

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)**

Name of Utility	Henderson County Water District	
Date	2/18/2022	
Address	655 South Main, P.O. Box 655	
City, State, Zip	Henderson KY, 42419	
Telephone Number	(270) 826-9802	
Email Address	pconrad@hendersoncounty.ky.gov	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.


Supplier(s)	Base Rate	Changed Rate
Henderson Water Utility, North	\$3.5029	\$3.2764
Henderson Water Utility, South	\$3.2549	\$3.6160

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the decrease is attached as Exhibit

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	January 2021	through	December 2021
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Henderson Water Utility, North	433,743,890
Henderson Water Utility, South	28,576,719
TOTAL PURCHASES	462,320,609
4. Total gallons sold for the 12 month period	341,017,660
5. Decreased water cost	-87,923.94
<p>The decreased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
6. Purchased water adjustment factor	-\$0.257828107
<p>The purchased water adjustment factor is obtained by dividing the decreased cost of water by the total gallons sold.</p> <p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	March 31, 2022
	
Signature of Utility Officer	
Superintendent	
Title	

HCWD 2021 Pass-Thru calculation

HWU-North

	Purchased Water	Cost	Total
Current Rate	433,743.890	3.5029	1,519,361.47228
Proposed Rate	433,743.890	3.2764	1,421,118.48120
		Difference	-98,242.99108

HWU-South

	Purchased Water	Cost	Total
Current Rate	28,576.719	3.2549	93,014.36267
Proposed Rate	28,576.719	3.616	103,333.41590
		Difference	10,319.05323

HWU-North	-98,242.99108
HWU-South	10,319.05323
Total Difference	-87,923.93785

Cost Divded by	-87,923.93785
Water Sold	341,017.660
Purchased water adjustment factor	-0.257828107

Resolution

The Henderson County Water District met at a special called meeting on Thursday February 17, 2022 at the office of the Henderson County Water District and upon motion of Commissioner Ritchett seconded by Commissioner Rideout, the following resolution was enacted:

Whereas, the Henderson County Water District received notice from the Henderson Water Utility of the decreased wholesale cost of water beginning with the first bill after March 31, 2022: and

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

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

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

This the 17th day of February, 2022.


Chairman, Henderson County Water District

Attest:


Secretary

HWU

Henderson Water Utility
WATER • WASTEWATER • STORMWATER

270.826.2421

www.hkywater.org

111 Fifth Street
Henderson, KY 42420

January 21, 2022

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

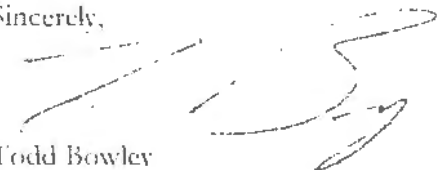
Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Henderson County Water District, the costs of providing water services based on our fiscal year June 30, 2021 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our North and South Water Systems. Enclosed is a copy of each individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rates:

Henderson County Water District		
	Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
North	\$3.5029	\$3.2764
South	\$3.2549	\$3.6160

These revised rates are to go into effect on the first billing after March 31, 2022 (March 2022 consumption). We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

Sincerely,



Todd Bowley
Chief Financial Officer



Riney Hancock CPAs
PSC

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying Henderson County Water District Calculation of North Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2021. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

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

In our opinion, the Henderson County Water District Calculation of North Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2021, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky
January 7, 2022

Riney Hancock CPAs PSC

Henderson County Water District
Calculation of North Water Cost per Contract
6/30/2021

Operating expenses	\$ 6,111,637
Interest expense	<u>93,981</u>
Total cost	6,205,618
Less: City of Henderson overhead allocation	<u>(238,000)</u>
Net expenses applicable to Henderson County Water District	<u><u>\$ 5,967,618</u></u>

Calculation of North Water Cost per Contract:

Expenses per above	\$ 5,967,618
Volume in gallons	<u>2,276,709.517</u>
Rate per 1000 gallons	\$ 2.6212
Times contract factor	<u>1.25</u>
Calculated rate per 1,000 gallons	<u><u>\$ 3.2764</u></u>



Riney Hancock CPAs
PSC

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying Henderson County Water District Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2021. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

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

In our opinion, the Henderson County Water District Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2021, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky
January 7, 2022

Riney Hancock CPAs PSC

Henderson County Water District
Calculation of South Water Cost per Contract
6/30/2021

Operating expenses	\$ 2,790,151
Interest expense	<u>44,553</u>
Total cost	2,834,704
Less: City of Henderson overhead allocation	<u>(68,000)</u>
Net expenses applicable to HCWD	<u><u>\$ 2,766,704</u></u>

Calculation of South Water Cost per Contract:

Expenses per above	\$ 2,766,704
Volume in gallons	<u>956,401.548</u>
Rate per 1000 gallons	\$ 2.8928
Times contract factor	<u>1.25</u>
Calculated rate per 1,000 gallons	<u><u>\$ 3.6160</u></u>

NOTICE

Notice is hereby given that Henderson County Water District ("District") received approval from the Public Service Commission ("PSC") to adjust its rates pursuant to a decreased wholesale rate from its water supplier, Henderson Water Utility. The new rates shown below will be effective for service rendered after March 31, 2022.

<u>Monthly Rates</u>	<u>Prior Rate</u>	<u>New Rates</u>	<u>\$ Decrease</u>	<u>% Decrease</u>
<u>5/8-Inch x 3/4 -Inch Meter</u>				
First 2,000 gallons (minimum bill)	\$21.28	\$20.76	\$0.52	2.44%
Next 8,000 gallons (per 1,000 gallons)	7.95	7.69	0.26	3.27%
Next 20,000 gallons (per 1,000 gallons)	7.42	7.16	0.26	3.51%
Over 30,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
<u>1-Inch Meter</u>				
First 5,000 gallons (minimum bill)	\$45.13	\$43.83	\$1.30	2.88%
Next 5,000 gallons (per 1,000 gallons)	7.95	7.69	0.26	3.27%
Next 20,000 gallons (per 1,000 gallons)	7.42	7.16	0.26	3.51%
Over 30,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
<u>2-Inch Meter</u>				
First 16,000 gallons (minimum bill)	\$129.40	\$125.24	\$4.16	3.22%
Next 14,000 gallons (per 1,000 gallons)	7.42	7.16	0.26	3.51%
Over 30,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
<u>3-Inch Meter</u>				
First 30,000 gallons (minimum bill)	\$233.28	\$225.48	\$7.80	3.50%
Over 30,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
<u>4-Inch Meter</u>				
First 50,000 gallons (minimum bill)	\$371.08	\$358.08	\$13.00	3.63%
Over 50,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
<u>6-Inch Meter</u>				
First 100,000 gallons (minimum bill)	\$715.58	\$689.58	\$26.00	3.63%
Over 100,000 gallons (per 1,000 gallons)	6.89	6.63	0.26	3.78%
Vol. Fire Dept. (Metered Services/Flat Rate)	\$21.28	\$20.76	\$0.52	2.44%

The monthly bill for an average customer using 4,000 gallons of water each month will decrease \$1.04 (or 2.80%) from \$37.18 to \$36.14.

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

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

NOTICE

Henderson Water Utility ("Henderson Water") is providing notice that on January 24, 2022, it filed with the Public Service Commission to increase(decrease) the wholesale rates it charges Henderson County Water District and Beech Grove Water System effective for water service rendered on and after March 1, 2022. The proposed rates are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Henderson County Water District				
North System	\$3.5029 per 1,000 gallons	\$3 3.2764 per 1,000 gallons	(\$0.2265) per 1 000 gallons	6.47% Dec ease
South System	\$3.2549 per 1,000 gallons	\$3 6160 per 1,000 gallons	\$0.03612 per 1,000 gallons	10.31% increase
Beech Grove Water System	\$3.3919 per 1,000 gallons	\$3 8117 per 1,000 gallons	\$0.4198 per 1,000 gallons	12.38% increase

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

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

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

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

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

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

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

FOR Henderson, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

Fifth Revised SHEET NO. 1

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

Fourth Revised SHEET NO. 1

Henderson Municipal Water & Sewer Commission
(Name of Municipal Utility)

DRAFT

RATES AND CHARGES

Henderson County Water District

North System \$3.2764 per 1000 gallons (D)
South System \$3.6160 per 1000 gallons (I)

Beech Grove Water System, Inc.

South System \$3.8117 per 1000 gallons (I)

Rates will become effective for water consumed beginning in March 2022 and for bills issued after April 1, 2022.

Water Purchase Contracts between the City of Henderson and the Henderson County Water District entered into on the 1st day of June 1989 and amended the 11th day of February 1997, and between the City of Henderson and the Beech Grove Water System, Inc. entered into on the 14th day of October 2014, are on file at the Kentucky Public Service Commission.

DATE OF ISSUE January 24, 2022
Month / Date / Year

DATE EFFECTIVE MARCH 1, 2022
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Chief Financial Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

Henderson County Water District
 New Rates, Billing Date
 3/31/2022

	<u>Consumption</u>	<u>Previous Water Rates</u>	<u>New Water Rates</u>	<u>New Rates</u>		
3/4 inch	2,000	\$ 21.28	\$ 20.76	Gals.	5/8 X 3/4 inch	
	3,000	\$ 29.23	\$ 28.45	2,000	\$ 20.76	MIN BILL
	4,000	\$ 37.18	\$ 36.14	8,000	\$ 7.69	-0.26
1 inch	5,000	\$ 45.13	\$ 43.83	20,000	\$ 7.16	
	6,000	\$ 53.08	\$ 51.52	30,000	\$ 6.63	
	7,000	\$ 61.03	\$ 59.21			
	8,000	\$ 68.98	\$ 66.90		1 inch	
	9,000	\$ 76.93	\$ 74.59	5,000	\$ 43.83	MIN BILL
	10,000	\$ 84.88	\$ 82.28	5,000	\$ 7.69	
	13,000	\$ 107.14	\$ 103.76	20,000	\$ 7.16	
2 inch	16,000	\$ 129.40	\$ 125.24	30,000	\$ 6.63	
	20,000	\$ 159.08	\$ 153.88			
	25,000	\$ 196.18	\$ 189.68		2 inch	
3 inch	30,000	\$ 233.28	\$ 225.48	16,000	\$ 125.24	MIN BILL
	40,000	\$ 302.18	\$ 291.78	14,000	\$ 7.16	
4 inch	50,000	\$ 371.08	\$ 358.08	30,000	\$ 6.63	
	75,000	\$ 543.33	\$ 523.83			
6 inch	100,000	\$ 715.58	\$ 689.58		3 inch	
	150,000	\$ 1,060.08	\$ 1,021.08	30,000	\$ 225.48	MIN BILL
	200,000	\$ 1,404.58	\$ 1,352.58	30,000	\$ 6.63	
					4 inch	
				50,000	\$ 358.08	MIN BILL
				50,000	\$ 6.63	
					6 inch	
				100,000	\$ 689.58	MIN BILL
				100,000	\$ 6.63	

revised 2/15/22