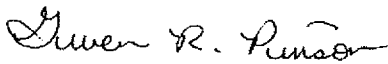
DATE EFFECTIVE July 1, 2019
Month/Date/Year

ISSUED BY *[Signature]*
(Signature of Officer)

TITLE CHAIRPERSON

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2019-00207 DATED 07/08/2019

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 7/1/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Carroll Co. - Carrollton, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHBET NO. 1A

West Carroll Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

SHEET NO. _____

RATES AND CHARGES

B. DEPOSIT:

\$50.00

DATE OF ISSUE July 11, 2005
Month / Date / Year

DATE EFFECTIVE SEPTEMBER 1, 2005
Month / Date / Year

ISSUED BY *Richard D. Edwards*
(Signature of Officer)

TITLE Chairperson

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
9/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

FOR Carroll Co. - Carrollton, KY

PSC KY NO. 1

1st Revised SHEET NO. 1B

WEST CARROLL WATER DISTRICT
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

Replacing Original SHEET NO. 1B

RATES & CHARGES

C. METER CONNECTION/TAP-ON CHARGES:

5/8 Inch X 3/4 Inch	\$1,160.00	(1)
All Larger Meters	Actual Cost	

Note: Fee for service connections that are over 50' in length or require stream crossings, railroad crossings or other extraordinary expense may be based on actual cost of installation with approval from the West Carroll Water Board. (C)

DATE OF ISSUE February 23, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY *Nickie S. Cannon*
SIGNATURE OF OFFICER

TITLE Chairperson

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

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 4/1/2012 PURSUANT TO 807 KAR 6:011 SECTION 9 (1)

FOR Carroll Co. - Carrollton, KY

PSC KY NO. 1

1st Revised SHEET NO. 1C

Replacing Original SHEET NO. 1C

WEST CARROLL WATER DISTRICT
(NAME OF UTILITY)

RATES & CHARGES

D. SPECIAL NON-RECURRING CHARGES:

Connection/Turn On Charge	\$40	(I)
Late Payment Penalty	10%	
Field Collection Charge	\$40	(I)
Disconnect/Reconnect Charge	\$80	(I)
Returned Check Charge	\$25	(I)
Service Call Charge	\$40	(N)
After Hours Service Call	\$80	(N)
Meter Test Charge	\$50	(N)
Meter Relocation Charge	Actual Cost	(N)
Equipment Damage Charge	Actual Cost	(N)

NOTE: Regular working hours for the utility's maintenance staff is 8:00am to 4:00pm Monday through Friday, excluding holidays. Upon customer request, and subject to availability of maintenance staff, services may be performed outside regular working hours at the after hours rate. (T)

DATE OF ISSUE February 23, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY *Michelle R. [Signature]*
SIGNATURE OF OFFICER

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kinley</i>
EFFECTIVE 4/1/2012 PURSUANT TO 807 KAR 6.011 SECTION 9 (1)

FOR Carroll Co. - Carrollton, KY

PSC KY NO. 1

Original SHEET NO. ID

WEST CARROLL WATER DISTRICT
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

SHEET NO. _____

RATES & CHARGES

SPECIAL NON-RECURRING CHARGES:

(N)

- **Connection/ Turn On Charge** – Assessed for new service turn on, seasonal turn on, temporary service, or transfer of service. Will not be charged for initial installation of service where a tap on fee is charged.
- **Late Payment Penalty** – Assessed on the delinquent amount of the bill, less taxes.
- **Field Collection Charge** – Assessed when a utility representative visits the premises to terminate service and the customer either calls or immediately comes to the office to pay the bill to avoid termination of service.
- **Disconnect/Reconnect Charge** – Assessed to reconnect service that has been disconnected for non-payment of service or for violation of the utility’s rules and regulations and will include the cost of the service trip for both the disconnection and reconnection.
- **Returned Check Charge** – Assessed when a customer’s check is returned for insufficient funds or some other reason due to customer fault.
- **Service Call Charge** – Assessed when a customer requests the onsite presence of utility personnel to investigate a service problem and the problem is a result of the customer’s own plumbing facilities, beyond the utility’s delivery point, or not caused by failure of the utility’s facilities. Any maintenance and repair of facilities beyond the utility’s delivery point is the responsibility of the customer. This charge may be waived in cases where the customer has justified reasons for suspecting a problem was the utility’s responsibility or where the customer is found to be incapable of making a judgment because of reasons associated with impairment due to age, health, or mental capacity.

DATE OF ISSUE February 23, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY *Heidi A. ...*
SIGNATURE OF OFFICER

TITLE Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATE _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Hatley</i>
EFFECTIVE 4/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Carroll Co. - Carrollton, KY

PSC KY NO. 1

Original SHEET NO. 1E

WEST CARROLL WATER DISTRICT
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

SHEET NO. _____

RATES & CHARGES

SPECIAL NON-RECURRING CHARGES (CONT'D):

(N)

- **After Hours Service Call** – Assessed when a customer requests the onsite presence of utility personnel, after normal business hours, to investigate a service problem and the problem is a result of the customer’s own plumbing facilities, beyond the utility’s delivery point, or not caused by failure of the utility’s facilities. Any maintenance and repair of facilities beyond the utility’s delivery point is the responsibility of the customer. This charge may be waived in cases where the customer has justified reasons for suspecting a problem was the utility’s responsibility or where the customer is found to be incapable of making a judgment because of reasons associated with impairment due to age, health, or mental capacity.
- **Meter Test Charge** – Assessed when a customer requests the utility to perform a test on the customer’s meter to check for accuracy, and the test shows the meter is not more than 2% fast.
- **Meter Relocation Charge** – A charge will be assessed, at actual cost, if a customer or other authorized representative requests that a meter be relocated, changed, or modified. This includes but is not limited to appropriate legal, administrative, engineering, overhead, or other related costs.
- **Equipment Damage Charge** – A charge will be assessed, at actual cost, if a customer damages the meter or meter lid or any other part that must be replaced due to negligence or intention of the customer.

DATE OF ISSUE February 23, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY *Tricia L. Burrows*
SIGNATURE OF OFFICER

TITLE Chairperson

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

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 4/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT 2

**DIRECT TESTIMONY OF BILL OSBORNE ON BEHALF OF
CARROLLTON UTILITES AND THE CITY OF CARROLLTON**

**COMMONWEALTH OF KENTUCKY BEFORE
THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**JOINT ELECTRONIC APPLICATION OF WEST CARROLL)
WATER DISTRICT AND THE CITY OF CARROLLTON ON)
BEHALF OF CARROLLTON UTILITIES FOR (1) AN APPROVAL)
OF THE PROPOSED ASSET ACQUISITION AND TRANSFER)
OF CONTROL OF WEST CARROLL WATER DISTRICT TO)
THE CITY OF CARROLLTON ON BEHALF OF CARROLLTON)
UTILITIES PURSUANT TO KRS 278.218, KRS 278.020(6))
AND KRS 278.020(7), AND, (2) ALL OTHER REQUIRED)
APPROVALS AND RELIEF)**

**CASE NO.
2021-00155**

**DIRECT TESTIMONY OF BILL OSBORNE,
GENERAL MANAGER OF CARROLLTON UTILITIES ON BEHALF OF THE CITY OF
CARROLLTON AND CARROLLTON UTILITIES**

Filed: April 8, 2021

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT ELECTRONIC APPLICATION OF WEST CARROLL)
WATER DISTRICT AND THE CITY OF CARROLLTON ON)
BEHALF OF CARROLLTON UTILITIES FOR (1) AN APPROVAL)
OF THE PROPOSED ASSET ACQUISITION AND TRANSFER)
OF CONTROL OF WEST CARROLL WATER DISTRICT TO)
THE CITY OF CARROLLTON ON BEHALF OF CARROLLTON)
UTILITIES PURSUANT TO KRS 278.218, KRS 278.020(6) AND)
KRS 278.020(7), AND, (2) ALL OTHER REQUIRED APPROVALS)
AND RELIEF)

CASE NO.
2021-00155

VERIFICATION OF BILL OSBORNE

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CARROLL)

Bill Osborne, General Manager of Carrollton Utilities, being duly sworn, states that he has supervised the preparation of his Direct Testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

[Handwritten signature of Bill Osborne]

Bill Osborne

The foregoing Verification was signed, acknowledged and sworn to before me this 5th day of April, 2021, by Bill Osborne.

[Handwritten signature of Sarah Hedger]

Notary Commission Number: 613418

Commission expiration: 12-10-2022

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. Bill R. Osborne, 900 clay street, GM

4 **Q. PLEASE STATE YOUR EDUCATION AND PROFESSIONAL**
5 **EXPERIENCE.**

6 A. I received a bachelor's degree from the University of Kentucky in 1989 in Civil
7 Engineering. I have been employed with Carrollton Utilities for 23 years. My first
8 year with Carrollton Utilities I was a Utility Engineer and the last 22 years I have
9 be the General Manager. Prior to Carrollton Utilities I was a consultant on water
10 and wastewater issues for 9 years.

11 **Q. PLEASE PROVIDE A DESCRIPTION OF YOUR DUTIES AS GENERAL**
12 **MANAGER OF CARROLLTON UTILITIES.**

13 A. As General Manager, I am the chief executive in charge of managing the water,
14 wastewater and gas systems operated by Carrollton Utilities. I prepare capital
15 budgets and maintenance budgets. Carrollton Utilities' budget has ranged
16 anywhere between \$38-\$100 million depending on natural gas prices. Currently,
17 Carrollton Utilities' gas system sells more natural gas than any other municipal gas
18 system in Kentucky. Carrollton Utilities' serves customers in four counties and has
19 2400 gas customers. The sewer system has the largest service territory with
20 customers in four counties and eight incorporated cities. It covers six interchanges
21 on I-71 from Campbellsburg to Glencoe which are thirty miles apart. The current
22 Carrollton Utilities service area is comprised mostly of the Carrollton city limits

1 with a limited number of customers outside the city limits. Carrollton Utilities has
2 operated the West Carroll Water District system for about 23 years.

3 **Q. HAVE YOU PREVIOUSLY OFFERED TESTIMONY?**

4 A. Yes. I testified in person at the Commission at a hearing in Case No. 2019-00041.¹

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

6 A. I am testifying on behalf of the City of Carrollton and Carrollton Utilities.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A. The purpose of my testimony is to provide information on the City of Carrollton
10 and Carrollton Utilities along with the relationship between the two. I am also
11 providing information on the Operational Agreement that Carrollton Utilities and
12 West Carroll Water District has had in place for more than twenty years and to
13 show that Carrollton Utilities has the managerial, technical and financial ability to
14 continue to provide service to West Carroll Water District's customers.

15 **Q. ARE YOU SPONSORING ANY EXHIBITS TO YOUR TESTIMONY?**

16 A. Yes. I am sponsoring Exhibit BO-1 which is a list of key personnel for Carrollton
17 Utilities that will be providing the managerial and technical skills required to
18 provide service to West Carroll Water District's customers, and the biographies of
19 these key personnel.

20 **Q. PLEASE GENERALLY DESCRIBE THE CITY OF CARROLLTON.**

21 A. The City of Carrollton was incorporated on February 16, 1838 and is located
22 between the Ohio and Kentucky Rivers and is approximately one square mile in

¹ *In the Matter of: Electronic Investigation Into Excessive Water Loss by Kentucky's Jurisdictional Utilities.*

1 geography. The City of Carrollton has approximately 4,000 residents in a county
2 that has approximately 10,000 residents in total.

3 **Q. PLEASE GENERALLY DESCRIBE CARROLLTON UTILITIES AND ITS**
4 **RELATION TO THE CITY OF CARROLLTON.**

5 A. The City of Carrollton passed an ordinance in 1951, which established Carrollton
6 Utilities and gave Carrollton Utilities' Commission the ability to oversee and run
7 all things with the utilities, enter into contracts and to essentially operate as a
8 business-like entity. The City of Carrollton owns all of the assets, appoints the
9 members of the Carrollton Utility Commission and approves the rates that are
10 charged by Carrollton Utilities to its customers. Carrollton Utilities is a municipal
11 utility which has approximately 93 miles of steel high pressure gas mains and 74
12 miles of plastic mains with 2,621 natural gas services. Carrollton Utilities annually
13 treats and delivers over 250 million gallons of water through 37 miles of water
14 mains and serves 1590 customers in Carrollton and surrounding areas. Carrollton
15 Utilities operates the Carroll-Gallatin-Owen-Henry Regional Sewer System which
16 serves parts of four counties including eight cities with approximately 170 miles
17 of sewer mains and fifty-five lift stations and serves approximately 3,200
18 customers. Currently, Carrollton Utilities operates and maintains West Carroll
19 Water District which serves approximately 1,000 customers in Carroll, Trimble and
20 Henry Counties and consists of approximately 109 miles of water mains. Carrollton
21 Utilities also operates a water treatment plant and utilizes groundwater supply via
22 three production wells with a capacity of 1.5 million gallons per day.

23 **Q. PLEASE BRIEFLY EXPLAIN THE PROPOSED TRANSACTION.**

1 A. The Transaction will result in West Carroll Water District transferring all of its
2 assets including but not limited to water mains, meters, easements and cash on hand
3 in exchange for Carrollton Utilities assuming all of the liabilities of West Carroll
4 Water District. Carrollton Utilities will continue to run West Carroll Water
5 District's system as it has done pursuant to the Operational Agreement between
6 Carrollton Utilities and West Carroll Water District for more than twenty years.
7 The Transaction will be seamless for the customers of West Carroll Water District.

8 **Q. DOES CARROLLTON UTILITIES HAVE THE FINANCIAL,**
9 **TECHNICAL AND MANAGERIAL ABILITIES TO PROVIDE SAFE,**
10 **RELIABLE AND REASONABLE SERVICE?**

11 A. Yes. Carrollton Utilities has been providing all of the services on behalf of West
12 Carroll Water District for more than twenty years. Carrollton Utilities has the staff,
13 trained in the necessary procedures to operate and maintain West Carroll Water
14 District's system. Carrollton Utilities has interacted with the customers of West
15 Carroll Water District with any customer service issues, provided all billing
16 services and any other services required to serve the customers. Please also see
17 Exhibit BO-1 which contains the biographies of key personnel for Carrollton
18 Utilities. Carrollton Utilities will serve the customers at the same rates that were
19 approved by West Carroll Water District's Board and were on file with the
20 Commission. These rates have proven to be sufficient to run the water system along
21 with generating a small profit. Carrollton Utilities has provided its audited 2020
22 financial statements to show the financial condition of Carrollton Utilities.

1 **Q. HAS INFORMATION REGARDING THE MANAGERIAL, TECHNICAL**
2 **AND FINANCIAL ABILITIES OF CARROLLTON UTILITIES BEEN**
3 **PROVIDED IN ANY OTHER COMMISSION PROCEEDING?**

4 A. Testimony was provided at a hearing in Case No. 2019-00041 on July 11, 2019 at
5 the Commission's offices. During that hearing, testimony was provided by Vickie
6 Edwards, Chris Rose and myself regarding the Operational Agreement between
7 Carrollton Utilities and West Carroll Water District; how the Operational
8 Agreement was entered into and why; and what services Carrollton Utilities
9 performed on behalf of West Carroll Water District.

10 **Q. WILL THE CUSTOMERS OF WEST CARROLL WATER DISTRICT SEE**
11 **A DIFFERENCE IN THEIR SERVICE OR THEIR BILLS?**

12 A. No. The current customers of West Carroll Water District will see and interact with
13 the same employees they have been seeing for the past several years. The same
14 employees will be providing the operational, maintenance, customer service, etc.,
15 after the closing of the Transaction. Carrollton Utilities will adopt the rate and fee
16 structure for the West Carroll Water District customers the same as what was
17 approved by the West Carroll Water District Board and has been on file with the
18 Commission. Carrollton Utilities currently does all of the billing to West Carroll
19 Water District customers and these are already printed on Carrollton Utilities bills.
20 The Transaction should be a seamless transition for the customers of West Carroll
21 Water District.

22 **Q. IS THE TRANSACTION MADE IN ACCORDANCE WITH LAW, FOR A**
23 **PROPER PURPOSE AND CONSISTENT WITH THE PUBLIC INTEREST?**

1 A. Yes, after due consultation I am advised by our legal counsel that the Transaction
2 is made in accordance with law. I also believe it is for a proper purpose and
3 consistent with the public interest since West Carroll Water District will benefit
4 from the financial condition of Carrollton Utilities along with the possible decrease
5 in insurance premiums, audit fees, legal costs and other expenses. The customers
6 will not see a difference in their water service or their bills.

7 **Q. WILL THE TRANSACTION AFFECT THE COMMISSION'S**
8 **REGULATORY AUTHORITY OVER THE RATES AND SERVICE OF**
9 **WEST CARROLL WATER DISTRICT'S CUSTOMERS?**

10 A. Yes. Since the surviving entity will be Carrollton Utilities which is a municipal
11 utility, the Commission will no longer have jurisdiction over the rates and services
12 of these customers. Knowing this, the City of Carrollton has agreed to amend the
13 city ordinance regarding the makeup of Carrollton Utilities' Commission. After
14 the closing of the Transaction, one Commissioner on Carrollton Utilities'
15 Commission will be a resident of the service territory of West Carroll Water District
16 as it existed on the date of the closing. This will ensure that the former West Carroll
17 Water District customers have a voice on the Carrollton Utilities' Commission.

18 **Q. PLEASE SUMMARIZE YOUR TESTIMONY AND THE RELIEF**
19 **REQUESTED BY THE JOINT APPLICANTS.**

20 A. For many years, Carrollton Utilities has provided all of the services necessary to
21 provide safe and reliable service to West Carroll Water District's customers.
22 Carrollton Utilities will continue to provide safe and reliable service after the
23 Transaction. The Transaction is in the best interest of West Carroll Water District's

1 customers, it is for a proper purpose and is made with in accordance with the law.
2 Furthermore, Carrollton Utilities has the financial capabilities to continue to
3 provide these services. It will be a seamless transaction for the customers of West
4 Carroll Water District.

5 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

6 A. Yes.

Key Personnel

Bill R. Osborne, P.E., General Manager. Mr. Osborne is the General Manager of Carrollton Utilities and served in this capacity since 1999. He worked with private consulting firms from 1989-1998 as a project engineer and manager of engineering. He was a founding member and owner of Envirotech, Inc, an environmental engineering firm located in Lexington, Kentucky from 1995-1998. As General Manager, he supervises the gas, water and wastewater utility operations of the utility. He is past president of the Board of Directors of the Kentucky Gas Association and the Carroll County Community Development Corporation. He graduated from the University of Kentucky in 1989 with a B.S. in Civil Engineering and is a registered professional engineer and land surveyor in the Commonwealth of Kentucky.

Kaleb Nab, P.E., Project Engineer. Mr. Nab has a Bachelor of Science in Civil Engineering and a Masters of Engineering in Civil Engineering from the University of Louisville. He is a licensed professional engineer in the Commonwealth of Kentucky. He is a member of the Kentucky Gas Association and sits on the Education Committee, as well as a member of ASCE and AWWA. He is proficient in AutoCAD, ArcGIS, and Adobe Acrobat Pro DC. As Project Engineer, he is responsible for design and management of pipelines (gas, water, gravity sewer, pressurized sewer), pump stations, warehouses, offices, tank foundations, land acquisition, among others. He also manages the wastewater pretreatment program and natural gas PHMSA compliance.

Sarah Hudgins, Director of Finance. Ms Hudgins is a graduate of Northern Kentucky University with a Bachelor's Degree in Organizational Leadership, and a graduate of Indiana Wesleyan University with a Master's Degree in Accounting. As Finance Director, Ms Hudgins is responsible for maintaining all general ledger accounts for Carrollton Utilities totaling over \$7 million. She also balances all accounts in the subsidiary ledger such as accounts payable, accounts receivable, and prepaid expense accounts. She prepares an annual budget for Carrollton Utilities which typically exceeds \$40 million.

Amy Dermon, Utility Billing Supervisor. Ms. Dermon supervises the Customer Service Department, Office Field Service Technicians and all Meter Readers. She holds an Associate Degree in Business Management and has been employed with Carrollton Utilities for over seven years serving in her current position for the past five years. Key duties include preparing the monthly utility bills and the quality assurance of that process, making adjustment as necessary, and calculation of key system balance indicators.

Terry A. Roach, P.E., Utility Engineer- Mr. Roach holds a Bachelor of Science in Agricultural Engineering from the University of Kentucky since 1986. He has over 30 years' experience in the fields of public works and utilities with the last 18 years at Carrollton Utilities. As Utility Engineer, Mr. Roach is responsible for managing the engineering and mapping department as well as other outside professionals consulting firms contracted to CU. The engineering department provides construction planning preparation for water, sanitary sewer and natural gas projects constructed by CU's crews as well as outside contractors via the bidding process. Projects range in size from several thousand to millions of dollars across all three utilities. Mr. Roach works closely with the water and wastewater plants to assist in their operational needs and capital improvement projects. Additionally, he works with all departments to ensure compliance with regulatory requirements. The GIS mapping area of the engineering department works to maintain CU's mapping and provides information across the utility in the form of maps or utility locates.

Corina Beach, Accounts Payable & Payroll Clerk – Ms. Beach holds a Bachelor of Science in Business Management from Northern Kentucky University in 2006. In 2012, she obtained the Utility Management Professional certificate from Kentucky Rural Water Association. She is a current member of the Kentucky Public Human Resources Association (KPHRA), and in 2017 became a Certified Human Resources Administrator through their organization. Her duties for Carrollton Utilities for the past 11 years include human resources and accounts payable.

Johnathan Wagers, Distribution Supervisor – Mr. Wagers is a Certified Water Distribution Operator, he holds other relevant certifications including OSHA 10, H₂S Clear, Safeland, and Competent Person for Trenching and Excavation. He has over twenty years' experience in pipeline operation that includes ten years of project and contractor managing and four years of direct employee managerial experience. His duties include implementing water loss improvement strategies and all other distribution maintenance and operation requirements.

Certified Operators

Travis Arney, Certified Operator Treatment Class IVA and Distribution Class III
Timothy Hayden, Certified Distribution Class II
Logan Hudgins, Certified Distribution Class II
Jess Maiden, Certified Distribution Class II
Danny Perkins, Certified Distribution Class II
Keith Temple, Certified Distribution Class I
Franklin Thieman, Certified Operator Treatment Class IVA and Distribution Class III
Dennis Wheeler, Certified Distribution Class II
Derrick Willis, Certified Treatment Class IAD and Wastewater Collection Class III
Amanda Stewart, Certified Wastewater Collection Class I and Treatment Class I
Gregory Wilson, Certified Wastewater Collection Class III and Treatment Class III

EXHIBIT 3

**DIRECT TESTIMONY OF VICKIE EDWARDS ON BEHALF OF WEST CARROLL
WATER DISTRICT**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**JOINT ELECTRONIC APPLICATION OF WEST CARROLL)
WATER DISTRICT AND THE CITY OF CARROLLTON ON)
BEHALF OF CARROLLTON UTILITIES FOR (1) AN APPROVAL)
OF THE PROPOSED ASSET ACQUISITION AND TRANSFER)
OF CONTROL OF WEST CARROLL WATER DISTRICT TO)
THE CITY OF CARROLLTON ON BEHALF OF CARROLLTON)
UTILITIES PURSUANT TO KRS 278.218, KRS 278.020(6) AND)
KRS 278.020(7), AND, (2) ALL OTHER REQUIRED APPROVALS)
AND RELIEF)**

**CASE NO.
2021-00155**

**DIRECT TESTIMONY OF VICKIE EDWARDS
CHAIRWOMAN OF WEST CARROLL WATER DISTRICT**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT ELECTRONIC APPLICATION OF WEST CARROLL)
WATER DISTRICT AND THE CITY OF CARROLLTON ON)
BEHALF OF CARROLLTON UTILITIES FOR (1) AN APPROVAL)
OF THE PROPOSED ASSET ACQUISITION AND TRANSFER)
OF CONTROL OF WEST CARROLL WATER DISTRICT TO)
THE CITY OF CARROLLTON ON BEHALF OF CARROLLTON)
UTILITIES PURSUANT TO KRS 278.218, KRS 278.020(6) AND)
KRS 278.020(7), AND, (2) ALL OTHER REQUIRED APPROVALS)
AND RELIEF)

CASE NO.
2021-00155

VERIFICATION OF VICKIE EDWARDS

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CARROLL)

Vickie Edwards, Chairwoman of West Carroll Water District, being duly sworn, states that she has supervised the preparation of her Direct Testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

[Handwritten signature of Vickie Edwards]
Vickie Edwards

The foregoing Verification was signed, acknowledged and sworn to before me this 5th day of April, 2021, by Vickie Edwards.

[Handwritten signature of Sarah Hudgin]

Notary Commission Number: 613418

Commission expiration: 12-10-2022

1 **Q: PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 A: My name is Vickie L. Edwards. My business address is 900 Clay Street, Carrollton,
3 Kentucky. I am the chairwoman of West Carroll Water District.

4 **Q: PLEASE STATE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.**

5 A. I have a Bachelor of Business Administration Degree from Northwood University. My
6 professional experience is as an executive administrator in human resources. I have been
7 a member of the West Carroll Water District Board for approximately 35 years and I have
8 been the chairwoman for approximately 23 years.

9 **Q: PLEASE PROVIDE A DESCRIPTION OF YOUR DUTIES AS CHAIRWOMAN**
10 **OF WEST CARROLL WATER DISTRICT.**

11 A: I preside over all West Carroll Water District board meetings. I respond to any needs of
12 the water district, sign checks for payables and I have almost daily interaction with
13 Carrollton Utilities personnel on management, maintenance and billing issues. I also
14 interact with the fiscal courts as needed.

15 **Q. HAVE YOU EVER OFFERED TESTIMONY TO THE COMMISSION BEFORE?**

16 A. Yes, I offered testimony in person at the hearing in 2019-00041.

17 **Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

18 A: I am testifying on behalf of West Carroll Water District.

19 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

20 A: The purpose of my testimony is to provide information on West Carroll Water District, the
21 relationship between Carrollton Utilities and West Carroll Water District, the proposed
22 Transaction and the effects the proposed Transaction will have on West Carroll Water
23 District customers.

1 **Q. PLEASE DESCRIBE WEST CARROLL WATER DISTRICT.**

2 **A.** West Carroll Water District is on the west end of Carroll County. We purchase water
3 from Carrollton Utilities, Trimble County Water District, Henry County Water District
4 and the City of Milton because West Carroll Water District does not have its own wells.
5 West Carroll Water District was formed in 1974 to provide water to customers on the west
6 end of the county. West Carroll Water District serves approximately 990 customers with
7 109 miles of main in three counties. West Carroll Water District has a five-member board
8 and no employees. Since approximately 1998, Carrollton Utilities has provided the
9 operations, maintenance, customer service, etc., for West Carroll Water District pursuant
10 to the Operation Agreement between the two.

11 **Q. PLEASE DESCRIBE THE RELATIONSHIP BETWEEN WEST CARROLL**
12 **WATER DISTRICT AND CARROLLTON UTILITIES.**

13 **A.** In 1998 West Carroll Water District pursued Carrollton Utilities to take over the
14 operations, maintenance and customer service needs of West Carroll Water District to aid
15 West Carroll Water District in serving under-served customers. At that time, West
16 Carroll Water District had an Operational Agreement with another water district but
17 West Carroll Water District felt that the needs of the water district was not being fulfilled
18 to the extent West Carroll Water District would have liked. Due to the growth of the
19 other district's industrial growth they no longer had the manpower needed to also run
20 West Carroll Water District. Since approximately 1998 Carrollton Utilities has provided
21 management, operations, management and billing services for West Carroll Water
22 District and there have been no issues with the service being provided pursuant to the
23 Operational Agreement.

1 **Q. HAS INFORMATION REGARDING THE MANAGERIAL, TECHNICAL AND**
2 **FINANCIAL ABILITIES OF CARROLLTON UTILITIES BEEN PROVIDED IN**
3 **ANY OTHER COMMISSION PROCEEDING?**

4 A. Testimony was provided at a hearing in Case No. 2019-00041 on July 11, 2019 at the
5 Commission's offices regarding the Operational Agreement between Carrollton Utilities
6 and West Carroll Water District, the circumstances surrounding how and why that
7 agreement was entered into and the services provided under that agreement.

8 **Q. GENERALLY, WHAT ARE THE TERMS OF THE PROPOSED TRANSACTION?**

9 A. Under the terms of the Asset Purchase Agreement, West Carroll Water District will transfer
10 all of its assets, including but not limited to: mains, meters, easements and cash on hand.
11 A complete list of West Carroll Water District's assets is included as Exhibit 4 to the Asset
12 Purchase Agreement which is attached to the Application as Exhibit 1. In exchange,
13 Carrollton Utilities will assume all of the liabilities of West Carroll Water District. A list
14 of West Carroll Water District's liabilities are provided as Exhibit 5 to the Asset Purchase
15 Agreement (Exhibit 1 to the Application). After the closing of the Transaction, West
16 Carroll Water District will petition the fiscal courts to dissolve and Carrollton Utilities will
17 be the surviving entity who will serve the customers in West Carroll Water District's
18 service territory.

19 **Q. DO YOU BELIEVE CARROLLTON UTILITES AND THE CITY OF**
20 **CARROLLTON HAVE THE FINANCIAL, TECHNICAL, AND MANAGERIAL**
21 **ABILITIES TO CONTINUE PROVIDING REASONABLE SERVICE TO WCWD**
22 **CUSTOMERS?**

1 **A:** Yes I do. Carrollton Utilities plans on keeping the same rate and fee structure for West
2 Carroll Water District's customers. These rates and fees have proven to be sufficient to
3 operate West Carroll Water District. Carrollton Utilities has more cash on hand in its
4 reserves to be able to respond to any issues that may arise for West Carroll Water District's
5 customers.

6 **Q. PLEASE EXPLAIN WHY YOU FEEL CARROLLTON UTILITIES WILL HAVE**
7 **THE FINANCIAL, TECHNICAL, AND MANAGERIAL ABILITIES TO**
8 **CONTINUE PROVIDING REASONABLE SERVICE TO WEST CARROLL**
9 **WATER DISTRICT'S CUSTOMERS?**

10 **A:** Carrollton Utilities plans on keeping the same rate and fee structure for West Carroll Water
11 District's customers. These rates and fees have proven to be sufficient to operate West
12 Carroll Water District. Carrollton Utilities has more cash on hand in its reserves to be able
13 to respond to any issues that may arise for West Carroll Water District's customers.
14 Carrollton Utilities has been providing services since 1998 for West Carroll Water District.
15 Carrollton Utilities has been providing all of the operations and maintenance services for
16 West Carroll Water District for over twenty years. Carrollton Utilities has also been
17 providing the customer service services along with all of the billing services for West
18 Carroll Water District and its customers. Carrollton Utilities has proven that it has the
19 technical and managerial skills to provide safe and reliable service to the customers of West
20 Carroll Water District. Furthermore, Carrollton Utilities has the financial ability to
21 continue to operate and maintain West Carroll Water District. The rates and fees will
22 remain the same for West Carroll Water District's customers and these rates and fees have
23 shown that they generate enough net revenue to run the system along with providing a

1 small profit. Combining the systems will provide added insurance and reserves (cash) to
2 help aid in the needs of the West Carroll Water District and be able to address any needs
3 that may arise. The current risk, prior to the Transaction, is that West Carroll Water District
4 has a cash reserve but may not be enough to handle something large that may arise with its
5 system. Carrollton Utilities has a reserve large enough to handle any issue that may arrive.
6 There will be some efficiencies after the Transaction including, but limited to, reduction in
7 insurance premiums, audit fees, legal costs and a possible increase in credit ratings.
8 Increased credit ratings could give access to more funding at better interest rates which
9 would be a benefit to West Carroll Water District's customers.

10 **Q. IS THE PROPOSED TRANSACTION IN THE PUBLIC INTEREST?**

11 **A:** Yes. Carrollton Utilities is uniquely situated to provide the services needed for West
12 Carroll Water District. Carrollton Utilities has the water supply needed, Carrollton Utilities
13 has been providing all of the services to West Carroll Water District's customers so the
14 customers will see no difference. The Transaction will be seamless for West Carroll Water
15 District's customers. There will also be added security of having additional cash reserves
16 available if something detrimental occurs. Also, as a municipal utility the ability to act on
17 needed services requires less approvals and can be completed in a quicker timeframe.

18 **Q. IS THE TRANSACTION MADE IN ACCORDANCE WITH LAW?**

19 **A.** Yes, after due consultation I am advised by our legal counsel that the Transaction is made
20 in accordance with law.

21 **Q. HOW WILL THE TRANSACTION AFFECT WEST CARROLL WATER**
22 **DISTRICT'S CUSTOMERS?**

1 **A.** West Carroll Water District’s customers will see no changes in their services, their rates or
2 in the employees that provide all of their services. This should be a seamless transaction
3 as it relates to the customers of West Carroll Water District.

4 **Q.** **DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A.** Yes.

EXHIBIT 4

AUDITED FINANCIAL STATEMENTS OF CARROLLTON UTILITIES

WEST CARROLL WATER DISTRICT
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND INDEPENDENT AUDITOR'S REPORTS

At December 31, 2020 and 2019

**WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2020 and 2019**

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RAISOR, ZAPP & WOODS, PSC

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the
West Carroll Water District
Carrollton, Kentucky 41008

Report on the Financial Statements

We have audited the accompanying financial statements of West Carroll Water District as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the West Carroll Water District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Carroll Water District, as of December 31, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021, on our consideration of the West Carroll Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West Carroll Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Carroll Water District's internal control over financial reporting and compliance.

Raisor, Zapp & Woods, PSC

RAISOR, ZAPP & WOODS, PSC
Certified Public Accountants
Carrollton, Kentucky

March 26, 2021

**WEST CARROLL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020**

Our discussion and analysis of the West Carroll Water District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2020. Please read it in conjunction with the District's financial statements, which begin on page 6.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information about the District's use of accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The statement of net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). It also provides the basis for evaluating the capital of the District and assessing its liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in fund net position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its water rates and other fees.

The final required financial statement is its statement of cash flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reported period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and the change in cash during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

FINANCIAL HIGHLIGHTS

The following are key financial highlights:

- Total assets at year-end were \$3,033,174 and exceeded liabilities by \$1,942,979 (i.e. net position). Of the total net position, \$314,983 was unrestricted and available to support short-term operations. Total net position decreased from year end 2019 to 2020 by \$30,243.
- Operating revenues increased by \$3,018 from 2019. The COVID-19 pandemic created hardships for many in our area. There were many opportunities for customers to receive financial assistance through the Northern Kentucky Community Action Center, which many of them took advantage of. Customers who were behind on their utility bills were given the opportunity to put the past due amount on a payment plan, which many took advantage of.
- Total operating expenses increased by \$91,361 from 2019. In 2018, rising flood waters caused damage to West Carroll Water District property. FEMA approved the repair project for reimbursement. The funds were received for this in fiscal year 2019. The work was completed in fiscal year 2020 by Carrollton Utilities acting as the general contractor. The increase in expenses shown is mostly due to the payment to Carrollton Utilities for this work for \$86,080.

**WEST CARROLL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020**

Balance Sheet, Statement of Net Position

Utility Plant decreased by \$88,658 from 2019. (See diagram below.) Current assets increased by \$14,812 representing an increase in cash and accounts receivable. Other non-current assets decreased \$45,720 representing a decrease in restricted cash due to a payment for FEMA work from 2018. The reimbursement was received in 2019.

Condensed Assets

	2020	2019	Difference
Utility Plant	\$ 2,563,801	\$ 2,652,459	\$ (88,658)
Current Assets	357,010	342,198	14,812
Other Non-Current Assets	112,363	158,083	(45,720)
Total Net Assets	\$ 3,033,174	\$ 3,152,740	\$ (119,566)

Balance Sheet, Statement of Net Position, continued

At the end of December 31, 2020, the District had \$2,563,801 invested in capital assets (net of depreciation) including buildings, equipment, and water lines. (See table below.)

	2020	2019
Land & Land Rights	\$ 18,804	\$ 18,754
Organizational Fees	-	139
Distribution System	2,543,747	2,632,199
Machinery & Equipment	1,250	1,367
	\$ 2,563,801	\$ 2,652,459

Liability amounts presented in the Statement of Net Position are presented as current (payable within one year) and non-current as of December 31, 2020. A decrease in noncurrent liabilities is a result of the payments being made on various bonds issued to USDA/Rural Development and loans to Carrollton Utilities.

Condensed Liabilities

	2020	2019	Difference
Noncurrent Liabilities	\$ 991,701	\$ 1,035,519	\$ (43,818)
Current Liabilities	98,494	143,999	(45,505)
Total Liabilities	\$ 1,090,195	\$ 1,179,518	\$ (89,323)

**WEST CARROLL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020**

Net Position

At December 31, 2020, net position decreased by \$30,243

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Net Investment in Capital Assets	\$ 1,539,732	\$ 1,585,053	\$ (45,321)
Restricted for Debt Service	88,264	82,122	6,142
Unrestricted	314,983	306,047	8,936
Total Net Position	<u>\$ 1,942,979</u>	<u>\$ 1,973,222</u>	<u>\$ (30,243)</u>

Condensed Statement of Revenues and Expenses

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Operating Revenues	\$ 628,071	\$ 625,053	\$ 3,018
Operating Expenses	693,089	601,728	(91,361)
Net Operating Revenue	\$ (65,018)	\$ 23,325	\$ (88,343)
Non-Operating Income (Expense)	(28,799)	(30,422)	1,623
Net Income (Loss) Before Contributions	\$ (93,817)	\$ (7,097)	\$ (86,720)
Capital Contributions	63,574	4,640	58,934
Net Income (Loss)	\$ (30,243)	\$ (2,457)	\$ (27,786)
Net Position Beginning of Year	1,973,222	1,975,679	(2,457)
Net Position End of Year	<u>\$ 1,942,979</u>	<u>\$ 1,973,222</u>	<u>\$ (30,243)</u>

Statement of Cash Flows

Cash decreased by \$34,289 from 2019 to 2020, partially due to an outstanding FEMA payable for which the reimbursement was received in the prior year.

Condensed Statement of Cash Flows

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Cash from Operating Activities (Net)	\$ 41,568	\$ 127,027	\$ (85,459)
Cash from Capital & Related Financing Activities	(76,346)	(846)	(75,500)
Cash from Investing Activities	489	586	(97)
Change in Cash	\$ (34,289)	\$ 126,767	\$ (161,056)
Cash Balance, Beginning of Year	405,829	279,062	126,767
Cash Balance, End of Year	<u>\$ 371,540</u>	<u>\$ 405,829</u>	<u>\$ (34,289)</u>

**WEST CARROLL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020**

NOTES PAYABLE AND LONG-TERM DEBT

All bond payments have been paid timely. The District does not have any short-term debts at this time.

	<u>2020</u>	<u>2019</u>	<u>Difference</u>
Long Term Debt	<u>\$ 1,024,069</u>	<u>\$ 1,067,406</u>	<u>\$ (43,337)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

West Carroll Water District was named in the Kentucky Public Service Commission's Electronic Investigation of Excessive Water Loss by Kentucky's Jurisdictional Utilities. PSC Case 2019-00041 ordered West Carroll Water District to undertake discussions with Carrollton Utilities regarding a merger, as well as to examine their leak adjustment policy. The district has signed a merger acquisition agreement with Carrollton Utilities. It is anticipated that the merger will happen on July 1, 2021.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at 900 Clay St. Carrollton, KY 41008.

Vickie Edwards
Chairperson

Sarah Hudgins
Director of Finance

WEST CARROLL WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash, Including Time Deposits	\$ 269,227	\$ 257,746
Accounts Receivable (Net)	66,945	61,721
Inventory	16,833	18,778
Prepaid Expense	4,005	3,953
Total Current Assets	\$ 357,010	\$ 342,198
Noncurrent Assets:		
Restricted Assets:		
Cash, Including Time Deposits	\$ 112,363	\$ 158,083
Capital Assets (Net)	2,563,801	2,652,459
Total Noncurrent Assets	\$2,676,164	\$2,810,542
Total Assets	\$3,033,174	\$3,152,740
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 39,002	\$ 32,881
Utility Tax Payable	2,879	3,022
Sales Tax Payable	87	213
Accrued Interest - Customer Deposits	59	35
Accrued Interest - Notes Payable	515	534
Unearned Revenues - FEMA	-	51,974
Current Portion - Notes Payable	18,518	18,337
Current Liabilities Payable from Restricted Assets:		
Accrued Interest Payable - Bonds Payable	11,434	12,003
Revenue Bonds Payable	26,000	25,000
Total Current Liabilities	\$ 98,494	\$ 143,999
Noncurrent Liabilities:		
Revenue Bonds Payable	\$ 498,000	\$ 524,000
Notes Payable - Carrollton Utilities	481,551	500,069
Noncurrent Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	12,150	11,450
Total Noncurrent Liabilities	\$ 991,701	\$1,035,519
Total Liabilities	\$1,090,195	\$1,179,518
NET POSITION		
Net Investment in Capital Assets	\$1,539,732	\$1,585,053
Restricted for Debt Service	88,264	82,122
Unrestricted	314,983	306,047
Total Net Position	\$1,942,979	\$1,973,222

WEST CARROLL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Years Ended December 31, 2020 and 2019

Operating Revenues:	<u>2020</u>	<u>2019</u>
Charges for Services:		
Water Charges (Net of Estimated Bad Debts)	\$ 617,708	\$ 597,847
Total Charges for Services	<u>\$ 617,708</u>	<u>\$ 597,847</u>
Other Charges and Miscellaneous:		
Service Charges	\$ 2,475	\$ 14,107
Reconnect and Disconnect Charges	7,168	10,930
Miscellaneous	720	2,169
Total Other Charges and Miscellaneous	<u>\$ 10,363</u>	<u>\$ 27,206</u>
Total Operating Revenues	<u>\$ 628,071</u>	<u>\$ 625,053</u>
 Operating Expenses:		
Commissioner Fees	\$ 9,000	\$ 9,000
Contractual Service - Sampling	4,124	5,163
Insurance	8,562	8,590
Maintenance Agreement	244,760	246,811
Maintenance of Distribution System	134,231	24,708
Office Supplies and Administrative Expense	2,580	2,229
Other Interest Expense	35	-
Payroll Taxes	689	689
Professional Services	6,650	6,952
Purchased Water	157,289	162,622
Regulatory Commission Case Expense	7,246	15,816
Regulatory Fees	1,262	1,168
Utilities - Pumping	13,320	14,355
Depreciation Expense	103,341	103,625
Total Operating Expenses	<u>\$ 693,089</u>	<u>\$ 601,728</u>
Operating Income (Loss)	<u>\$ (65,018)</u>	<u>\$ 23,325</u>
 Nonoperating Revenue (Expense):		
Investment Income	\$ 539	\$ 586
Interest Expense	(29,199)	(30,562)
Amortization Expense - Organization Costs	(139)	(446)
Total Nonoperating Revenues (Expense)	<u>\$ (28,799)</u>	<u>\$ (30,422)</u>
Income (Loss) Before Contributions	<u>\$ (93,817)</u>	<u>\$ (7,097)</u>
Capital Contributions	63,574	4,640
Change in Net Position	<u>\$ (30,243)</u>	<u>\$ (2,457)</u>
Net Position--Beginning of Year	<u>1,973,222</u>	<u>1,975,679</u>
Net Position--End of Year	<u>\$ 1,942,979</u>	<u>\$ 1,973,222</u>

WEST CARROLL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 623,278	\$ 629,072
Payments to Suppliers	(149,275)	(191,251)
Other Receipts (Payments)	(432,435)	(310,794)
Net Cash Provided (Used) by Operating Activities	\$ 41,568	\$ 127,027
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions	\$ 11,600	\$ 4,640
FEMA Disaster Funding Receipts	-	75,927
Purchases of Capital Assets	(14,822)	(9,150)
Principal Paid on Capital Debt	(43,337)	(41,157)
Interest Paid on Capital Debt	(29,787)	(31,106)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (76,346)	\$ (846)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Certificates of Deposit	\$ (50)	\$ -
Interest on Investments	539	586
Net Cash Provided (Used) by Investing Activities	\$ 489	\$ 586
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (34,289)	\$ 126,767
Balances-Beginning of the Year	405,829	279,062
Balances-End of the Year	\$ 371,540	\$ 405,829

	Balances Per December 31, 2020 Statement of Net Position	Balances Per December 31, 2020 Statement of Cash Flows
Cash	\$ 269,227	\$ 269,227
Restricted Cash	102,313	102,313
Restricted Time Deposits	10,050	-
Total Cash and Cash Equivalents, End of Year	\$ 381,590	\$ 371,540

	Balances Per December 31, 2019 Statement of Net Position	Balances Per December 31, 2019 Statement of Cash Flows
Cash	\$ 257,746	\$ 257,746
Restricted Cash	148,083	148,083
Restricted Time Deposits	10,000	10,000
Total Cash and Cash Equivalents, End of Year	\$ 415,829	\$ 415,829

**WEST CARROLL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019**

	2020	2019
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (65,018)	\$ 23,325
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Cash Flows Reported in Other Categories:		
Depreciation Expense	103,341	103,625
Change in Assets and Liabilities:		
Receivables, Net	(5,224)	4,088
Inventories	1,945	(1,572)
Prepaid Expenses	(28)	3
Accounts and Other Payables	6,121	(2,352)
Accrued Expenses	(269)	(230)
Customer Meter Deposits Escrow Payable	700	140
	\$ 41,568	\$ 127,027
Net Cash Provided by Operating Activities		

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

As of December 31, 2020 and 2019, the District had no noncash investing, capital, or financing activities.

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The West Carroll Water District is a rural water company serving approximately 1000 customers in Carroll, Trimble and Henry Counties, Kentucky, and is regulated by the Public Service Commission of the Commonwealth of Kentucky. The water company was formed under the laws of the above-mentioned counties through their Fiscal Courts and began operations in July, 1960.

In evaluating how to define West Carroll Water District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic -- but not the only -- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units.

A summary of the District's significant accounting policies follows:

Basis of presentation and accounting: As stated in Kentucky Revised Statutes (KRS) 278.015, "any water district shall be a public utility and shall be subject to the jurisdiction of the Public Service Commission." In KRS 278.220, it is outlined that the Public Service Commission may establish a system of accounts to be kept by the utilities subject to its jurisdiction, and may prescribe the manner in which such accounts shall be kept. The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the District are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets plus deferred outflows, net of total liabilities and deferred inflows) is segregated into net investment in capital assets, restricted; and unrestricted components.

Revenues and expenses: Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

The District adheres to the use restrictions established by Bond Agreements when expenses are incurred for which both restricted and unrestricted net position is available. The District has no policy defining which resources (restricted or unrestricted) to use first. Restricted amounts are considered to have been spent when an expense is incurred for the purpose of such classifications.

Bond Issuance Costs: Bond Issuance Costs are expensed as incurred.

Organization Costs: Organization costs are amortized over forty (40) years.

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment: Property and equipment purchased or constructed is stated at cost. Costs associated with hook-up fees are capitalized as meters, installations, and services. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. The range of estimated useful lives by type of asset is as follows:

- Distribution System	10-50 years
- Machinery & Equipment	5-20 years

Inventory: Inventories are stated at latest cost.

Income Taxes: The West Carroll Water District is not subject to income taxes.

Deferred Outflows and Deferred Inflows: Deferred Outflows and Deferred Inflows are not assets or liabilities; revenues or expenses. Rather, they represent the use of resources related to future periods.

Contributed capital: Under the Governmental Accounting Standards Board's (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District recognizes capital contributions as revenues in the statement of revenues, expenses and changes in fund net position. Capital contributions of \$51,974 from FEMA Public Assistance Awards were recognized in the year ended December 31, 2020. Tap-on fees of \$11,600 and \$4,640 were received by the District for the years ended December 31, 2020 and 2019, respectively.

Net position: Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted; and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net position consists of all other net position not included in the above categories.

Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows: For the purpose of the Statement of Cash Flows, West Carroll Water District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

NOTE 2 – DEBT RESTRICTIONS AND COVENANTS

The Bond and Interest Sinking Account was established with the original RECD bond issue, and is to be continued to be maintained as long as any of the 1975, 1981, 1994 or 2005 issues are outstanding. Under the bond resolution which established this account, it was provided that a minimum balance be maintained in this account as security to the bondholders. In order to attain the minimum balance, a monthly transfer must be made as follows:

	one sixth (1/6) of the next semiannual interest payment
+	<u>one twelfth (1/12) of next annual principal payment</u>
=	monthly transfer

**WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019**

NOTE 2 – DEBT RESTRICTIONS AND COVENANTS (Continued)

Transfers sufficient to meet the total obligation outstanding on all issues were made timely during the years ended December 31, 2020 and 2019.

Under the bond resolution of the original 1975 bonds, a Depreciation Account was to be established to provide funds for extraordinary repairs and extensions to the system, and to make up any deficiency in the Bond and Interest Sinking Fund Account. Under the provisions of the 2005 Bond Resolution, it was determined that the monthly transfer required to be made to the Depreciation Account would be a minimum of \$435 each month until a balance of \$73,200 (increased from \$52,200) is accumulated. When the required balance of \$73,200 is attained, the monthly transfers may be discontinued, but are subject to resumption if the depreciation account is depleted below the required balance. The Depreciation Account is to be maintained as long as any of the bonds are outstanding.

NOTE 3 – CASH AND INVESTMENTS

KRS 66.480 authorizes the District to invest in obligations of the United States and its agencies and instrumentalities including repurchase agreements, through sources including national and state banks chartered in Kentucky, obligations and contracts for future delivery backed by the full faith of the United States or its Agency, certificates of deposit and interest bearing accounts in institutions insured by the Federal Depository Insurance Corporation and other investments described therein provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. The District may also invest in mutual funds meeting the requirements of the statute.

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2020 and 2019, in accordance with the District's policy, \$340,169 and \$344,659 respectively, of the District's deposits were covered by federal depository insurance. The District had \$10,050 and \$70,364 deposits that were exposed to custodial credit risk at December 31, 2020 and 2019.

At December 31, 2020 and 2019, the District's deposits were as follows:

December 31, 2020

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Value</u>
Demand Deposits	\$ -	\$ -
Time/Savings Deposits	350,219	381,540
Total Deposits	<u>\$ 350,219</u>	<u>\$ 381,540</u>

December 31, 2019

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Total Carrying Value</u>
Demand Deposits	\$ 39,911	\$ 39,911
Time/Savings Deposits	375,112	375,868
Total Deposits	<u>\$ 415,023</u>	<u>\$ 415,779</u>

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

NOTE 3 – CASH AND INVESTMENTS (Continued)

Reconciliation to Statement of Net Position:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Unrestricted Cash, Including Time Deposits	\$ 269,227	\$ 257,746
Restricted Cash, Including Time Deposits	112,363	158,083
Less Cash on Hand	(50)	(50)
Total	<u>\$ 381,540</u>	<u>\$ 415,779</u>

NOTE 4 – RESTRICTED ASSETS

Restricted cash and investments consist of the following:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Bond and Interest Sinking Account	\$ 40,125	\$ 39,911
Depreciation Account	60,088	54,748
Customer Deposits	12,150	11,450
FEMA Disaster Relief Funding	-	51,974
Total	<u>\$ 112,363</u>	<u>\$ 158,083</u>

NOTE 5 – CUSTOMER ACCOUNTS RECEIVABLE

Customer Accounts Receivable has been netted with an Allowance for Bad Debts of \$5,576 and \$8,648 at December 31, 2020 and 2019, respectively. The amount provided for bad debts represents the portion of the total amounts for which collection is unlikely, based on historical collection data.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2020 and 2019, was as follows:

	<u>Balance at January 1, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at December 31, 2020</u>
Land & Land Rights	\$ 18,754	\$ 50	\$ -	\$ 18,804
Organizational Fees	17,854	-	-	17,854
Distribution System	5,527,044	14,772	-	5,541,816
Machinery & Equipment	12,482	-	-	12,482
Totals at Historical Cost	<u>\$ 5,576,134</u>	<u>\$ 14,822</u>	<u>\$ -</u>	<u>\$ 5,590,956</u>
Less: Accumulated Depreciation				
Organizational Fees	\$ (17,715)	\$ (139)	\$ -	\$ (17,854)
Distribution System	(2,894,845)	(103,224)	-	(2,998,069)
Machinery & Equipment	(11,115)	(117)	-	(11,232)
Total Accumulated Depreciation	<u>\$ (2,923,675)</u>	<u>\$ (103,480)</u>	<u>\$ -</u>	<u>\$ (3,027,155)</u>
Capital Assets, Net	<u>\$ 2,652,459</u>	<u>\$ (88,658)</u>	<u>\$ -</u>	<u>\$ 2,563,801</u>

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

NOTE 6 – CAPITAL ASSETS (Continued)

	<u>Balance at</u> <u>January 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>December 31, 2019</u>
Land & Land Rights	\$ 18,754	\$ -	\$ -	\$ 18,754
Organizational Fees	17,854	-	-	17,854
Distribution System	5,517,894	9,150	-	5,527,044
Machinery & Equipment	12,482	-	-	12,482
Totals at Historical Cost	\$ 5,566,984	\$ 9,150	\$ -	\$ 5,576,134
Less: Accumulated Depreciation				
Organizational Fees	\$ (17,269)	\$ (446)	\$ -	\$ (17,715)
Distribution System	(2,791,337)	(103,508)	-	(2,894,845)
Machinery & Equipment	(10,998)	(117)	-	(11,115)
Total Accumulated Depreciation	\$ (2,819,604)	\$ (104,071)	\$ -	\$ (2,923,675)
Capital Assets, Net	\$ 2,747,380	\$ (94,921)	\$ -	\$ 2,652,459

Included under the District's Plant Assets were \$263,027 and \$225,746 of fully depreciated assets, at December 31, 2020 and 2019, respectively. Land and land rights and construction in process are capital assets not being depreciated.

Amortization expense on organizational fees and depreciation expense aggregated \$103,480 and \$104,071 in 2020 and 2019, respectively.

NOTE 7 – CUSTOMER DEPOSITS/ESCROW

Customer deposits are collected upon installation of water service. This amount is to be refunded to the customer upon discontinuation of service (after the customer's bill has been paid in full). Records were maintained which detailed the accrued interest on each customer's deposit based on a one-quarter (.25) of a percent annual rate for the years ended December 31, 2020 and 2019. Accrued interest is paid when the deposit is refunded or credited to the customer's account annually. At December 31, 2020 and 2019, respectively, \$59 and \$35 of interest was accrued on customer deposits.

NOTE 8 – LONG-TERM DEBT

As of December 31, 2020 and 2019, the long-term debt payable consisted of the following:

Bonds Payable:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
RECD Revenue Bonds of 1981 Series B, original issue amount of \$114,000, secured by water revenues. Interest is charged at the rate of 5.0% per annum. Final maturity is January 1, 2021.	\$ 6,500	\$ 12,500
RECD Revenue Bonds of 1994, original issue amount of \$395,000, secured by water revenues. Interest is charged at the rate of 4.5% per annum. Final maturity is January 1, 2033.	219,500	231,500

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

Note 8 – LONG-TERM DEBT (Continued)

	December 31, 2020	December 31, 2019
RECD Revenue Bonds of 2005, original issue amount of \$369,000, secured by water revenues. Interest is charged at the rate of 4.25% per annum. Final maturity is January 1, 2044.	298,000	305,000
Total Bonds Payable	\$ 524,000	\$ 549,000
Current Portion	\$ 26,000	\$ 25,000
Noncurrent Portion	498,000	524,000
Total Bonds Payable	\$ 524,000	\$ 549,000

If there is any default in the payment of the principal of or interest on any of the bonds, then upon the filing of suit by any holder of said bonds, any court having jurisdiction of the action may appoint a receiver to administer the system on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the system, and for the payment of current expenses, and to apply the revenues in conformity with the bond resolutions and the provisions of statute laws of Kentucky.

Notes Payable:

The West Carroll Water District has entered into interlocal agreements under which it is the subrecipient of loan proceeds from the Kentucky Infrastructure Authority funding the Countywide Underserved Project and the Carroll County Interconnect Project. The City of Carrollton f/b/o Carrollton Utilities is the recipient of the loan proceeds. It is also the entity that provided oversight for the engineering and construction contracts, and other general costs associated with the projects. West Carroll Water District, under interlocal agreements with the City of Carrollton/Carrollton Utilities, agreed to pay Carrollton Utilities for the portion of the debt associated with improvements made to its distribution system.

	December 31, 2020	December 31, 2019
Carrollton Utilities (Countywide Underserved Project) represents a 30 year loan as stipulated in an interlocal agreement. Interest is charged at 1.00% per annum. In addition, a loan servicing fee of .25% of the annual outstanding loan balance will be payable as part of each interest payment. The original principal balance was \$573,220 after the note was reduced by 35% principal forgiveness of \$308,657. Semi-annual payments with final maturity December 1, 2044.	\$ 471,870	\$ 489,185
Carrollton Utilities (Carroll County Interconnect Project) represents a 30 year loan as stipulated in an interlocal agreement. Interest is charged at .75% per annum. In addition, a loan servicing fee of .25% of the annual outstanding loan balance will be payable as a part of each interest payment. The original principal balance was \$33,233 after the note was reduced by 25% principal forgiveness of \$11,077. Semi-annual payments with final maturity December 1, 2045.	28,199	29,221
Total Notes Payable	\$ 500,069	\$ 518,406
Current Portion	\$ 18,518	\$ 18,337
Noncurrent Portion	481,551	500,069
Total Notes Payable	\$ 500,069	\$ 518,406

Upon the occurrence of an event of default, the Kentucky Infrastructure Authority shall be entitled to the appointment of a receiver of the System and all receipts therefrom. The Kentucky Infrastructure Authority may pursue any available remedy to enforce payment obligations or to remedy any event of default. In the event that the District defaults, the defaulting party also agrees to pay the fees of such attorneys and other expenses incurred by the Kentucky Infrastructure Authority.

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

Note 8 – LONG-TERM DEBT (Continued)

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the years ended December 31, 2020 and 2019.

December 31, 2020

	Balance at January 1, 2020	Additions	Retirements	Balance at December 31, 2020	Current Portion
Note Payable	\$ 518,406	\$ -	\$ 18,337	\$ 500,069	\$ 18,518
Bonds Payable	549,000	-	25,000	524,000	26,000
	<u>\$ 1,067,406</u>	<u>\$ -</u>	<u>\$ 43,337</u>	<u>\$ 1,024,069</u>	<u>\$ 44,518</u>

December 31, 2019

	Balance at January 1, 2019	Additions	Retirements	Balance at December 31, 2019	Current Portion
Note Payable	\$ 536,563	\$ -	\$ 18,157	\$ 518,406	\$ 18,337
Bonds Payable	572,000	-	23,000	549,000	25,000
	<u>\$ 1,108,563</u>	<u>\$ -</u>	<u>\$ 41,157</u>	<u>\$ 1,067,406</u>	<u>\$ 43,337</u>

The annual requirements for all notes and bonds payable at December 31, 2020 are as follows:

	Note Payable			Bonds Payable		Total
	Principal	Interest	Service Fee	Principal	Interest	
2021	\$ 18,518	\$ 4,885	\$ 1,239	\$ 26,000	\$ 21,683	\$ 72,325
2022	18,701	4,702	1,192	20,000	20,800	65,395
2023	18,886	4,517	1,145	22,000	19,830	66,378
2024	19,073	4,330	1,098	22,500	18,838	65,839
2025	19,262	4,141	1,050	23,000	17,823	65,276
2026-2030	99,202	17,813	4,517	137,000	71,603	330,135
2031-2035	104,204	12,810	3,249	123,500	40,130	283,893
2036-2040	109,460	7,554	1,918	77,000	22,355	218,287
2041-2044	92,763	2,087	533	73,000	4,803	173,186
	<u>\$ 500,069</u>	<u>\$ 62,839</u>	<u>\$ 15,941</u>	<u>\$ 524,000</u>	<u>\$ 237,865</u>	<u>\$ 1,340,714</u>

**WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019**

NOTE 8 – LONG-TERM DEBT (Continued)

The annual requirements for all notes and bonds payable at December 31, 2019 are as follows:

	<u>Note Payable</u>			<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Service Fee</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 18,337	\$ 5,066	\$ 1,285	\$ 25,000	\$ 22,868	\$ 72,556
2021	18,518	4,885	1,239	26,000	21,683	72,325
2022	18,701	4,702	1,192	20,000	20,800	65,395
2023	18,886	4,517	1,145	22,000	19,830	66,378
2024	19,073	4,330	1,098	22,500	18,838	65,839
2025-2029	98,230	18,784	4,763	129,500	77,646	328,923
2030-2034	103,184	13,830	3,508	141,000	45,535	307,057
2035-2039	108,388	8,626	2,189	73,000	25,628	217,831
2040-2044	113,856	3,159	804	90,000	7,905	215,724
2045	1,233	6	2	-	-	1,241
	<u>\$ 518,406</u>	<u>\$ 67,905</u>	<u>\$ 17,225</u>	<u>\$ 549,000</u>	<u>\$ 260,733</u>	<u>\$ 1,413,269</u>

NOTE 9 – INTEREST EXPENSE

Interest expense incurred for the years ended December 31, 2020 and 2019 was \$29,234 and \$30,562, respectively. No interest was capitalized in 2020 or 2019.

NOTE 10 – FUND EQUITY-RESTRICTED NET POSITION

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Restricted for Debt Service:		
RECD Revenue Bonds of 1981, 1994, and 2005		
Cash	\$ 100,213	\$ 94,659
Less: Accrued Interest Payable	(11,949)	(12,537)
Total Restricted for Debt Service	<u>\$ 88,264</u>	<u>\$ 82,122</u>

NOTE 11 – BAD DEBT EXPENSE

Water revenue charges have been netted with an estimated bad debt expense of \$672 and \$6,088 at December 31, 2020 and 2019, respectively.

NOTE 12 – INSURANCE AND RELATED ACTIVITIES

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risks is covered through the contributions, premiums and assessments to the Kentucky Association of Counties All Lines Fund (KALF).

NOTE 13 – ECONOMIC DEPENDENCY

In 2020, the District purchased 100% of the water it sells from the following entities: Carrollton Utilities (95.9%), the Henry County Water District (0.6%), the Trimble County Water District (1.8%), and the City of Milton Water and Sewer Utility (1.7%).

NOTE 14 – OPERATION AND MAINTENANCE CONTRACT

Effective April 1, 1998, the District entered into an agreement with Carrollton Utilities under which Carrollton Utilities agreed to provide the operation and maintenance of the District's facilities, customer billing services, accounting functions, and related services. Effective July 1, 2017, the management contract fee was contracted at \$248,178. No change was made in the contract during 2020 or 2019.

WEST CARROLL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2020 and 2019

NOTE 15 – FEMA PROJECTS

Flooding and heavy rains throughout the District and region between February 20th and March 1st, 2018 caused some water lines to be exposed after the flood waters receded and two water main breaks occurred due to landslides. The District applied to the Federal Emergency Management Agency for disaster assistance.

FEMA reimbursements in the amount of \$14,169 and recorded as receivable at December 31, 2018 were received by the District in 2019. Additionally, FEMA funding approved for additional repairs necessary due to the flood damage was received in the amount of \$51,974. These funds were recorded as unearned revenues at December 31, 2019. Contracts were awarded on October 31, 2019 to CTW Contracting, Inc. for \$55,980 and C&H/M Excavating for \$8,400. Work was unable to be completed until January, 2020. At that time a change order in the amount of \$9,300 was approved for CTW Contracting due to additional quantities necessary for project completion. Total cost of the repairs including materials was \$86,081. No additional funding will be received from FEMA for the repairs.

NOTE 16 – PSC CASE NO. 2019-00041

By Order entered March 12, 2019 the Kentucky Public Service Commission initiated an investigation identified as CASE NO. 2019-00041 to review excessive water loss by Kentucky's jurisdictional water utilities that report over thirty-five (35) percent water loss in their annual reports filed with the Commission. West Carroll Water District was one of eleven utilities named in the case. The Commission has required the District to 1) develop a plan to improve the operations and financial health of the utility, 2) provide any new policies and procedures used to address water loss, 3) update its leak detection and water loss prevention manuals, and 4) insure that all commissioners have completed required training. Under Appendix K to CASE NO. 2019-00041, dated November 22, 2019, the District was required to submit a new tariff sheet revising its leak adjustment policy. It also required the District to undertake discussions with Carrollton Utilities regarding a possible merger of the two systems and provide a written update to the Commission as to the status of those discussions within six months of the date (November 22, 2019). Extensions of time were approved regarding the case. At the date of this report a plan of merger has been approved by the Carrollton Utilities Utility Commission, the District and the Carrollton City Council. The agreement will come before the Kentucky Public Service Commission for approval. If approved, it is anticipated that the merger will be effective on June 30, 2021.

NOTE 17 – SUBSEQUENT EVENTS

Management has considered subsequent events through the date of this report March 26, 2021, for disclosure. No events were identified that would have impacted the financial statements for the year ended December 31, 2020. However, the following significant events occurred after December 31, 2020:

In March, 2020 significant steps were taken by federal and state governments to limit the effect of the COVID-19 virus. The effect of executive governmental orders to discontinue the collection of penalties and enforcement of cutoff policies during the period has been reported in this report. Kentucky is in the process of "reopening" the economy. Impacts that this and future decisions may have on the financial position of the District is unknown at this time.

RAISOR, ZAPP & WOODS, PSC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Commissioners of the
West Carroll Water District
Carrollton, KY 41008

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Carroll Water District as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise West Carroll Water District's basic financial statements and have issued our report thereon dated March 26, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered West Carroll Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Carroll Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of West Carroll Water District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as Item 2020-001 that we consider to be a significant deficiency.

**WEST CARROLL WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2020**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the West Carroll Water District were prepared in accordance with GAAP.
2. One deficiency in internal control related to the audit of the financial statements is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Item 2020-001 is reported as a significant deficiency.
3. No instances of noncompliance material to the financial statements of West Carroll Water District was disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

GOVERNMENT AUDITING STANDARDS

DEFICIENCIES IN INTERNAL CONTROL

2020-001 FAILURE TO PREPARE COMPLETE SET OF FINANCIAL STATEMENTS INCLUDING REQUIRED NOTE DISCLOSURES

CRITERIA:

Internal controls should be in place to provide management with reasonable, but not absolute, assurance that financial statements and required notes are prepared in accordance with generally accepted accounting principles.

CONDITION:

District financial statements, including the required disclosures, are prepared as part of the annual audit. This condition was cited as a significant deficiency in the schedule of findings and responses for the year ended December 31, 2019 as Item 2019-001.

CAUSE:

The draft financial statements and disclosures are prepared during the audit process.

EFFECT:

Management engaged the auditor to prepare the draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for the financial statements prior to their issuance.

RECOMMENDATION:

District management should continue to enhance its knowledge of reporting requirements in providing oversight of this service.

VIEWS OF RESPONSIBLE OFFICIALS:

The outsourcing of this service is a result of management's cost benefit decision to avoid incurring internal resource costs. We concur with the recommendation and will continue to improve our overall accounting knowledge in performing our oversight responsibilities. We are aware of our responsibilities for the financial statements. We have reviewed and accepted the financial statements as presented.

**WEST CARROLL WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Year Ended December 31, 2020**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

GOVERNMENT AUDITING STANDARDS

COMPLIANCE AND OTHER MATTERS

NONE