

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)
DAVIESS COUNTY WATER) **CASE NO. 2022-00142**
DISTRICT FOR ADJUSTMENT OF)
RATES)

APPLICATION

Applicant, Daviess County Water District (“Daviess District”), pursuant to KRS 278.180 and 807 KAR 5:001, hereby applies to the Public Service Commission (“Commission”) for authority to adjust its rates for water service.

In support of its Application,¹ Daviess District states:

Background

1. The full name and post office address of Daviess District are: Daviess County Water District, 3400 Bittel Road, Owensboro, Kentucky 42301. Its electronic mail address is: whigdon@daviesswater.org.

2. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

¹ To facilitate the Commission’s initial review of this Application, Daviess District has attached as **Exhibit 1** to this Application a document entitled “Filings Requirements List” that consists of four pages, lists each statutory and regulatory requirement for an application for general rate adjustment, identifies the exhibit or paragraph that satisfies the requirement, and contains a hyperlink to that exhibit or paragraph.

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3. Daviess District is not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.

4. Daviess District is a water district created under the provisions of KRS Chapter 74.

5. As of the end of the proposed test period, December 31, 2021, Daviess District provided retail water service to approximately 13,312 retail customers in Daviess County, Kentucky, including 577 commercial customers

² On May 16, 2022, Daviess District filed with the Commission notice of its intent to use electronic filing procedures in this proceeding.

and 296 multiple family dwellings.³ Daviess District also provides wholesale water service to Beech Grove Water System, Inc., East Daviess County Water Association, North McLean County Water District, Owensboro Municipal Utilities, and City of Whitesville.⁴ Daviess County has no water production facilities and purchases its total water requirements from Owensboro Municipal Utilities.

6. Daviess District is the result of a merger of Southeast Daviess County Water District and West Daviess County Water District. The two water districts voluntarily merged on January 1, 2021. The Commission reviewed and approved the proposed merger in Case No. 2020-00287.⁵ As part of its Order approving the proposed merger, the Commission directed that “the rates decided upon for each applicant in Case No. 2020-00195 and Case No. 2020-00196, should be used for approximately one year, until the consolidated utility formed should file an application with the Commission to adjust its rates to a uniform schedule.”⁶

³ *Annual Report of Daviess District Water District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2021* (“2021 Annual Water Report”) at Ref Page 27.

⁴ *Id.* At Ref Page 27.

⁵ *Electronic Joint Application of Southeast Daviess County Water District and West Daviess County Water District for an Order Approving Their Merger Agreement*, Case No. 2020-00287 (Ky. PSC Dec. 15, 2020).

⁶ *Id.* at 6. Under the terms of Order, Daviess District was to file its application on or about January 1, 2021. Because an application for rate adjustment depends upon audited financial

7. A copy of the Resolution of Daviess District's Board of Commissioners authorizing the filing of this Application is attached as **Exhibit 2** to this Application.

Compliance with 807 KAR 5:001, Sections 16 and 17⁷

8. This Application requests a general adjustment of Daviess District's existing rates for water service and is supported by a twelve-month historical test period ending December 31, 2021. Daviess District has adjusted test period revenues and expenses to reflect known and measurable changes. **Section 16(1)(a)1.**

9. Daviess District submits this Application to comply with the Commission's Order of December 15, 2020 in Case No. 2020-00287 "to adjust its rates to a uniform schedule." Since the merger of Southeast Daviess County Water District and West Daviess County Water District, Daviess District has operated with a rate schedule that provides for different rates for water service based upon the areas that its predecessors previously served. The proposed rates will establish one rate schedule for Daviess District's entire territory. **Section 16(1)(b)1.**

records, and because of time to audit those records and to prepare and assemble an application, Daviess District on January 6, 2021 requested until June 30, 2022 to submit the required application for rate adjustment.

⁷ The reference appearing at the end of each paragraph addressing Daviess District's compliance with these Sections refers to the appropriate section containing the filing requirement being addressed.

10. Daviess District does not conduct or transact business in the Commonwealth of Kentucky under an assumed name or any style other than its real name. Therefore, no certificate of assumed name is required for this Application. **Section 16(1)(b)2.**

11. Revised tariff sheets setting forth Daviess District's proposed rates and stating an effective date of August 1, 2022 are attached as **Exhibit 3** to this Application. **Section 16(1)(b)3.**

12. Daviess District's present and proposed revised tariff sheets in comparative form on the same sheet side-by-side are attached as **Exhibit 4** to this Application. **Section 16(1)(b)4.**

13. In accordance with 807 KAR 5:001, Section 17(2)(b), notice of Daviess District's filing of this Application was published in the June 28, 2022 edition of the *Messenger-Inquirer*, the newspaper of general circulation in Daviess District's territory, and will be published in the July 5 and July 12, 2022 editions of that newspaper. A copy of this notice is attached to this Application as **Exhibit 5**. As of the filing of this Application, a copy of this notice was posted in Daviess District's office at 3400 Bittel Road, Owensboro, Kentucky and on its website. These notices will remain posted until the conclusion of this proceeding. Wholesale customers were provided a separate notice of the rate adjustment that described the proposed adjustment. Owensboro Municipal Utilities, East Daviess

County Water Association and the City of Whitesville received a notice in the same form as that attached to this Application as **Exhibit 6A**. Beech Grove Water System and North McLean County Water District received a notice in the same form as that attached to this Application as **Exhibit 6B**. All notices to wholesale customers were electronically mailed on June 23, 2022 and were hand delivered to each wholesale customer on June 24, 2022. **Section 16(1)(b)5; Section 17(1) and (2)**.

14. Pursuant to 807 KAR 5:001, Section 16(2), Daviess District filed with the Commission on May 16, 2022 notice of its intent to file an application for general rate adjustment. A copy of this notice was served by electronic mail on the Office of Attorney General. This notice is attached as **Exhibit 7** to this Application. **Section 16(2)**.

15. A complete description and quantified explanation of all adjustments that Daviess District proposes to make to test period expenses is found in **Exhibit 8** to this Application. **Section 16(4)(a)**.

16. Daviess District supports its application for rate adjustment with the verified testimony and exhibits of Keith Krampe, Daviess District's Office Manager, and of Alan H. Vilines, a professional engineer. Their verified testimonies are attached as **Exhibit 9** and **Exhibit 10** respectively. **Section 16(4)(b)**.

17. The proposed rates will produce total revenues of \$6,558,320, an increase of \$528,825 over the revenues produced from the current rates. The proposed rates will produce an 8.77 percent overall increase in revenue. The effect on utility revenue of each proposed rate is shown at **Exhibit 11** of this Application. **Section 16(4)(d)**.

18. The effect upon the average bill for each customer classification subject to Daviess District's proposed rates is shown at **Exhibit 12** of this Application. **Section 16(4)(e)**.

19. A detailed analysis of Daviess District customer bills showing the revenues that are produced by Daviess District's present rates and those produced by the proposed rates is attached as **Exhibit 13** to this Application and is separately supplied with this Application in Excel Spreadsheet format. **Section 16(4)(g)**.

20. A summary of Daviess District's revenue requirements based upon an 88 percent operating ratio is shown at **Exhibit 14** of this Application. **Section 16(4)(e)**.

21. Daviess District presently follows the 1996 version of National Association of Regulatory Utility Commissioners' *Uniform System of Accounts for Class A/B Water Districts and Associations* as modified and adopted by the Commission in 2002. Its chart of accounts is not more detailed. **Section 16(4)(j)**.

22. A copy of the most recent independent auditor’s report on Daviess District’s financial statements, including written communication from the independent auditor regarding the existence of any material weaknesses, is attached as **Exhibit 15** to this Application. **Section 16(4)(k)**.

23. No depreciation study was prepared to support this application. “Traditional depreciation studies analyze a utility’s historic plant addition and retirement information to determine anticipated service lives.”⁸ Like most of the Commonwealth’s water districts, Daviess District lacks sufficient plant addition and retirement information to perform a reliable analysis.⁹ Consistent with the Commission’s current practice regarding the establishment of depreciation rates,¹⁰ Daviess District has instead relied upon the National Association of Regulatory Commissioners’ *Depreciation Practices for Small Water Utilities*. It proposes to adjust its current depreciation rates to reflect the mid-point of the

⁸ *Application of Northern Kentucky Water District for Approval of Depreciation Study*, Case No. 2006-00398 (Ky. PSC Nov. 21, 2007), Order at 1-2.

⁹ *Id.* at 3 (“Due to the detailed information and expense required to perform a traditional depreciation study using generally accepted practices, no water district operating under the Commission’s jurisdiction has ever filed such a study for Commission review.”)

¹⁰ *See, e.g.*, Case No. 2020-00290, *Electronic Application of Bluegrass Water Utility Operating Company, LLC for an Adjustment of Rates and Approval of Construction* (Ky. PSC Aug. 2, 2021) Order at 32 (“To evaluate the reasonableness of the depreciation practices of small water and sewer utilities, the Commission has historically relied upon the report published in 1979 by the National Association of Regulatory Utility Commissioners (NARUC) titled *Depreciation Practices for Small Water Utilities* (NARUC Study) and the *O&M Guide for the Support of Rural Water-Wastewater Systems* (O&M Guide). When no evidence exists to support a specific life that is inside or outside of the NARUC and O&M Guide ranges, the Commission has historically used the mid-point of the depreciation ranges to depreciate utility plant.”).

service life ranges set forth in that publication to establish its depreciation rates and depreciation expense levels. A table showing the current depreciation rate and the proposed depreciation rate is attached as **Exhibit 16** to this Application.

Section 16(4)(n).

24. A list of all commercially available computer software used to develop the schedules and workpapers for this Application is set forth at **Exhibit 17** to this Application. **Section 16(4)(o).**

25. Daviess District has not made any stock or bond offerings. As it is a water district, it cannot issue stock. It has no outstanding bond issuances. Accordingly, no prospectuses are submitted with this Application. **Section 16(4)(p).**

26. As Daviess District is a governmental agency and a political subdivision of the Commonwealth, it has no shareholders or members and therefore no annual reports to shareholders or members. **Section 16(4)(q).**

27. Each managerial report provided to Daviess District's Board of Commissioners for each month of the test period is attached as **Exhibit 18** to this Application. **Section 16(4)(r).**

28. Daviess District is not required to make and has not made any filings with the Securities and Exchange Commission. **Section 16(4)(s).**

29. Daviess District does not operate any affiliates. **Section 16(4)(t).**

30. A cost-of-service study that is based upon information regarding Daviess District's test period operations and that uses a methodology the Commission has generally accepted is attached as **Exhibit 19** to this Application. **Section 16(4)(t)**.

31. A detailed income statement and balance sheet reflecting the effect of all proposed adjustments is attached as **Exhibit 20** to this Application. **Section 16(5)(a)**.

32. Daviess District has not proposed any proforma adjustments for plant additions. Its capital construction budget is attached to this Application as **Exhibit 21**. **Sections 16(5)(b) and 16(5)(c)**.

33. A copy of Daviess District's annual operating budget for calendar year 2022, the period encompassing the proposed proforma adjustments to test period operations, is attached to this Application as **Exhibit 22**. Daviess District does not prepare operating budgets on a monthly basis. **Section 16(5)(d)**.

34. Daviess District does not propose to add any customers to the test period level of customers. **Section 16(5)(e)**.

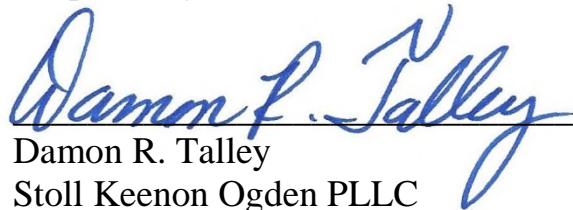
Requested Relief

WHEREFORE, Daviess District respectfully requests the Commission to enter an order:

1. Approving the revised tariff sheet for water service attached as **Exhibit 3** to this Application;
2. Approving rates to reflect a revenue increase of \$528,825 for Daviess District's water operations; and
3. Granting all other relief to which Daviess District may be entitled.

Dated: June 30, 2022

Respectfully submitted,



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*Counsel for Daviess District Water
District*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on June 30, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding



Counsel for Daviess District Water District

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Document</u>
1	Filing Requirement Compliance
2	Resolution No. 2022-06-01 - Resolution of the Daviess District Water District Authorizing District Chairman to File An Application with the Kentucky Public Service Commission for Authority to Adjust Retail and Wholesale Water Rates
3	Revised Tarff Sheet Setting Forth Proposed Rates
4	Side-by-Side Comparison of Present and Revised Tariff Sheet
5	Notice of Filing of Application (Published Version)
6	Notice of Filing of Application to Wholesale Customers
6A	Notice of Filing of Application to Owensboro Municipal Utilities, East Daviess County Water Association and the City of Whitesville
6B	Notice of Filing of Application to Beech Grove Water System and North McLean County Water District
7	Notice of Intent to File An Application for General Rate Adjustment Using a Historical Test Period
8	Description and Explanation of Proposed Adjustments to Test Period Operations
9	Written Testimony of Keith Krampe
10	Written Testimony of Alan H. Vilines
11	Proposed Rates' Effect on Utility Revenue
12	Proposed Rates' Effect on Average Customer Bills
13	Billing Analysis
14	Summary of Revenue Requirements

Exhibit**Document**

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|----|--|
| 15 | Independent Auditor's Report on Daviess District Water District's Financial Statements for the period ending December 31, 2021 |
| 16 | Summary of Current and Proposed Depreciation Rates for Utility Assets |
| 17 | Commercially Available Computer Software Used To Develop Application |
| 18 | Monthly Managerial Reports Provided to Daviess District Water District Board of Commissioners During the Test Period |
| 19 | Cost-of-Service Study |
| 20 | Income Statement and Balance Sheet Showing The Effects of Proposed Adjustments |
| 21 | Capital Expenditure Budget |
| 22 | Daviess District Water District Annual Operating Budget for Calendar Year 2022 |

EXHIBIT 1

Source/Authority	Requirement	Location
KRS 278.180	30 Days' notice of proposed rates	Page 5, Para 11; Exhibit 3
807 KAR 5:001, Section 4(3)	Application signed submitting party or attorney	Page 11
	Name, address, telephone number, fax number, and e-mail address of party or party's attorney	Pages 2-3, Para 2; Page 11
807 KAR 5:001, §14(1)	Applicant's full name, mailing address, and electronic mail address	Page 1, Para 1
	Facts on which the application is based	Page 3, Para 6; Page 4, Para 9
	Specify relief sought	Page 11
	Reference to the particular law requiring or providing for the information	Page 1 (Introductory Para)
807 KAR 5:001, §14(2)	(If applicant is a corporation:) Identify state of incorporation and date of incorporation, statement it is currently in good standing in the state if incorporation; (if not a Kentucky corporation) statement it is authorized to transact business in Kentucky (If applicant is not a corporation:) Statement Applicant is not a corporation	Page 2, Para 3
807 KAR 5:001, §14(3)	(If applicant is a limited liability company:) the state in which organized and date organized; statement that it is in good standing in the state of organization; if not a Kentucky LLC, statement it is authorized to transact business in Kentucky (If applicant is not an LLC:) Statement Applicant is not an LLC	Page 2, Para 3
807 KAR 5:001, §14(4)	(If the applicant is a limited partnership:) a certified copy of limited partnership agreement and all amendments or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding - reference case number; (If applicant is not a limited partnership:) Statement Applicant is not a limited partnership	Page 2, Para 3
807 KAR 5:001, §16(1)(b)	A statement why the adjustment is required	Page 4, Para 9
	Certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary	Page 5, Para 10
	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than 30 days after date of filing of application	Page 5, Para 11 Exhibit 3
	New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: The present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or b. A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions	Page 5, Para 12 Exhibit 4
	Statement that notice given IAW 807 KAR 5:001, §17	Pages 5-6, Para 13

807 KAR 5:001, §16(2)	Notice of Intent. Filed with PSC between 30 60 days prior to filing of application; copy mailed or e-mailed to Attorney General; states type of test period to support application	Page 6, Para 14 Exhibit 7
807 KAR 5:001, §16(4)(a)	A complete description and quantified explanation for all proposed adjustments with proper support for proposed changes in price or activity levels, if applicable, and other factors that may affect the adjustment	Page 6, Para 15 Exhibit 8
807 KAR 5:001, §16(4)(b)	(If gross revenues greater than \$5,000,000) Written testimony of each witness to be used to support application	Page 6, Para 16 Exhibit 9 Exhibit 10
807 KAR 5:001, §16(4)(c)	(If gross revenues less than \$5,000,000) Written testimony of each witness to be used to support application or statement that no written testimony will be submitted	Not Applicable
807 KAR 5:001, §16(4)(d)	A statement estimating the effect that each new rate will have upon the revenues of the utility including the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease	Page 7, Para 17 Exhibit 11
807 KAR 5:001, §16(4)(e)	(Non-telephone utilities) The effect upon the average bill for each customer classification to which the proposed rate change will apply	Page 7, Para 18 Exhibit 12
807 KAR 5:001, §16(4)(f)	(Incumbent local exchange company) Effect upon the average bill for each customer class for change in basic local service	Not Applicable
807 KAR 5:001, §16(4)(g)	A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class	Page 7, Para 19 Exhibit 13
807 KAR 5:001, §16(4)(h)	A summary of applicant's determination of revenue requirements base on debt service coverage or operating ratios with supporting schedules	Page 7, Para 20 Exhibit 14
807 KAR 5:001, §16(4)(i)	(Investor Owned Utilities) A reconciliation of the rate base and capital used to determine revenue requirements (Not applicable to water districts)	Not Applicable
807 KAR 5:001, §16(4)(j)	A current chart of accounts if more detailed than the Uniform System of Accounts	Not Applicable Page 7, Para 21
807 KAR 5:001, §16(4)(k)	The independent auditor's annual opinion report, with written communication from the independent auditor to the utility, if applicable, which indicates the existence of a material weakness in the utility's internal controls	Page 8, Para 22 Exhibit 15
807 KAR 5:001, §16(4)(l)	Most recent FERC or FCC audit reports	Not Applicable
807 KAR 5:001, §16(4)(m)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone)	Not Applicable
807 KAR 5:001, §16(4)(n)	Depreciation Study - A summary of the utility's latest depreciation study with schedules by major plant accounts) – Statement that NARUC Service Lives with exceptions are used as alternative	Pages 8-9, Para 23 Exhibit 16

807 KAR 5:001, §16(4)(o)	A list of all commercially available or in-house developed computer software, programs, and models used to develop application's schedules and work papers	Page 9, para 24 Exhibit 17
	List each software, program, or model	
	Describe use of software, program, or model	
	List Supplier of software, program, or model	
	Brief description of software, program, or model	
807 KAR 5:001, §16(4)(p)	Specifications for the computer hardware & operating system required to run program	
807 KAR 5:001, §16(4)(p)	Prospectuses of the most recent stock or bond offerings	Not Applicable Page 9, Para 25
807 KAR 5:001, §16(4)(q)	Annual report to shareholders or members and statistical supplements covering the 2 most recent years from application filing date	Not Applicable Page 9, Para 26
807 KAR 5:001, §16(4)(r)	Monthly managerial reports providing financial results of operations for the 12 months in the test period	Page 9 para 27 Exhibit 18
807 KAR 5:001, §16(4)(s)	SEC's annual report (Form 10-K) for most recent 2 years, any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available	Not Applicable Page 9, Para 28
807 KAR 5:001, §16(4)(t)	Report of affiliated transactions: Must include - Detailed description of the method and amounts allocated or charged to the utility by the affiliate for each charge allocation or payment; - Explanation of how the allocator for the test period was determined - All facts to demonstrate that each amount charged, allocated, or paid during the test period was reasonable	Not Applicable Page 9, Para 29
807 KAR 5:001, §16(4)(u)	(Non-telephone utility with annual gross revenues greater than \$5,000,000) Cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period	Page 10, Para 30 Exhibit 19
807 KAR 5:001, §16(4)(v)	(Applicable only to local exchange carriers with more than 50,000 access lines) Jurisdictional separations study consistent with 47 C.F.R. Part 36 of the FCC Regulations; Service specific cost studies supporting pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access based on current and reliable data from a single time period; and using generally recognized fully allocated, embedded, or incremental cost principles	Not Applicable
807 KAR 5:001, §16(5)(a)	A detailed income statement and balance sheet reflecting the impact of all proposed adjustments	Page 10, Para 31 Exhibit 20
807 KAR 5:001, §16(5)(b)	The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions	Page 10, Para 32 Exhibit 21

807 KAR 5:001, §16(5)(c)	<p>If pro forma adjustment for plant addition proposed:</p> <ul style="list-style-type: none"> - Starting date of the construction - Proposed in-service date - Total estimated cost of construction at completion - Amount contained in construction work in progress test period end - Schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement - Original cost and cost of removal and salvage for each component of plant to be retired during period of proposed pro forma adjustment for plant additions; - Explanation of differences, if applicable, in the amounts contained in the capital construction budget and the amounts of capital construction cost contained in the pro forma adjustment period - Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements 	<p>Not Applicable: No pro forma adjustments reflecting plant additions proposed Page 10, Para 32</p>
807 KAR 5:001, §16(5)(d)	The operating budget for each month of the period encompassing the pro forma adjustments	Page 10, Para 33 Exhibit 22
807 KAR 5:001, §16(5)(e)	The number of customers to be added to the test period end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers	Page 10, Para 34 Not Applicable
807 KAR 5:001, §17(1)	<p>Notice must be posted in place of business no later than date of submission of application</p> <p>Notice must be posted on website and social media within 5 business days of submission of application and must include hyperlink to case docket page</p> <p>Notices are not removed until final decision on application</p>	Pages 5-6, Para 13
807 KAR 5:001, §17(2)	Notice mailed to each customer no later than date of submission of application	Pages 5-6, Para 13
807 KAR 5:001, §17(2)	Notice published in newspaper of general circulation in service area with 1st publication no later than date of submission of application	Pages 5-6, Para 13
807 KAR 5:001, §17(3)	Proof of Notice submitted within 45 days of submission of application	Will Be Submitted Within Specified Time
807 KAR 5:001, §17(4)	Notice content	Exhibit 5 Exhibit 6A Exhibit 6B

EXHIBIT 2

RESOLUTION NO. 2022-05-01

RESOLUTION OF THE DAVIESS COUNTY WATER DISTRICT AUTHORIZING DISTRICT CHAIRMAN TO FILE AN APPLICATION WITH THE KENTUCKY PUBLIC SERVICE COMMISSION FOR AUTHORITY TO ADJUST RETAIL AND WHOLESALE WATER RATES

WHEREAS, the Daviess County Water District (the “Daviess District”) is the successor, by reason of merger and a name change, to the Southeast Daviess County Water District (the “Southeast District”) and the West Daviess County Water District (the “West District”);

WHEREAS, the Effective Date of the merger was 12:00:01 A.M. on January 1, 2021;

WHEREAS, before the Effective Date of the merger, both the Southeast District and the West District had requested a rate increase based upon the alternative rate adjustment process in Case Nos. 2020-00195 and 2020-00196, respectively;

WHEREAS, in its December 30, 2020 Orders in Case Nos. 2020-00195 and 2020-00196, the Kentucky Public Service Commission (the “PSC”) set forth the new rates for services rendered by the Southeast District and the West District on and after December 30, 2020;

WHEREAS, in its December 15, 2020 Order approving the merger in Case No. 2020-00287, the PSC stated that the “rates decided upon for each applicant in

Case No. 2020-00195 and Case No. 2020-00196 ... should be used for approximately a year, until the consolidated utility formed should file an application with the PSC to adjust its rates to a uniform schedule.”;

WHEREAS, Daviess District engaged the services of the Kentucky Rural Water Association (the “KRWA”) to perform a comprehensive Cost of Service Study (the “COSS”) for both wholesale and retail rates;

WHEREAS, one of goals of the Merger was to have a unified rate schedule whereby all retail customers will pay the same rates regardless of their location;

WHEREAS, KRWA has completed its COSS, has recommended a unified retail rate schedule applicable to all retail customers, and has recommended a unified wholesale rate which will be applicable to all wholesale customers;

WHEREAS, Daviess District has reviewed the COSS prepared by KRWA and the recommendations made by KRWA and desires to implement the rates recommended by KRWA; and

WHEREAS, KRS 278.180 requires Daviess District to submit a formal application for a rate adjustment to the PSC before it can implement a rate adjustment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAVIESS COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Chairman is hereby authorized and directed to execute and file an application with the PSC, pursuant to 807 KAR 5:001, for authority to adjust Daviess District's rates for retail and wholesale water service to those set forth in **Exhibit A** to this Resolution.


Section 3. The Chairman, General Manager, all appropriate staff, and Daviess District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to obtain a general adjustment of its rates for retail and wholesale water service.

Section 4. This Resolution shall take effect upon its adoption.

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Adopted by the Board of Commissioners of the Daviess County Water District at a meeting held on May 17, 2022, signed by the Chairman, and attested by the Secretary.

DAVIESS COUNTY WATER DISTRICT

By: 
Christina V. O'Bryan, Chairman

ATTEST:


Stanley K. Conn, Secretary

CERTIFICATION

The undersigned Secretary of Daviess County Water District (the “Daviess District”) does hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Daviess District’s Board of Commissioners at a meeting properly held on May 17, 2022, signed by the Chairman of the Board of Commissioners, attested by the Secretary of the Board of Commissioners, and is now in full force and effect.

WITNESS my hand this 17th day of May 2022.


Stanley K. Conn, Secretary

EXHIBIT A

RETAIL AND WHOLESALE RATES

PROPOSED RATES

Retail Customers:

A. Customer Charge:

Meter Size

5/8" x 3/4"	\$ 4.09
1-Inch	\$ 5.73
1 1/2"	\$ 7.36
2-Inch	\$ 11.86
3-Inch	\$ 44.99
4-Inch	\$ 57.26
6-Inch	\$ 85.89
8-Inch	\$ 118.61

B. Volumetric Rates:

First 20,000 gallons per month	\$ 6.46 per 1,000 gallons
Over 20,000 gallons per month	\$ 5.36 per 1,000 gallons

Wholesale Rate: All wholesale customers \$ 4.18 per 1,000 gallons

EXHIBIT 3

AREA Daviess County, Kentucky

PSC KY NO. 1

Seventh Revised SHEET NO. 1

Daviess County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

Sixth Revised SHEET NO. 1

RATES AND CHARGES

A. MONTHLY CHARGES

Customer Charge

5/8-Inch x 3/4-Inch Meter	\$4.09 per month	(I)
1-Inch Meter	5.73 per month	(I)
1 1/2-Inch Meter	7.36 per month	(I)
2-Inch Meter	11.86 per month	(I)
3-Inch Meter	44.99 per month	(I)
4-Inch Meter	57.26 per month	(I)
6-Inch Meter	85.89 per month	(I)
8-Inch Meter	118.61 per month	(I)

Usage Charge

First 20,000 gallons	.00646 per gallon	(I)(R)*
Over 20,000 gallons	.00536 per gallon	(I)(R)*

* Proposed change represents an increase to the rate charged to customers located in the Southeast Division and a decrease to customers located in the West Division.

DATE OF ISSUE June 28, 2022

MONTH / DATE / YEAR

DATE EFFECTIVE August 1, 2022

MONTH / DATE / YEAR

ISSUED BY /s/Christina V. O'Bryan

SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

AREA Daviess County, Kentucky

PSC KY NO. 1

First Revised SHEET NO. 1.1

CANCELLING PSC KY NO. _____

Original SHEET NO. 1.1

Daviess County Water District
(NAME OF UTILITY)

RATES AND CHARGES

(Reserved for Future Use) (T)(D)

DATE OF ISSUE June 28, 2022

MONTH / DATE / YEAR

DATE EFFECTIVE August 1, 2022

MONTH / DATE / YEAR

ISSUED BY /s/Christina V. O'Bryan

SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

AREA Daviess County, Kentucky

PSC KY NO. 1

Seventh Revised SHEET NO. 5

CANCELLING PSC KY NO. 1

Sixth Revised SHEET NO. 5

Daviess County Water District
(NAME OF UTILITY)

RATES AND CHARGES

E. [Reserved for Future Use] (T)
(D)
(D)

F. WHOLESALE WATER RATES

Beech Grove Water System, Inc.	\$4.18 per 1,000 gallons	(R)
East Daviess County Water Association	\$4.18 per 1,000 gallons	(I)
North McLean County Water District	\$4.18 per 1,000 gallons	(R)
Owensboro Municipal Utilities	\$4.18 per 1,000 gallons	(I)
City of Whitesville	\$4.18 per 1,000 gallons	(I)

DATE OF ISSUE June 28, 2022

MONTH / DATE / YEAR

DATE EFFECTIVE August 1, 2022

MONTH / DATE / YEAR

ISSUED BY /s/Christina V. O'Bryan

SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

AREA Daviess County, Kentucky

PSC KY NO. 1

First Revised SHEET NO. 5.1

CANCELLING PSC KY NO. _____

Original SHEET NO. 5.1

Daviess County Water District
(NAME OF UTILITY)

RATES AND CHARGES

(Reserved for Future Use) (T)(D)

DATE OF ISSUE June 28, 2022
MONTH / DATE / YEAR

DATE EFFECTIVE August 1, 2022
MONTH / DATE / YEAR

ISSUED BY /s/Christina V. O'Bryan
SIGNATURE OF OFFICER

TITLE Chair

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

EXHIBIT 4

AREA Daviess County, Kentucky
 PSC KY NO. 1
 Seventh Revised SHEET NO. 1
 CANCELLING PSC KY NO. 1
 Daviess County Water District
 (NAME OF UTILITY) Sixth Revised SHEET NO. 1

RATES AND CHARGES

A. MONTHLY CHARGES

<u>Customer Charge</u>	
5/8-Inch x 3/4-Inch Meter	\$4.09 per month (I)
1-Inch Meter	5.73 per month (I)
1 1/2-Inch Meter	7.36 per month (I)
2-Inch Meter	11.86 per month (I)
3-Inch Meter	44.99 per month (I)
4-Inch Meter	57.26 per month (I)
6-Inch Meter	85.89 per month (I)
8-Inch Meter	118.61 per month (I)
<u>Usage Charge</u>	
First 20,000 gallons	.00646 per gallon (I)(R)*
Over 20,000 gallons	.00536 per gallon (I)(R)*

* Proposed change represents an increase to the rate charged to customers located in the Southeast Division and a decrease to customers located in the West Division.

DATE OF ISSUE June 28, 2022
 MONTH / DATE / YEAR
 DATE EFFECTIVE August 1, 2022
 MONTH / DATE / YEAR
 ISSUED BY /s/Christina V. O'Bryan
 SIGNATURE OF OFFICER
 TITLE Chair
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

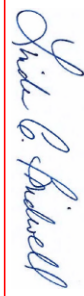
FOR : Daviess County, Kentucky
 Community, Town or City
 P.S.C. KY. No. 1
 6th Revised Sheet No. 1
 CANCELLING P.S.C. KY. No. 1
 Daviess County Water District
 (Name of Utility) 5th Revised Sheet No. 1

RATES AND CHARGES

A. MONTHLY RATES (SOUTHEAST DIVISION):

<u>Customer Charge</u>	
5/8" x 3/4" Meters	\$ 2.97 per month (I)
1" Meters	\$ 4.15 per month (I)
1 1/2" Meters	\$ 5.34 per month (I)
2" Meters	\$ 8.61 per month (I)
3" Meters	\$ 32.65 per month (I)
4" Meters	\$ 41.56 per month (I)
6" Meters	\$ 62.34 per month (I)
8" Meters	\$ 86.09 per month (I)
<u>Usage Charge</u>	
First 20,000 gallons	\$.00561 per gallon (I)
Over 20,000 gallons	\$.00461 per gallon (I)

DATE OF ISSUE _____ Month / Date / Year
 DATE EFFECTIVE June 1, 2021 Month / Date / Year
 ISSUED BY Christina O'Bryan
 (Signature of Officer)
 TITLE Board Chairperson
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2021-00198 DATED June 2, 2021

KENTUCKY PUBLIC SERVICE COMMISSION Linda C. Bridwell Executive Director	 Linda C. Bridwell Executive Director EFFECTIVE 6/1/2021 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)
---	--

AREA Davless County, Kentucky
 PSC KY NO. 1
 First Revised SHEET NO. 1.1
 CANCELLING PSC KY NO. _____
 Original SHEET NO. 1.1
 Davless County Water District
 (NAME OF UTILITY)

RATES AND CHARGES

FOR Davless County, Kentucky
 Community, Town or City
 P.S.C. KY. No. 1.1
 Original Sheet No. 1.1
 CANCELLING P.S.C. KY. No. _____
 Sheet No. _____
 Davless County Water District
 (Name of Utility)

RATES AND CHARGES

A. MONTHLY RATES (WEST DIVISION):

Customer Charge		
5/8" x 3/4" Meters	\$ 3.70	per month
1" Meters	\$ 5.18	per month
1 1/2" Meters	\$ 6.66	per month
2" Meters	\$ 10.73	per month
3" Meters	\$ 40.69	per month
4" Meters	\$ 51.79	per month
6" Meters	\$ 77.67	per month
8" Meters	\$ 107.28	per month
Usage Charge		
First 20,000 gallons	\$.00672	per gallon (l)
Over 20,000 gallons	\$.00551	per gallon (l)

(Reserved for Future Use) (T)(D)

DATE OF ISSUE June 28, 2022
 MONTH / DATE / YEAR
 DATE EFFECTIVE August 1, 2022
 MONTH / DATE / YEAR
 ISSUED BY /s/Christina V. O'Bryan
 SIGNATURE OF OFFICER
 TITLE Chair
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

DATE OF ISSUE _____ Month / Date / Year
 DATE EFFECTIVE June 1, 2021 Month / Date / Year
 ISSUED BY Charles O'Byrne Signature of Officer
 TITLE Board Chairman
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2021-00196 DATED June 2, 2021

KENTUCKY PUBLIC SERVICE COMMISSION Linda C. Bridwell Executive Director	 EFFECTIVE 6/1/2021 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)
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AREA Daviess County, Kentucky

PSC KY NO. 1

Seventh Revised SHEET NO. 5

CANCELLING PSC KY NO. 1

Sixth Revised SHEET NO. 5

Daviess County Water District
(NAME OF UTILITY)

RATES AND CHARGES

E. [Reserved for Future Use]

- (T)
- (D)
- (D)

F. WHOLESALE WATER RATES

Beech Grove Water System, Inc. (R) \$4.18 per 1,000 gallons
 East Daviess County Water Association (I) \$4.18 per 1,000 gallons
 North McLean County Water District (R) \$4.18 per 1,000 gallons
 Owensboro Municipal Utilities (I) \$4.18 per 1,000 gallons
 City of Whitesville (I) \$4.18 per 1,000 gallons

FOR : Daviess County, Kentucky
Community, Town or City

P.S.C. KY. No. 1

6th Revised Sheet No. 5

Daviess County Water District

(Name of Utility)

CANCELLING P.S.C. KY. No. 1

5th Revised Sheet No. 5

RATES AND CHARGES

E. PURCHASED WATER RATES (SOUTHEAST DIVISION):

Owensboro Municipal Utilities Rate \$ 2.77 per 1,000 Gallons (I)
 East Daviess County Water Association \$ 2.87 per 1,000 Gallons (I)

F. WHOLESALE WATER RATES (SOUTHEAST DIVISION):

City of Whitesville Rate \$.00375 per gallon (I)
 East Daviess County Water Association \$.00375 per gallon (I)
 Owensboro Municipal Utilities \$.00375 per gallon (I)

DATE OF ISSUE June 28, 2022

MONTH / DATE / YEAR

DATE EFFECTIVE August 1, 2022

MONTH / DATE / YEAR

ISSUED BY /s/Christina V. O'Bryan

SIGNATURE OF OFFICER

TITLE Chair

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

DATE OF ISSUE June 1, 2021

Month / Date / Year

DATE EFFECTIVE June 1, 2021

Month / Date / Year

ISSUED BY Christina O'Bryan

Signature of Officer

TITLE Board Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2021-00196 DATED June 2, 2021

KENTUCKY PUBLIC SERVICE COMMISSION Linda C. Bridwell Executive Director  EFFECTIVE 6/1/2021 PURSUANT TO 807 KAR 5.014 SECTION 9 (1)
--

AREA Daviess County, Kentucky
 PSC KY NO. 1
 First Revised SHEET NO. 5.1
 CANCELLING PSC KY NO. _____
 Original SHEET NO. 5.1
 Daviess County Water District
 (NAME OF UTILITY)

RATES AND CHARGES

FOR : Daviess County, Kentucky
 Community, Town or City
 P.S.C. KY. No. 1.1
 Original Sheet No. 5.1
 CANCELLING P.S.C. KY. No. _____
 Sheet No. _____
 Daviess County Water District
 (Name of Utility)

RATES AND CHARGES

D. PURCHASED WATER RATES (WEST DIVISION):
 Owensboro Municipal Utilities Rate
 \$ 3.16 per 1,000 Gallons (1)

(Reserved for Future Use) (T)(D)

E. WHOLESALE WATER RATES (WEST DIVISION):
 McLean County Water District Rate
 \$.00484 per gallon (1)
 Beech Grove Water Association Rate
 \$.00484 per gallon (1)

DATE OF ISSUE June 28, 2022
 MONTH / DATE / YEAR
 DATE EFFECTIVE August 1, 2022
 MONTH / DATE / YEAR
 ISSUED BY /s/Christina V. O'Bryan
 SIGNATURE OF OFFICER
 TITLE Chair
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

DATE OF ISSUE _____
 Month / Date / Year
 DATE EFFECTIVE June 1, 2021
 Month / Date / Year
 ISSUED BY Christina O'Bryan
 SIGNATURE OF OFFICER
 TITLE Board Chairman
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. 2021-00196 DATED June 2, 2021

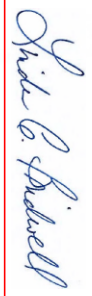
KENTUCKY PUBLIC SERVICE COMMISSION Linda C. Bridwell Executive Director	 Linda C. Bridwell Executive Director
EFFECTIVE 6/1/2021 PURSUANT TO 807 KAR 5.014 SECTION 9 (1)	

EXHIBIT 5

CUSTOMER NOTICE

On or about June 30, 2022, Daviess County Water District will file an application with the Kentucky Public Service Commission to adjust its monthly rates for water service. Daviess County Water District is making this application to comply with the Kentucky Public Service Commission's Order of December 15, 2020 in Case No. 2020-00287. Daviess County Water District proposes to place the proposed rates into effect on August 1, 2022.

Daviess County Water District proposes the following rates for water service:

SOUTHEAST DIVISION

Customer Charge Based Upon Meter Size				
Meter Size	Present Charge	Proposed Charge	Change (\$)	Change (%)
5/8" x 3/4"	\$ 2.97	\$ 4.09	\$ 1.12	37.71
1-Inch	\$ 4.15	\$ 5.73	\$ 1.58	38.07
1 1/2"	\$ 5.34	\$ 7.36	\$ 2.02	37.83
2-Inch	\$ 8.61	\$ 11.86	\$ 3.25	37.75
3-Inch	\$ 32.65	\$ 44.99	\$ 12.34	37.79
4-Inch	\$ 41.56	\$ 57.26	\$ 15.70	37.78
6-Inch	\$ 62.34	\$ 85.89	\$ 23.55	37.78
8-Inch	\$ 86.09	\$ 118.61	\$ 32.52	37.77

Volumetric Rates for Water Usage				
Gallons Per Month	Rate Per Gallon		Change (\$)	Change (%)
	Present Rate	Proposed Rate		
First 20,000 Gallons	\$ 0.00561	\$ 0.00646	\$ 0.00085	15.15
Over 20,000 Gallons	\$ 0.00461	\$ 0.00536	\$ 0.00075	16.27

If the Public Service Commission approves the proposed water rates, the increase in a Southeast Division customer's monthly bill will be:

Customer	Average Usage Gallons	Monthly Bill at Present Rate	Monthly Bill at Proposed Rate	Change (\$)	Change (%)
5/8" x 3/4"	4,100	\$ 25.97	\$ 30.58	\$ 4.61	17.75
1-Inch	7,500	\$ 46.23	\$ 54.18	\$ 7.95	17.20
1 1/2"	21,600	\$ 124.92	\$ 145.14	\$ 20.22	16.19
2-Inch	63,400	\$ 320.88	\$ 373.68	\$ 52.80	16.45
3-Inch	84,800	\$ 443.58	\$ 521.52	\$ 77.94	17.57
4-Inch	1,441,100	\$ 6,705.03	\$ 7,803.56	\$ 1,098.53	16.38
6-Inch	243,500	\$ 1,204.88	\$ 1,413.05	\$ 218.17	17.28
8-Inch	N/A	N/A	N/A	N/A	N/A

WEST DIVISION

Customer Charge Based Upon Meter Size				
Meter Size	Present Charge	Proposed Charge	Change (\$)	Change (%)
5/8" x 3/4"	\$ 3.70	\$ 4.09	\$ 0.39	10.54
1-Inch	\$ 5.18	\$ 5.73	\$ 0.55	10.62
1 1/2"	\$ 6.66	\$ 7.36	\$ 0.70	10.51
2-Inch	\$ 10.73	\$ 11.86	\$ 1.13	10.53
3-Inch	\$ 40.69	\$ 44.99	\$ 4.30	10.57
4-Inch	\$ 51.79	\$ 57.26	\$ 5.47	10.56
6-Inch	\$ 77.67	\$ 85.89	\$ 8.22	10.58
8-Inch	\$ 107.28	\$ 118.61	\$ 11.33	10.56

Volumetric Rates for Water Usage				
Gallons Per Month	Rate Per Gallon		Change (\$)	Change (%)
	Present Rate	Proposed Rate		
First 20,000 Gallons	\$ 0.00672	\$ 0.00646	\$ (0.00026)	(3.87)
Over 20,000 Gallons	\$ 0.00551	\$ 0.00536	\$ (0.00015)	(2.72)

If the Public Service Commission approves the proposed water rates, the decrease in a West Division customer's monthly bill will be:

Customer	Average Usage Gallons	Monthly Bill at Present Rate	Monthly Bill at Proposed Rate	Change (\$)	Change (%)
5/8" x 3/4"	4,100	\$ 31.25	\$ 30.58	\$ (0.67)	(2.14)
1-Inch	7,500	\$ 55.58	\$ 54.18	\$ (1.40)	(2.52)
1 1/2"	21,600	\$ 149.88	\$ 145.14	\$ (4.74)	(3.16)
2-Inch	63,400	\$ 384.26	\$ 373.68	\$ (10.58)	(2.75)
3-Inch	84,800	\$ 532.14	\$ 521.52	\$ (10.62)	(2.00)
4-Inch	1,441,100	\$ 8,016.45	\$ 7,803.56	\$ (212.89)	(2.66)
6-Inch	243,500	\$ 1,443.56	\$ 1,413.05	\$ (30.51)	(2.11)
8-Inch	N/A	N/A	N/A	N/A	N/A

The Kentucky Public Service Commission has established Case No. 2022-00142 to review Daviess County Water District's application. Any person may examine this application at Daviess County Water District's office, 3400 Bittel Road, Owensboro, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or at the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at:

<https://psc.ky.gov/Case/ViewCaseFilings/2022-142>.

Comments regarding the application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by e-mail to psc.info@ky.gov or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Daviess County Water District. However, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of notice, it may take final action on the proposed rates.

Daviess County Water District
First Publication Date: June 28, 2022

EXHIBIT 6

EXHIBIT 6A

WHOLESALE CUSTOMER NOTICE SOUTHEAST DIVISION

On or about June 30, 2022, Daviess County Water District will file an application with the Kentucky Public Service Commission to adjust its monthly rates for water service. Daviess County Water District is making this application to comply with the Kentucky Public Service Commission's Order of December 15, 2020 in Case No. 2020-00287. Daviess County Water District proposes to place the proposed rates into effect on August 1, 2022.

The current rate and the proposed rate for Daviess County Water District's wholesale customers are set forth as follows:

	Current Rate	Proposed Rate	\$ Difference	% Difference
Volumetric Rate (per 1,000 gallons)	\$3.75	\$4.18	\$0.43	11.47%

If the Kentucky Public Service Commission approves the proposed wholesale rate, then the monthly bill for a wholesale customer will increase from \$3,750 to \$4,180 for each 1,000,000 gallons purchased. This is an increase of \$430 for each million gallons or 11.47%.

The Kentucky Public Service Commission has established Case No. 2022-00142 to review Daviess County Water District's application. Any person may examine this application at Daviess County Water District's office, 3400 Bittel Road, Owensboro, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or at the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at:

<https://psc.ky.gov/Case/ViewCaseFilings/2022-142>.

Comments regarding the application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by e-mail to psc.info@ky.gov or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

The wholesale rate contained in this notice is the wholesale rate proposed by Daviess County Water District. However, the Kentucky Public Service Commission may order a rate to be charged that differs from the proposed rate. Such action may result in a rate for a wholesale customer other than the rate in this notice.

A wholesale customer or any person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request, including the person's status and interest. If the Kentucky Public Service Commission does not receive a written request for intervention prior to the proposed effective date of the new wholesale rate (August 1, 2022), it may take final action on the proposed wholesale rate.

Daviess County Water District

EXHIBIT 6B

WHOLESALE CUSTOMER NOTICE WEST DIVISION

On or about June 30, 2022, Daviess County Water District will file an application with the Kentucky Public Service Commission to adjust its monthly rates for water service. Daviess County Water District is making this application to comply with the Kentucky Public Service Commission's Order of December 15, 2020 in Case No. 2020-00287. Daviess County Water District proposes to place the proposed rates into effect on August 1, 2022.

The current rate and the proposed rate for Daviess County Water District's wholesale customers are set forth as follows:

	Current Rate	Proposed Rate	\$ Difference	% Difference
Volumetric Rate (per 1,000 gallons)	\$4.84	\$4.18	\$(0.66)	(13.64)%

If the Kentucky Public Service Commission approves the proposed wholesale rate, then the monthly bill for a wholesale customer will **decrease** from \$4,840 to \$4,180 for each 1,000,000 gallons purchased. This is a **decrease** of \$660 for each million gallons or 13.64%.

The Kentucky Public Service Commission has established Case No. 2022-00142 to review Daviess County Water District's application. Any person may examine this application at Daviess County Water District's office, 3400 Bittel Road, Owensboro, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or at the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at:

<https://psc.ky.gov/Case/ViewCaseFilings/2022-142>.

Comments regarding the application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by e-mail to psc.info@ky.gov or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

The wholesale rate contained in this notice is the wholesale rate proposed by Daviess County Water District. However, the Kentucky Public Service Commission may order a rate to be charged that differs from the proposed rate. Such action may result in a rate for a wholesale customer other than the rate in this notice.

A wholesale customer or any person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request, including the person's status and interest. If the Kentucky Public Service Commission does not receive a written request for intervention prior to the proposed effective date of the new wholesale rate (August 1, 2022), it may take final action on the proposed wholesale rate.

Daviess County Water District

EXHIBIT 7

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

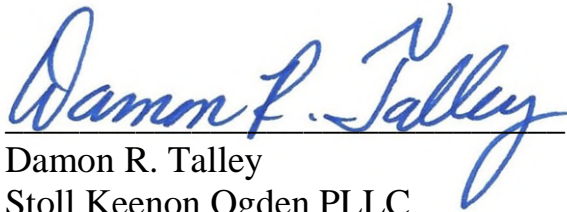
**ELECTRONIC APPLICATION OF)
DAVIESS COUNTY WATER DISTRICT) CASE NO. 2022-00142
FOR ADJUSTMENT OF RATES)**

NOTICE

Pursuant to 807 KAR 5:001, Section 16(2), Daviess County Water District gives notice to the Public Service Commission that on or before June 30, 2022, it will file an application for a general rate adjustment to, *inter alia*, establish a uniform rate as required by the Public Service Commission’s Order of December 15, 2020 in Case No. 2020-00287.¹

Dated: May 16, 2022

Respectfully submitted,



Damon R. Talley
Stoll Keenon Ogden PLLC
P.O. Box 150
Hodgenville, KY 42748-0150
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

¹ *Electronic Joint Application of Southeast Daviess County Water District and West Daviess County Water District for An Order Approving Their Merger Agreement, Case No. 2020-00287 (Ky. PSC Dec. 15, 2020).*

Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3017
Fax: (859) 259-3597
gerald.wuetcher@skofirm.com

Counsel for Daviess County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that this document was submitted electronically to the Public Service Commission on May 16, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding. I further certify that a copy of this notice has been served by e-mail on May 16, 2022 to John Horne, Executive Director, Office of Rate Intervention, Office of Attorney General at john.horne@ky.gov.



Damon R. Talley

EXHIBIT 8

SCHEDULE OF ADJUSTED OPERATIONS
Daviess County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	\$ 5,349,757	\$ 233,619	A	\$ 5,583,376
Fire Protection	36,868	284	A	37,152
Sales for Resale	381,175	27,791	A	408,966
Other Water Revenues:				
Forfeited Discounts		62,356	B	62,356
Misc. Service Revenues	31,017			31,017
Other Water Revenues	<u>142,327</u>	467	C	<u>142,794</u>
Total Operating Revenues	\$ 5,941,144			\$ 6,265,661
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	749,184	90,671	D	839,855
Salaries and Wages - Officers	18,000			18,000
Employee Pensions and Benefits	362,229	12,419	D	
		(69,474)	E	305,174
Purchased Water	3,149,551	180,548	F	3,330,099
Purchased Power	113,592			113,592
Materials and Supplies	312,837	2,745	G	315,582
Contractual Services	55,427	22,767	H	78,194
Rental of Bldg/Real Property	11,692			11,692
Transportation Expenses	55,652			55,652
Insurance - Gen. Liab. & Workers Comp.	45,800			45,800
Advertising	4,390			4,390
Bad Debt	6,870			6,870
Miscellaneous Expenses	<u>37,048</u>			<u>37,048</u>
Total Operation and Mnt. Expenses	4,922,272			5,161,948
Depreciation Expense	755,001	22,417	I	777,418
Taxes Other Than Income	<u>66,340</u>	11,778	J	<u>78,118</u>
Total Operating Expenses	\$ 5,743,613			\$ 6,017,484
Net Utility Operating Income	\$ 197,531			\$ 248,178

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 6,017,484
Divided by: Operating Ratio	K 88%
Subtotal	6,838,049
Plus: Interest Expense	<u>395</u>
Total Revenue Requirement	6,838,444
Less: Other Operating Revenue	(236,167)
Interest Income	<u>(43,958)</u>
Revenue Required From Sales of Water	6,558,320
Less: Revenue from Sales with Present Rates	<u>6,029,494</u>
Required Revenue Increase	\$ 528,825
Percent Increase	8.77%

REFERENCES

- A. The Current Billing Analysis results in pro forma Retail Sales revenue of \$5,583,376, Fire Protection revenue of \$37,152, and Wholesale revenue of \$408,966. This indicates additions are required to Metered Retail Sales, Fire Protection, and Sales for Resale of \$233,619, \$284, and \$27,791, respectively. These adjustments reflect a full year of sales at the water rates approved in June 2021.
- B. The final Orders of the Public Service Commission in Cases 2020-00195/196, eliminated the Districts' 10 percent late fee charges. Subsequently, a Kentucky state statute was amended to require the PSC to approve such fees for any water utility that requests them. Since the District is considering reinstating this charge, an estimate of the potential revenue is included. Based on former experience with adjustments for later rate increases, it is estimated that late fees could generate \$62,356 in new revenue.
- C. In both 2021 and 2022 the District received a 3 percent increase from AT&T for colocation of its facilities at the West Louisville tank. This results in an adjustment of \$467 in Other Water Revenues.
- D. During and after the test year of 2021, wages have increased for most employees and new employees have filled positions which had been vacated. These changes result in a net increase in Salaries and Wages expense of \$90,671. This increase in wages also results in additional retirement benefits expense of \$12,419.
- E. The District pays about 98 percent of its employees' health insurance premiums and a significant percentage of dental premiums. The PSC typically requires that expenses associated with this level of employer-funding be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 78 percent for single coverage and 66 percent for family coverage. The PSC allowable employer share for dental insurance is 60 percent. Applying those percentages to premiums to be paid in the current year results in a deduction from 2021 benefits expense of \$69,474.
- F. In mid-2021 and 2022 the District's water suppliers raised the rates they charge for wholesale purchases. These increases result in an adjustment to the 2021 Purchased Water expense of \$180,548.
- G. The District's AMI vendor and tank maintenance contractor increase their charges 3 percent and 3.67 percent per year, respectively. This results in an adjustment to Materials & Supplies expense of \$2,745.

- H. It is estimated that the current PSC rate case may cost a total of \$68,300. Amortizing that amount over 3 years results in an adjustment to Contractual Services of \$22,767.
- I. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. See Table A.
- J. The increase in Salaries and Wages expense mentioned above plus an increase in the local payroll tax results in an adjustment of \$11,778 to Taxes Other Than Income.
- K. In cases where the utility has no long term debt the Operating Ratio method is accepted by the PSC to determine the Total Revenue Requirement. That is the situation for Daviess County Water and therefore, the Operating Ratio method is used here.

EXHIBIT 9

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)
DAVISS COUNTY WATER DISTRICT) CASE NO. 2022-00142
FOR ADJUSTMENT OF RATES)

WRITTEN TESTIMONY OF
KEITH KRAMPE
OFFICE MANAGER
DAVISS COUNTY WATER DISTRICT

Filed: June 30, 2022

1 **Q. Please state your name, position, and business address.**

2 A. My name is Keith Krampe. I am the Office Manager for the Daviess
3 County Water District (“District”). My business address is 3400 Bittel Rd,
4 Owensboro, Kentucky 42301.

5 **Q. Please describe your educational and professional background.**

6 A. I have worked for the District since 1993, and I have been the Office
7 Manager since 1995. I have prepared a statement of my professional
8 history and education, which is **Appendix A** to this testimony.

9 **Q. What are your primary duties as the Office Manager for the District?**

10 A. I supervise the four (4) Customer Service Representatives who work in the
11 office and who report directly to me. I also am responsible for the
12 District’s software program with regard to billing accuracy. I oversee and
13 am responsible for all operations within the District office.

14 **Q. What responsibilities do you have with respect to preparing and
15 mailing the monthly bills to the District’s customers?**

16 A. I am responsible for making sure that the monthly bills are prepared and
17 mailed to the customers each month. Thankfully, I have an excellent staff,
18 which makes my job much easier.

19 **Q. Do you prepare a monthly financial report for the District’s Board of
20 Commissioners each month?**

1 A. Yes. It is a very simple “cash” basis financial report that shows the income
2 and expenses for a particular month. The financial report is quite simple,
3 but it is prepared in the form requested by the Board.

4 **Q. Who performs the bookkeeping for the District?**

5 A. I do. I prepare both the General Journal and the General Ledger.

6 **Q. Do you prepare the Annual Report the District files with the Kentucky
7 Public Service Commission (“PSC”)?**

8 A. No. The District’s outside accounting firm prepares the PSC Annual
9 Report using the financial information I provide.

10 **Q. What is the purpose of your Written Testimony?**

11 A. My Written Testimony is being prepared to support the District’s
12 Application for a general rate adjustment. My Written Testimony will be
13 filed with the PSC.

14 **Q. Why is the District filing for a rate increase?**

15 A. There are two (2) reasons.

16 The first reason the District is filing its Application is to comply
17 with the PSC’s Order dated December 15, 2020 in Case No. 2020-00287.

18 The second reason is to adopt a unified or uniform rate schedule that
19 is applicable to customers throughout the District’s service area. This
20 means that customers in the current Southeast Division and those in the

1 current West Division will pay according to the same rate schedule in the
2 future. Then, the Southeast and West Divisions will cease to exist. This
3 was one of the goals of the merger of the Southeast Daviess County Water
4 District and the West Daviess County Water District into the Daviess
5 County Water District. In the PSC Order dated December 15, 2020 in Case
6 No. 2020-00287 approving the proposed merger, the PSC ordered the
7 District to submit a uniform (unified) rate schedule in the first rate case
8 that the merged District files. The Application being filed by the District
9 accomplishes both of these purposes.

10 **Q. Did you calculate the rates that the District is proposing to the PSC?**

11 A. No. The proposed rates were determined and calculated by Alan Vilines,
12 who works for the Kentucky Rural Water Association.

13 **Q. What information did you provide or make available to Mr. Vilines?**

14 A. I worked closely with Mr. Vilines and provided him with all the financial,
15 billing, and other information requested by him. I also provided the
16 District's detailed Depreciation Schedule to Mr. Vilines and answered
17 numerous questions about different assets and the District's finances.

18 **Q. Have you reviewed the Analysis and Recommendations for Water**
19 **Rates Report (the "Rate Study") prepared by Mr. Vilines?**

1 A. Yes. I believe the Rate Study is an Exhibit that will be filed with the
2 District's PSC Application.

3 **Q. Have you reviewed the Cost of Service Study prepared by Mr. Vilines?**

4 A. Yes. The Cost of Service Study is contained within the Rate Study.

5 **Q. Do you concur with the recommendations contained in the Rate
6 Study?**

7 A. Yes. I believe the Rate Study is thorough, detailed, and accurate. I also
8 believe that Mr. Vilines did an outstanding job in preparing the Rate Study.

9 **Q. Has the Board taken any action with respect to the proposed rates?**

10 A. Yes. At the District's regular monthly Board meeting held on May 17,
11 2022, it unanimously adopted Resolution No. 2022-05-01. This
12 Resolution approves the rates proposed by Mr. Vilines in the Rate Study
13 and authorizes the Chairman to file an Application with the PSC for
14 authority to adjust the District's rates according to the rate schedule shown
15 in **Table J** of the Rate Study.

16 **Q. In reviewing the Rate Study, it appears that Mr. Vilines proposed an
17 alternate set of rates for the District – one with Late Payment Charges
18 (Late Fees) and one without Late Payment Charges. Is this correct?**

19 A. Yes. **Table J** of the Rate Study shows the applicable rates if the District
20 chooses to reinstate the Late Fees which the PSC abolished in the 2020

1 Alternative Rate Filing cases made by the Southeast Daviess County Water
2 District and the West Daviess County Water District. **Table L** of the Rate
3 Study shows the applicable rates if the District chooses not to re-instate the
4 Late Fees. The District requested Mr. Vilines to provide an alternate set
5 of proposed rates so the District could make an intelligent choice on which
6 option to choose.

7 **Q. Has the District Board decided whether it wishes to reinstate the Late**
8 **Payment Charge (Late Fee)?**

9 A. Yes. At the Board meeting held on May 17, 2022, the District decided to
10 reinstate the 10% Late Payment Charge as permitted by KRS 278.0154.
11 That is why the proposed rates set forth as Exhibit A to Resolution No.
12 2022-05-01 are the same rates contained in **Table J** of the Rate Study.

13 **Q. Will the District be filing this Resolution with its rate Application to**
14 **the PSC?**

15 A. Yes. The Resolution is an Exhibit to the PSC Application.

16 **Q. Have you published a Notice of the proposed rates in the local**
17 **newspaper?**

18 A. Yes. On Tuesday, June 28, 2022, the Customer Notice was published in
19 the Owensboro *Messenger-Inquirer*, which is the main newspaper in
20 Daviess County and in the District's service area. Instructions were given

1 to the newspaper representative to publish the Customer Notice again on
2 Tuesday, July 5, 2022, and again on Tuesday, July 12, 2022. A copy of
3 the Customer Notice is being filed as an Exhibit to the District's PSC
4 Application.

5 **Q. Has the District posted the Customer Notice in its office and on social
6 media as required by PSC regulations?**

7 A. Yes. Pursuant to instructions from our attorney, the Customer Notice was
8 posted on the drive-up window, on the front door, and in the lobby of the
9 District's office building. In addition, it is posted on the District's website.
10 The District does not have a Facebook page.

11 **Q. How many wholesale customers does the District serve?**

12 A. Five (5). The District provides wholesale water service on a daily basis to
13 the City of Whitesville, North McLean County Water District, Beech
14 Grove Water System, and Owensboro Municipal Utilities. In addition, the
15 District provides wholesale water service to the East Daviess County
16 Water Association ("East Daviess") on an emergency basis. During
17 calendar year 2021, East Daviess did not purchase any water from the
18 District.

19 **Q. Have these wholesale customers been notified of the proposed increase
20 in the District's wholesale rate?**

1 A. Yes. The District's attorney prepared a special notice for these wholesale
2 customers. It is called the "Wholesale Customer Notice." Pursuant to our
3 attorney's instructions, a copy of the Wholesale Customer Notice was sent
4 via email on Thursday, June 23, 2022 and also hand-delivered to all five
5 (5) wholesale customers on Friday, June 24, 2022. A copy of the
6 Wholesale Customer Notice is being filed as an Exhibit to the District's
7 PSC Application.

8 **Q. Does this conclude your testimony?**

9 A. Yes, it does.

10

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF DAVIESS)

The undersigned, **Keith Krampe**, being duly sworn, deposes and says he is the Office Manager for Daviess County Water District, he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Keith Krampe

KEITH KRAMPE

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 28th day of June 2022.

Sabrina W Baker

Notary Public
Notary Commission Number: KYNP10133

My Commission Expires:

7-26-2024



APPENDIX A

Keith Krampe
Office Manager
Daviess County Water District
3400 Bittel Rd
Owensboro, Kentucky 42301

Professional Experience

Daviess County Water District

Office Manager
Accountant

1995 to Present
1993 to 1995

Education

Western Kentucky University

Bachelor of Science, Accounting Major

1991

EXHIBIT 10

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

In the Matter of:

**ELECTRONIC APPLICATION OF)
DAVISS COUNTY WATER) CASE NO. 2022-00142
DISTRICT FOR ADJUSTMENT OF)
RATES)**

**WRITTEN TESTIMONY OF ALAN H. VILINES, P.E.
ON BEHALF OF DAVIESS COUNTY WATER DISTRICT**

Filed: June 30, 2022

1 **Q. Please state your name, position, and business address.**

2 A. My name is Alan H. Vilines. I am a licensed professional engineer and my
3 business address is 690 Scottsborough Circle, Bowling Green, Kentucky
4 42103.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am a self-employed consultant with Kentucky Rural Water Association.

7 **Q. Please describe your educational and professional background.**

8 A. My Curriculum Vitae is found at Appendix A to my testimony and lists
9 my education background and professional experience.

10 **Q. Have you previously testified before the Public Service Commission?**

11 A. Yes. A list of the Public Service Commission (“Commission”) proceedings
12 in which I have testified or offered written testimony is found at Appendix
13 B to my testimony.

14 **Q. By whom have you been engaged in this proceeding?**

15 A. Daviess County Water District (“Daviess District”) engaged me to prepare
16 a rate study and to assist in the preparation of an application to the
17 Commission for an adjustment of Daviess District’s water service rates.

1 **Q. What is your experience regarding the preparation of rate studies for**
2 **water utilities?**

3 A. While employed at Warren County Water District (“WCWD”), I reviewed
4 many studies regarding wholesale rates charged by the water suppliers to
5 WCWD, Butler County Water System and Simpson County Water District
6 and prepared several retail rate studies for those three systems. Since my
7 retirement from WCWD, I have prepared over forty (40) rate studies for
8 water districts and water associations, most of which resulted in an
9 application for a rate increase filed with the Commission.

10 **Q. What is the purpose of your testimony in this proceeding?**

11 A. The purpose of my testimony is to discuss the findings of my rate study,
12 which is entitled “Analysis and Recommendations for Wholesale and
13 Retail Water Rates” (“the Study”). A copy of the Study is attached to my
14 testimony as Appendix C.

15 **Q. Prior to this proceeding had you performed any rate studies for**
16 **Daviess District?**

17 A. Daviess District came into existence on January 1, 2021 as a result of the
18 voluntary merger of Southeast Daviess County Water District and West

1 Daviess County Water District.¹ This case represents Daviess District’s
2 first application for rate adjustment. However, I assisted in the preparation
3 of rate applications for Southeast Daviess County Water District and West
4 Daviess County Water District that were filed with the Commission in
5 2020.² As a result, I was familiar with Daviess District’s operations when
6 I began preparing the Study.

7 **Q. When did you prepare the Study?**

8 A. I prepared the Study in the Spring of this year. It was completed in May
9 2022 and submitted to Daviess District’s Board of Commissioners on May
10 17, 2022. As the Study relies extensively upon Daviess District’s annual
11 report for calendar year 2021, work on the Study could not commence until
12 that report was completed.

13 **Q. Briefly summarize your testimony.**

14 A. Based upon adjusted test period operations, Daviess District has a total
15 annual revenue requirement of \$6,838,444. It requires annual revenues
16 from water sales of \$6,558,320. Its present rates for water service generate

¹ *Electronic Joint Application of Southeast Daviess County Water District and West Daviess County Water District for an Order Approving Their Merger Agreement*, Case No. 2020-00287 (Ky. PSC Dec. 15, 2020).

² *Electronic Application of Southeast Daviess County Water District for An Alternative Rate Adjustment*, Case No. 2020-00195 (Ky. PSC Dec. 20, 2020); *Electronic Application of West Daviess County Water District for An Alternative Rate Adjustment*, Case No. 2020-00196 (Ky. PSC Dec. 20, 2020).

1 annual revenues of \$6,029,494. To produce revenues sufficient to meet its
2 reasonable operating expenses and to provide for reasonable equity growth
3 and adequate working capital, Daviess District's rates should be adjusted
4 to produce additional revenues of \$528,825, an increase of 8.77 percent
5 over the revenues produced by current rates.

6 To produce these additional revenues, Daviess District's wholesale
7 rate should be \$4.18 per 1,000 gallons, which will generate additional
8 revenues of \$35,865 or 8.77 percent more than current revenues. Its retail
9 rates should be increased to produce additional revenues of \$494,101, an
10 increase of 8.85 percent over the revenues from present retail rates. The
11 rate for private fire protection services will remain unchanged.

12 If the proposed rates are adopted, Daviess District will have a
13 uniform rate schedule for retail water service rates that applies equally to
14 all customers without regard to which of Daviess District's predecessors
15 previously provided them service

16 **Q. Describe how the proposed rates were developed.**

17 A. First, the level of revenue required from water sales was determined based
18 upon Daviess District's operating expenses. Then this amount was
19 allocated among Daviess District's customers based upon the cost to serve
20 each customer classification.

1 **Q. What test period was used to perform the study?**

2 A. Calendar year 2021.

3 **Q. Why was this period used?**

4 A. It was the first year of Daviess District's operation as a merged water
5 district.

6 **Q. Describe "the Schedule of Adjusted Operations" that appears on the
7 Study's third page.**

8 A. The Schedule of Adjusted Operations lists the revenues and expenses of
9 Daviess District's water operations for the test period and the adjustments
10 made to each expense group to determine pro forma Total Operating
11 Expenses. The Revenue Requirement computations appear at the bottom
12 of this schedule.

13 **Q. Why are adjustments made to test period revenue and expenses?**

14 A. Adjustments recognize any known and measurable changes in operations
15 occurring during or after the test period. They are necessary to ensure that
16 the proposed rates accurately reflect current operating conditions. Other
17 adjustments are to conform with items commonly required by the
18 Commission. If an adjustment is shown in the Study, there is a reference
19 that explains the adjustment.

1 **Q. What adjustments were made to test period revenues?**

2 A. Test period revenue from Total Metered Retail Sales, Fire Protection and
3 Sales for Resale was adjusted in accordance with the Current Billing
4 Analysis and to reflect an increase in rates that occurred on June 2, 2021.
5 The Commission had authorized the increase to permit Daviess District to
6 passthrough to its customers increases in the wholesale rates of its water
7 suppliers - Owensboro Municipal Utilities (“OMU”) and East Daviess
8 County Water Association (“East Daviess Water”).³ An additional increase
9 from East Daviess Water that took effect on June 1, 2022 was also
10 included.⁴ To reflect revenue from sales at these higher rates for a full year
11 of operations, revenue to Total Metered Retail Sales and Sales for Resale
12 were increased \$233,619 and \$27,791, respectively.

13 An adjustment was made to increase Forfeited Discounts by
14 \$62,356. During the test period, Daviess District did not assess a late
15 payment fee. Prior to December 30, 2020, each of its predecessors had
16 assessed a late payment fee of ten percent. In its Orders of December 30,
17 2020 in Cases No. 2020-00195 and No. 2020-00196, the Commission

³ *Electronic Purchased Water Adjustment Filing of Daviess County Water District, Case No. 2021-00196 (Ky. PSC June 2, 2021).*

⁴ *Electronic Purchased Water Adjustment Filing of East Daviess County Water Association, Case No. 2022-00122 (Ky. PSC June 2, 2022).*

1 found these fees unreasonable and ordered collection of them to cease.⁵
2 Subsequently, the Kentucky General Assembly in its 2021 Regular Session
3 enacted House Bill 272 that expressly authorized water districts to assess
4 a late payment of ten percent.⁶ On May 17, 2022, Daviess District’s Board
5 of Commissioners authorized the reinstatement of a late payment fee of ten
6 percent. While I was preparing the Study, Daviess District requested that
7 I prepare an alternate set of proposed rates that included the reinstatement
8 of a late payment fee.

9 To determine the appropriate level of annual revenue that a ten
10 percent late payment fee would generate, I began with the revenue
11 generated by the late payment fees of Daviess District’s predecessors in
12 calendar year 2019.⁷ Because a late fees is a function of the amount of the
13 water bill, I adjusted actual 2019 late fee revenue to reflect the increases in
14 the rates of each predecessor district.

15 Other Water Revenues was increased three percent, or \$467, to
16 reflect an increase in rental payments for the use of its West Louisville

⁵ Case No. 2020-00195, Order of December 30, 2020 at 12-14; Case No. 2020-00196, Order of December 30, 2020 at 13-15.

⁶ 2021 Ky. Acts Ch. 158 (codified as KRS 278.0154).

⁷ I did not consider revenues from late payment fees in 2020 because neither of Daviess District’s predecessors were permitted to assess late payment fees after March 15, 2020 due to the onset of the COVID-19 pandemic. See *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, Case No. 2020-00085 (Ky. PSC Sept. 21, 2020).

1 Tank. AT&T collocates its equipment on this tank. The original
2 agreement, executed in 2020, specified an annual rental payment of
3 \$15,120. This payment was increased by three percent in 2021 and again
4 in 2022

5 **Q. What adjustments were made to Salary and Wages – Employees**
6 **expense?**

7 A. During and after the end of the test period, the salaries and wages of
8 Daviess District employees were increased. Additionally, positions that
9 were vacant during some portion of the test period have been filled. Using
10 the present salaries and wage rates of current employees and taking into
11 consideration the proforma regular and overtime work hours for each
12 employee, I determined a proforma Salary and Wages – Employees
13 expense of \$839,855, or \$90,671 greater than the actual test period expense.

14 **Q. Did this adjustment affect any other expenses?**

15 A. Yes. The level of an employee's annual salary or wages will also affect
16 the employer's contribution to the employee's retirement benefits and the
17 amount of employer payroll tax. In this case, the increased level of salaries
18 and wages resulted in additional retirement benefits expense of \$12,419
19 and additional payroll taxes of \$11,778.⁸

⁸ Payroll taxes includes a one percent tax that local government assesses.

1 **Q. Were any other adjustments made to Employee Pensions and**
2 **Benefits?**

3 A. Yes. While this expense was increased by \$12,419 to address the effects
4 of increased salaries and wages expense, the expense was also reduced by
5 \$69,474 to reflect expenses related to employee health and dental
6 insurance.

7 **Q. Why was the reduction made?**

8 A. Daviess District contributes approximately 98 percent of the cost of its
9 employees' health insurance coverage. Current Commission policy holds
10 that any employer contribution for employee health insurance that exceeds
11 the national average as determined by the Bureau of Labor Statistics (78
12 percent of the cost of single health insurance and 66 percent of the cost of
13 family health insurance coverage) is excessive and should not be recovered
14 through utility rates. The adjustment removes all costs that would be
15 considered excessive under the Commission's policy.

16 Similarly, the Commission has consistently held that an employer's
17 contribution to the cost of an employee's dental insurance should not
18 exceed 60 percent of that cost. The proposed adjustment removes all
19 employer contributions exceeding 60 percent of the cost of dental
20 insurance.

1 **Q. What was the reason for adjusting Purchased Water Expense?**

2 A. As noted earlier, OMU and East Daviess Water increased their rates for
3 wholesale water service. To normalize the test period expense to reflect
4 the cost of purchases at the increased rates, the test period expense was
5 increase by \$180,548 to \$3,330,099.

6 **Q. Why was test period Materials and Supplies expense increased?**

7 A. Daviess District's automated meter infrastructure vendor and its tank
8 maintenance contractor increase their annual contract fees by three percent
9 and 3.67 percent respectively. These increases resulted in an adjustment
10 to Materials and Supplies expense of \$2,745.

11 **Q. Why was test period Contractual Services expense increased by**
12 **\$22,767?**

13 A. This adjustment reflects expected rate case expense. Daviess District
14 estimates the total cost to prepare and prosecute this case to be \$68,300.
15 Approximately \$23,300 of this amount represents consultant fees to
16 prepare the Study and to assist in preparing an application for rate
17 adjustment and responding to discovery requests during this proceeding.
18 The remaining amount represents expected fees for legal services related
19 to this proceeding. Daviess District proposes to amortize these costs over
20 a three-year period. The proposed amortization period is consistent with

1 the Commission's treatment of rate case expenses in other water utility rate
2 case proceedings.

3 **Q. Describe the adjustment to test period depreciation expense.**

4 A. Depreciation expense was increased by \$22,417 to reflect proposed
5 revisions in the service life of several asset classes. Daviess District has
6 not performed a depreciation study to determine the service lives of its
7 plant assets. It lacks sufficient plant addition and retirement information to
8 perform such a study. The Commission has held that, in the absence of a
9 depreciation study to support the service life assigned to a water utility's
10 plant assets, the mid-point of the service life range for set forth in the
11 National Association of Regulatory Commissioners' *Depreciation*
12 *Practices for Small Water Utilities* for that asset group should be used to
13 establish a water utility's depreciation rates. To comply with the
14 Commission's practice, Daviess District's existing depreciation rates were
15 revised to reflect the mid-point of the service life ranges set forth in that
16 publication to establish its depreciation rates and depreciation expense
17 levels. The effect of these revisions and the calculations supporting the
18 adjustment to test period depreciation expense are shown in Table A of the
19 Study.

1 **Q. Upon making these adjustments, what was proforma Total Operating**
2 **Expenses?**

3 A. \$6,017,484.

4 **Q. How was Daviess District's Total Revenue Requirement determined?**

5 A. The Commission generally uses the debt service coverage methodology to
6 determine a water district's total revenue requirement. In this case,
7 however, Daviess District has no long-term debt. In such cases, the
8 Commission has used an operating ratio of 88 percent to establish a water
9 district's revenue requirement. The Commission has previously
10 determined that an operating ratio of 88 percent allows for sufficient
11 revenue to allow a water district to cover its reasonable operating expenses
12 and to provide for reasonable equity growth. The calculation of total
13 revenue requirements is shown at the bottom of Schedule of Adjusted
14 Operations.

15 **Q. What is Daviess District's total revenue requirement?**

16 A. \$6,838,444.

17 **Q. How was revenue required from water sales determined?**

18 A. Revenue required from water sales was determined by subtracting from
19 Daviess District's total revenue requirement other sources of available
20 revenue, which included forfeited discounts, miscellaneous service

1 revenues, other water revenues and interest income. These other sources
2 of revenue total \$280,125. Accordingly, Daviess District requires
3 \$6,558,320 from water sales.

4 **Q. How much increase in revenues from water sales is required?**

5 A. \$528,825. This amount was obtained by subtracting the pro forma
6 Revenue from Sales with Present Rates (\$6,029,494) from Revenue
7 Required from Water Sales (\$6,558,320).

8 **Q. How were rates developed to produce this amount?**

9 A. Tables B through I of the Study show the process used to develop the
10 proposed rates.

11 Table B sets out the amount of water that is purchased, sold, used
12 for water operations and fire protection, and is unaccounted-for. It also
13 provides a breakdown of Daviess District's water mains by size and length
14 and amount of main that is used to provide wholesale and retail service.
15 Daviess District's system consists of 399.5 miles of water main and
16 approximately 2,193.66 inch-miles of water main. Wholesale customers
17 jointly use 46.88 miles of water main or 384.21 inch-miles. This results in
18 the wholesale customers using 17.51 percent of the total inch-miles of
19 water main.

1 Using the information in Table B, a set of allocation factors to
2 allocate costs to Daviess District's wholesale customers. These allocation
3 factors are shown in Table C and are based upon the size and length of
4 Daviess District's water mains and the volume of water purchased, sold
5 and lost during the test period.

6 The water supply multipliers show that Daviess District must
7 purchase and pump 1.1547 gallons of water to sell one gallon to all its
8 customers, and that it must purchase and pump 1.0240 gallons of water to
9 sell a wholesale customer one gallon. The Water Supply Allocation Factor
10 represents the ratio of water purchased and pumped for wholesale
11 customers to total water purchased and pumped.

12 The Transmission Factor allocates distribution costs in proportion
13 to the size and length of the system used by the wholesale customers. The
14 factor was determined by the ratio of the inch-miles of jointly used lines to
15 the total inch-miles of lines in the system times the ratio of water purchased
16 by the wholesale customers to the total water sales.

17 Certain costs, such as tank maintenance & construction do not vary
18 with the length of joint use lines or line losses. The Use Factor was
19 determined by the ratio of sales to the wholesale customers to the total
20 sales.

1 Table D shows the allocation of depreciation expense based upon
2 the following functions: supply, transmission and distribution, storage
3 tanks, administrative and general, and customer. Table E shows a similar
4 allocation of plant value. Plant value percentages are used to allocate the
5 operating margin among these functions.

6 Table F shows the computation of wholesale rate based upon the
7 application of the allocation factors to operating expense, depreciation
8 expense and operating margin. This computation shows that the wholesale
9 rate should be \$4.18 per 1,000 gallons.

10 Table G shows retail operation and maintenance expenses allocated
11 among the following functions: commodity, demand, customer, and
12 administrative and general.

13 Table H summarizes the allocation of retail costs to the commodity,
14 demand and customer functions and the revenue required from retail rates
15 for each function after other sources of utility revenue are considered.

16 Table I shows the calculation of the usage and customer charges.
17 Commodity and demand costs are allocated between two usage blocks:
18 first 20,000 gallons and usage over 20,000 gallons. (Davie's District's
19 current rate structure is based upon these usage blocks.) Commodity costs
20 were allocated between each usage block based upon the ratio of retail

1 sales within each block to total retail sales as determined by an analysis of
2 test period bills. Demand costs were allocated between each usage block
3 based upon the ratio of demand weighted retail sales within each block to
4 total demand weighted retail sales. Demand weighted sales for each usage
5 block was determined by applying a demand weighing factor to the actual
6 commodity sales for that usage block. The commodity and demand costs
7 for each block were then added together, then divided by the number of
8 gallons sold within each block to produce calculated usage rates per 1,000
9 gallons. When applied to the Proposed Billing Analysis, the calculated
10 usage rates failed to produce the exact required revenue. Therefore, usage
11 rates were adjusted to more closely match the required level of revenue.

12 To determine the appropriate customer charge for each meter size, a
13 customer charge was calculated for each meter size by multiplying \$4.09
14 (the total customer costs divided by the number of bill equivalents) by the
15 meter's service ratio.⁹

16 The rates resulting from these calculations are shown at Table J of
17 the Study.

⁹ The service ratios are based upon the typical "investment cost" of a 5/8-inch meter divided into the investment cost of each larger size meter.

1 **Q. Why does the Study contain two sets of proposed rates?**

2 A. I was requested to consider two alternatives: (1) rates if Daviess District
3 continued without assessing late payment fees and (2) rates if a late
4 payment fee was reinstated. The rates shown in Tables J and K reflect the
5 necessary rates if a late payment fee is reinstated. Tables L and M reflect
6 the necessary rates if such a fee is not reinstated. As noted earlier, Daviess
7 District's Board of Commissioners authorized the reinstatement of a late
8 payment fee of ten percent on May 17, 2022.

9 **Q. What revisions, if any, were made to Daviess District's present rate**
10 **design?**

11 A. None.

12 **Q. What is the effect of the proposed rates on the average retail**
13 **customer's bill?**

14 A. The effect of the proposed rates on the average retail customer will depend
15 upon the division in which customer is currently located. The tables below
16 show the effect of the proposed rates on the monthly bill of the average
17 customer for each meter size in each division.

18

Southeastern Division					
Customer	Usage (Gals)	Present Monthly Bill	Proposed Monthly Bill	Change (\$)	Change (%)
5/8-Inch x 3/4-Inch	4,100	\$ 25.97	\$ 30.58	\$ 4.61	17.75
1-Inch	7,500	\$ 46.23	\$ 54.18	\$ 7.95	17.20
1 1/2-Inch	21,600	\$ 124.92	\$ 145.14	\$ 20.22	16.19
2-Inch	63,400	\$ 320.88	\$ 373.68	\$ 52.80	16.45
3-Inch	84,800	\$ 443.58	\$ 521.52	\$ 77.94	17.57
4-Inch	1,441,100	\$ 6,705.03	\$ 7,803.56	\$ 1,098.53	16.38
6-Inch	243,500	\$ 1,204.88	\$ 1,413.05	\$ 208.17	17.28

West Division					
Customer	Usage Gallons	Present Monthly Bill	Proposed Monthly Bill	Change (\$)	Change (%)
5/8-Inch x 3/4-Inch	4,100	\$ 31.25	\$ 30.58	\$ (0.67)	(2.14)
1-Inch	7,500	\$ 55.58	\$ 54.18	\$ (1.40)	(2.52)
1 1/2-Inch	21,600	\$ 149.88	\$ 145.14	\$ (4.74)	(3.16)
2-Inch	63,400	\$ 384.26	\$ 373.68	\$ (10.58)	(2.75)
3-Inch	84,800	\$ 532.14	\$ 521.52	\$ (10.62)	(2.00)
4-Inch	1,441,100	\$ 8,016.45	\$ 7,803.56	\$ (212.89)	(2.66)
6-Inch	243,500	\$ 1,443.56	\$ 1,413.05	\$ (30.51)	(2.11)

1 Please note that, while Daviess District proposes revisions to its rate
2 for 8-inch meters, it currently does not provide retail water service to any
3 customer through an 8-inch meter. Also note that Daviess District
4 provides private fire protection service but has not proposed any
5 adjustments to those rates.

6 **Q. You refer to a billing analysis. Is this analysis part of the Study?**

7 A. I performed a billing analysis to prepare the Study, but the analysis is not
8 included as a table in the Study. A copy of this billing analysis, however,
9 has been attached as Exhibit 13 to Daviess District’s Application.

1 **Q. What are your recommendations to the Commission?**

2 A. I recommend that the Commission approve the proposed rates that are set
3 forth in Table J of the Study.

4 **Q. Does this conclude your testimony?**

5 A. Yes, it does.

6

APPENDIX A

CURRICULUM VITAE

ALAN H. VILINES

EDUCATION

1982, University of Tennessee, Knoxville, TN, Master of Science in Engineering Administration.

1974, Western Kentucky University, Bowling Green, KY, Bachelor of Science in Civil Engineering Technology.

REGISTRATION

Professional Engineer - Commonwealth of Kentucky.

EXPERIENCE

2014 - Present

Kentucky Rural Water Assoc., Bowling Green, KY. Consultant. Work with association members across Kentucky. Perform water and sewer rate studies and financial analyses. Assist utilities with applications to the Public Service Commission. Assist with PSC tariff filings. Advise utilities on operations and management issues.

1980 - 2013

Warren County Water District, Bowling Green, KY. Manager of Engineering, Assistant General Manager and began serving as General Manager in 2005. Engineering work included design and contract administration of major water and sewer construction projects. Developed capital improvement plans, performed management studies, hydraulic analyses, financial and rate studies. Worked extensively with various groups, agencies, elected officials and other leaders in the community. As General Manager was responsible for all aspects of the Water District's activities including operations, engineering, finance & administration, and customer & public relations. Through joint operations agreements the above work was also performed for Butler County Water System and Simpson County Water District.

1975 - 1980

Robert S. Miller Co., Inc., Nashville, TN. Engineer. Performed design work on sewage collection systems, sewage treatment plants, water transmission and distribution projects, and water treatment plants. Also designed streets, curbs and gutters, storm drainage, retaining walls, and other general municipal projects.

1974 - 1975

Kenco Associates, Inc., Ashland, KY. Associate Engineer. Responsible for field and office work on industrial sites, property, and sewer system surveys. Assisted in design of water and sewer systems.

APPENDIX B

PROCEEDINGS BEFORE PUBLIC SERVICE COMMISSION IN WHICH TESTIMONY WAS PROVIDED

- Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment*
- Case No. 2019-00131, *Electronic Application of Southern Water and Sewer District for an Alternative Rate Adjustment*
- Case No. 2019-00444, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Princeton Water and Wastewater*
- Case No. 2020-00386, *Electronic Application of Morgan County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076*
- Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment*
- Case No. 2022-145, *Electronic Application of Wood Creek Water District for Adjustment of Rates*

APPENDIX C

***ANALYSIS AND RECOMMENDATIONS
FOR
WHOLESALE & RETAIL WATER RATES***

DAVIESS COUNTY WATER DISTRICT

May 12, 2022

Prepared by
Alan H. Vilines, P.E.



Kentucky Rural Water Association

1151 Old Porter Pike ● Bowling Green, KY 42101 ● 270.843.2291 ● www.krwa.org

EXECUTIVE SUMMARY

Daviess County Water District requested that Kentucky Rural Water Association perform a Cost of Service Study for wholesale and retail water rates and assist with an application to the Public Service Commission. The study is complete, and the results are presented in this report.

In accordance with PSC regulations the study is based on the most recent Annual Report that is on file with the Commission; so in this case the test period is calendar year 2021. The Schedule of Adjusted Operations (SAO) lists the revenues and expenses for 2021 and applies required adjustments. The adjustments are to recognize any changes in operations after the test year and certain other items that are commonly required by the PSC. The specific adjustments for Daviess County are shown in the SAO with an explanation for each provided on the References pages. Total pro forma operating revenues for Daviess County are \$6,265,661 and total operating expenses are \$6,017,484.

The SAO also shows the computations for Revenue Requirements. The Operating Ratio method, accepted by the PSC in cases where the utility has no long term debt, indicates the total Revenue Required from all sales is \$6,558,320. Private fire protection revenue will remain at about \$37,100. The Cost of Service Study determined that \$444,363 should be generated from wholesale sales and \$6,076,804 from retail sales. This is an increase above all existing sales of \$528,825 and indicates an overall sales revenue increase of 8.77 percent is needed.

The District is considering whether to implement a 10 percent late payment fee and the figures stated above are based on reinstating that fee. If the District does not implement the late fee, the increase to retail sales revenue will be slightly higher.

Computations from this study are included in the Schedule of Adjusted Operations with details provided in the Reference pages and Table A. The Cost of Service Study is presented in Tables B through I. The current and recommended water rates with a late fee included are shown in Table J and a comparison of existing and proposed retail bills is in Table K. The current and recommended water rates with no late fee included are shown in Table L and the comparison of existing and proposed retail bills is in Table M.

SCHEDULE OF ADJUSTED OPERATIONS
Daviess County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	\$ 5,349,757	\$ 233,619	A	\$ 5,583,376
Fire Protection	36,868	284	A	37,152
Sales for Resale	381,175	27,791	A	408,966
Other Water Revenues:				
Forfeited Discounts		62,356	B	62,356
Misc. Service Revenues	31,017			31,017
Other Water Revenues	<u>142,327</u>	467	C	<u>142,794</u>
Total Operating Revenues	\$ 5,941,144			\$ 6,265,661
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	749,184	90,671	D	839,855
Salaries and Wages - Officers	18,000			18,000
Employee Pensions and Benefits	362,229	12,419	D	
		(69,474)	E	305,174
Purchased Water	3,149,551	180,548	F	3,330,099
Purchased Power	113,592			113,592
Materials and Supplies	312,837	2,745	G	315,582
Contractual Services	55,427	22,767	H	78,194
Rental of Bldg/Real Property	11,692			11,692
Transportation Expenses	55,652			55,652
Insurance - Gen. Liab. & Workers Comp.	45,800			45,800
Advertising	4,390			4,390
Bad Debt	6,870			6,870
Miscellaneous Expenses	<u>37,048</u>			<u>37,048</u>
Total Operation and Mnt. Expenses	4,922,272			5,161,948
Depreciation Expense	755,001	22,417	I	777,418
Taxes Other Than Income	<u>66,340</u>	11,778	J	<u>78,118</u>
Total Operating Expenses	\$ 5,743,613			\$ 6,017,484
Net Utility Operating Income	\$ 197,531			\$ 248,178

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 6,017,484
Divided by: Operating Ratio	K 88%
Subtotal	6,838,049
Plus: Interest Expense	<u>395</u>
Total Revenue Requirement	6,838,444
Less: Other Operating Revenue	(236,167)
Interest Income	<u>(43,958)</u>
Revenue Required From Sales of Water	6,558,320
Less: Revenue from Sales with Present Rates	<u>6,029,494</u>
Required Revenue Increase	\$ 528,825
Percent Increase	8.77%

REFERENCES

- A. The Current Billing Analysis results in pro forma Retail Sales revenue of \$5,583,376, Fire Protection revenue of \$37,152, and Wholesale revenue of \$408,966. This indicates additions are required to Metered Retail Sales, Fire Protection, and Sales for Resale of \$233,619, \$284, and \$27,791, respectively. These adjustments reflect a full year of sales at the water rates approved in June 2021.
- B. The final Orders of the Public Service Commission in Cases 2020-00195/196, eliminated the Districts' 10 percent late fee charges. Subsequently, a Kentucky state statute was amended to require the PSC to approve such fees for any water utility that requests them. Since the District is considering reinstating this charge, an estimate of the potential revenue is included. Based on former experience with adjustments for later rate increases, it is estimated that late fees could generate \$62,356 in new revenue.
- C. In both 2021 and 2022 the District received a 3 percent increase from AT&T for colocation of its facilities at the West Louisville tank. This results in an adjustment of \$467 in Other Water Revenues.
- D. During and after the test year of 2021, wages have increased for most employees and new employees have filled positions which had been vacated. These changes result in a net increase in Salaries and Wages expense of \$90,671. This increase in wages also results in additional retirement benefits expense of \$12,419.
- E. The District pays about 98 percent of its employees' health insurance premiums and a significant percentage of dental premiums. The PSC typically requires that expenses associated with this level of employer-funding be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 78 percent for single coverage and 66 percent for family coverage. The PSC allowable employer share for dental insurance is 60 percent. Applying those percentages to premiums to be paid in the current year results in a deduction from 2021 benefits expense of \$69,474.
- F. In mid-2021 and 2022 the District's water suppliers raised the rates they charge for wholesale purchases. These increases result in an adjustment to the 2021 Purchased Water expense of \$180,548.
- G. The District's AMI vendor and tank maintenance contractor increase their charges 3 percent and 3.67 percent per year, respectively. This results in an adjustment to Materials & Supplies expense of \$2,745.

- H. It is estimated that the current PSC rate case may cost a total of \$68,300. Amortizing that amount over 3 years results in an adjustment to Contractual Services of \$22,767.
- I. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. See Table A.
- J. The increase in Salaries and Wages expense mentioned above plus an increase in the local payroll tax results in an adjustment of \$11,778 to Taxes Other Than Income.
- K. In cases where the utility has no long term debt the Operating Ratio method is accepted by the PSC to determine the Total Revenue Requirement. That is the situation for Daviess County Water and therefore, the Operating Ratio method is used here.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS
Daviess County Water District

No.	Assets	Date in Service	Original Cost *	Reported		Proforma		Depreciation Expense	
	Description			Life	Depr. Exp.	Life	Depr. Exp.	Adjustment	
304 - Pumps and Equipment									
	Pumping Stations	various	1,331,434	varies	37,838	37.5	35,505	(2,333)	
	Pump Equipment	various	113,074	10.0	11,082	20.0	5,654	(5,429)	
	SCADA Equipment	various	39,422	10.0	2,063	10.0	2,063	-	
330 - Reservoirs & Tanks									
	Tanks & Improvements	various	3,921,792	varies	95,623	45.0	87,151	(8,472)	
	Masonville Painting	2019	153,326	10.0	15,333	15.0	10,222	(5,111)	
	Pleasant Grove Painting	2021	55,351	10.0	3,690	15.0	3,690	-	
331 - Line Additions									
	Various Line Additions	various	11,534,829	varies	243,572	62.5	184,557	(59,015)	
334 - Meters									
	Meters & Installations	various	4,838,096	varies	132,933	40.0	120,952	(11,981)	
	Touch Reads	various	884,475	20.0	38,277	20.0	44,224	5,947	
335 - Hydrants									
	Hydrants	various	1,029,700	40.0	24,951	50.0	20,594	(4,357)	
339 - Other Plant & Misc. Equip.									
	Structures & Improvements	various	71,432	varies	4,652	37.5	1,905	(2,747)	
	Office Equipment	various	11,690	varies	1,169	22.5	520	(649)	
340 - Office Furniture & Equip.									
	Computers, Software, etc.	various	59,583	varies	6,726	10.0	5,958	(768)	
	Office Furniture	various	2,375	varies	449	22.5	106	(343)	
341 - Vehicles									
	Pickup Trucks	various	182,020	5.0	19,949	7.0	26,003	6,054	
343 - Tools, Shop & Garage Equip.									
	Meter Test Benches	05/15/09	12,645	20.0	632	17.5	723	90	
	Misc. Equipment	various	14,971	7.0	2,139	10.0	1,497	(642)	
345 - Power Operated Equip.									
	Entire Group	various	69,978	varies	4,606	12.5	5,598	992	
346 - Communication Equip.									
	Entire Group	various	2,204,977	20.0	109,317	10.0	220,498	111,181	
TOTALS					\$	755,002	\$	777,418	\$ <u>22,417</u>

* Includes only costs of assets that contributed to depreciation expense in the test year.

Table B
SYSTEM INFORMATION
Daviess County Water District

Schedule of All Mains and Jointly Used Mains

<u>Main Size</u>	<u>Total System</u>			<u>Joint Use</u>	
	<u>Length (feet)</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>
20	210	0.04	0.80		
16	1,868	0.35	5.66		
12	35,330	6.69	80.30	3.50	42.05
10	122,695	23.24	232.38	17.05	170.45
8	409,042	77.47	619.76	12.12	96.97
6	541,790	102.61	615.67	10.89	65.34
4	510,454	96.68	386.71	-	-
3	309,182	58.56	175.67	2.23	6.68
2.5	102,840	19.48	48.69	1.09	2.72
2	75,653	14.33	28.66		
1.5	600	0.11	0.17		
Totals	2,109,664	399.5	2,193.66	46.88	384.21

Water Purchased, Sold and Used

	<u>Gallons</u> <u>x 1,000</u>	<u>Percent</u>
Water Purchased	1,142,746	
Retail Sales	868,609	
Wholesale Sales	106,419	
Total Water Sold	975,028	
System Flushing	14,537	
Fire Dept. & Other	92	
Line Losses	153,089	13.40%

Table C
WHOLESALE ALLOCATION FACTORS
Daviess County Water District

				<u>FACTOR</u>
Line Loss Percentage				0.1340
Joint Use Inch-miles				384.21
Total Inch-Miles				2,193.66
Water Sold - Wholesale				106,419
Water Sold - Total				975,028
Water Supply Multiplier	1		-----	= 1.1547
	1 - 0.1340			
Joint Use Pipeline Ratio			384.21 -----	= 0.1751
			2,193.66	
Joint Share of Line Loss	0.1340	x	0.1751	= 0.0235
Wholesale Supply Multiplier			1 -----	= 1.0240
			1 - 0.0235	
Water Supply Allocation Factor	1.0240		106,419.0 -----	= 0.0968
	1.1547	x	975,028.0	
Transmission Factor	106,419.0		-----	= 0.0191
	975,028.0	x	0.1751	
Use Factor			106,419.0 -----	= 0.1091
			975,028.0	

Table D
ALLOCATION OF DEPRECIATION EXPENSE
Daviess County Water District

	<u>Proforma</u> <u>Depr. Exp.</u>	<u>Supply</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Pumps and Equipment	43,222	18,524	24,698			
Reservoirs and Tanks	101,063			101,063		
Line Additions	184,557		184,557			
Meters	165,176					165,176
Hydrants	20,594					20,594
Other Plant and Misc. Equipment	2,424				970	1,455
Office Furniture and Equipment	6,064				6,064	
SUBTOTALS	523,100	18,524	209,255	101,063	7,034	187,225
SUBTOTAL PERCENTAGES		3.54%	40.00%	19.32%	1.34%	35.79%
Vehicles	26,003					
Tools, Shop, and Garage Equipment	2,220					
Power Operated Equipment	5,598					
Communication Equipment	220,498					
SUBTOTAL	254,318					
PERCENTAGE ALLOCATIONS		9,006	101,735	49,134	3,420	91,024
TOTALS	777,418	27,529	310,990	150,197	10,453	278,249

Table E
ALLOCATION OF PLANT VALUE AND OPERATING MARGIN
Daviess County Water District

	<u>Total</u> <u>Values</u>	<u>Water</u> <u>Supply</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Land and Land Rights	94,582		18,916	56,749	18,916	
Pumps and Equipment	1,675,033	717,871	957,162			
Reservoirs and Tanks	4,130,469			4,130,469		
Line Additions	11,534,829		11,534,829			
Meters	5,693,583					5,693,583
Hydrants	1,029,700					1,029,700
Other Plant and Misc. Equipment	326,593				130,637	195,956
Office Furniture and Equipment	144,669				144,669	
SUBTOTALS	\$ 24,629,458	717,871	12,510,907	4,187,218	294,223	6,919,239
SUBTOTAL PERCENTAGES		2.9%	50.8%	17.0%	1.2%	28.1%
Vehicles	242,704					
Tools, Shop, and Garage Equipment	38,933					
Power Operated Equipment	199,961					
Communication Equipment	2,204,977					
SUBTOTAL	2,686,575					
PERCENTAGE ALLOCATIONS		78,305	1,364,687	456,741	32,094	754,749
TOTALS	\$ 27,316,033	\$ 796,177	\$ 13,875,594	\$ 4,643,959	\$ 326,316	\$ 7,673,988
Plant Value Percentages	27,316,033	2.9%	50.8%	17.0%	1.2%	28.1%
Allocation of Operating Margin	\$ 820,961	\$ 23,928	\$ 417,020	\$ 139,570	\$ 9,807	\$ 230,635

Table F
WHOLESALE RATE COMPUTATION
Daviess County Water District

	<u>Proforma</u> <u>Expenses</u>	<u>Allocation</u> <u>Factor</u>	<u>Wholesale</u> <u>Allocation</u>	<u>Retail</u> <u>Allocation</u>
Salaries & Wages				
Water Supply	67,744	0.0968	6,557	61,187
Trans./Distribution	383,885	0.0191	7,338	376,547
Customer Accts.	234,114		-	234,114
Admin & General	154,110	0.0968	14,917	139,193
Employee Benefits + Taxes				
Water Supply	30,917	0.0968	2,993	27,925
Trans./Distribution	175,197	0.0191	3,349	171,848
Customer Accts.	106,845		-	106,845
Admin & General	70,332	0.0968	6,808	63,525
Salaries - Officers	18,000	0.0968	1,742	16,258
Purchased Water	3,330,099	0.0968	322,334	3,007,765
Purchased Power				
Water Supply	55,710	0.0968	5,392	50,318
Trans./Distribution	51,788	0.0191	990	50,798
Customer Accts.	4,875		-	4,875
Admin & General	1,219	0.0191	23	1,196
Materials & Supplies				
Water Supply	-	0.0968	-	-
Trans./Distribution	218,906	0.0191	4,185	214,721
Customer Accts.	27,551		-	27,551
Admin & General	69,125	0.0191	1,321	67,804
Contr. Services - Acct. & Legal	60,789	0.0968	5,884	54,905
Contr. Services - Water Testing				
Trans./Distribution	17,405	0.0191	333	17,072
Rentals - Bldg				
Trans./Distribution	7,222	0.0968	699	6,523
Admin & General	4,470	0.0191	85	4,385
Transportation Expense				
Trans./Distribution	42,402	0.0968	4,104	38,298
Customer Accts.	7,327		-	7,327
Admin & General	5,923	0.0191	113	5,810
Insurance - Gen Liab				
Trans./Distribution	19,271	0.0968	1,865	17,406
Customer Accts.	9,719		-	9,719
Admin & General	6,871	0.0191	131	6,740
Insurance - Worker's Comp.				
Trans./Distribution	5,362	0.0191	103	5,259
Customer Accts.	2,694		-	2,694
Admin & General	1,883	0.0191	36	1,847

Advertising	4,390	0.0191	84	4,306
Bad Debt	6,870		-	6,870
Miscellaneous Expense				
Trans./Distribution	19,919	0.0968	1,928	17,991
Customer Accts.	10,024		-	10,024
Admin & General	7,105	0.0191	136	6,969
Total Operating Expenses	5,240,064		393,451	4,846,613
Depreciation Expense				
Water Supply	27,529	0.0968	2,665	24,865
Trans. / Distribution	310,990	0.0191	5,945	305,045
Tanks & Reservoirs	150,197	0.1091	16,393	133,804
Admin & General	10,453	0.0191	200	10,253
Customer	278,249		-	278,249
Operating Margin				
Water Supply	23,928	0.0968	2,316	21,612
Trans. / Distribution	417,020	0.0191	7,972	409,048
Tanks & Reservoirs	139,570	0.1091	15,233	124,337
Admin & General	9,807	0.0191	187	9,620
Customer	230,635		-	230,635
Total Revenue Required	6,838,444		444,363	6,394,081
Wholesale Gallons Sold (x 1,000)			106,419	
Wholesale Rate per 1,000 Gallons			<u><u>\$4.18</u></u>	

Table G
ALLOCATION OF OPERATION & MAINTENANCE EXPENSE - RETAIL
Daviess County Water District

	<u>Total</u>				<u>Admin. &</u>
	<u>Values</u>	<u>Commodity</u>	<u>Demand</u>	<u>Customer</u>	<u>General</u>
Salaries & Wages	811,041	40,995	396,739	234,114	139,193
Employee Benefits + Taxes	370,142	18,709	181,063	106,845	63,525
Salaries - Officers (A & G)	16,258				16,258
Purchased Water	3,007,765	3,007,765			
Purchased Power	107,186		101,116	4,875	1,196
Materials & Supplies	310,076	-	214,721	27,551	67,804
Contr. Services - Acct. & Legal	54,905				54,905
Contr. Services - Water Testing	17,072	17,072			
Rentals - Bldg.	10,908	6,523			4,385
Transportation Expense	51,435		38,298	7,327	5,810
Insurance - Gen. Liability	33,864		17,406	9,719	6,740
Insurance - Workers Comp	9,801	-	5,259	2,694	1,847
Advertising	4,306				4,306
Bad Debt	6,870			6,870	
Misc. Expense	34,984	-	17,991	10,024	6,969
Depreciation	752,216	24,865	438,849	278,249	10,253
Totals	5,598,829	3,115,930	1,411,442	688,268	383,189
Less Admin. & General	<u>383,189</u>				
Total w/o A & G	5,215,640				
Percentages w/o A & G	100.00%	59.74%	27.06%	13.20%	
Allocation of Admin. & General	383,189	228,925	103,697	50,566	
Total O & M Expense Allocations	5,598,829	3,344,855	1,515,139	738,835	

Table H
SUMMARY OF ALLOCATIONS - RETAIL
Daviess County Water District

	<u>Total</u>			
	<u>Values</u>	<u>Commodity</u>	<u>Demand</u>	<u>Customer</u>
Operation & Maintenance Expenses	5,598,829	3,344,855	1,515,139	738,835
Allocation Percentages		59.74%	27.06%	13.20%
Operating Margin	<u>795,252</u>	<u>475,100</u>	<u>215,209</u>	<u>104,943</u>
Total Expenses - Retail	6,394,081	3,819,955	1,730,348	843,778
Less:				
Fire Protection Revenue	(37,152)			(37,152)
Forfeited Discounts	(62,356)			(62,356)
Miscellaneous Service Revenues	(31,017)			(31,017)
Other Water Revenues	(142,794)	(85,308)	(38,643)	(18,843)
Interest Income	<u>(43,958)</u>	<u>(26,261)</u>	<u>(11,896)</u>	<u>(5,801)</u>
Revenue Required from Retail Rates	6,076,804	3,708,385	1,679,810	688,609

Table I
CALCULATION OF WATER RATES - RETAIL
Daviess County Water District

CALCULATION OF USAGE CHARGES:

	Total	First 20,000	Over 20,000
Actual Commodity Sales	868,539,640	672,553,110	195,986,530
Commodity Percentages	100.00%	77.43%	22.57%
Demand Weighting Factor		2.00	1.00
Demand Weighted Sales	1,541,092,750	1,345,106,220	195,986,530
Demand Percentages	100.00%	87.28%	12.72%
Commodity Costs	3,708,385	2,871,586	836,800
Demand Costs	1,679,810	1,466,182	213,628
Total Costs	5,388,195	4,337,768	1,050,427
No. of Gallons Sold		672,553	195,987
CALCULATED USAGE RATES		\$6.45	\$5.36
PROPOSED USAGE RATES		\$6.46	\$5.36

(adjusted per Billing Analysis to result in required revenue)

CALCULATION OF CUSTOMER CHARGES:

Expenses to be Allocated	688,609		
No. of Equivalentents	168,236		
Unit Cost of Service	\$4.09		
	Meter Size	Unit Cost of Service	Service Ratio
	5/8 x 3/4"	\$4.09	1.0
	1"	4.09	1.4
	1-1/2"	4.09	1.8
	2"	4.09	2.9
	3"	4.09	11.0
	4"	4.09	14.0
	6"	4.09	21.0
	8"	4.09	29.0
			Total Customer Charge
			\$4.09
			5.73
			7.36
			11.86
			44.99
			57.26
			85.89
			118.61

Number of Services and Equivalentents:

Meter Size	No. of Retail Bills	Service Ratio	No. of Equivalentents
5/8 x 3/4"	144,863	1.00	144,863
1"	11,022	1.40	15,431
1-1/2"	1,216	1.80	2,189
2"	1,400	2.90	4,060
3"	33	11.00	363
4"	11	14.00	154
6"	56	21.00	1,176
8"	-	29.00	-
Totals	158,601		168,236

TABLE J
CURRENT AND PROPOSED RATES
Daviess County Water District
INCLUDES LATE FEES

RETAIL RATES

	<u>SOUTHEAST DIVISION</u>			<u>WEST DIVISION</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
<u>Monthly Rates for Water Usage in Addition to Customer Charge</u>						
<u>No. of Gallons per Month</u>						
First 20,000 Gallons	\$ 5.61	\$ 6.46	\$ 0.85	\$ 6.72	\$ 6.46	\$ (0.26)
Over 20,000 Gallons	4.61	5.36	0.75	5.51	5.36	(0.15)
<u>Customer Charge for Each Size Meter</u>						
<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
5/8 x 3/4 inch	\$ 2.97	\$ 4.09	\$ 1.12	\$ 3.70	\$ 4.09	\$ 0.39
1 inch	4.15	5.73	1.58	5.18	5.73	0.55
1-1/2 inch	5.34	7.36	2.02	6.66	7.36	0.70
2 inch	8.61	11.86	3.25	10.73	11.86	1.13
3 inch	32.65	44.99	12.34	40.69	44.99	4.30
4 inch	41.56	57.26	15.70	51.79	57.26	5.47
6 inch	62.34	85.89	23.55	77.67	85.89	8.22
8 inch	86.09	118.61	32.52	107.28	118.61	11.33
<u>WHOLESALE RATES</u>						
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
For all Water Purchased	\$ 3.75	\$ 4.18	\$ 0.43	\$ 4.84	\$ 4.18	\$ (0.66)

SOURCES OF SALES REVENUE

	<u>Existing</u>	<u>Proposed</u>	<u>Increase</u>
Retail	5,583,376	6,077,477	8.85%
Fire Protection	37,152	37,152	0.00%
Wholesale	408,966	444,831	8.77%
	6,029,494	6,559,461	8.79%

**TABLE K
EXISTING AND PROPOSED RETAIL BILLS**

Daviss County Water District

INCLUDES LATE FEES

Gallons per Month*	Meter Size	SOUTHEAST DIVISION			WEST DIVISION		
		Existing	Proposed	Change	Existing	Proposed	Change
		Bill	Bill		Bill	Bill	
-	5/8 x 3/4"	2.97	4.09	\$ 1.12	\$ 3.70	\$ 4.09	\$ 0.39
2,000	5/8 x 3/4"	14.19	17.01	2.82	17.14	17.01	(0.13)
4,000	5/8 x 3/4"	25.41	29.93	4.52	30.58	29.93	(0.65)
6,000	5/8 x 3/4"	36.63	42.85	6.22	44.02	42.85	(1.17)
8,000	5/8 x 3/4"	47.85	55.77	7.92	57.46	55.77	(1.69)
10,000	5/8 x 3/4"	59.07	68.69	9.62	70.90	68.69	(2.21)
15,000	5/8 x 3/4"	87.12	100.99	13.87	104.50	100.99	(3.51)
20,000	5/8 x 3/4"	115.17	133.29	18.12	138.10	133.29	(4.81)
25,000	1"	139.40	161.73	22.33	167.13	161.73	(5.40)
30,000	1"	162.45	188.53	26.08	194.68	188.53	(6.15)
40,000	1"	208.55	242.13	33.58	249.78	242.13	(7.65)
50,000	1"	254.65	295.73	41.08	304.88	295.73	(9.15)
75,000	2"	374.36	435.86	61.50	448.18	435.86	(12.32)
100,000	2"	489.61	569.86	80.25	585.93	569.86	(16.07)
200,000	2"	950.61	1,105.86	155.25	1,136.93	1,105.86	(31.07)
500,000	2"	2,333.61	2,713.86	380.25	2,789.93	2,713.86	(76.07)

* Highlighted usage represents the average residential bill.

TABLE L
CURRENT AND PROPOSED RATES
Daviess County Water District
NO LATE FEES

RETAIL RATES

	<u>SOUTHEAST DIVISION</u>			<u>WEST DIVISION</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Monthly Rates for Water Usage in Addition to Customer Charge						
<u>No. of Gallons per Month</u>						
First 20,000 Gallons	\$ 5.61	\$ 6.46	\$ 0.85	\$ 6.72	\$ 6.46	\$ (0.26)
Over 20,000 Gallons	4.61	5.36	0.75	5.51	5.36	(0.15)

Customer Charge for Each Size Meter

<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
5/8 x 3/4 inch	\$ 2.97	\$ 4.46	\$ 1.49	\$ 3.70	\$ 4.46	\$ 0.76
1 inch	4.15	6.24	2.09	5.18	6.24	1.06
1-1/2 inch	5.34	8.03	2.69	6.66	8.03	1.37
2 inch	8.61	12.93	4.32	10.73	12.93	2.20
3 inch	32.65	49.06	16.41	40.69	49.06	8.37
4 inch	41.56	62.44	20.88	51.79	62.44	10.65
6 inch	62.34	93.66	31.32	77.67	93.66	15.99
8 inch	86.09	129.34	43.25	107.28	129.34	22.06

WHOLESALE RATES

	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
For all Water Purchased	\$ 3.75	\$ 4.18	\$ 0.43	\$ 4.84	\$ 4.18	\$ (0.66)

SOURCES OF SALES REVENUE

	<u>Existing</u>	<u>Proposed</u>	<u>Increase</u>
Retail	5,583,376	6,139,582	9.96%
Fire Protection	37,152	37,152	0.00%
Wholesale	408,966	444,831	8.77%
	6,029,494	6,621,565	9.82%

TABLE M
EXISTING AND PROPOSED RETAIL BILLS

Daviss County Water District

NO LATE FEES

Gallons per Month*	Meter Size	SOUTHEAST DIVISION			WEST DIVISION		
		Existing	Proposed	Change	Existing	Proposed	Change
		Bill	Bill		Bill	Bill	
-	5/8 x 3/4"	2.97	4.46	\$ 1.49	\$ 3.70	\$ 4.46	\$ 0.76
2,000	5/8 x 3/4"	14.19	17.38	3.19	17.14	17.38	0.24
4,000	5/8 x 3/4"	25.41	30.30	4.89	30.58	30.30	(0.28)
6,000	5/8 x 3/4"	36.63	43.22	6.59	44.02	43.22	(0.80)
8,000	5/8 x 3/4"	47.85	56.14	8.29	57.46	56.14	(1.32)
10,000	5/8 x 3/4"	59.07	69.06	9.99	70.90	69.06	(1.84)
15,000	5/8 x 3/4"	87.12	101.36	14.24	104.50	101.36	(3.14)
20,000	5/8 x 3/4"	115.17	133.66	18.49	138.10	133.66	(4.44)
25,000	1"	139.40	162.24	22.84	167.13	162.24	(4.89)
30,000	1"	162.45	189.04	26.59	194.68	189.04	(5.64)
40,000	1"	208.55	242.64	34.09	249.78	242.64	(7.14)
50,000	1"	254.65	296.24	41.59	304.88	296.24	(8.64)
75,000	2"	374.36	436.93	62.57	448.18	436.93	(11.25)
100,000	2"	489.61	570.93	81.32	585.93	570.93	(15.00)
200,000	2"	950.61	1,106.93	156.32	1,136.93	1,106.93	(30.00)
500,000	2"	2,333.61	2,714.93	381.32	2,789.93	2,714.93	(75.00)

* Highlighted usage represents the average residential bill.

EXHIBIT 11

EFFECT OF ON UTILITY REVENUE OF PROPOSED RATES

REVENUE FROM CUSTOMER CHARGES (COMPOSITE) (CURRENT)

METER SIZE	BILLS	REVENUE
5/8"x 3/4"	144,863	\$ 473,187
1"	11,022	\$ 50,516
1-1/2"	1,216	\$ 7,354
2"	1,400	\$ 13,273
3"	33	\$ 1,166
4"	11	\$ 570
6"	56	\$ 3,675
8"	-	\$ -
	<u>158,601</u>	<u>\$ 549,741</u>

REVENUE FROM CUSTOMER CHARGES (PROPOSED)

METER SIZE	BILLS	CHARGE	REVENUE	DIFFERENCE
5/8"x 3/4"	144,863	\$ 4.09	\$ 592,490	\$ 119,303
1"	11,022	5.73	63,156	\$ 12,640
1-1/2"	1,216	7.36	8,950	\$ 1,596
2"	1,400	11.86	16,604	\$ 3,331
3"	33	44.99	1,485	\$ 319
4"	11	57.26	630	\$ 60
6"	56	85.89	4,810	\$ 1,135
8"	-	<u>118.61</u>	-	\$ -
	<u>158,601</u>		<u>\$ 688,124</u>	<u>\$ 138,383</u>

REVENUE FROM USAGE - ALL METERS (COMPOSITE) (CURRENT)

	BILLS	GALLONS	REVENUE
FIRST 20,000	155,297	672,553,110	\$ 4,073,455
ALL OVER 20,000	<u>3,304</u>	<u>195,986,530</u>	<u>\$ 965,538</u>
TOTAL	<u>158,601</u>	<u>868,539,640</u>	<u>\$ 5,038,993</u>

REVENUE FROM USAGE - ALL METERS (PROPOSED)

	BILLS	GALLONS	RATE	REVENUE
FIRST 20,000	155,297	672,553,110	6.46	\$ 4,344,693
ALL OVER 20,000	<u>3,304</u>	<u>195,986,530</u>	5.36	<u>\$ 1,050,488</u>
TOTAL	<u>158,601</u>	<u>868,539,640</u>		<u>\$ 5,395,181</u>

REVENUE FROM WHOLESALE SALES

	K-GALS	REVENUE
ALL SALES	106,419	\$ 408,966

REVENUE FROM WHOLESALE SALES (PROPOSED)

	K-GALS	RATE	REVENUE
ALL SALES	106,419	\$ 4.18	\$ 444,831

REVENUE FROM CUSTOMER CHARGES (SOUTHEAST) (CURRENT)

METER SIZE	BILLS	CHARGE	REVENUE
5/8"x 3/4"	86,036	\$ 2.97	\$ 255,527
1"	6,386	4.15	26,502
1-1/2"	564	5.34	3,012
2"	825	8.61	7,103
3"	22	32.65	718
4"	-	41.56	-
6"	44	62.34	2,743
8"	-	86.09	-
	<u>93,877</u>		<u>\$ 295,605</u>

REVENUE FROM USAGE - ALL METERS (SOUTHEAST) (CURRENT)

	BILLS	GALLONS	RATE	REVENUE
FIRST 20,000	91,941	401,893,910	5.61	\$ 2,254,625
ALL OVER 20,000	<u>1,936</u>	<u>127,052,770</u>	4.61	<u>\$ 585,713</u>
TOTAL	<u>93,877</u>	<u>528,946,680</u>		<u>\$ 2,840,338</u>

REVENUE FROM WHOLESALE (SOUTHEAST) (CURRENT)

	K-GALS	RATE	REVENUE
ALL SALES	97,341	\$ 3.75	\$ 365,029

REVENUE FROM CUSTOMER CHARGES (WEST) (CURRENT)

METER SIZE	BILLS	CHARGE	REVENUE
5/8"x 3/4"	58,827	3.70	\$ 217,660
1"	4,636	5.18	24,014
1-1/2"	652	6.66	4,342
2"	575	10.73	6,170
3"	11	40.69	448
4"	11	51.79	570
6"	12	77.67	932
8"	-	107.28	-
	<u>64,724</u>		<u>\$ 254,136</u>

REVENUE BY RATE INCREMENT (WEST) (CURRENT)

	BILLS	GALLONS	RATE	REVENUE
FIRST 20,000	63,356	270,659,200	6.72	1,818,830
ALL OVER 20,000	<u>1,368</u>	<u>68,933,760</u>	5.51	<u>379,825</u>
TOTAL	<u>64,724</u>	<u>339,592,960</u>		<u>2,198,655</u>

REVENUE FROM WHOLESALE SALES

	K-GALS	RATE	REVENUE
ALL SALES	9,078	\$ 4.84	\$ 43,938

EXHIBIT 12

EFFECT OF PROPOSED RATES ON AVERAGE CUSTOMER'S MONTHLY BILL

Customers Located in Southeast Division

Customer	Average Usage Gallons	Monthly Bill Present Rate	Monthly Bill Proposed Rate	Change (\$)	Change (%)
5/8-Inch x 3/4-Inch	4,100	\$ 25.97	\$ 30.58	\$ 4.61	17.75
1-Inch	7,500	\$ 46.23	\$ 54.18	\$ 7.95	17.20
1 1/2-Inch	21,600	\$ 124.92	\$ 145.14	\$ 20.22	16.19
2-Inch	63,400	\$ 320.88	\$ 373.68	\$ 52.80	16.45
3-Inch	84,800	\$ 443.58	\$ 521.52	\$ 77.94	17.57
4-Inch	1,441,100	\$ 6,705.03	\$ 7,803.56	\$ 1,098.53	16.38
6-Inch	243,500	\$ 1,204.88	\$ 1,413.05	\$ 208.17	17.28
8-Inch	N/A	N/A	N/A	N/A	N/A
OMU	808,167	\$ 3,030.63	\$ 3,378.14	\$ 347.51	11.47
East Daviess WA	0	0	\$ 0.00	\$ 0.00	0.00
City of Whitesville	7,303,583	\$27,388.44	\$30,528.98	\$ 3,140.54	11.47

Customers Located in West Division

Customer	Average Usage Gallons	Monthly Bill at Present Rate	Monthly Bill at Proposed Rate	Change (\$)	Change (%)
5/8-Inch x 3/4-Inch	4,100	\$ 31.25	\$ 30.58	\$ (0.67)	(2.14)
1-Inch	7,500	\$ 55.58	\$ 54.18	\$ (1.40)	(2.52)
1 1/2-Inch	21,600	\$ 149.88	\$ 145.14	\$ (4.74)	(3.16)
2-Inch	63,400	\$ 384.26	\$ 373.68	\$ (10.58)	(2.75)
3-Inch	84,800	\$ 532.14	\$ 521.52	\$ (10.62)	(2.00)
4-Inch	1,441,100	\$ 8,016.45	\$7,803.56	\$(212.89)	(2.66)
6-Inch	243,500	\$ 1,443.56	\$1,413.05	\$ (30.51)	(2.11)
8-Inch	N/A	N/A	N/A	N/A	N/A
Beech Grove	302,917	\$ 1,466.12	\$1,266.19	\$(199.93)	(13.64)
North McLean WD	453,583	\$ 2,195.34	\$1,895.98	\$(299.36)	(13.64)

EXHIBIT 13

BILLING ANALYSIS WITH 2021 USAGE & EXISTING RATES
Daviess County Water District

SUMMARY - BOTH DIVISIONS

Component	BILLS	GALLONS	Revenue
Usage	158,601	868,539,640	\$ 5,038,993
Customer Ch.			549,741
Totals			\$ 5,588,734
		Less Billing Adjustments	(5,358)
Total Metered Retail Sales			\$ 5,583,376
Private Fire Protection			\$ 37,152
Wholesale Sales			\$ 408,966

SOUTHEAST DIVISION

REVENUE FROM USAGE - ALL METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	91,941	363,173,910	363,173,910	-	363,173,910
ALL OVER	20,000	1,936	165,772,770	38,720,000	127,052,770	165,772,770
		93,877	528,946,680	401,893,910	127,052,770	528,946,680

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST 20,000	91,941	401,893,910	\$ 5.61	\$ 2,254,625
ALL OVER 20,000	1,936	127,052,770	4.61	585,713
TOTAL	93,877	528,946,680		\$ 2,840,338

REVENUE FROM CUSTOMER CHARGES

METER SIZE	BILLS	CHARGE	REVENUE
5/8"x 3/4"	86,036	\$ 2.97	\$ 255,527
1"	6,386	4.15	26,502
1-1/2"	564	5.34	3,012
2"	825	8.61	7,103
3"	22	32.65	718
4"	-	41.56	-
6"	44	62.34	2,743
8"	-	86.09	-
	93,877		\$ 295,605

REVENUE FROM PRIVATE FIRE PROTECTION SERVICES

SIZE	BILLS	CHARGE	REVENUE
2"	-	\$ 12.00	\$ -
4"	168	24.00	4,032
6"	444	34.00	15,096
8"	144	45.00	6,480
10"	36	55.00	1,980
12"	-	75.00	-
	792		\$ 27,588

REVENUE FROM WHOLESALE SALES

	K-GALS	RATE	REVENUE
ALL SALES	97,341	\$ 3.75	\$ 365,029

WEST DIVISION

REVENUE FROM USAGE - ALL METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	63,356	243,299,200	243,299,200	-	243,299,200
ALL OVER	20,000	1,368	96,293,760	27,360,000	68,933,760	96,293,760
		64,724	339,592,960	270,659,200	68,933,760	339,592,960

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	63,356	270,659,200	\$ 6.72	\$ 1,818,830
ALL OVER	20,000	1,368	68,933,760	5.51	379,825
TOTAL		64,724	339,592,960		\$ 2,198,655

REVENUE FROM CUSTOMER CHARGES

METER SIZE	BILLS	CHARGE	REVENUE
5/8"x 3/4"	58,827	3.70	\$ 217,660
1"	4,636	5.18	24,014
1-1/2"	652	6.66	4,342
2"	575	10.73	6,170
3"	11	40.69	448
4"	11	51.79	570
6"	12	77.67	932
8"	-	107.28	-
	64,724		\$ 254,136

REVENUE FROM PRIVATE FIRE PROTECTION SERVICES

SIZE	BILLS	CHARGE	REVENUE
2"	-	\$ 12.00	-
4"	36	24.00	864
6"	240	34.00	8,160
8"	12	45.00	540
10"	-	55.00	-
12"	-	75.00	-
	288		\$ 9,564

REVENUE FROM WHOLESALE SALES

	GALLONS	RATE	REVENUE
ALL SALES	9,078	\$ 4.84	\$ 43,938

BILLING ANALYSIS WITH 2021 USAGE & PROPOSED RATES
Daviess County Water District

SUMMARY - BOTH DIVISIONS

Component	BILLS	GALLONS	Revenue
Usage	158,601	868,539,640	\$ 5,395,181
Customer Ch.			688,124
Totals			\$ 6,083,305
	Less Billing Adjustments		(5,828)
Total Metered Retail Sales			\$ 6,077,477
Private Fire Protection			\$ 37,152
Wholesale Sales			\$ 444,831

REVENUE FROM USAGE - ALL RETAIL METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	ALL OVER 20,000	TOTAL
FIRST	20,000	155,297	606,473,110	606,473,110	-	606,473,110
ALL OVER	20,000	3,304	262,066,530	66,080,000	195,986,530	262,066,530
		158,601	868,539,640	672,553,110	195,986,530	868,539,640

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	155,297	672,553,110	\$ 6.46	\$ 4,344,693
ALL OVER	20,000	3,304	195,986,530	5.36	1,050,488
TOTAL		158,601	868,539,640		\$ 5,395,181

REVENUE FROM CUSTOMER CHARGES

METER SIZE	BILLS	CHARGE	REVENUE
5/8"x 3/4"	144,863	\$ 4.09	\$ 592,490
1"	11,022	5.73	63,156
1-1/2"	1,216	7.36	8,950
2"	1,400	11.86	16,604
3"	33	44.99	1,485
4"	11	57.26	630
6"	56	85.89	4,810
8"	-	118.61	-
	158,601		\$ 688,124

REVENUE FROM PRIVATE FIRE PROTECTION SERVICES

SIZE	BILLS	CHARGE	REVENUE
2"	-	12.00	\$ -
4"	204	24.00	4,896
6"	684	34.00	23,256
8"	156	45.00	7,020
10"	36	55.00	1,980
12"	-	75.00	-
	1,080		\$ 37,152

REVENUE FROM WHOLESALE SALES

	K-GALS	RATE	REVENUE
ALL SALES	106,419	\$ 4.18	\$ 444,831

EXHIBIT 14

SCHEDULE OF ADJUSTED OPERATIONS
Daviess County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	\$ 5,349,757	\$ 233,619	A	\$ 5,583,376
Fire Protection	36,868	284	A	37,152
Sales for Resale	381,175	27,791	A	408,966
Other Water Revenues:				
Forfeited Discounts		62,356	B	62,356
Misc. Service Revenues	31,017			31,017
Other Water Revenues	<u>142,327</u>	467	C	<u>142,794</u>
Total Operating Revenues	\$ 5,941,144			\$ 6,265,661
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	749,184	90,671	D	839,855
Salaries and Wages - Officers	18,000			18,000
Employee Pensions and Benefits	362,229	12,419	D	
		(69,474)	E	305,174
Purchased Water	3,149,551	180,548	F	3,330,099
Purchased Power	113,592			113,592
Materials and Supplies	312,837	2,745	G	315,582
Contractual Services	55,427	22,767	H	78,194
Rental of Bldg/Real Property	11,692			11,692
Transportation Expenses	55,652			55,652
Insurance - Gen. Liab. & Workers Comp.	45,800			45,800
Advertising	4,390			4,390
Bad Debt	6,870			6,870
Miscellaneous Expenses	<u>37,048</u>			<u>37,048</u>
Total Operation and Mnt. Expenses	4,922,272			5,161,948
Depreciation Expense	755,001	22,417	I	777,418
Taxes Other Than Income	<u>66,340</u>	11,778	J	<u>78,118</u>
Total Operating Expenses	\$ 5,743,613			\$ 6,017,484
Net Utility Operating Income	\$ 197,531			\$ 248,178

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 6,017,484
Divided by: Operating Ratio	K 88%
Subtotal	6,838,049
Plus: Interest Expense	<u>395</u>
Total Revenue Requirement	6,838,444
Less: Other Operating Revenue	(236,167)
Interest Income	<u>(43,958)</u>
Revenue Required From Sales of Water	6,558,320
Less: Revenue from Sales with Present Rates	<u>6,029,494</u>
Required Revenue Increase	\$ 528,825
Percent Increase	8.77%

EXHIBIT 15

DAVISS COUNTY WATER DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

DECEMBER 31, 2021

DAVIESS COUNTY WATER DISTRICT
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December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Daviness County Water District

Opinion

We have audited the accompanying financial statements of the of the Daviness County Water District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Daviness County Water District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Daviness County Water District, as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Daviness County Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Daviness County Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Daviess County Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Daviess County Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Daviess County Water District's basic financial statements. The Budgetary Comparison Schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report March 18, 2022, on our consideration of the Daviess County 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 Daviess County 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 the Daviess County Water District's internal control over financial reporting and compliance.

Altaden & Company CPAs PSC

Owensboro, Kentucky
March 18, 2022

MANGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2021. Please read it in conjunction with the District's financial statements, which begin on page 9.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis, the Financial Statements, and Supplementary Information.

Management's Discussion and Analysis (MD&A) serves an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the District's financial condition and performance.

The financial statements report information using accounting methods similar to those used by private sector companies. The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and Notes to the Financial Statements.

The Statement of Net Position presents the financial position of the District and thus provides information about the nature and amount of resources and obligations at year-end.

The Statement of Revenues, Expenses, and Changes in Net Position presents the results of the business activities over the course of the year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flow.

The Statement of Cash Flows present changes in cash and cash equivalents resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursements information, without consideration of the earnings event or when an obligation arises.

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.

The Supplementary Information includes the District's budget to actual comparison schedule.

FINANCIAL SUMMARY

The following table summarizes the financial condition of the District as of December 31, 2021 and January 1, 2021:

	<u>12/31/2021</u>	<u>1/01/2021</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
CURRENT ASSETS				
Current assets	\$ 7,227,141	\$ 6,484,365	\$ 742,776	11.45%
Restricted assets	1,065,002	1,005,351	59,651	5.93%
Net capital assets	<u>15,474,393</u>	<u>15,453,215</u>	21,178	0.14%
Total assets	<u>\$ 23,766,536</u>	<u>\$ 22,942,931</u>	823,605	3.59%
LIABILITIES AND NET ASSETS				
Current liabilities	\$ 797,135	\$ 761,644	\$ 35,491	4.66%
Noncurrent liabilities	<u>311,284</u>	<u>288,424</u>	22,860	7.93%
Total liabilities	<u>1,108,419</u>	<u>1,050,068</u>	58,351	5.56%
NET POSITION				
Net investment in capital assets	15,474,393	15,453,215	21,178	0.14%
Unrestricted	<u>7,183,724</u>	<u>6,439,648</u>	744,076	11.55%
Total net position	<u>22,658,117</u>	<u>21,892,863</u>	765,254	3.50%
Total liabilities and net position	<u>\$ 23,766,536</u>	<u>\$ 22,942,931</u>	\$ 823,605	3.59%

The following table summarizes the revenues, expenses, and changes in net position of the District for the year ended December 31, 2021:

	<u>2021</u>		Favorable (Unfavorable) Variance
	<u>Final Budget</u>	<u>Actual</u>	
Operating revenues	\$ 6,011,600	\$ 6,229,262	\$ 217,662
Operating expenses	<u>5,487,800</u>	<u>5,743,613</u>	<u>255,813</u>
Income from operations	<u>523,800</u>	<u>485,649</u>	<u>(38,151)</u>
Interest income	50,000	43,958	(6,042)
Interest expense	(3,500)	(395)	3,105
Gain on disposal of assets	-	1,231	1,231
Net nonoperating expenses	<u>46,500</u>	<u>44,794</u>	<u>(1,706)</u>
Income before capital contributions	570,300	530,443	(39,857)
Capital contributions	<u>130,000</u>	<u>234,811</u>	<u>104,811</u>
Change in net position	700,300	765,254	64,954
Net position, beginning of year	<u>21,892,863</u>	<u>21,892,863</u>	<u>-</u>
Net position, end of year	<u>\$ 22,593,163</u>	<u>\$ 22,658,117</u>	<u>\$ 64,954</u>

FINANCIAL HIGHLIGHTS

Effective January 1, 2021, the District was formed from the merger of Southeast Daviess County Water District and the West Daviess County Water District. The below financial highlights include references to 2020 financial information for the Southeast and West Daviess County Water District as if they were combined in 2020. Readers should be aware that the Southeast and West Daviess County Water Districts were separate entities for 2020 and the combined information presented for 2020 is for the purpose of analyzing the District's 2021 results from operations.

- In 2021, the District's net position increased by \$765,254. The increase in net position was comprised of income from operations of \$530,443 and capital contributions of \$234,811.
- In 2021, the District's operating revenues were \$6,229,262. In 2020, the Southeast and West Daviess County Water Districts' operating revenues were \$5,033,241. Therefore, the District's operating revenues increased \$1,196,021 or 23.76%. An increase in water sales comprised substantially all of the increase in operating revenue. The increase in water sales is primarily attributable to an increase in customer rates. Customer rates were increased to reflect purchased water adjustments from the District's supplier. The customer rate adjustments went into effect for water sales after December 30, 2020 and as of June 1, 2021. In 2021, the District's total gallons sold to customers were 975,028,540. In 2020, the Southeast and West Daviess County Water Districts' total gallons sold to customers were 962,969,110. Therefore, the District's total gallons sold to customers increased 12,059,430 or 1.25%
- In 2021, the District's operating expenses were \$5,743,613. In 2020, the Southeast and West Daviess County Water Districts' operating expenses were \$5,211,503. Therefore, the District's operating expenses increased \$532,110 or 10.21%. The most significant increases and decreases in operating expenses during 2021 when compared to 2020 were as follows:
 - Water purchased increased \$620,955 or 24.56%
 - Audit, accounting, and legal decreased \$83,696 or 68.76%

Water purchased increased due to an increase in purchased water rates. The customer rate adjustments went into effect for water sales after December 30, 2020 and as of June 1, 2021. In 2021, the District's total gallons purchased were 1,142,746,341. In 2020, the Southeast and West Daviess County Water Districts' total gallons purchased were 1,087,508,802. Therefore, the District's total gallons purchased increased 55,237,539 or 5.08%.

In 2021, the District did not incur as many expenses for audit, accounting, and legal fees. In 2020, the Southeast and West Daviess County Water Districts' audit, accounting and legal fees were substantially higher due to the Districts' attorney consulting on the Southeast and West Water District's merger plans.

CAPITAL ASSETS

As of December 31, 2021, the District had \$15.5 million of net capital assets. The following table summarizes the District's capital asset activity during 2021.

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021
Capital assets not depreciated:				
Land	\$ 94,582	\$ -	\$ -	\$ 94,582
Construction in progress	53,945	52,463	46,408	60,000
Total capital assets not depreciated:	<u>148,527</u>	<u>52,463</u>	<u>46,408</u>	<u>154,582</u>
Capital assets depreciated:				
Buildings	326,593	-	-	326,593
Pumping stations	1,651,961	23,072	-	1,675,033
Equipment	2,702,687	206,009	77,452	2,831,244
Tanks, lines, meters and hydrants	21,862,759	554,809	28,987	22,388,581
Total capital assets depreciated	<u>26,544,000</u>	<u>783,890</u>	<u>106,439</u>	<u>27,221,451</u>
Less accumulated depreciation:				
Buildings	283,686	5,821	-	289,507
Pumping stations	891,999	50,984	-	942,983
Equipment	625,456	143,816	77,453	691,819
Tanks, lines, meters and hydrants	9,438,170	554,380	15,219	9,977,331
Total accumulated depreciation	<u>11,239,311</u>	<u>755,001</u>	<u>92,672</u>	<u>11,901,640</u>
Total capital assets depreciated, net	<u>15,304,689</u>	<u>28,889</u>	<u>13,767</u>	<u>15,319,811</u>
Total capital assets, net	<u>\$ 15,453,216</u>	<u>\$ 81,352</u>	<u>\$ 60,175</u>	<u>\$ 15,474,393</u>

Capital Asset Additions

Significant capital asset additions were as follows:

- Pleasant Grove Road interior tank refurbishments (2 tanks) \$55,351
- Deer Valley, DCPS, Turnberry Estates, and Keeneland Trace waterlines \$125,335
- Deer Valley, DCPS, Turnberry Estates, and Keeneland Trace hydrants \$53,000
- Meters and meter installations placed into service \$266,530
- Purchase of four 2021 Ford F150s \$119,852

Construction in Progress

At December 31, 2021, the District had \$60,000 in construction in progress derived from design engineering associated with the waterline relocation on Highway 54 planned by the Kentucky Department of Transportation in 2022 and betterment costs incurred from upsizing the waterline from 12" to 16". The project is expected to have total cost of \$1,137,700, however, the District will only be responsible for betterment costs of \$423,301. At December 31, 2021, the District is expected to have a remaining commitment for the project of \$363,301. As of December 31, 2021, the Kentucky Department of Transportation did not have an expected start date for the project.

OUTLOOK

General Manager

The Water District will replace William Higdon on January 1, 2023 due to his retirement. Brent Wigginton has been hired as his replacement and is expected to begin work on March 1, 2022 serving as a co-manager until Mr. Higdon's retirement date.

Rate Unification

As a condition of Case No. 2020-287 of the Public Service Commission merging of the Southeast Daviess County Water District and the West Daviess County Water District, the Water District has operated in 2021 by charging each respective customer base the rates and charges of each district pre-merger. However, the Water District is required as a condition of Case No. 2020-287 to perform a Cost-of-Service Study for both retail and wholesale customers in order to submit a unified rate and charges for all customer by June 30, 2022. Until a unified rate and charges declaration is made by the Public Service Commission, the Water District will continue to operate by charging the separate rate structure for each respective customer base. A decision by the Public Service Commission is expected in late 2022. We expect the 2022 revenue to increase 7.85% due to an increase in overall customer demand, the residual effect of a purchased water adjustment on June 1, 2021, and a projected June 1, 2022 increase in purchased water costs. Operating expenses are mainly expected to stabilize except for purchased water expense derived from the before-mentioned increase from Owensboro Municipal Utilities. Also, increases in salary and wage expense, employee benefits, and payroll taxes is expected to increase due to the addition of the replacement general manager hired effective March 1, 2022 while the current General Manager fulfills his obligation until December 31, 2022.

ARPA Funds / Projects

The Water District has applied to receive funds administered by the Kentucky Infrastructure Authority for certain projects as provided by the American Rescue Plan Act of 2021. The following projects and allocation amounts are listed below:

- | | |
|---|--------------|
| ○ Highway 54 Widening Betterment | \$ 275,000 |
| ○ Highway 54 Line Replacement | \$ 1,310,000 |
| ○ Carter Road Pump Station Upgrade | \$ 165,000 |
| ○ Reid Road Pump Station Upgrade | \$ 165,000 |
| ○ Master Meter Program for Leak Detection | \$ 200,000 |

DAVIESS COUNTY WATER DISTRICT
Statement of Net Position
December 31, 2021

	2021
Assets	
CURRENT ASSETS	
Cash	\$ 755,834
Accounts receivable	815,796
Other receivable	4,514
Investments	5,253,250
Interest receivable	933
Prepaid insurance	22,657
Inventory	374,157
TOTAL CURRENT ASSETS	7,227,141
RESTRICTED ASSETS	
Cash - Meter Setting Fund	232,052
Cash - Medical Reimbursement Fund	136,118
Investments - customer deposits	311,284
Investments - medical reimbursement	385,417
Interest receivable	131
TOTAL RESTRICTED ASSETS	1,065,002
CAPITAL ASSETS	
Land	94,582
Water plant	27,221,451
Construction in progress	60,000
	27,376,033
Less accumulated depreciation	(11,901,640)
NET CAPITAL ASSETS	15,474,393
TOTAL ASSETS	\$ 23,766,536

See accompanying notes.

DAVISS COUNTY WATER DISTRICT
Statement of Net Position
December 31, 2021

	2021
Liabilities and Net Assets	
CURRENT LIABILITIES	
Accounts payable	\$ 668,499
Accrued pension	43,197
Accrued school and sales taxes	16,841
Payroll taxes and withholding	16,246
Accrued payroll	23,103
Current liabilities payable from restricted assets:	
Accounts payable	29,249
TOTAL CURRENT LIABILITIES	797,135
NONCURRENT LIABILITIES	
Customer deposits payable from restricted assets	311,284
TOTAL LIABILITIES	1,108,419
NET POSITION	
Net investment in capital assets	15,474,393
Unrestricted	7,183,724
TOTAL NET POSITION	22,658,117
TOTAL LIABILITIES AND NET POSITION	\$ 23,766,536

See accompanying notes.

DAVIESS COUNTY WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021

	2021
OPERATING REVENUES	
Water sales	\$ 5,767,800
Tap on fees	288,118
Miscellaneous service revenues	173,344
TOTAL OPERATING REVENUES	6,229,262
OPERATING EXPENSES	
Advertising	4,390
Audit, accounting, and legal	38,022
Bad debts	6,870
Depreciation	755,001
Education and seminars	945
Employee benefits	362,229
Insurance	45,800
Materials, supplies, and repairs	178,083
Miscellaneous	12,588
Office supplies and expense	134,754
Payroll taxes	60,869
Phone and communication	16,161
PSC assessment	5,471
Rent of real estate	11,692
Salaries and wages	767,184
Transportation	55,652
Uniforms	7,354
Utilities	113,592
Water purchased	3,149,551
Water tests and meter service	17,405
TOTAL OPERATING EXPENSES	5,743,613
INCOME FROM OPERATIONS	485,649
NONOPERATING REVENUES (EXPENSES)	
Interest income	43,958
Interest expense	(395)
Gain on disposal of assets	1,231
TOTAL NONOPERATING REVENUES (EXPENSES)	44,794
INCOME BEFORE CONTRIBUTIONS	530,443

See accompanying notes.

DAVISS COUNTY WATER DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2021

	<u>2021</u>
CONTRIBUTED CAPITAL REVENUE	
Contributions in aid of construction	<u>\$ 234,811</u>
TOTAL CONTRIBUTED CAPITAL REVENUE	<u>234,811</u>
CHANGE IN NET POSITION	765,254
NET POSITION, BEGINNING OF YEAR	<u>21,892,863</u>
NET POSITION, END OF YEAR	<u><u>\$ 22,658,117</u></u>

See accompanying notes.

DAVISS COUNTY WATER DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 6,233,223
Cash payments to employees for services	(1,127,077)
Cash payments for goods and services	(3,862,409)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,243,737
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(610,614)
Proceeds from disposals	15,000
Interest paid	(395)
Capital contributions	55,477
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(540,532)
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in investments - net	(544,281)
Interest on investments	46,285
NET CASH USED IN INVESTING ACTIVITIES	(497,996)
NET INCREASE IN CASH	205,209
CASH AT BEGINNING OF YEAR	918,795
CASH AT END OF YEAR	\$ 1,124,004

See accompanying notes.

DAVISS COUNTY WATER DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2021

	2021
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net income from operations	\$ 485,649
Adjustments to reconcile net income from operations to net cash provided by operating activities:	
Depreciation	755,001
(Increase) decrease in:	
Accounts receivable	(38,893)
Other receivable	19,994
Prepaid insurance	(16,026)
Inventory	(20,339)
Increase (decrease) in:	
Accounts payable	30,793
Accrued pension	1,353
Accrued school and sales tax	2,362
Accrued payroll	39
Payroll taxes and withholding	944
Customer deposits	22,860
Total adjustments	758,088
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,243,737

See accompanying notes.

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Daviess County Water District (District) was the surviving entity from a merger of the Southeast Daviess County Water District and the West Daviess County Water Districts effective January 1, 2021. The Daviess County Water District is a component unit of the Daviess County Fiscal Court, Kentucky and, therefore, is part of the financial reporting entity of the Daviess County Fiscal Court. The District is a water utility which operates in the rural section of Southeast and West Daviess County, Kentucky, and its sales are primarily to residential customers.

Proprietary Fund

The District is classified as a proprietary fund type. Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are the determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary funds' activities are included on its statement of net position.

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The District applies all relevant Government Accounting Standards Board (GASB) pronouncements.

The accrual basis of accounting is used for proprietary fund types. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

Regulation

The District's utility operations are subject to regulation with respect to rates, service, maintenance of accounting records and various other matters by the Commonwealth of Kentucky, Public Service Commission. The District's accounting policies recognize the financial effects of the rate making and accounting practices and policies of the Public Service Commission.

Management Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash Flows Information

For the purposes of the Statements of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Noncash financing activities for 2021, representing water lines donated to the District were \$179,334.

Accounts Receivable

The District follows a monthly billing cycle. When meter reading is delayed, estimated bills are rendered based on the average of the three previous bills in order to promote consistency of water revenue. The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If an account becomes more than sixty days overdue, it's charged to operations using the direct write-off method.

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory consists of materials and supplies and is stated at lower of cost (determined on the first-in, first-out basis) or net realizable value.

Water Plant

Water plant is stated at original cost (cost of the property to whoever first devoted it to public service). The cost of labor for additions to the water plant constructed by the District's employees is not capitalized.

Capital Assets

Utility plant assets are stated at cost. The cost of current repairs and maintenance is charged to expense, while the cost of replacements or betterments is capitalized. Depreciation is provided on the basis of the estimated useful lives of assets using the straight-line method. Depreciation expense was \$755,001 for 2021. Estimated useful lives of major class of the water plant in service are as follows:

Land improvements	10-25
Buildings	10-40
Building Improvements	10-40
Machinery and Equipment	5-20
Infrastructure	10-75
Pump Stations / Tanks	35-40
Water Lines	50-75
Meter Installations	40-50
Meters	15-20
Hydrants	40-60

Operating Revenue

Operating revenue is recognized upon completion of monthly meter readings. At the end of each month, water service which has been rendered from the latest meter reading to the end of the month is unbilled.

Nonoperating Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering water in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B – CASH DEPOSITS AND INVESTMENTS

Cash at year-end consists was as follows:

	<u>2021</u>
Cash	\$ 755,834
Cash - Meter Setting Fund	232,052
Cash - Medical Reimbursement Fund	<u>136,118</u>
	<u>\$ 1,124,004</u>

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE B – CASH DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At December 31, 2021, the amount of insured and uninsured deposits not covered by federal deposit insurance or collateralized by securities was as follows:

	2021
Bank balances	\$ 7,073,271
FDIC insured	(250,000)
Collateralized by pledged securities	(6,823,271)
Uninsured and not covered by collateral	-
Total custodial credit risk	\$ -

Investments

Investments at year-end was as follows:

	2021		
Investments:	Balance	Matures	Interest Rate
Certificate of deposit	\$ 1,122,192	2/13/2022	0.50%
Certificate of deposit	487,565	3/4/2022	0.50%
Certificate of deposit	425,859	4/20/2022	0.60%
Certificate of deposit	1,017,155	5/20/2022	0.50%
Certificate of deposit	606,093	6/1/2022	0.50%
Certificate of deposit	1,152,133	7/19/2022	0.50%
Certificate of deposit	753,537	11/1/2022	0.40%
Certificate of deposit	385,417	11/2/2022	0.40%
Total investments	\$ 5,949,951		

Investments are shown on the Statement of Net Position was as follows:

	2021
Investments	\$ 5,253,250
Investments - customer deposits	311,284
Investments - medical reimbursements	385,417
	\$ 5,949,951

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Under Kentucky Revised Statutes Section 66.480, the District is authorized to invest in obligations of the United States and its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or of its agencies, obligations of any corporation of the United State government, certificates of deposit, commercial paper rated in one of the three highest categories by nationally recognized rating agencies and shares in mutual funds. The District’s investment policy only allows investment choices that are in

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE B – CASH DEPOSITS AND INVESTMENTS (continued)

Credit Risk (continued)

compliance with the state statues. At December 31, 2021, all investments held by the District were insured or collateralized with securities held by the District or by its agent in the District's name.

Concentration of Credit Risk

The District's investment policy places no limit on the amount the District may invest in any one issuer. The District's investments consist of collateralized certificate of deposits at a local bank. The District does not have a deposit policy for credit risk.

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 was as follows:

	Balance Jan. 1, 2021	Additions	Deletions	Balance Dec. 31, 2021
Capital assets not depreciated:				
Land	\$ 94,582	\$ -	\$ -	\$ 94,582
Construction in progress	53,945	52,463	46,408	60,000
Total capital assets not depreciated:	<u>148,527</u>	<u>52,463</u>	<u>46,408</u>	<u>154,582</u>
Capital assets depreciated:				
Buildings	326,593	-	-	326,593
Pumping stations	1,651,961	23,072	-	1,675,033
Equipment	2,702,687	206,009	77,452	2,831,244
Tanks, lines, meters and hydrants	21,862,759	554,809	28,987	22,388,581
Total capital assets depreciated	<u>26,544,000</u>	<u>783,890</u>	<u>106,439</u>	<u>27,221,451</u>
Less accumulated depreciation:				
Buildings	283,686	5,821	-	289,507
Pumping stations	891,999	50,984	-	942,983
Equipment	625,456	143,816	77,453	691,819
Tanks, lines, meters and hydrants	9,438,170	554,380	15,219	9,977,331
Total accumulated depreciation	<u>11,239,311</u>	<u>755,001</u>	<u>92,672</u>	<u>11,901,640</u>
Total capital assets depreciated, net	<u>15,304,689</u>	<u>28,889</u>	<u>13,767</u>	<u>15,319,811</u>
Total capital assets, net	<u>\$ 15,453,216</u>	<u>\$ 81,352</u>	<u>\$ 60,175</u>	<u>\$ 15,474,393</u>

Construction in Progress

At December 31, 2021, the District had \$60,000 in construction in progress derived from design engineering associated with the waterline relocation on Highway 54 planned by the Kentucky Department of Transportation. The project is expected to have total cost of \$1,137,700, with the District responsible for betterment costs of \$423,301. At December 31, 2021, the District has a remaining commitment for the project of \$363,301. As of December 31, 2021, the Kentucky Department of Transportation did not have an expected start date for the project.

NOTE D – RETIREMENT PLANS

The District has a money-purchase retirement plan (Plan) covering all full-time employees that is a Defined Contribution plan. The fair value of investments is determined by the quoted market prices for

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE D – RETIREMENT PLANS (continued)

each investment at the close of the market. The District makes a contribution equal to eleven percent of the employee's earned annual base salary. Employees become eligible after reaching the age of twenty and a half and after six months of full time employment. Employees become fully vested after five years of service from enrollment date. Employer contributions to the Plan for 2021 was \$83,947. Accrued pension expense for the Plan as of December 31, 2021 was \$43,197. Pentegra Services, Inc. is the administrator of the funds. Mass Mutual Financial Group is the custodian of the funds.

During 2021, there were no forfeitures under this plan.

In addition to the Plan, the District's employees are also eligible to participate in a deferred compensation plan. The plan is organized as a Section 457(b) plan under the Internal Revenue Code. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, age sixty-two if still working or financial hardship. The District's policy is to match the employee's contribution up to three percent of the employee's gross salary.

Employer contribution to the deferred compensation plan for 2021 was \$18,442. Pentegra Services, Inc. is the administrator of this retirement plan. Mass Mutual Financial Group is the custodian of the fund.

NOTE E – RESTRICTED ASSETS

Cash and investments held for the purpose of medical reimbursement and meter setting deposits are classified as restricted funds and liabilities to be paid by the District are classified as liabilities payable from restricted funds.

NOTE F – RWRA ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

The District bills and performs collections for sewer charges on behalf of the Regional Water Resource Agency (RWRA), a regional provider of comprehensive wastewater services for Daviess County, Kentucky.

Accounts receivable and accounts payable related to RWRA as of December 31, 2021 was as follows:

	2021
Accounts receivable - RWRA	\$ 375,608
Accounts receivable - District	440,188
Total accounts receivable	\$ 815,796
	2021
Accounts payable - RWRA	\$ 367,027
Accounts payable - District	301,472
Total accounts payable	\$ 668,499

NOTE G – CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction represent additions to the water plant through extensions of the water distribution system. These additions are funded by individual users through payments made directly to the District or to independent contractors. Contributions to the water distribution system amounted to \$234,811 for 2021.

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE H – INCOME TAX STATUS

The District is exempt from federal and state income taxes and, accordingly, no provision for such taxes has been made.

NOTE I – LEASING ARRANGEMENTS

The District conducts its operations from facilities which are constructed upon land leased for a period of five years commencing March 1, 2017. The lease provides that the lessee shall have the right to extend this lease for additional five-year periods. Unless notice is given to cancel this lease sixty (60) days before the end of the original period or any extension thereof, then such extension shall be automatic. Rent of \$974 is due monthly. Rental expense was \$11,692 for 2021.

The following is a schedule of future minimum rental payments required under the above lease as of December 31, 2021:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 1,948

NOTE J – SUPPLIER

The District purchases all of its water for resale from the City Utility Commission of the City of Owensboro, Kentucky operating as Owensboro Municipal Utilities (OMU). The purchases from OMU for 2021 were \$3,131,708. Amounts payable to OMU at year-end for 2021 were \$251,791.

NOTE K – COMPENSATED ABSENCES

Employees are entitled to paid vacation and paid sick days, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The District does not accrue compensation for paid vacation because the amount is considered immaterial. The District's policy is to record compensated absences when actually paid to employees.

NOTE L – 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: invested in capital assets; restricted and unrestricted net assets. Invested in capital assets consists of all capital assets, net of accumulated depreciation. 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 assets not included in the above categories.

Included in restricted net position at December 31,

	2021
Investments - Customer Deposits	\$ 311,284
Less: Restricted Liabilities	(311,284)
Restricted Net Position	\$ -

DAVIESS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE M – COMMITMENTS AND CONTINGENCIES

Medical Expense Reimbursement Plan

The District provides a medical reimbursement plan (MERP) to its employees. The plan reimburses employees for medical and hospital expenses incurred by themselves and their dependents from December 1 to November 30 in any calendar year, but not to exceed \$3,000 for single employee or \$6,000 for family plan (or current health plan's out-of-pocket maximum less \$1,000 for single plan and \$2,000 for family plan) per plan year. The reimbursements exclude insurable and eligible medical and hospital expenses available to employees under the District's group insured health plan. This plan also excludes employee dental expenses and expenses for prescription and non-prescription drugs. The District has established a reserve consisting of cash and cash equivalents to cover future medical reimbursements which as of December 31, 2021, totaled \$385,417. For the year ended December 31, 2021, medical reimbursements paid to employees were \$26,339. There were no significant outstanding medical reimbursements to employees as of December 31, 2021.

Water Purchases

The District purchases water monthly from Owensboro Municipal Utilities. The amount OMU charges the District for water purchases is based on an estimated rate. The supplier will retroactively compare the actual cost and estimated costs charged to the District and the difference (either the amount overpaid or underpaid) is communicated to the District. The District has the option to request a rate change or otherwise the rate remains unchanged. As of May 31, 2021, the total amount underpaid by the District was \$375,739. The District has not recognized a contingency on their records since this amount cannot be reasonably estimated as of December 31, 2021.

NOTE N - MERGER

Effective January 1, 2021 the Southeast Daviess County Water District and West Daviess County Water District merged to form the Daviess County Water District. The primary reason for the merger was for the interest of the general public and increased operational efficiencies. The initial opening balances of the District's assets, liabilities, and net position, as of the beginning of the period were determined based on the carrying values reported in the separate financial statements of Southeast and West Water Districts as of December 31, 2020. The Southeast Daviess County Water District and West Daviess County Water District entered into a merger agreement on August 18, 2020. The Daviess County Fiscal Court approved the combining of the Districts' territories on December 3, 2020 (Executive Order 08-2020). The Public Service Commission approved the merger December 15, 2020 (Case No. 2020-287).

As of January 1, 2021, the impact of the merger was as follows:

DAVIESS COUNTY WATER DISTRICT
Combined Statements of Net Position
January 1, 2021

	Southeast Water District	West Water District	Daviess County Water District
ASSETS			
Current assets	\$ 3,603,924	\$ 2,868,272	\$ 6,472,196
Restricted assets	547,881	469,639	1,017,520
Net capital assets	8,361,641	7,091,574	15,453,215
 Total assets	 \$ 12,513,446	 \$ 10,429,485	 \$ 22,942,931

(table continued on next page)

DAVISS COUNTY WATER DISTRICT
Notes to the Financial Statements
December 31, 2021

NOTE N – MERGER (continued)

DAVISS COUNTY WATER DISTRICT
Combined Statements of Net Position
January 1, 2021

	<u>Southeast Water District</u>	<u>West Water District</u>	<u>Daviess County Water District</u>
LIABILITIES AND NET ASSETS			
Current liabilities	\$ 504,824	\$ 256,820	\$ 761,644
Noncurrent liabilities	<u>173,584</u>	<u>114,840</u>	<u>288,424</u>
Total liabilities	<u>678,408</u>	<u>371,660</u>	<u>1,050,068</u>
NET POSITION			
Net investment in capital assets	8,361,641	7,091,574	15,453,215
Unrestricted	<u>3,473,397</u>	<u>2,966,251</u>	<u>6,439,648</u>
Total net position	<u>11,835,038</u>	<u>10,057,825</u>	<u>21,892,863</u>
Total liabilities and net position	<u>\$ 12,513,446</u>	<u>\$ 10,429,485</u>	<u>\$ 22,942,931</u>

Prior to merging, the Southeast Daviess County Water District and West Daviess County Water District used the same accounting policies and the same management team for operations. Therefore, there were no significant adjustments related to bring accounting policies into conformity or adjustments related to the impairment of capital assets resulting from the merger.

NOTE O – COVID-19 CONSIDERATIONS

COVID-19 Pandemic

Management believes the District is in sound financial condition to handle any negative effects caused by the ongoing public health crisis.

NOTE P – SUBSEQUENT EVENTS

The District renewed the lease discussed in Note I. Monthly rent payments beginning March 1, 2022 will be \$1,072 and the lease will continued to be renewed every 5 years with a 10% adjustment to the monthly rent.

The District did not have any other subsequent events through March 18, 2022, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2021.

SUPPLEMENTARY INFORMATION

DAVISS COUNTY WATER DISTRICT
Budgetary Comparison Schedule
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
OPERATING REVENUES	<u>\$ 6,011,600</u>	<u>\$ 6,011,600</u>	<u>\$ 6,229,262</u>	<u>\$ 217,662</u>
OPERATING EXPENSES				
Operation and maintenance expense	4,728,300	4,728,300	4,981,211	(252,911)
Depreciation expense	750,000	750,000	755,001	(5,001)
Taxes other than income	<u>9,500</u>	<u>9,500</u>	<u>7,401</u>	<u>2,099</u>
TOTAL OPERATING EXPENSES	<u>5,487,800</u>	<u>5,487,800</u>	<u>5,743,613</u>	<u>(255,813)</u>
INCOME FROM OPERATIONS	<u>523,800</u>	<u>523,800</u>	<u>485,649</u>	<u>(38,151)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	50,000	50,000	43,958	(6,042)
Interest expense	(3,500)	(3,500)	(395)	3,105
Gain on disposal of assets	<u>-</u>	<u>-</u>	<u>1,231</u>	<u>1,231</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>46,500</u>	<u>46,500</u>	<u>44,794</u>	<u>(1,706)</u>
INCOME BEFORE CONTRIBUTIONS	570,300	570,300	530,443	(39,857)
CONTRIBUTED CAPITAL REVENUE	<u>130,000</u>	<u>130,000</u>	<u>234,811</u>	<u>104,811</u>
CHANGE IN NET POSITION	<u>\$ 700,300</u>	<u>\$ 700,300</u>	<u>\$ 765,254</u>	<u>\$ 64,954</u>



INDEPENDENT AUDITORS' 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 Board of Commissioners
Daviness County Water District

We have audited, in accordance with the 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 the Daviness County Water District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Daviness County Water District's basic financial statements, and have issued our report thereon dated March 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Daviness County 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Daviness County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Daviness County 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Daviness County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Altadena & Company CPAS PSC

Owensboro, Kentucky
March 18, 2022

**DAVISS COUNTY WATER DISTRICT
Schedule of Findings and Responses
Year Ended December 31, 2021**

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

EXHIBIT 16

Table A
DEPRECIATION EXPENSE ADJUSTMENTS
Daviess County Water District

No.	Assets	Date in Service	Original Cost *	Reported		Proforma		Depreciation Expense	
	Description			Life	Depr. Exp.	Life	Depr. Exp.	Adjustment	
304 - Pumps and Equipment									
	Pumping Stations	various	1,331,434	varies	37,838	37.5	35,505	(2,333)	
	Pump Equipment	various	113,074	10.0	11,082	20.0	5,654	(5,429)	
	SCADA Equipment	various	39,422	10.0	2,063	10.0	2,063	-	
330 - Reservoirs & Tanks									
	Tanks & Improvements	various	3,921,792	varies	95,623	45.0	87,151	(8,472)	
	Masonville Painting	2019	153,326	10.0	15,333	15.0	10,222	(5,111)	
	Pleasant Grove Painting	2021	55,351	10.0	3,690	15.0	3,690	-	
331 - Line Additions									
	Various Line Additions	various	11,534,829	varies	243,572	62.5	184,557	(59,015)	
334 - Meters									
	Meters & Installations	various	4,838,096	varies	132,933	40.0	120,952	(11,981)	
	Touch Reads	various	884,475	20.0	38,277	20.0	44,224	5,947	
335 - Hydrants									
	Hydrants	various	1,029,700	40.0	24,951	50.0	20,594	(4,357)	
339 - Other Plant & Misc. Equip.									
	Structures & Improvements	various	71,432	varies	4,652	37.5	1,905	(2,747)	
	Office Equipment	various	11,690	varies	1,169	22.5	520	(649)	
340 - Office Furniture & Equip.									
	Computers, Software, etc.	various	59,583	varies	6,726	10.0	5,958	(768)	
	Office Furniture	various	2,375	varies	449	22.5	106	(343)	
341 - Vehicles									
	Pickup Trucks	various	182,020	5.0	19,949	7.0	26,003	6,054	
343 - Tools, Shop & Garage Equip.									
	Meter Test Benches	05/15/09	12,645	20.0	632	17.5	723	90	
	Misc. Equipment	various	14,971	7.0	2,139	10.0	1,497	(642)	
345 - Power Operated Equip.									
	Entire Group	various	69,978	varies	4,606	12.5	5,598	992	
346 - Communication Equip.									
	Entire Group	various	2,204,977	20.0	109,317	10.0	220,498	111,181	
TOTALS					\$	755,002	\$	777,418	\$ <u>22,417</u>

* Includes only costs of assets that contributed to depreciation expense in the test year.

EXHIBIT 17

COMPUTER SOFTWARE USED TO DEVELOP APPLICATION AND EXHIBITS

Software	<p>Word 365 Excel 365 Acrobat Pro DC Acrobat Reader DC Kofax Power PDF Alliance Software Package</p>
Uses for Application	<p>Microsoft Word 365: Word processing; preparation of exhibits Microsoft Excel 365: preparation of rate study, billing analysis; recording/extraction of financial information Adobe Acrobat Pro DC: conversion of electronic documents into format acceptable for electronic filing with Public Service Commission; viewing documents in portable document format Adobe Acrobat Reader DC: viewing documents in portable document format Kofax Power PDF Advanced: conversion of electronic documents into format acceptable for electronic filing with Public Service Commission; viewing documents in portable document format Alliance Software Package: Financial record storage; preparation of summary reports; maintenance of billing and operations records</p>
Description of Software	<p>Microsoft Word 365: Word processing software Microsoft Excel 365: Spreadsheet software Adobe Acrobat Pro DC: Publishing software Adobe Acrobat Reader DC: PDF viewing software Kofax Power PDF: Publishing Software Alliance Software Package: Financial/Operations recordkeeping software</p>
Software Suppliers	<p>Microsoft: Word 365, Excel 365 Adobe: Acrobat Pro DC; Acrobat Reader DC Kofax: Kofax Power PDF Advanced United Systems: Alliance Software Package</p>
Minimum Specifications To Operate All Listed Software	<p>Computer/Processor: 1 gigahertz (GHz) or faster x86-bit or x64-bit processor with SSE2 Memory: 1 GB RAM Hard disk: 3.0 GB of available disk space Display: 1366 x 768 screen resolution Operating system: Windows 7 or higher</p>

EXHIBIT 18

DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED JANUARY 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 67.50	\$ 153,747.57	\$ -	\$ 418.80	\$ 153,300.00	\$ 96.27
2. SCB Revenue Collection	\$ 3,919.52	\$ 610,902.86	\$ -	\$ 399.99	\$ 607,000.00	\$ 7,422.39
TOTAL COLLECTIONS	\$ 3,987.02	\$ 764,650.43	\$ -	\$ 818.79	\$ 760,300.00	\$ 7,518.66
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 496,305.37	\$ 773,925.16	\$ 59.06	\$ 744,717.49	\$ -	\$ 525,572.10
2. Meter Setting Fund	\$ 169,080.45	\$ 13,975.00	\$ 19.30	\$ 16,975.97	\$ -	\$ 166,098.78
3. Medical Reimbursement	\$ 161,747.13	\$ -	\$ 14.74	\$ 4,184.52	\$ -	\$ 157,577.35
TOTAL EXPENSES	\$ 827,132.95	\$ 787,900.16	\$ 93.10	\$ 765,877.98	\$ -	\$ 849,248.23
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,405,670.86	\$ -	\$ 6,437.00	\$ -	\$ -	\$ 5,412,107.86
MONTHLY TOTAL	\$ 6,236,790.83	\$ 1,552,550.59	\$ 6,530.10	\$ 766,696.77	\$ 760,300.00	\$ 6,268,874.75

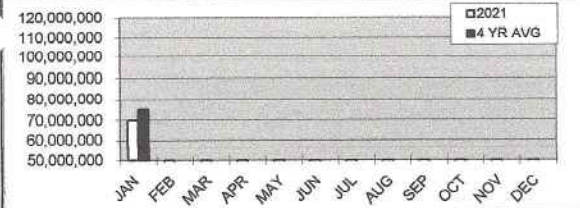
D. OPERATIONS ACCOUNT RECEIPTS	
Transfer from SCB ACH	\$ 153,300.00
Transfer from SCB Rev.	\$ 607,000.00
Memberships	\$ 3,040.00
Service Order Charges	\$ 1,269.00
Reim. on Mileage	\$ 74.63
Hydrant Use	\$ 279.02
Hwy 81 reimbursement	\$ 1,887.00
Material reimbursement	\$ 193.60
Meter test	\$ -
Hwy 54 reimbursement	\$ 5,717.50
Water used	\$ 572.41
Tank rent	\$ 392.00
Phone Reimbursement	\$ 200.00
Total Receipts	\$ 773,925.16

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 42,947.17	\$ 42,947.17
Employee Benefits - Health / Life / Dental Insurance	\$ 20,706.16	\$ 20,706.16
Employee Benefits - Payroll Taxes and W/H.....	\$ 21,505.93	\$ 21,505.93
Employee Benefits - Retirement.....	\$ 4,428.96	\$ 4,428.96
Purchased Water.....	\$ 205,785.16	\$ 205,785.16
Purchased Power.....	\$ 9,368.89	\$ 9,368.89
Telephone Expense.....	\$ 1,195.09	\$ 1,195.09
Maintenance & Materials.....	\$ 21,690.78	\$ 21,690.78
Office Supplies	\$ 5,298.01	\$ 5,298.01
Computer Expense.....	\$ 1,075.00	\$ 1,075.00
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ -
Contractual Services - Legal.....	\$ 11,336.50	\$ 11,336.50
Contractual Services - Other.....	\$ 500.00	\$ 500.00
Water Test.....	\$ 1,825.00	\$ 1,825.00
Rental of Building / Real Property.....	\$ 974.36	\$ 974.36
Transportation Expense.....	\$ 4,531.71	\$ 4,531.71
Insurance - Unemployment.....	\$ -	\$ -
Insurance - Worker's Compensation.....	\$ 160.41	\$ 160.41
Insurance - Property & Liability.....	\$ -	\$ -
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food.....	\$ 419.51	\$ 419.51
Miscellaneous - Reservation Expenses.....	\$ -	\$ -
Miscellaneous - Utility Memberships / Fees.....	\$ 2,350.00	\$ 2,350.00
Miscellaneous - Other.....	\$ 104.90	\$ 104.90
Petty Cash.....	\$ 94.65	\$ 94.65
Uniforms.....	\$ 713.55	\$ 713.55
Credit Refunds.....	\$ 2,112.09	\$ 2,112.09
Education and Seminars.....	\$ -	\$ -
PSC Assessment.....	\$ -	\$ -
Sewage.....	\$ 323,299.30	\$ 323,299.30
Sanitation.....	\$ 16,962.00	\$ 16,962.00
Sales Tax.....	\$ 4,371.04	\$ 4,371.04
School Tax.....	\$ 10,070.37	\$ 10,070.37
Depreciable Acquisitions.....	\$ 30,890.95	\$ 30,890.95
TOTALS.....	\$ 744,717.49	\$ 744,717.49

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 776,903.61
Deductions:	
SCB ACH Collections	\$ 153,747.57
South Central Bank Collections	\$ 610,902.86
Membership Refunded	\$ 1,730.00
Interest on Deposits Paid	\$ -
Bad Water Debts	\$ 1,007.70
Bad Sewer Debts	\$ 2,336.55
Other Sewer Adjustments	\$ 67.00
Other Adjustments	\$ 619.09
Additions:	
Water Billing	\$ 351,615.72
Sewer & Sanitation Billing	\$ 350,289.34
Fire Protection Billing	\$ 2,959.00
Sales and School Taxes Billing	\$ 14,406.31
Final Bill Adjustments	\$ 489.99
Service Charges	\$ 1,601.00
Other Adjustments	\$ -
Ending Balance	\$ 727,854.20

G. STATISTICAL REPORT	
Gallons Billed	69,878,040
Five Year Ranking	5

	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters....	12,146	12,215	11,907
No Usage Bills.....	1,053	971	1,014
Total.....	13,199	13,186	12,921
Hours Worked.....	2242 1/2	2265	2242 1/2
Gallons Purchased.....	82,305,782	81,632,284	82,264,996
Gallons Billed.....	69,878,040	71,861,010	76,775,540
Accounted for Water Loss...	500,000	1,220,000	1,075,000
Difference.....	11,927,742	8,551,274	4,414,456



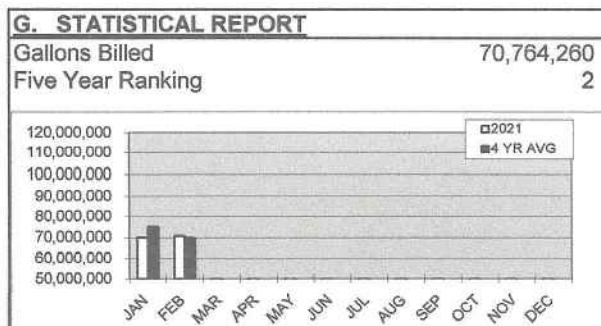
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED FEBRUARY 28, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 96.27	\$ 153,188.32	\$ -	\$ 369.70	\$ 152,850.00	\$ 64.89
2. SCB Revenue Collection	\$ 7,422.39	\$ 552,602.08	\$ -	\$ 141.26	\$ 548,800.00	\$ 11,083.21
TOTAL COLLECTIONS	\$ 7,518.66	\$ 705,790.40	\$ -	\$ 510.96	\$ 701,650.00	\$ 11,148.10
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 525,572.10	\$ 726,236.24	\$ 82.96	\$ 750,453.13	\$ -	\$ 501,438.17
2. Meter Setting Fund	\$ 166,098.78	\$ 23,290.00	\$ 26.27	\$ 33,309.88	\$ -	\$ 156,105.17
3. Medical Reimbursement	\$ 157,577.35	\$ -	\$ 24.15	\$ 2,909.56	\$ -	\$ 154,691.94
TOTAL EXPENSES	\$ 849,248.23	\$ 749,526.24	\$ 133.38	\$ 786,672.57	\$ -	\$ 812,235.28
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,412,107.86	\$ -	\$ 6,655.30	\$ -	\$ 498,224.62	\$ 5,418,763.16
MONTHLY TOTAL	\$ 6,268,874.75	\$ 1,953,541.26	\$ 6,788.68	\$ 787,183.53	\$ 1,199,874.62	\$ 6,242,146.54

D. OPERATIONS ACCOUNT RECEIPTS	
Transfer from SCB ACH	\$ 152,850.00
Transfer from SCB Rev.	\$ 548,800.00
Memberships	\$ 2,310.00
Service Order Charges	\$ 978.00
Reim. on Mileage	\$ -
Hydrant Use	\$ 1,379.52
McFarland Rd reimbursement	\$ 1,405.00
Material reimbursement	\$ 2,175.68
Meter test	\$ -
Hwy 54 reimbursement	\$ -
Water used	\$ 172.44
Tank rent	\$ 15,965.60
Phone Reimbursement	\$ 200.00
Total Receipts	\$ 726,236.24

E. OPERATIONS ACCOUNT EXPENSES		CURRENT MONTH	YEAR TO DATE
Salaries and Wages	\$ 41,803.82	\$ 84,750.99	
Employee Benefits - Health / Life / Dental Insurance	\$ 20,706.16	\$ 41,412.32	
Employee Benefits - Payroll Taxes and W/H	\$ 19,656.26	\$ 41,162.19	
Employee Benefits - Retirement	\$ 4,332.81	\$ 8,761.77	
Purchased Water	\$ 207,445.65	\$ 413,230.81	
Purchased Power	\$ 9,384.17	\$ 18,753.06	
Telephone Expense	\$ 1,376.46	\$ 2,571.55	
Maintenance & Materials	\$ 37,118.53	\$ 58,809.31	
Office Supplies	\$ 12,016.49	\$ 17,314.50	
Computer Expense	\$ 27,623.63	\$ 28,698.63	
Contractual Services - Engineering	\$ -	\$ -	
Contractual Services - Accounting	\$ -	\$ -	
Contractual Services - Legal	\$ 5,889.00	\$ 17,225.50	
Contractual Services - Other	\$ -	\$ 500.00	
Water Test	\$ 1,790.00	\$ 3,615.00	
Rental of Building / Real Property	\$ 974.36	\$ 1,948.72	
Transportation Expense	\$ 4,881.22	\$ 9,412.93	
Insurance - Unemployment	\$ -	\$ -	
Insurance - Worker's Compensation	\$ -	\$ 160.41	
Insurance - Property & Liability	\$ -	\$ -	
Advertising Expense	\$ -	\$ -	
Miscellaneous - Meals / Food	\$ -	\$ 419.51	
Miscellaneous - Reservation Expenses	\$ -	\$ -	
Miscellaneous - Utility Memberships / Fees	\$ -	\$ 2,350.00	
Miscellaneous - Other	\$ 301.13	\$ 406.03	
Petty Cash	\$ 36.01	\$ 130.66	
Uniforms	\$ 885.79	\$ 1,599.34	
Credit Refunds	\$ 200.88	\$ 2,312.97	
Education and Seminars	\$ -	\$ -	
PSC Assessment	\$ -	\$ -	
Sewage	\$ 322,637.98	\$ 645,937.28	
Sanitation	\$ 17,048.00	\$ 34,010.00	
Sales Tax	\$ 4,472.15	\$ 8,843.19	
School Tax	\$ 9,872.63	\$ 19,943.00	
Depreciable Acquisitions	\$ -	\$ 30,890.95	
TOTALS	\$ 750,453.13	\$ 1,495,170.62	

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 727,854.20
Deductions:	
SCB ACH Collections	\$ 153,188.32
South Central Bank Collections	\$ 552,602.08
Membership Refunded	\$ 1,660.00
Interest on Deposits Paid	\$ 0.48
Bad Water Debts	\$ 453.39
Bad Sewer Debts	\$ 2,209.57
Other Sewer Adjustments	\$ 455.26
Other Adjustments	\$ 617.39
Additions:	
Water Billing	\$ 411,588.56
Sewer & Sanitation Billing	\$ 360,807.61
Fire Protection Billing	\$ 2,993.00
Sales and School Taxes Billing	\$ 16,546.48
Final Bill Adjustments	\$ 200.88
Service Charges	\$ 1,414.50
Other Adjustments	\$ -
Ending Balance	\$ 810,218.74



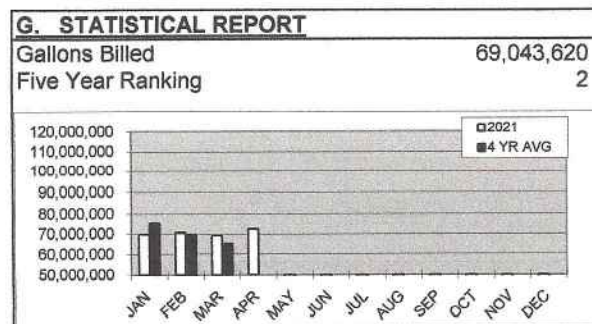
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED MARCH 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 64.89	\$ 168,968.66	\$ -	\$ 380.40	\$ 168,600.00	\$ 53.15
2. SCB Revenue Collection	\$ 11,083.21	\$ 647,423.25	\$ -	\$ -	\$ 651,500.00	\$ 7,006.46
TOTAL COLLECTIONS	\$ 11,148.10	\$ 816,391.91	\$ -	\$ 380.40	\$ 820,100.00	\$ 7,059.61
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 501,438.17	\$ 836,594.21	\$ 112.77	\$ 748,586.88	\$ -	\$ 589,558.27
2. Meter Setting Fund	\$ 156,105.17	\$ 26,525.00	\$ 28.50	\$ 35,367.61	\$ -	\$ 147,291.06
3. Medical Reimbursement	\$ 154,691.94	\$ -	\$ 27.98	\$ 3,584.04	\$ -	\$ 151,135.88
TOTAL EXPENSES	\$ 812,235.28	\$ 863,119.21	\$ 169.25	\$ 787,538.53	\$ -	\$ 887,985.21
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,418,763.16	\$ -	\$ 4,259.79	\$ -	\$ -	\$ 5,423,022.95
MONTHLY TOTAL	\$ 6,242,146.54	\$ 1,679,511.12	\$ 4,429.04	\$ 787,918.93	\$ 820,100.00	\$ 6,318,067.77

D. OPERATIONS ACCOUNT RECEIPTS	
Transfer from SCB ACH	\$ 168,600.00
Transfer from SCB Rev.	\$ 651,500.00
Memberships	\$ 9,140.00
Service Order Charges	\$ 1,403.00
Reim. on Mileage	\$ -
Hydrant Use	\$ 91.72
McFarland Rd reimbursement	\$ -
Material reimbursement	\$ 1,673.00
Meter test	\$ 10.00
Scrap	\$ 3,584.49
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 200.00
Total Receipts	\$ 836,594.21

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 45,561.79	\$ 130,312.78
Employee Benefits - Health / Life / Dental Insurance	\$ 20,706.16	\$ 62,118.48
Employee Benefits - Payroll Taxes and W/H	\$ 21,360.11	\$ 62,522.30
Employee Benefits - Retirement	\$ 4,666.73	\$ 13,428.50
Purchased Water	\$ 205,109.82	\$ 618,340.63
Purchased Power	\$ 10,425.52	\$ 29,178.58
Telephone Expense	\$ 1,295.03	\$ 3,866.58
Maintenance & Materials	\$ 26,673.13	\$ 85,482.44
Office Supplies	\$ 5,468.30	\$ 22,782.80
Computer Expense	\$ 9,475.00	\$ 38,173.63
Contractual Services - Engineering	\$ -	\$ -
Contractual Services - Accounting	\$ -	\$ -
Contractual Services - Legal	\$ 2,294.00	\$ 19,519.50
Contractual Services - Other	\$ -	\$ 500.00
Water Test	\$ 1,000.00	\$ 4,615.00
Rental of Building / Real Property	\$ 974.36	\$ 2,923.08
Transportation Expense	\$ 4,250.30	\$ 13,663.23
Insurance - Unemployment	\$ -	\$ -
Insurance - Worker's Compensation	\$ 3,813.71	\$ 3,974.12
Insurance - Property & Liability	\$ 12,906.39	\$ 12,906.39
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food	\$ 101.28	\$ 520.79
Miscellaneous - Reservation Expenses	\$ -	\$ -
Miscellaneous - Utility Memberships / Fees	\$ 390.00	\$ 2,740.00
Miscellaneous - Other	\$ 223.61	\$ 629.64
Petty Cash	\$ 115.74	\$ 246.40
Uniforms	\$ 535.66	\$ 2,135.00
Credit Refunds	\$ 1,559.46	\$ 3,872.43
Education and Seminars	\$ -	\$ -
PSC Assessment / School Tax	\$ 182.57	\$ 182.57
Sewage	\$ 335,166.52	\$ 981,103.80
Sanitation	\$ 17,065.00	\$ 51,075.00
Sales Tax	\$ 4,960.67	\$ 13,803.86
School Tax	\$ 11,536.52	\$ 31,479.52
Depreciable Acquisitions	\$ 769.50	\$ 31,660.45
TOTALS	\$ 748,586.88	\$ 2,243,757.50

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 810,218.74
Deductions:	
SCB ACH Collections	\$ 168,968.66
South Central Bank Collections	\$ 647,423.25
Membership Refunded	\$ 2,715.00
Interest on Deposits Paid	\$ 0.85
Bad Water Debts	\$ (159.58)
Bad Sewer Debts	\$ 71.00
Other Sewer Adjustments	\$ 531.43
Other Adjustments	\$ 2,711.65
Additions:	
Water Billing	\$ 400,304.98
Sewer & Sanitation Billing	\$ 360,287.76
Fire Protection Billing	\$ 2,993.00
Sales and School Taxes Billing	\$ 16,399.36
Final Bill Adjustments	\$ 1,559.46
Service Charges	\$ 1,428.25
Other Adjustments	\$ -
Ending Balance	\$ 770,929.29



DAVISS COUNTY WATER DISTRICT

MONTHLY FINANCIAL AND STATISTICAL REPORT

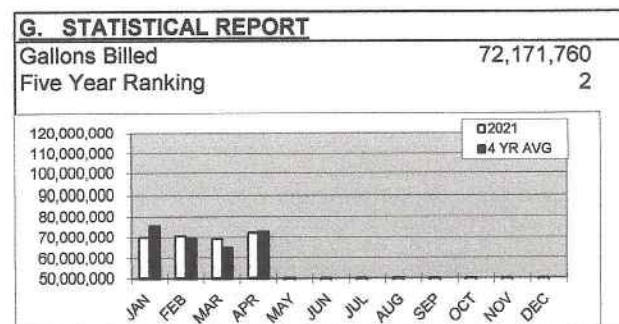
FOR THE MONTH ENDED APRIL 30, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 53.15	\$ 167,556.58	\$ -	\$ 400.90	\$ 167,160.00	\$ 48.83
2. SCB Revenue Collection	\$ 7,006.46	\$ 599,540.57	\$ -	\$ 20.00	\$ 602,800.00	\$ 3,727.03
TOTAL COLLECTIONS	\$ 7,059.61	\$ 767,097.15	\$ -	\$ 420.90	\$ 769,960.00	\$ 3,775.86
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 589,558.27	\$ 785,545.45	\$ 103.00	\$ 790,968.45	\$ -	\$ 584,238.27
2. Meter Setting Fund	\$ 147,291.06	\$ 22,430.00	\$ 25.46	\$ 7,510.20	\$ -	\$ 162,236.32
3. Medical Reimbursement	\$ 151,135.88	\$ -	\$ 24.91	\$ 892.04	\$ -	\$ 150,268.75
TOTAL EXPENSES	\$ 887,985.21	\$ 807,975.45	\$ 153.37	\$ 799,370.69	\$ -	\$ 896,743.34
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,423,022.95	\$ 212,071.14	\$ 4,483.27	\$ -	\$ 212,071.14	\$ 5,427,506.22
MONTHLY TOTAL	\$ 6,318,067.77	\$ 1,787,143.74	\$ 4,636.64	\$ 799,791.59	\$ 982,031.14	\$ 6,328,025.42

D. OPERATIONS ACCOUNT RECEIPTS	
Transfer from SCB ACH	\$ 167,160.00
Transfer from SCB Rev.	\$ 602,800.00
Memberships	\$ 3,688.00
Service Order Charges	\$ 1,449.00
Meter test	\$ 10.00
Hydrant Use	\$ 1,357.08
Hall School Rd reimbursement	\$ 5,124.68
Material reimbursement	\$ 528.69
Hwy 54 reimbursement	\$ 2,836.00
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 200.00
Total Receipts	\$ 785,545.45

	E. OPERATIONS ACCOUNT EXPENSES	
	CURRENT MONTH	YEAR TO DATE
Salaries and Wages	\$ 45,581.58	\$ 175,894.36
Employee Benefits - Health / Life / Dental Insurance	\$ 20,706.16	\$ 82,824.64
Employee Benefits - Payroll Taxes and W/H	\$ 22,614.71	\$ 85,137.01
Employee Benefits - Retirement	\$ 4,548.64	\$ 17,977.14
Purchased Water	\$ 230,248.19	\$ 848,588.82
Purchased Power	\$ 9,405.08	\$ 38,583.66
Telephone Expense	\$ 1,527.87	\$ 5,394.45
Maintenance & Materials	\$ 18,821.13	\$ 104,303.57
Office Supplies	\$ 10,042.20	\$ 32,825.00
Computer Expense	\$ 1,075.00	\$ 39,248.63
Contractual Services - Engineering	\$ -	\$ -
Contractual Services - Accounting	\$ 19,103.00	\$ 19,103.00
Contractual Services - Legal	\$ 255.50	\$ 19,775.00
Contractual Services - Other	\$ -	\$ 500.00
Water Test	\$ 1,000.00	\$ 5,615.00
Rental of Building / Real Property	\$ 974.36	\$ 3,897.44
Transportation Expense	\$ 5,175.35	\$ 18,838.58
Insurance - Unemployment	\$ -	\$ -
Insurance - Worker's Compensation	\$ -	\$ 3,974.12
Insurance - Property & Liability	\$ -	\$ 12,906.39
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food	\$ 83.44	\$ 604.23
Miscellaneous - Reservation Expenses	\$ -	\$ -
Miscellaneous - Utility Memberships / Fees	\$ -	\$ 2,740.00
Miscellaneous - Other	\$ 50.00	\$ 679.64
Petty Cash	\$ 112.57	\$ 358.97
Uniforms	\$ 466.40	\$ 2,601.40
Credit Refunds	\$ 1,706.34	\$ 5,578.77
Education and Seminars	\$ -	\$ -
PSC Assessment / School Tax	\$ 191.91	\$ 374.48
Sewage	\$ 333,071.82	\$ 1,314,175.62
Sanitation	\$ 17,025.95	\$ 68,100.95
Sales Tax	\$ 5,211.55	\$ 19,015.41
School Tax	\$ 11,143.52	\$ 42,623.04
Depreciable Acquisitions	\$ 30,826.18	\$ 62,486.63
TOTALS	\$ 790,968.45	\$ 3,034,725.95

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 770,929.29
Deductions:	
SCB ACH Collections	\$ 167,556.58
South Central Bank Collections	\$ 599,540.57
Membership Refunded	\$ 4,330.00
Interest on Deposits Paid	\$ 1.55
Bad Water Debts	\$ 1,063.69
Bad Sewer Debts	\$ 1,903.39
Other Sewer Adjustments	\$ 228.35
Other Adjustments	\$ 89.58
Additions:	
Water Billing	\$ 416,118.18
Sewer & Sanitation Billing	\$ 362,767.80
Fire Protection Billing	\$ 3,027.00
Sales and School Taxes Billing	\$ 17,096.05
Final Bill Adjustments	\$ 1,706.34
Service Charges	\$ 1,449.00
Other Adjustments	\$ -
Ending Balance	\$ 798,379.95



DAVISS COUNTY WATER DISTRICT

MONTHLY FINANCIAL AND STATISTICAL REPORT

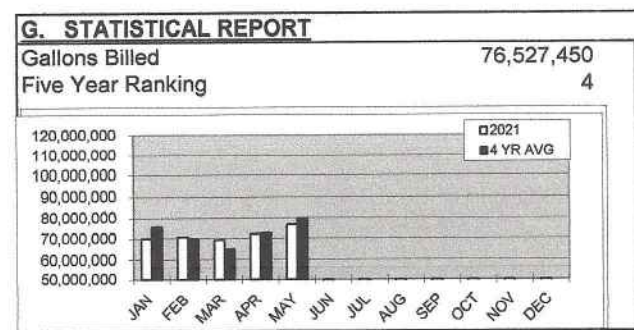
FOR THE MONTH ENDED MAY 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 48.83	\$ 170,199.98	\$ -	\$ 382.60	\$ 169,800.00	\$ 66.21
2. SCB Revenue Collection	\$ 3,727.03	\$ 623,261.34	\$ -	\$ 259.04	\$ 617,800.00	\$ 8,929.33
TOTAL COLLECTIONS	\$ 3,775.86	\$ 793,461.32	\$ -	\$ 641.64	\$ 787,600.00	\$ 8,995.54
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 584,238.27	\$ 807,073.47	\$ 97.23	\$ 744,289.77	\$ -	\$ 647,119.20
2. Meter Setting Fund	\$ 162,236.32	\$ 22,828.00	\$ 25.36	\$ 9,591.69	\$ -	\$ 175,497.99
3. Medical Reimbursement	\$ 150,268.75	\$ -	\$ 23.06	\$ 2,845.30	\$ -	\$ 147,446.51
TOTAL EXPENSES	\$ 896,743.34	\$ 829,901.47	\$ 145.65	\$ 756,726.76	\$ -	\$ 970,063.70
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,427,506.22	\$ 496,687.52	\$ 3,791.87	\$ -	\$ 496,687.52	\$ 5,431,298.09
MONTHLY TOTAL	\$ 6,328,025.42	\$ 2,120,050.31	\$ 3,937.52	\$ 757,368.40	\$ 1,284,287.52	\$ 6,410,357.33

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 169,800.00
Transfer from SCB Rev.	\$ 617,800.00
Memberships	\$ 7,820.00
Service Order Charges	\$ 1,231.00
Meter test	\$ -
Hydrant Use	\$ 1,292.53
Hall School Rd reimbursement	\$ -
Material reimbursement	\$ 8,562.94
Hwy 54 reimbursement	\$ -
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 807,073.47

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 41,738.53	\$ 217,632.89
Employee Benefits - Health / Life / Dental Insurance	\$ 19,802.66	\$ 102,627.30
Employee Benefits - Payroll Taxes and W/H	\$ 19,629.53	\$ 104,766.54
Employee Benefits - Retirement	\$ 4,243.29	\$ 22,220.43
Purchased Water	\$ 218,359.54	\$ 1,066,948.36
Purchased Power	\$ 8,658.47	\$ 47,242.13
Telephone Expense	\$ 1,794.21	\$ 7,188.66
Maintenance & Materials	\$ 12,852.47	\$ 117,156.04
Office Supplies	\$ 5,281.22	\$ 38,106.22
Computer Expense	\$ 1,075.00	\$ 40,323.63
Contractual Services - Engineering	\$ -	\$ -
Contractual Services - Accounting	\$ -	\$ 19,103.00
Contractual Services - Legal	\$ 2,157.50	\$ 21,932.50
Contractual Services - Other	\$ -	\$ 500.00
Water Test	\$ 1,790.00	\$ 7,405.00
Rental of Building / Real Property	\$ 974.36	\$ 4,871.80
Transportation Expense	\$ 5,739.64	\$ 24,578.22
Insurance - Unemployment	\$ -	\$ -
Insurance - Worker's Compensation	\$ -	\$ 3,974.12
Insurance - Property & Liability	\$ 334.00	\$ 13,240.39
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food	\$ 143.25	\$ 747.48
Miscellaneous - Reservation Expenses	\$ 150.00	\$ 150.00
Miscellaneous - Utility Memberships / Fees	\$ -	\$ 2,740.00
Miscellaneous - Other	\$ 10.99	\$ 690.63
Petty Cash	\$ 34.82	\$ 393.79
Uniforms	\$ 903.65	\$ 3,505.05
Credit Refunds	\$ 300.60	\$ 5,879.37
Education and Seminars	\$ -	\$ -
PSC Assessment / School Tax	\$ 173.12	\$ 547.60
Sewage	\$ 336,158.82	\$ 1,650,334.44
Sanitation	\$ 16,902.00	\$ 85,002.95
Sales Tax	\$ 5,480.71	\$ 24,496.12
School Tax	\$ 11,568.14	\$ 54,191.18
Depreciable Acquisitions	\$ 28,033.25	\$ 90,519.88
TOTALS	\$ 744,289.77	\$ 3,779,015.72

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 798,379.95
Deductions:	
SCB ACH Collections	\$ 170,199.98
South Central Bank Collections	\$ 623,261.34
Membership Refunded	\$ 1,755.00
Interest on Deposits Paid	\$ 0.77
Bad Water Debts	\$ (0.39)
Bad Sewer Debts	\$ 870.92
Other Sewer Adjustments	\$ 739.21
Other Adjustments	\$ 161.73
Additions:	
Water Billing	\$ 439,328.93
Sewer & Sanitation Billing	\$ 366,672.30
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 17,760.17
Final Bill Adjustments	\$ 300.60
Service Charges	\$ 1,138.50
Other Adjustments	\$ -
Ending Balance	\$ 829,697.89



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters	12,588	12,399	12,332
No Usage Bills	683	861	670
Total	13,271	13,260	13,002
Hours Worked	1889	2162	2053 1/2
Gallons Purchased	102,059,388	86,732,584	90,015,618
Gallons Billed	76,527,450	72,171,760	86,893,040
Accounted for Water Loss	2,722,150	1,220,500	240,000
Difference	22,809,788	13,340,324	2,882,578

DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED JUNE 30, 2021

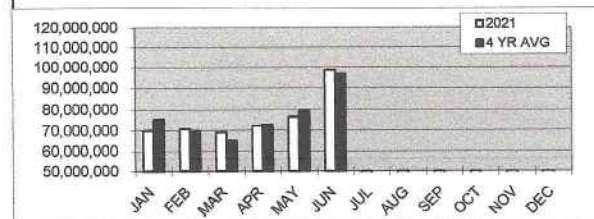
	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 66.21	\$ 178,460.25	\$ -	\$ 383.40	\$ 178,100.00	\$ 43.06
2. SCB Revenue Collection	\$ 8,929.33	\$ 658,664.82	\$ -	\$ 20.00	\$ 662,000.00	\$ 5,574.15
TOTAL COLLECTIONS	\$ 8,995.54	\$ 837,125.07	\$ -	\$ 403.40	\$ 840,100.00	\$ 5,617.21
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 647,119.20	\$ 848,711.08	\$ 129.99	\$ 757,571.36	\$ -	\$ 738,388.91
2. Meter Setting Fund	\$ 175,497.99	\$ 14,710.00	\$ 31.79	\$ 7,087.38	\$ -	\$ 183,152.40
3. Medical Reimbursement	\$ 147,446.51	\$ -	\$ 26.72	\$ 1,534.47	\$ -	\$ 145,938.76
TOTAL EXPENSES	\$ 970,063.70	\$ 863,421.08	\$ 188.50	\$ 766,193.21	\$ -	\$ 1,067,480.07
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,431,298.09	\$ -	\$ 3,502.58	\$ -	\$ -	\$ 5,434,800.67
MONTHLY TOTAL	\$ 6,410,357.33	\$ 1,700,546.15	\$ 3,691.08	\$ 766,596.61	\$ 840,100.00	\$ 6,507,897.95

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 178,100.00
Transfer from SCB Rev.	\$ 662,000.00
Memberships	\$ 2,940.00
Service Order Charges	\$ 1,288.00
Meter test	\$ -
Hydrant Use	\$ 423.61
Hall School Rd reimbursement	\$ -
Material reimbursement	\$ 2,168.13
Hwy 54 reimbursement	\$ -
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 1,592.00
Phone Reimbursement	\$ 199.34
Total Receipts	\$ 848,711.08

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 41,629.44	\$ 259,262.33
Employee Benefits - Health / Life / Dental Insurance	\$ 20,113.81	\$ 122,741.11
Employee Benefits - Payroll Taxes and W/H	\$ 19,682.67	\$ 124,449.21
Employee Benefits - Retirement	\$ 4,333.36	\$ 26,553.79
Purchased Water	\$ 256,552.72	\$ 1,323,501.08
Purchased Power	\$ 8,671.82	\$ 55,913.95
Telephone Expense	\$ 2,035.84	\$ 9,224.50
Maintenance & Materials	\$ 9,608.70	\$ 126,764.74
Office Supplies	\$ 4,389.11	\$ 42,495.33
Computer Expense	\$ 1,075.00	\$ 41,398.63
Contractual Services - Engineering	\$ -	\$ -
Contractual Services - Accounting	\$ -	\$ 19,103.00
Contractual Services - Legal	\$ 109.50	\$ 22,042.00
Contractual Services - Other	\$ -	\$ 500.00
Water Test	\$ 1,000.00	\$ 8,405.00
Rental of Building / Real Property	\$ 974.36	\$ 5,846.16
Transportation Expense	\$ 4,237.14	\$ 28,815.36
Insurance - Unemployment	\$ 363.74	\$ 363.74
Insurance - Worker's Compensation	\$ -	\$ 3,974.12
Insurance - Property & Liability	\$ -	\$ 13,240.39
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food	\$ 142.64	\$ 890.12
Miscellaneous - Reservation Expenses	\$ -	\$ 150.00
Miscellaneous - Utility Memberships / Fees	\$ -	\$ 2,740.00
Miscellaneous - Other	\$ 60.00	\$ 750.63
Petty Cash	\$ 60.57	\$ 454.36
Uniforms	\$ 434.72	\$ 3,939.77
Credit Refunds	\$ 454.16	\$ 6,333.53
Education and Seminars	\$ -	\$ -
PSC Assessment / School Tax	\$ 5,634.08	\$ 6,181.68
Sewage	\$ 340,012.60	\$ 1,990,347.04
Sanitation	\$ 17,067.00	\$ 102,069.95
Sales Tax	\$ 5,377.99	\$ 29,874.11
School Tax	\$ 12,332.45	\$ 66,523.63
Depreciable Acquisitions	\$ 1,217.94	\$ 91,737.82
TOTALS	\$ 757,571.36	\$ 4,536,587.08

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 829,697.89
Deductions:	
SCB ACH Collections	\$ 178,460.25
South Central Bank Collections	\$ 658,664.82
Membership Refunded	\$ 2,355.00
Interest on Deposits Paid	\$ 1.46
Bad Water Debts	\$ 823.27
Bad Sewer Debts	\$ 741.22
Other Sewer Adjustments	\$ 741.62
Other Adjustments	\$ -
Additions:	
Water Billing	\$ 550,382.03
Sewer & Sanitation Billing	\$ 389,236.15
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 21,655.20
Final Bill Adjustments	\$ 454.16
Service Charges	\$ 1,035.00
Other Adjustments	\$ 379.45
Ending Balance	\$ 954,158.24

G. STATISTICAL REPORT	
Gallons Billed	98,434,740
Five Year Ranking	2



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters	12,780	12,588	12,312
No Usage Bills	530	683	539
Total	13,310	13,271	12,851
Hours Worked	1969 1/4	1889	1985
Gallons Purchased	110,281,476	102,059,388	91,534,976
Gallons Billed	98,434,740	76,527,450	95,423,850
Accounted for Water Loss	1,670,000	2,722,150	2,655,000
Difference	10,176,736	22,809,788	(6,543,874)

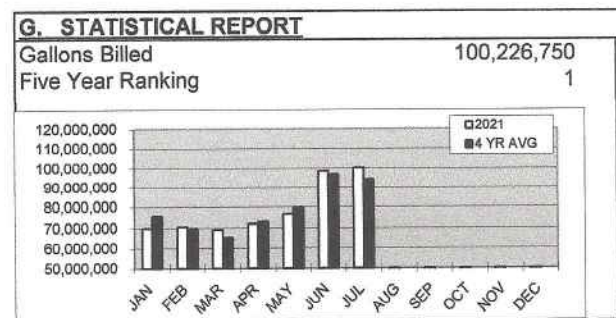
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED JULY 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 43.06	\$ 210,484.45	\$ -	\$ 393.70	\$ 210,100.00	\$ 33.81
2. SCB Revenue Collection	\$ 5,574.15	\$ 740,959.57	\$ -	\$ 40.00	\$ 739,400.00	\$ 7,093.72
TOTAL COLLECTIONS	\$ 5,617.21	\$ 951,444.02	\$ -	\$ 433.70	\$ 949,500.00	\$ 7,127.53
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 738,388.91	\$ 956,114.15	\$ 131.32	\$ 1,048,659.71	\$ -	\$ 645,974.67
2. Meter Setting Fund	\$ 183,152.40	\$ 23,395.00	\$ 30.76	\$ 15,046.90	\$ -	\$ 191,531.26
3. Medical Reimbursement	\$ 145,938.76	\$ -	\$ 24.00	\$ 959.23	\$ -	\$ 145,003.53
TOTAL EXPENSES	\$ 1,067,480.07	\$ 979,509.15	\$ 186.08	\$ 1,064,665.84	\$ -	\$ 982,509.46
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,434,800.67	\$ 512,691.31	\$ 3,447.97	\$ -	\$ 512,691.31	\$ 5,438,248.64
MONTHLY TOTAL	\$ 6,507,897.95	\$ 2,443,644.48	\$ 3,634.05	\$ 1,065,099.54	\$ 1,462,191.31	\$ 6,427,885.63

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 210,100.00
Transfer from SCB Rev.	\$ 739,400.00
Memberships	\$ 3,585.00
Service Order Charges	\$ 1,265.00
Meter test	\$ -
Hydrant Use	\$ 1,036.95
Hall School Rd reimbursement	\$ -
Material reimbursement	\$ 160.20
Hwy 54 reimbursement	\$ -
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 956,114.15

E. OPERATIONS ACCOUNT EXPENSES	CURRENT MONTH	YEAR TO DATE
	Salaries and Wages	\$ 46,560.98
Employee Benefits - Health / Life / Dental Insurance...	\$ 98,988.25	\$ 221,729.36
Employee Benefits - Payroll Taxes and W/H.....	\$ 23,539.67	\$ 147,988.88
Employee Benefits - Retirement.....	\$ 5,416.42	\$ 31,970.21
Purchased Water.....	\$ 320,970.20	\$ 1,644,471.28
Purchased Power.....	\$ 10,082.65	\$ 65,996.60
Telephone Expense.....	\$ 1,532.39	\$ 10,756.89
Maintenance & Materials.....	\$ 12,857.57	\$ 139,622.31
Office Supplies	\$ 4,699.09	\$ 47,194.42
Computer Expense.....	\$ 1,075.00	\$ 42,473.63
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ 19,103.00
Contractual Services - Legal.....	\$ 192.00	\$ 22,234.00
Contractual Services - Other.....	\$ -	\$ 500.00
Water Test.....	\$ 1,000.00	\$ 9,405.00
Rental of Building / Real Property.....	\$ 974.36	\$ 6,820.52
Transportation Expense.....	\$ 4,453.21	\$ 33,268.57
Insurance - Unemployment.....	\$ -	\$ 363.74
Insurance - Worker's Compensation.....	\$ 9,803.97	\$ 13,778.09
Insurance - Property & Liability.....	\$ 34,130.77	\$ 47,371.16
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food.....	\$ 317.83	\$ 1,207.95
Miscellaneous - Reservation Expenses.....	\$ 768.34	\$ 918.34
Miscellaneous - Utility Memberships / Fees.....	\$ 624.00	\$ 3,364.00
Miscellaneous - Other.....	\$ 54.63	\$ 805.26
Petty Cash.....	\$ 81.78	\$ 536.14
Uniforms.....	\$ 440.40	\$ 4,380.17
Credit Refunds.....	\$ 579.29	\$ 6,912.82
Education and Seminars.....	\$ -	\$ -
PSC Assessment / School Tax.....	\$ 192.25	\$ 6,373.93
Sewage.....	\$ 362,377.95	\$ 2,352,724.99
Sanitation.....	\$ 17,084.00	\$ 119,153.95
Sales Tax.....	\$ 6,112.64	\$ 35,986.75
School Tax.....	\$ 15,492.57	\$ 82,016.20
Depreciable Acquisitions.....	\$ 68,257.50	\$ 159,995.32
TOTALS.....	\$ 1,048,659.71	\$ 5,585,246.79

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 954,158.24
Deductions:	
SCB ACH Collections	\$ 210,484.45
South Central Bank Collections	\$ 740,959.57
Membership Refunded	\$ 2,015.00
Interest on Deposits Paid	\$ 1.58
Bad Water Debts	\$ 1,156.13
Bad Sewer Debts	\$ 1,298.18
Other Sewer Adjustments	\$ 334.62
Other Adjustments	\$ 916.93
Additions:	
Water Billing	\$ 602,293.01
Sewer & Sanitation Billing	\$ 401,249.31
Fire Protection Billing	\$ 3,130.00
Sales and School Taxes Billing	\$ 23,742.53
Final Bill Adjustments	\$ 579.29
Service Charges	\$ 943.00
Other Adjustments	\$ -
Ending Balance	\$ 1,028,928.92



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters.....	12,799	12,780	12,577
No Usage Bills.....	511	530	501
Total.....	13,310	13,310	13,078
Hours Worked.....	2001 3/4	1969 1/4	2229
Gallons Purchased.....	113,017,862	110,281,476	111,758,808
Gallons Billed.....	100,226,750	98,434,740	95,550,780
Accounted for Water Loss...	2,005,000	1,670,000	975,000
Difference.....	10,785,912	10,176,736	15,233,028

DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED AUGUST 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 33.81	\$ 220,376.85	\$ -	\$ 424.90	\$ 219,900.00	\$ 85.76
2. SCB Revenue Collection	\$ 7,093.72	\$ 793,197.10	\$ -	\$ 60.00	\$ 792,500.00	\$ 7,730.82
TOTAL COLLECTIONS	\$ 7,127.53	\$ 1,013,573.95	\$ -	\$ 484.90	\$ 1,012,400.00	\$ 7,816.58
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 645,974.67	\$ 1,025,884.04	\$ 121.62	\$ 1,007,151.39	\$ -	\$ 664,828.94
2. Meter Setting Fund	\$ 191,531.26	\$ 30,855.00	\$ 35.11	\$ 29,918.24	\$ -	\$ 192,503.13
3. Medical Reimbursement	\$ 145,003.53	\$ -	\$ 25.43	\$ 4,324.78	\$ -	\$ 140,704.18
TOTAL EXPENSES	\$ 982,509.46	\$ 1,056,739.04	\$ 182.16	\$ 1,041,394.41	\$ -	\$ 998,036.25
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,438,248.64	\$ -	\$ 2,253.75	\$ -	\$ -	\$ 5,440,502.39
MONTHLY TOTAL	\$ 6,427,885.63	\$ 2,070,312.99	\$ 2,435.91	\$ 1,041,879.31	\$ 1,012,400.00	\$ 6,446,355.22

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 219,900.00
Transfer from SCB Rev.	\$ 792,500.00
Memberships	\$ 3,495.00
Service Order Charges	\$ 1,380.00
Meter test	\$ -
Hydrant Use	\$ 3,898.19
McFarland Rd reimbursement	\$ 3,500.00
Material reimbursement	\$ -
KACo UI reimbursement	\$ 643.85
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 1,025,884.04

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 1,028,928.92
Deductions:	
SCB ACH Collections	\$ 220,376.85
South Central Bank Collections	\$ 793,197.10
Membership Refunded	\$ 2,395.00
Interest on Deposits Paid	\$ 1.88
Bad Water Debts	\$ (326.91)
Bad Sewer Debts	\$ 205.51
Other Sewer Adjustments	\$ 30.09
Other Adjustments	\$ -
Additions:	
Water Billing	\$ 683,633.78
Sewer & Sanitation Billing	\$ 429,136.58
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 26,931.36
Final Bill Adjustments	\$ 419.53
Service Charges	\$ 1,103.50
Other Adjustments	\$ 53.38
Ending Balance	\$ 1,157,433.53

E. OPERATIONS ACCOUNT EXPENSES	CURRENT MONTH	YEAR TO DATE
Salaries and Wages	\$ 44,416.24	\$ 350,239.55
Employee Benefits - Health / Life / Dental Insurance...	\$ 20,207.19	\$ 241,936.55
Employee Benefits - Payroll Taxes and W/H.....	\$ 21,217.54	\$ 169,206.42
Employee Benefits - Retirement.....	\$ 5,289.13	\$ 37,259.34
Purchased Water.....	\$ 328,887.29	\$ 1,973,358.57
Purchased Power.....	\$ 9,873.49	\$ 75,870.09
Telephone Expense.....	\$ 1,342.36	\$ 12,099.25
Maintenance & Materials.....	\$ 11,419.27	\$ 151,041.58
Office Supplies.....	\$ 4,538.05	\$ 51,732.47
Computer Expense.....	\$ 7,020.00	\$ 49,493.63
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ 19,103.00
Contractual Services - Legal.....	\$ 109.50	\$ 22,343.50
Contractual Services - Other.....	\$ -	\$ 500.00
Water Test.....	\$ 1,790.00	\$ 11,195.00
Rental of Building / Real Property.....	\$ 974.36	\$ 7,794.88
Transportation Expense.....	\$ 4,149.31	\$ 37,417.88
Insurance - Unemployment.....	\$ -	\$ 363.74
Insurance - Worker's Compensation.....	\$ -	\$ 13,778.09
Insurance - Property & Liability.....	\$ -	\$ 47,371.16
Advertising Expense	\$ -	\$ -
Miscellaneous - Meals / Food.....	\$ 25.39	\$ 1,233.34
Miscellaneous - Reservation Expenses.....	\$ 80.00	\$ 998.34
Miscellaneous - Utility Memberships / Fees.....	\$ -	\$ 3,364.00
Miscellaneous - Other.....	\$ -	\$ 805.26
Petty Cash.....	\$ 20.00	\$ 556.14
Uniforms.....	\$ 591.31	\$ 4,971.48
Credit Refunds.....	\$ 419.53	\$ 7,332.35
Education and Seminars.....	\$ -	\$ -
PSC Assessment / School Tax.....	\$ 184.33	\$ 6,558.26
Sewage.....	\$ 375,394.21	\$ 2,728,119.20
Sanitation.....	\$ 17,140.50	\$ 136,294.45
Sales Tax.....	\$ 6,787.72	\$ 42,774.47
School Tax.....	\$ 16,903.09	\$ 98,919.29
Depreciable Acquisitions.....	\$ 128,371.58	\$ 288,366.90
TOTALS	\$ 1,007,151.39	\$ 6,592,398.18

G. STATISTICAL REPORT	
Gallons Billed	114,840,800
Five Year Ranking	1

	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters....	12,858	12,799	12,605
No Usage Bills.....	485	511	524
Total.....	13,343	13,310	13,129
Hours Worked.....	1961 3/4	2001 3/4	2024 1/2
Gallons Purchased.....	122,201,234	113,017,662	99,529,820
Gallons Billed.....	114,840,800	100,226,750	92,868,450
Accounted for Water Loss...	20,000	2,005,000	826,000
Difference.....	7,340,434	10,785,912	5,835,370

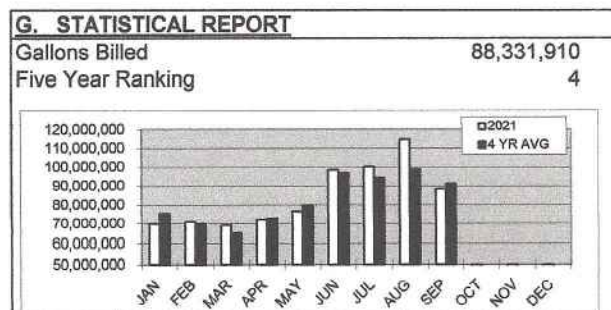
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED SEPTEMBER 30, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 85.76	\$ 247,942.59	\$ -	\$ 416.40	\$ 247,550.00	\$ 61.95
2. SCB Revenue Collection	\$ 7,730.82	\$ 899,528.69	\$ -	\$ -	\$ 901,000.00	\$ 6,259.51
TOTAL COLLECTIONS	\$ 7,816.58	\$ 1,147,471.28	\$ -	\$ 416.40	\$ 1,148,550.00	\$ 6,321.46
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 664,828.94	\$ 1,202,145.73	\$ 123.49	\$ 930,734.23	\$ -	\$ 936,363.93
2. Meter Setting Fund	\$ 192,503.13	\$ 11,240.00	\$ 32.54	\$ 4,442.65	\$ -	\$ 199,333.02
3. Medical Reimbursement	\$ 140,704.18	\$ -	\$ 23.24	\$ 2,390.95	\$ -	\$ 138,336.47
TOTAL EXPENSES	\$ 998,036.25	\$ 1,213,385.73	\$ 179.27	\$ 937,567.83	\$ -	\$ 1,274,033.42
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,440,502.39	\$ -	\$ 2,438.20	\$ -	\$ -	\$ 5,442,940.59
MONTHLY TOTAL	\$ 6,446,355.22	\$ 2,360,857.01	\$ 2,617.47	\$ 937,984.23	\$ 1,148,550.00	\$ 6,723,295.47

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 247,550.00
Transfer from SCB Rev.	\$ 901,000.00
Memberships	\$ 2,730.00
Service Order Charges	\$ 1,161.50
Meter test	\$ -
Hydrant Use	\$ 1,497.23
McFarland Rd reimbursement	\$ 32,640.00
Material reimbursement	\$ -
Sale of four trucks	\$ 15,000.00
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 1,202,145.73

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 42,752.02	\$ 392,991.57
Employee Benefits - Health / Life / Dental Insurance..	\$ 20,207.19	\$ 262,143.74
Employee Benefits - Payroll Taxes and W/H.....	\$ 20,859.15	\$ 190,065.57
Employee Benefits - Retirement.....	\$ 7,182.42	\$ 44,441.76
Purchased Water.....	\$ 355,121.82	\$ 2,328,480.39
Purchased Power.....	\$ 9,757.06	\$ 85,627.15
Telephone Expense.....	\$ 1,495.27	\$ 13,594.52
Maintenance & Materials.....	\$ 10,230.40	\$ 161,271.98
Office Supplies	\$ 4,614.43	\$ 56,346.90
Computer Expense.....	\$ 1,075.00	\$ 50,568.63
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ 19,103.00
Contractual Services - Legal.....	\$ 27.50	\$ 22,371.00
Contractual Services - Other.....	\$ -	\$ 500.00
Water Test.....	\$ 2,240.00	\$ 13,435.00
Rental of Building / Real Property.....	\$ 974.36	\$ 8,769.24
Transportation Expense.....	\$ 4,031.64	\$ 41,449.52
Insurance - Unemployment.....	\$ -	\$ 363.74
Insurance - Worker's Compensation.....	\$ -	\$ 13,778.09
Insurance - Property & Liability.....	\$ 987.72	\$ 48,358.88
Advertising Expense	\$ 137.41	\$ 137.41
Miscellaneous - Meals / Food.....	\$ 218.11	\$ 1,451.45
Miscellaneous - Reservation Expenses.....	\$ -	\$ 998.34
Miscellaneous - Utility Memberships / Fees.....	\$ -	\$ 3,364.00
Miscellaneous - Other.....	\$ 202.70	\$ 1,007.96
Petty Cash.....	\$ 109.68	\$ 665.82
Uniforms.....	\$ 440.40	\$ 5,411.88
Credit Refunds.....	\$ 1,743.99	\$ 9,076.34
Education and Seminars.....	\$ -	\$ -
PSC Assessment / School Tax.....	\$ 184.42	\$ 6,742.68
Sewage.....	\$ 402,140.66	\$ 3,130,259.86
Sanitation.....	\$ 17,119.50	\$ 153,413.95
Sales Tax.....	\$ 7,542.14	\$ 50,316.61
School Tax.....	\$ 19,339.24	\$ 118,258.53
Depreciable Acquisitions.....	\$ -	\$ 288,366.90
TOTALS.....	\$ 930,734.23	\$ 7,523,132.41

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 1,157,433.53
Deductions:	
SCB ACH Collections	\$ 247,942.59
South Central Bank Collections	\$ 899,528.69
Membership Refunded	\$ 2,442.23
Interest on Deposits Paid	\$ 863.18
Bad Water Debts	\$ 925.31
Bad Sewer Debts	\$ 431.38
Other Sewer Adjustments	\$ 259.83
Other Adjustments	\$ -
Additions:	
Water Billing	\$ 538,276.97
Sewer & Sanitation Billing	\$ 394,319.79
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 21,431.48
Final Bill Adjustments	\$ 1,743.99
Service Charges	\$ 1,322.50
Other Adjustments	\$ -
Ending Balance	\$ 965,241.05



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters....	12,844	12,858	12,605
No Usage Bills.....	516	485	524
Total.....	13,360	13,343	13,129
Hours Worked.....	1965	1961 3/4	2024 1/2
Gallons Purchased.....	96,290,206	122,201,234	99,529,820
Gallons Billed.....	88,331,910	114,840,800	92,868,450
Accounted for Water Loss...	1,537,800	20,000	826,000
Difference.....	6,420,496	7,340,434	5,835,370

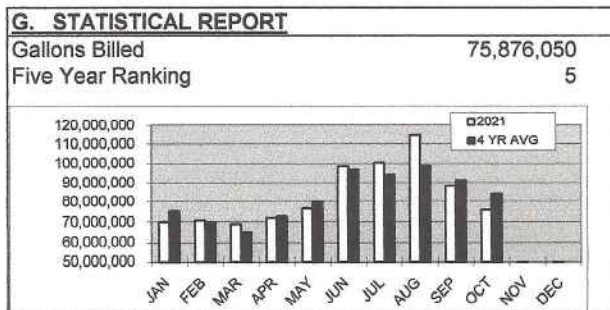
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED OCTOBER 31, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 61.95	\$ 208,493.51	\$ -	\$ 396.00	\$ 208,100.00	\$ 59.46
2. SCB Revenue Collection	\$ 6,259.51	\$ 737,726.74	\$ -	\$ 20.00	\$ 735,400.00	\$ 8,566.25
TOTAL COLLECTIONS	\$ 6,321.46	\$ 946,220.25	\$ -	\$ 416.00	\$ 943,500.00	\$ 8,625.71
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 936,363.93	\$ 954,385.99	\$ 160.49	\$ 860,296.17	\$ -	\$ 1,030,614.24
2. Meter Setting Fund	\$ 199,333.02	\$ 57,425.00	\$ 35.86	\$ 18,248.11	\$ -	\$ 238,545.77
3. Medical Reimbursement	\$ 138,336.47	\$ -	\$ 22.02	\$ 786.35	\$ -	\$ 137,572.14
TOTAL EXPENSES	\$ 1,274,033.42	\$ 1,011,810.99	\$ 218.37	\$ 879,330.63	\$ -	\$ 1,406,732.15
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,442,940.59	\$ -	\$ 2,280.07	\$ -	\$ -	\$ 5,445,220.66
MONTHLY TOTAL	\$ 6,723,295.47	\$ 1,958,031.24	\$ 2,498.44	\$ 879,746.63	\$ 943,500.00	\$ 6,860,578.52

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 208,100.00
Transfer from SCB Rev.	\$ 735,400.00
Memberships	\$ 2,870.00
Service Order Charges	\$ 1,414.50
Meter test	\$ -
Hydrant Use	\$ 4,294.49
McFarland Rd reimbursement	\$ -
Material reimbursement	\$ 240.00
Sign Lease	\$ 1,500.00
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 954,385.99

E. OPERATIONS ACCOUNT EXPENSES	CURRENT MONTH	YEAR TO DATE
Salaries and Wages	\$ 41,360.63	\$ 434,352.20
Employee Benefits - Health / Life / Dental Insurance..	\$ 20,207.19	\$ 282,350.93
Employee Benefits - Payroll Taxes and W/H.....	\$ 21,601.10	\$ 211,666.67
Employee Benefits - Retirement.....	\$ 6,964.62	\$ 51,406.38
Purchased Water.....	\$ 279,890.81	\$ 2,608,371.20
Purchased Power.....	\$ 8,934.46	\$ 94,561.61
Telephone Expense.....	\$ 1,373.26	\$ 14,967.78
Maintenance & Materials.....	\$ 15,222.69	\$ 176,494.67
Office Supplies	\$ 8,813.55	\$ 65,160.45
Computer Expense.....	\$ 1,075.00	\$ 51,643.63
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ 19,103.00
Contractual Services - Legal.....	\$ 657.00	\$ 23,028.00
Contractual Services - Other.....	\$ -	\$ 500.00
Water Test.....	\$ 1,000.00	\$ 14,435.00
Rental of Building / Real Property.....	\$ 974.36	\$ 9,743.60
Transportation Expense.....	\$ 4,498.41	\$ 45,947.93
Insurance - Unemployment.....	\$ -	\$ 363.74
Insurance - Worker's Compensation.....	\$ -	\$ 13,778.09
Insurance - Property & Liability.....	\$ -	\$ 48,358.88
Advertising Expense	\$ 562.50	\$ 699.91
Miscellaneous - Meals / Food.....	\$ 216.52	\$ 1,667.97
Miscellaneous - Reservation Expenses.....	\$ -	\$ 998.34
Miscellaneous - Utility Memberships / Fees.....	\$ 1,899.00	\$ 5,263.00
Miscellaneous - Other.....	\$ 874.68	\$ 1,882.64
Petty Cash.....	\$ -	\$ 665.82
Uniforms.....	\$ 507.03	\$ 5,918.91
Credit Refunds.....	\$ 317.27	\$ 9,393.61
Education and Seminars.....	\$ -	\$ -
PSC Assessment / School Tax.....	\$ 169.43	\$ 6,912.11
Sewage.....	\$ 366,720.82	\$ 3,496,980.68
Sanitation.....	\$ 17,157.50	\$ 170,571.45
Sales Tax.....	\$ 6,290.65	\$ 56,607.26
School Tax.....	\$ 15,083.84	\$ 133,342.37
Depreciable Acquisitions.....	\$ 37,923.85	\$ 326,290.75
TOTALS.....	\$ 860,296.17	\$ 8,383,428.58

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 965,241.05
Deductions:	
SCB ACH Collections	\$ 208,493.51
South Central Bank Collections	\$ 737,726.74
Membership Refunded	\$ 1,955.00
Interest on Deposits Paid	\$ 1.80
Bad Water Debts	\$ 369.22
Bad Sewer Debts	\$ 1,099.14
Other Sewer Adjustments	\$ 812.46
Other Adjustments	\$ 444.39
Additions:	
Water Billing	\$ 470,784.88
Sewer & Sanitation Billing	\$ 381,352.25
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 18,924.59
Final Bill Adjustments	\$ 317.27
Service Charges	\$ 1,338.50
Other Adjustments	\$ -
Ending Balance	\$ 890,162.28



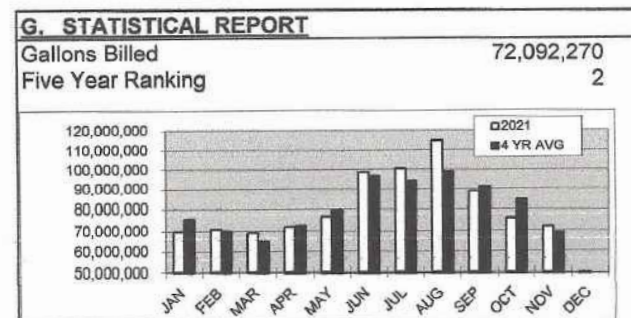
DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED NOVEMBER 30, 2021

	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 59.46	\$ 191,369.87	\$ -	\$ 386.90	\$ 191,000.00	\$ 42.43
2. SCB Revenue Collection	\$ 8,566.25	\$ 697,012.36	\$ -	\$ 359.99	\$ 699,000.00	\$ 6,218.62
TOTAL COLLECTIONS	\$ 8,625.71	\$ 888,382.23	\$ -	\$ 746.89	\$ 890,000.00	\$ 6,261.05
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 1,030,614.24	\$ 896,857.52	\$ 123.06	\$ 780,876.84	\$ 500,000.00	\$ 646,717.98
2. Meter Setting Fund	\$ 238,545.77	\$ 3,130.00	\$ 40.74	\$ 35,086.32	\$ -	\$ 206,630.19
3. Medical Reimbursement	\$ 137,572.14	\$ -	\$ 24.13	\$ 1,501.62	\$ -	\$ 136,094.65
TOTAL EXPENSES	\$ 1,406,732.15	\$ 899,987.52	\$ 187.93	\$ 817,464.78	\$ 500,000.00	\$ 989,442.82
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,445,220.66	\$ 679,246.81	\$ 2,456.47	\$ -	\$ 179,246.81	\$ 5,947,677.13
MONTHLY TOTAL	\$ 6,860,578.52	\$ 2,467,616.56	\$ 2,644.40	\$ 818,211.67	\$ 1,569,246.81	\$ 6,943,381.00

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 191,000.00
Transfer from SCB Rev.	\$ 699,000.00
Memberships	\$ 2,695.00
Service Order Charges	\$ 1,118.00
Meter test	\$ -
Hydrant Use	\$ 2,393.52
McFarland Rd reimbursement	\$ -
Material reimbursement	\$ 84.00
Sign Lease	\$ -
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 896,857.52

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 890,162.28
Deductions:	
SCB ACH Collections	\$ 191,369.87
South Central Bank Collections	\$ 697,012.36
Membership Refunded	\$ 2,095.00
Interest on Deposits Paid	\$ 2.47
Bad Water Debts	\$ 485.48
Bad Sewer Debts	\$ 1,262.52
Other Sewer Adjustments	\$ -
Other Adjustments	\$ -
Additions:	
Water Billing	\$ 451,262.87
Sewer & Sanitation Billing	\$ 385,725.83
Fire Protection Billing	\$ 3,106.00
Sales and School Taxes Billing	\$ 18,288.39
Final Bill Adjustments	\$ 531.73
Service Charges	\$ 1,572.50
Other Adjustments	\$ 145.58
Ending Balance	\$ 858,567.48

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 44,956.24	\$ 479,308.44
Employee Benefits - Health / Life / Dental Insurance...	\$ 20,207.19	\$ 302,558.12
Employee Benefits - Payroll Taxes and W/H.....	\$ 21,715.94	\$ 233,382.61
Employee Benefits - Retirement.....	\$ 5,362.20	\$ 56,768.58
Purchased Water.....	\$ 251,379.45	\$ 2,859,750.65
Purchased Power.....	\$ 8,408.60	\$ 102,970.21
Telephone Expense.....	\$ 1,360.96	\$ 16,328.74
Maintenance & Materials.....	\$ 15,780.37	\$ 192,275.04
Office Supplies	\$ 5,118.45	\$ 70,278.90
Computer Expense.....	\$ 1,075.00	\$ 52,718.63
Contractual Services - Engineering.....	\$ -	\$ -
Contractual Services - Accounting.....	\$ -	\$ 19,103.00
Contractual Services - Legal.....	\$ 547.50	\$ 23,575.50
Contractual Services - Other.....	\$ -	\$ 500.00
Water Test.....	\$ 1,790.00	\$ 16,225.00
Rental of Building / Real Property.....	\$ 974.36	\$ 10,717.96
Transportation Expense.....	\$ 3,580.06	\$ 49,527.99
Insurance - Unemployment.....	\$ -	\$ 363.74
Insurance - Worker's Compensation.....	\$ -	\$ 13,778.09
Insurance - Property & Liability.....	\$ 129.43	\$ 48,488.31
Advertising Expense	\$ 3,689.73	\$ 4,389.64
Miscellaneous - Meals / Food.....	\$ 156.99	\$ 1,824.96
Miscellaneous - Reservation Expenses.....	\$ -	\$ 998.34
Miscellaneous - Utility Memberships / Fees.....	\$ 390.00	\$ 5,653.00
Miscellaneous - Other.....	\$ 61.42	\$ 1,944.06
Petty Cash.....	\$ 85.31	\$ 751.13
Uniforms.....	\$ 550.50	\$ 6,469.41
Credit Refunds.....	\$ 531.73	\$ 9,925.34
Education and Seminars.....	\$ -	\$ -
PSC Assessment / School Tax.....	\$ 156.97	\$ 7,069.08
Sewage.....	\$ 354,298.13	\$ 3,851,278.81
Sanitation.....	\$ 17,233.00	\$ 187,804.45
Sales Tax.....	\$ 5,668.88	\$ 62,276.14
School Tax.....	\$ 13,205.93	\$ 146,548.30
Depreciable Acquisitions.....	\$ 2,462.50	\$ 328,753.25
TOTALS.....	\$ 780,876.84	\$ 9,164,305.42



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters....	12,666	12,770	12,357
No Usage Bills.....	728	611	811
Total.....	13,394	13,381	13,168
Hours Worked.....	1988	1874 1/2	2020 1/2
Gallons Purchased.....	85,696,475	86,489,174	82,858,808
Gallons Billed.....	72,092,270	75,876,050	63,915,700
Accounted for Water Loss...	300,000	127,000	350,000
Difference.....	13,304,205	10,486,124	18,593,108

DAVISS COUNTY WATER DISTRICT
MONTHLY FINANCIAL AND STATISTICAL REPORT
FOR THE MONTH ENDED DECEMBER 31, 2021

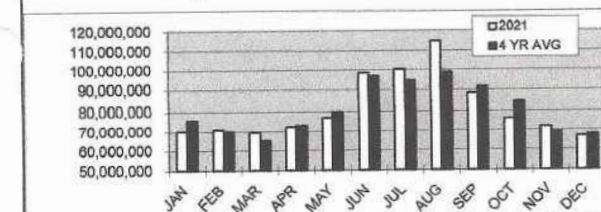
	Beg. Balance	Received	Interest	Expenses	Transfer Out	End. Balance
A. COLLECTION ACCOUNTS						
1. SCB ACH Collection	\$ 42.43	\$ 185,939.37	\$ -	\$ 428.80	\$ 185,500.00	\$ 53.00
2. SCB Revenue Collection	\$ 6,218.62	\$ 669,177.79	\$ -	\$ 30.00	\$ 668,700.00	\$ 6,666.41
TOTAL COLLECTIONS	\$ 6,261.05	\$ 855,117.16	\$ -	\$ 458.80	\$ 854,200.00	\$ 6,719.41
B. EXPENSE ACCOUNTS						
1. Operations Account*	\$ 646,717.98	\$ 863,310.07	\$ 105.33	\$ 827,471.54	\$ -	\$ 682,661.84
2. Meter Setting Fund	\$ 206,630.19	\$ 38,315.00	\$ 36.74	\$ 14,429.62	\$ -	\$ 230,552.31
3. Medical Reimbursement	\$ 136,094.65	\$ -	\$ 23.12	\$ 917.13	\$ -	\$ 135,200.64
TOTAL EXPENSES	\$ 989,442.82	\$ 901,625.07	\$ 165.19	\$ 842,818.29	\$ -	\$ 1,048,414.79
C. INVESTMENTS						
TOTAL INVESTMENTS	\$ 5,947,677.13	\$ -	\$ 2,406.44	\$ -	\$ -	\$ 5,950,083.57
MONTHLY TOTAL	\$ 6,943,381.00	\$ 1,756,742.23	\$ 2,571.63	\$ 843,277.09	\$ 854,200.00	\$ 7,005,217.77

D. OPERATIONS ACCOUNT RECEIPTS*	
Transfer from SCB ACH	\$ 185,500.00
Transfer from SCB Rev.	\$ 668,700.00
Memberships	\$ 3,115.00
Service Order Charges	\$ 1,357.00
Meter test	\$ -
Hydrant Use	\$ 2,666.07
Office reimbursement	\$ 475.00
Material reimbursement	\$ 930.00
Sign Lease	\$ -
Scrap	\$ -
Water used	\$ -
Tank rent	\$ 392.00
Phone Reimbursement	\$ 175.00
Total Receipts	\$ 863,310.07

F. ACCOUNTS RECEIVABLE RECONCILIATION	
Beginning Balance	\$ 858,567.48
Deductions:	
SCB ACH Collections	\$ 185,939.37
South Central Bank Collections	\$ 669,177.79
Membership Refunded	\$ 1,880.00
Interest on Deposits Paid	\$ 380.23
Bad Water Debts	\$ 1,067.26
Bad Sewer Debts	\$ 2,418.08
Other Sewer Adjustments	\$ 101.76
Other Adjustments	\$ -
Additions:	
Water Billing	\$ 420,326.34
Sewer & Sanitation Billing	\$ 375,607.82
Fire Protection Billing	\$ 3,130.00
Sales and School Taxes Billing	\$ 16,841.61
Final Bill Adjustments	\$ 671.13
Service Charges	\$ 1,357.00
Other Adjustments	\$ 259.07
Ending Balance	\$ 815,795.96

E. OPERATIONS ACCOUNT EXPENSES	CURRENT	YEAR
	MONTH	TO DATE
Salaries and Wages	\$ 45,623.85	\$ 524,932.29
Employee Benefits - Health / Life / Dental Insurance	\$ 20,207.19	\$ 322,765.31
Employee Benefits - Payroll Taxes and W/H	\$ 21,979.06	\$ 255,361.67
Employee Benefits - Retirement	\$ 5,411.45	\$ 62,180.03
Purchased Water	\$ 249,564.96	\$ 3,109,315.61
Purchased Power	\$ 8,818.62	\$ 111,788.83
Telephone Expense	\$ 1,511.57	\$ 17,840.31
Maintenance & Materials	\$ 51,933.00	\$ 244,208.04
Office Supplies	\$ 5,658.01	\$ 75,936.91
Computer Expense	\$ 1,075.00	\$ 53,793.63
Contractual Services - Engineering	\$ -	\$ -
Contractual Services - Accounting	\$ -	\$ 19,103.00
Contractual Services - Legal	\$ 4,050.54	\$ 27,626.04
Contractual Services - Other	\$ -	\$ 500.00
Water Test	\$ 1,405.00	\$ 17,630.00
Rental of Building / Real Property	\$ 974.36	\$ 11,692.32
Transportation Expense	\$ 4,157.20	\$ 53,685.19
Insurance - Unemployment	\$ -	\$ 363.74
Insurance - Worker's Compensation	\$ -	\$ 13,778.09
Insurance - Property & Liability	\$ -	\$ 48,488.31
Advertising Expense	\$ -	\$ 4,389.64
Miscellaneous - Meals / Food	\$ 262.23	\$ 2,087.19
Miscellaneous - Reservation Expenses	\$ 298.28	\$ 1,296.62
Miscellaneous - Utility Memberships / Fees	\$ -	\$ 5,653.00
Miscellaneous - Other	\$ (141.06)	\$ 1,803.00
Petty Cash	\$ 31.13	\$ 782.26
Uniforms	\$ 1,047.53	\$ 7,516.94
Credit Refunds	\$ 671.13	\$ 10,596.47
Education and Seminars	\$ -	\$ -
PSC Assessment / School Tax	\$ 166.46	\$ 7,235.54
Sewage	\$ 357,521.94	\$ 4,208,800.75
Sanitation	\$ 17,122.00	\$ 204,926.45
Sales Tax	\$ 5,654.96	\$ 67,931.10
School Tax	\$ 12,571.43	\$ 159,119.73
Depreciable Acquisitions	\$ 9,895.70	\$ 338,648.95
TOTALS	\$ 827,471.54	\$ 9,991,776.96

G. STATISTICAL REPORT	
Gallons Billed	66,840,690
Five Year Ranking	4



	THIS MONTH	LAST MONTH	LAST YEAR
Active Meters	12,389	12,666	12,215
No Usage Bills	1,027	728	971
Total	13,416	13,394	13,186
Hours Worked	2045 1/4	1988	2265
Gallons Purchased	84,499,910	85,696,475	81,632,284
Gallons Billed	66,840,690	72,092,270	71,861,010
Accounted for Water Loss	1,500,000	300,000	1,220,000
Difference	16,159,220	13,304,205	8,551,274

EXHIBIT 19

***ANALYSIS AND RECOMMENDATIONS
FOR
WHOLESALE & RETAIL WATER RATES***

DAVIESS COUNTY WATER DISTRICT

May 12, 2022

Prepared by
Alan H. Vilines, P.E.



Kentucky Rural Water Association

1151 Old Porter Pike • Bowling Green, KY 42101 • 270.843.2291 • www.krwa.org

EXECUTIVE SUMMARY

Daviess County Water District requested that Kentucky Rural Water Association perform a Cost of Service Study for wholesale and retail water rates and assist with an application to the Public Service Commission. The study is complete, and the results are presented in this report.

In accordance with PSC regulations the study is based on the most recent Annual Report that is on file with the Commission; so in this case the test period is calendar year 2021. The Schedule of Adjusted Operations (SAO) lists the revenues and expenses for 2021 and applies required adjustments. The adjustments are to recognize any changes in operations after the test year and certain other items that are commonly required by the PSC. The specific adjustments for Daviess County are shown in the SAO with an explanation for each provided on the References pages. Total pro forma operating revenues for Daviess County are \$6,265,661 and total operating expenses are \$6,017,484.

The SAO also shows the computations for Revenue Requirements. The Operating Ratio method, accepted by the PSC in cases where the utility has no long term debt, indicates the total Revenue Required from all sales is \$6,558,320. Private fire protection revenue will remain at about \$37,100. The Cost of Service Study determined that \$444,363 should be generated from wholesale sales and \$6,076,804 from retail sales. This is an increase above all existing sales of \$528,825 and indicates an overall sales revenue increase of 8.77 percent is needed.

The District is considering whether to implement a 10 percent late payment fee and the figures stated above are based on reinstating that fee. If the District does not implement the late fee, the increase to retail sales revenue will be slightly higher.

Computations from this study are included in the Schedule of Adjusted Operations with details provided in the Reference pages and Table A. The Cost of Service Study is presented in Tables B through I. The current and recommended water rates with a late fee included are shown in Table J and a comparison of existing and proposed retail bills is in Table K. The current and recommended water rates with no late fee included are shown in Table L and the comparison of existing and proposed retail bills is in Table M.

SCHEDULE OF ADJUSTED OPERATIONS
Daviess County Water District

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Retail Sales	\$ 5,349,757	\$ 233,619	A	\$ 5,583,376
Fire Protection	36,868	284	A	37,152
Sales for Resale	381,175	27,791	A	408,966
Other Water Revenues:				
Forfeited Discounts		62,356	B	62,356
Misc. Service Revenues	31,017			31,017
Other Water Revenues	<u>142,327</u>	467	C	<u>142,794</u>
Total Operating Revenues	\$ 5,941,144			\$ 6,265,661
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	749,184	90,671	D	839,855
Salaries and Wages - Officers	18,000			18,000
Employee Pensions and Benefits	362,229	12,419	D	
		(69,474)	E	305,174
Purchased Water	3,149,551	180,548	F	3,330,099
Purchased Power	113,592			113,592
Materials and Supplies	312,837	2,745	G	315,582
Contractual Services	55,427	22,767	H	78,194
Rental of Bldg/Real Property	11,692			11,692
Transportation Expenses	55,652			55,652
Insurance - Gen. Liab. & Workers Comp.	45,800			45,800
Advertising	4,390			4,390
Bad Debt	6,870			6,870
Miscellaneous Expenses	<u>37,048</u>			<u>37,048</u>
Total Operation and Mnt. Expenses	4,922,272			5,161,948
Depreciation Expense	755,001	22,417	I	777,418
Taxes Other Than Income	<u>66,340</u>	11,778	J	<u>78,118</u>
Total Operating Expenses	\$ 5,743,613			\$ 6,017,484
Net Utility Operating Income	\$ 197,531			\$ 248,178

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 6,017,484
Divided by: Operating Ratio	K 88%
Subtotal	6,838,049
Plus: Interest Expense	<u>395</u>
Total Revenue Requirement	6,838,444
Less: Other Operating Revenue	(236,167)
Interest Income	<u>(43,958)</u>
Revenue Required From Sales of Water	6,558,320
Less: Revenue from Sales with Present Rates	<u>6,029,494</u>
Required Revenue Increase	\$ 528,825
Percent Increase	8.77%

REFERENCES

- A. The Current Billing Analysis results in pro forma Retail Sales revenue of \$5,583,376, Fire Protection revenue of \$37,152, and Wholesale revenue of \$408,966. This indicates additions are required to Metered Retail Sales, Fire Protection, and Sales for Resale of \$233,619, \$284, and \$27,791, respectively. These adjustments reflect a full year of sales at the water rates approved in June 2021.
- B. The final Orders of the Public Service Commission in Cases 2020-00195/196, eliminated the Districts' 10 percent late fee charges. Subsequently, a Kentucky state statute was amended to require the PSC to approve such fees for any water utility that requests them. Since the District is considering reinstating this charge, an estimate of the potential revenue is included. Based on former experience with adjustments for later rate increases, it is estimated that late fees could generate \$62,356 in new revenue.
- C. In both 2021 and 2022 the District received a 3 percent increase from AT&T for colocation of its facilities at the West Louisville tank. This results in an adjustment of \$467 in Other Water Revenues.
- D. During and after the test year of 2021, wages have increased for most employees and new employees have filled positions which had been vacated. These changes result in a net increase in Salaries and Wages expense of \$90,671. This increase in wages also results in additional retirement benefits expense of \$12,419.
- E. The District pays about 98 percent of its employees' health insurance premiums and a significant percentage of dental premiums. The PSC typically requires that expenses associated with this level of employer-funding be adjusted to be consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums. Average employer shares from BLS are currently 78 percent for single coverage and 66 percent for family coverage. The PSC allowable employer share for dental insurance is 60 percent. Applying those percentages to premiums to be paid in the current year results in a deduction from 2021 benefits expense of \$69,474.
- F. In mid-2021 and 2022 the District's water suppliers raised the rates they charge for wholesale purchases. These increases result in an adjustment to the 2021 Purchased Water expense of \$180,548.
- G. The District's AMI vendor and tank maintenance contractor increase their charges 3 percent and 3.67 percent per year, respectively. This results in an adjustment to Materials & Supplies expense of \$2,745.

- H. It is estimated that the current PSC rate case may cost a total of \$68,300. Amortizing that amount over 3 years results in an adjustment to Contractual Services of \$22,767.
- I. The PSC requires adjustments to a water utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Utilities". Therefore, adjustments are included to bring asset lives to the midpoint of the recommended ranges. See Table A.
- J. The increase in Salaries and Wages expense mentioned above plus an increase in the local payroll tax results in an adjustment of \$11,778 to Taxes Other Than Income.
- K. In cases where the utility has no long term debt the Operating Ratio method is accepted by the PSC to determine the Total Revenue Requirement. That is the situation for Daviess County Water and therefore, the Operating Ratio method is used here.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS
Daviess County Water District

No.	Assets	Date in Service	Original Cost *	Reported		Proforma		Depreciation Expense	
	Description			Life	Depr. Exp.	Life	Depr. Exp.	Adjustment	
304 - Pumps and Equipment									
	Pumping Stations	various	1,331,434	varies	37,838	37.5	35,505	(2,333)	
	Pump Equipment	various	113,074	10.0	11,082	20.0	5,654	(5,429)	
	SCADA Equipment	various	39,422	10.0	2,063	10.0	2,063	-	
330 - Reservoirs & Tanks									
	Tanks & Improvements	various	3,921,792	varies	95,623	45.0	87,151	(8,472)	
	Masonville Painting	2019	153,326	10.0	15,333	15.0	10,222	(5,111)	
	Pleasant Grove Painting	2021	55,351	10.0	3,690	15.0	3,690	-	
331 - Line Additions									
	Various Line Additions	various	11,534,829	varies	243,572	62.5	184,557	(59,015)	
334 - Meters									
	Meters & Installations	various	4,838,096	varies	132,933	40.0	120,952	(11,981)	
	Touch Reads	various	884,475	20.0	38,277	20.0	44,224	5,947	
335 - Hydrants									
	Hydrants	various	1,029,700	40.0	24,951	50.0	20,594	(4,357)	
339 - Other Plant & Misc. Equip.									
	Structures & Improvements	various	71,432	varies	4,652	37.5	1,905	(2,747)	
	Office Equipment	various	11,690	varies	1,169	22.5	520	(649)	
340 - Office Furniture & Equip.									
	Computers, Software, etc.	various	59,583	varies	6,726	10.0	5,958	(768)	
	Office Furniture	various	2,375	varies	449	22.5	106	(343)	
341 - Vehicles									
	Pickup Trucks	various	182,020	5.0	19,949	7.0	26,003	6,054	
343 - Tools, Shop & Garage Equip.									
	Meter Test Benches	05/15/09	12,645	20.0	632	17.5	723	90	
	Misc. Equipment	various	14,971	7.0	2,139	10.0	1,497	(642)	
345 - Power Operated Equip.									
	Entire Group	various	69,978	varies	4,606	12.5	5,598	992	
346 - Communication Equip.									
	Entire Group	various	2,204,977	20.0	109,317	10.0	220,498	111,181	
TOTALS					\$	755,002	\$	777,418	\$ <u>22,417</u>

* Includes only costs of assets that contributed to depreciation expense in the test year.

Table B
SYSTEM INFORMATION
Daviess County Water District

Schedule of All Mains and Jointly Used Mains

<u>Main Size</u>	<u>Total System</u>			<u>Joint Use</u>	
	<u>Length (feet)</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>	<u>Miles of Mains</u>	<u>Inch - Miles</u>
20	210	0.04	0.80		
16	1,868	0.35	5.66		
12	35,330	6.69	80.30	3.50	42.05
10	122,695	23.24	232.38	17.05	170.45
8	409,042	77.47	619.76	12.12	96.97
6	541,790	102.61	615.67	10.89	65.34
4	510,454	96.68	386.71	-	-
3	309,182	58.56	175.67	2.23	6.68
2.5	102,840	19.48	48.69	1.09	2.72
2	75,653	14.33	28.66		
1.5	600	0.11	0.17		
Totals	2,109,664	399.5	2,193.66	46.88	384.21

Water Purchased, Sold and Used

	<u>Gallons x 1,000</u>	<u>Percent</u>
Water Purchased	1,142,746	
Retail Sales	868,609	
Wholesale Sales	106,419	
Total Water Sold	975,028	
System Flushing	14,537	
Fire Dept. & Other	92	
Line Losses	153,089	13.40%

Table C
WHOLESALE ALLOCATION FACTORS
Daviess County Water District

				<u>FACTOR</u>
Line Loss Percentage				0.1340
Joint Use Inch-miles				384.21
Total Inch-Miles				2,193.66
Water Sold - Wholesale				106,419
Water Sold - Total				975,028
Water Supply Multiplier	1	-----	=	1.1547
	1	- 0.1340		
Joint Use Pipeline Ratio	384.21	-----	=	0.1751
	2,193.66			
Joint Share of Line Loss	0.1340	x 0.1751	=	0.0235
Wholesale Supply Multiplier	1	-----	=	1.0240
	1	- 0.0235		
Water Supply Allocation Factor	1.0240	-----	x	106,419.0
	1.1547	-----	=	0.0968
				975,028.0
Transmission Factor	106,419.0	-----	x	0.1751
	975,028.0		=	0.0191
Use Factor			=	0.1091
				106,419.0

				975,028.0

Table D
ALLOCATION OF DEPRECIATION EXPENSE
Daviess County Water District

	<u>Proforma</u> <u>Depr. Exp.</u>	<u>Supply</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Pumps and Equipment	43,222	18,524	24,698			
Reservoirs and Tanks	101,063			101,063		
Line Additions	184,557		184,557			
Meters	165,176					165,176
Hydrants	20,594					20,594
Other Plant and Misc. Equipment	2,424				970	1,455
Office Furniture and Equipment	6,064				6,064	
SUBTOTALS	523,100	18,524	209,255	101,063	7,034	187,225
SUBTOTAL PERCENTAGES		3.54%	40.00%	19.32%	1.34%	35.79%
Vehicles	26,003					
Tools, Shop, and Garage Equipment	2,220					
Power Operated Equipment	5,598					
Communication Equipment	220,498					
SUBTOTAL	254,318					
PERCENTAGE ALLOCATIONS		9,006	101,735	49,134	3,420	91,024
TOTALS	777,418	27,529	310,990	150,197	10,453	278,249

Table E
ALLOCATION OF PLANT VALUE AND OPERATING MARGIN
Daviess County Water District

	<u>Total</u> <u>Values</u>	<u>Water</u> <u>Supply</u>	<u>Trans. &</u> <u>Distribution</u>	<u>Storage</u> <u>Tanks</u>	<u>General</u> <u>& Admin.</u>	<u>Customer</u>
Land and Land Rights	94,582		18,916	56,749	18,916	
Pumps and Equipment	1,675,033	717,871	957,162			
Reservoirs and Tanks	4,130,469			4,130,469		
Line Additions	11,534,829		11,534,829			
Meters	5,693,583					5,693,583
Hydrants	1,029,700					1,029,700
Other Plant and Misc. Equipment	326,593				130,637	195,956
Office Furniture and Equipment	144,669				144,669	
SUBTOTALS	\$ 24,629,458	717,871	12,510,907	4,187,218	294,223	6,919,239
SUBTOTAL PERCENTAGES		2.9%	50.8%	17.0%	1.2%	28.1%
Vehicles	242,704					
Tools, Shop, and Garage Equipment	38,933					
Power Operated Equipment	199,961					
Communication Equipment	2,204,977					
SUBTOTAL	2,686,575					
PERCENTAGE ALLOCATIONS		78,305	1,364,687	456,741	32,094	754,749
TOTALS	\$ 27,316,033	\$ 796,177	\$ 13,875,594	\$ 4,643,959	\$ 326,316	\$ 7,673,988
Plant Value Percentages	27,316,033	2.9%	50.8%	17.0%	1.2%	28.1%
Allocation of Operating Margin	\$ 820,961	\$ 23,928	\$ 417,020	\$ 139,570	\$ 9,807	\$ 230,635

Table F
WHOLESALE RATE COMPUTATION
Daviess County Water District

	<u>Proforma</u> <u>Expenses</u>	<u>Allocation</u> <u>Factor</u>	<u>Wholesale</u> <u>Allocation</u>	<u>Retail</u> <u>Allocation</u>
Salaries & Wages				
Water Supply	67,744	0.0968	6,557	61,187
Trans./Distribution	383,885	0.0191	7,338	376,547
Customer Accts.	234,114		-	234,114
Admin & General	154,110	0.0968	14,917	139,193
Employee Benefits + Taxes				
Water Supply	30,917	0.0968	2,993	27,925
Trans./Distribution	175,197	0.0191	3,349	171,848
Customer Accts.	106,845		-	106,845
Admin & General	70,332	0.0968	6,808	63,525
Salaries - Officers	18,000	0.0968	1,742	16,258
Purchased Water	3,330,099	0.0968	322,334	3,007,765
Purchased Power				
Water Supply	55,710	0.0968	5,392	50,318
Trans./Distribution	51,788	0.0191	990	50,798
Customer Accts.	4,875		-	4,875
Admin & General	1,219	0.0191	23	1,196
Materials & Supplies				
Water Supply	-	0.0968	-	-
Trans./Distribution	218,906	0.0191	4,185	214,721
Customer Accts.	27,551		-	27,551
Admin & General	69,125	0.0191	1,321	67,804
Contr. Services - Acct. & Legal	60,789	0.0968	5,884	54,905
Contr. Services - Water Testing				
Trans./Distribution	17,405	0.0191	333	17,072
Rentals - Bldg				
Trans./Distribution	7,222	0.0968	699	6,523
Admin & General	4,470	0.0191	85	4,385
Transportation Expense				
Trans./Distribution	42,402	0.0968	4,104	38,298
Customer Accts.	7,327		-	7,327
Admin & General	5,923	0.0191	113	5,810
Insurance - Gen Liab				
Trans./Distribution	19,271	0.0968	1,865	17,406
Customer Accts.	9,719		-	9,719
Admin & General	6,871	0.0191	131	6,740
Insurance - Worker's Comp.				
Trans./Distribution	5,362	0.0191	103	5,259
Customer Accts.	2,694		-	2,694
Admin & General	1,883	0.0191	36	1,847

Advertising	4,390	0.0191	84	4,306
Bad Debt	6,870		-	6,870
Miscellaneous Expense				
Trans./Distribution	19,919	0.0968	1,928	17,991
Customer Accts.	10,024		-	10,024
Admin & General	7,105	0.0191	136	6,969
Total Operating Expenses	5,240,064		393,451	4,846,613
Depreciation Expense				
Water Supply	27,529	0.0968	2,665	24,865
Trans. / Distribution	310,990	0.0191	5,945	305,045
Tanks & Reservoirs	150,197	0.1091	16,393	133,804
Admin & General	10,453	0.0191	200	10,253
Customer	278,249		-	278,249
Operating Margin				
Water Supply	23,928	0.0968	2,316	21,612
Trans. / Distribution	417,020	0.0191	7,972	409,048
Tanks & Reservoirs	139,570	0.1091	15,233	124,337
Admin & General	9,807	0.0191	187	9,620
Customer	230,635		-	230,635
Total Revenue Required	6,838,444		444,363	6,394,081
Wholesale Gallons Sold (x 1,000)			106,419	
Wholesale Rate per 1,000 Gallons			<u><u>\$4.18</u></u>	

Table G
ALLOCATION OF OPERATION & MAINTENANCE EXPENSE - RETAIL
Daviess County Water District

	<u>Total</u>				<u>Admin. &</u>
	<u>Values</u>	<u>Commodity</u>	<u>Demand</u>	<u>Customer</u>	<u>General</u>
Salaries & Wages	811,041	40,995	396,739	234,114	139,193
Employee Benefits + Taxes	370,142	18,709	181,063	106,845	63,525
Salaries - Officers (A & G)	16,258				16,258
Purchased Water	3,007,765	3,007,765			
Purchased Power	107,186		101,116	4,875	1,196
Materials & Supplies	310,076	-	214,721	27,551	67,804
Contr. Services - Acct. & Legal	54,905				54,905
Contr. Services - Water Testing	17,072	17,072			
Rentals - Bldg.	10,908	6,523			4,385
Transportation Expense	51,435		38,298	7,327	5,810
Insurance - Gen. Liability	33,864		17,406	9,719	6,740
Insurance - Workers Comp	9,801	-	5,259	2,694	1,847
Advertising	4,306				4,306
Bad Debt	6,870			6,870	
Misc. Expense	34,984	-	17,991	10,024	6,969
Depreciation	752,216	24,865	438,849	278,249	10,253
Totals	5,598,829	3,115,930	1,411,442	688,268	383,189
Less Admin. & General	<u>383,189</u>				
Total w/o A & G	5,215,640				
Percentages w/o A & G	100.00%	59.74%	27.06%	13.20%	
Allocation of Admin. & General	383,189	228,925	103,697	50,566	
Total O & M Expense Allocations	5,598,829	3,344,855	1,515,139	738,835	

Table H
SUMMARY OF ALLOCATIONS - RETAIL
Daviess County Water District

	<u>Total</u>			
	<u>Values</u>	<u>Commodity</u>	<u>Demand</u>	<u>Customer</u>
Operation & Maintenance Expenses	5,598,829	3,344,855	1,515,139	738,835
Allocation Percentages		59.74%	27.06%	13.20%
Operating Margin	<u>795,252</u>	<u>475,100</u>	<u>215,209</u>	<u>104,943</u>
Total Expenses - Retail	6,394,081	3,819,955	1,730,348	843,778
Less:				
Fire Protection Revenue	(37,152)			(37,152)
Forfeited Discounts	(62,356)			(62,356)
Miscellaneous Service Revenues	(31,017)			(31,017)
Other Water Revenues	(142,794)	(85,308)	(38,643)	(18,843)
Interest Income	<u>(43,958)</u>	<u>(26,261)</u>	<u>(11,896)</u>	<u>(5,801)</u>
Revenue Required from Retail Rates	6,076,804	3,708,385	1,679,810	688,609

Table I
CALCULATION OF WATER RATES - RETAIL
Daviess County Water District

CALCULATION OF USAGE CHARGES:

	Total	First 20,000	Over 20,000
Actual Commodity Sales	868,539,640	672,553,110	195,986,530
Commodity Percentages	100.00%	77.43%	22.57%
Demand Weighting Factor		2.00	1.00
Demand Weighted Sales	1,541,092,750	1,345,106,220	195,986,530
Demand Percentages	100.00%	87.28%	12.72%
Commodity Costs	3,708,385	2,871,586	836,800
Demand Costs	1,679,810	1,466,182	213,628
Total Costs	5,388,195	4,337,768	1,050,427
No. of Gallons Sold		672,553	195,987
CALCULATED USAGE RATES		\$6.45	\$5.36
PROPOSED USAGE RATES		\$6.46	\$5.36

(adjusted per Billing Analysis to result in required revenue)

CALCULATION OF CUSTOMER CHARGES:

Expenses to be Allocated	688,609		
No. of Equivalentents	168,236		
Unit Cost of Service	\$4.09		
	Unit Cost	Service	Total
Meter Size	of Service	Ratio	Customer
			Charge
5/8 x 3/4"	\$4.09	1.0	\$4.09
1"	4.09	1.4	5.73
1-1/2"	4.09	1.8	7.36
2"	4.09	2.9	11.86
3"	4.09	11.0	44.99
4"	4.09	14.0	57.26
6"	4.09	21.0	85.89
8"	4.09	29.0	118.61

Number of Services and Equivalentents:

Meter Size	No. of Retail Bills	Service Ratio	No. of Equivalentents
5/8 x 3/4"	144,863	1.00	144,863
1"	11,022	1.40	15,431
1-1/2"	1,216	1.80	2,189
2"	1,400	2.90	4,060
3"	33	11.00	363
4"	11	14.00	154
6"	56	21.00	1,176
8"	-	29.00	-
Totals	158,601		168,236

TABLE J
CURRENT AND PROPOSED RATES
Daviess County Water District
INCLUDES LATE FEES

RETAIL RATES

	<u>SOUTHEAST DIVISION</u>			<u>WEST DIVISION</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Monthly Rates for Water Usage in Addition to Customer Charge						
<u>No. of Gallons per Month</u>						
First 20,000 Gallons	\$ 5.61	\$ 6.46	\$ 0.85	\$ 6.72	\$ 6.46	\$ (0.26)
Over 20,000 Gallons	4.61	5.36	0.75	5.51	5.36	(0.15)
Customer Charge for Each Size Meter						
<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
5/8 x 3/4 inch	\$ 2.97	\$ 4.09	\$ 1.12	\$ 3.70	\$ 4.09	\$ 0.39
1 inch	4.15	5.73	1.58	5.18	5.73	0.55
1-1/2 inch	5.34	7.36	2.02	6.66	7.36	0.70
2 inch	8.61	11.86	3.25	10.73	11.86	1.13
3 inch	32.65	44.99	12.34	40.69	44.99	4.30
4 inch	41.56	57.26	15.70	51.79	57.26	5.47
6 inch	62.34	85.89	23.55	77.67	85.89	8.22
8 inch	86.09	118.61	32.52	107.28	118.61	11.33
<u>WHOLESALE RATES</u>						
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
For all Water Purchased	\$ 3.75	\$ 4.18	\$ 0.43	\$ 4.84	\$ 4.18	\$ (0.66)

SOURCES OF SALES REVENUE

	<u>Existing</u>	<u>Proposed</u>	<u>Increase</u>
Retail	5,583,376	6,077,477	8.85%
Fire Protection	37,152	37,152	0.00%
Wholesale	408,966	444,831	8.77%
	6,029,494	6,559,461	8.79%

**TABLE K
EXISTING AND PROPOSED RETAIL BILLS**

Daviess County Water District

INCLUDES LATE FEES

Gallons per Month*	Meter Size	SOUTHEAST DIVISION			WEST DIVISION		
		Existing	Proposed	Change	Existing	Proposed	Change
		Bill	Bill		Bill	Bill	
-	5/8 x 3/4"	2.97	4.09	\$ 1.12	\$ 3.70	\$ 4.09	\$ 0.39
2,000	5/8 x 3/4"	14.19	17.01	2.82	17.14	17.01	(0.13)
4,000	5/8 x 3/4"	25.41	29.93	4.52	30.58	29.93	(0.65)
6,000	5/8 x 3/4"	36.63	42.85	6.22	44.02	42.85	(1.17)
8,000	5/8 x 3/4"	47.85	55.77	7.92	57.46	55.77	(1.69)
10,000	5/8 x 3/4"	59.07	68.69	9.62	70.90	68.69	(2.21)
15,000	5/8 x 3/4"	87.12	100.99	13.87	104.50	100.99	(3.51)
20,000	5/8 x 3/4"	115.17	133.29	18.12	138.10	133.29	(4.81)
25,000	1"	139.40	161.73	22.33	167.13	161.73	(5.40)
30,000	1"	162.45	188.53	26.08	194.68	188.53	(6.15)
40,000	1"	208.55	242.13	33.58	249.78	242.13	(7.65)
50,000	1"	254.65	295.73	41.08	304.88	295.73	(9.15)
75,000	2"	374.36	435.86	61.50	448.18	435.86	(12.32)
100,000	2"	489.61	569.86	80.25	585.93	569.86	(16.07)
200,000	2"	950.61	1,105.86	155.25	1,136.93	1,105.86	(31.07)
500,000	2"	2,333.61	2,713.86	380.25	2,789.93	2,713.86	(76.07)

* Highlighted usage represents the average residential bill.

TABLE L
CURRENT AND PROPOSED RATES
Daviess County Water District
NO LATE FEES

RETAIL RATES

	<u>SOUTHEAST DIVISION</u>			<u>WEST DIVISION</u>		
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Monthly Rates for Water Usage in Addition to Customer Charge						
<u>No. of Gallons per Month</u>						
First 20,000 Gallons	\$ 5.61	\$ 6.46	\$ 0.85	\$ 6.72	\$ 6.46	\$ (0.26)
Over 20,000 Gallons	4.61	5.36	0.75	5.51	5.36	(0.15)
Customer Charge for Each Size Meter						
<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
5/8 x 3/4 inch	\$ 2.97	\$ 4.46	\$ 1.49	\$ 3.70	\$ 4.46	\$ 0.76
1 inch	4.15	6.24	2.09	5.18	6.24	1.06
1-1/2 inch	5.34	8.03	2.69	6.66	8.03	1.37
2 inch	8.61	12.93	4.32	10.73	12.93	2.20
3 inch	32.65	49.06	16.41	40.69	49.06	8.37
4 inch	41.56	62.44	20.88	51.79	62.44	10.65
6 inch	62.34	93.66	31.32	77.67	93.66	15.99
8 inch	86.09	129.34	43.25	107.28	129.34	22.06
<u>WHOLESALE RATES</u>						
	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
For all Water Purchased	\$ 3.75	\$ 4.18	\$ 0.43	\$ 4.84	\$ 4.18	\$ (0.66)

SOURCES OF SALES REVENUE

	<u>Existing</u>	<u>Proposed</u>	<u>Increase</u>
Retail	5,583,376	6,139,582	9.96%
Fire Protection	37,152	37,152	0.00%
Wholesale	408,966	444,831	8.77%
	6,029,494	6,621,565	9.82%

TABLE M
EXISTING AND PROPOSED RETAIL BILLS

Daviss County Water District

NO LATE FEES

Gallons per Month*	Meter Size	SOUTHEAST DIVISION			WEST DIVISION		
		Existing	Proposed	Change	Existing	Proposed	Change
		Bill	Bill		Bill	Bill	
-	5/8 x 3/4"	2.97	4.46	\$ 1.49	\$ 3.70	\$ 4.46	\$ 0.76
2,000	5/8 x 3/4"	14.19	17.38	3.19	17.14	17.38	0.24
4,000	5/8 x 3/4"	25.41	30.30	4.89	30.58	30.30	(0.28)
6,000	5/8 x 3/4"	36.63	43.22	6.59	44.02	43.22	(0.80)
8,000	5/8 x 3/4"	47.85	56.14	8.29	57.46	56.14	(1.32)
10,000	5/8 x 3/4"	59.07	69.06	9.99	70.90	69.06	(1.84)
15,000	5/8 x 3/4"	87.12	101.36	14.24	104.50	101.36	(3.14)
20,000	5/8 x 3/4"	115.17	133.66	18.49	138.10	133.66	(4.44)
25,000	1"	139.40	162.24	22.84	167.13	162.24	(4.89)
30,000	1"	162.45	189.04	26.59	194.68	189.04	(5.64)
40,000	1"	208.55	242.64	34.09	249.78	242.64	(7.14)
50,000	1"	254.65	296.24	41.59	304.88	296.24	(8.64)
75,000	2"	374.36	436.93	62.57	448.18	436.93	(11.25)
100,000	2"	489.61	570.93	81.32	585.93	570.93	(15.00)
200,000	2"	950.61	1,106.93	156.32	1,136.93	1,106.93	(30.00)
500,000	2"	2,333.61	2,714.93	381.32	2,789.93	2,714.93	(75.00)

* Highlighted usage represents the average residential bill.

EXHIBIT 20

INCOME STATEMENT FOR YEAR ENDING DECEMBER 31, 2021

	Test Year	Adjustment	Pro Forma
<u>Operating Revenues</u>			
Total Retail Meter Sales	\$5,349,757	233,619	5,583,376
Fire Protection Service	36,868	284	37,152
Sales for Resale	381,175	27,791	408,966
Other Water Revenues			
Forfeited Discounts	0	62,356	62,356
Miscellaneous Service Revenues	31,017		31,017
Other Water Revenues	<u>142,327</u>	467	<u>142,794</u>
Total Operating Revenues	\$5,941,144		\$6,265,661
<u>Operating Expenses</u>			
Operation and Maintenance			
Salaries and Wages-Employees	\$ 749,184	90,671	\$ 839,855
Salaries and Wage-Officers	18,000		18,000
Employee Pensions and Benefits	362,229	(57,055)	305,174
Purchased Water	3,149,551	180,548	3,330,099
Purchased Power	113,592		113,592
Materials and Supplies	312,837	2,745	315,582
Contractual Services	55,427	22,767	78,194
Rental of Bldg/Real Property	11,692		11,692
Transportation Expenses	55,652		55,652
Insurance	45,800		45,800
Advertising	4,390		4,390
Bad Debt	6,870		6,870
Miscellaneous Expenses	<u>37,048</u>		<u>37,048</u>
Total Operation and Maintenance Expense	\$4,922,272		\$5,161,948
Depreciation Expense	755,001	22,417	777,418
Taxes Other than Income	66,340	11,778	78,118
Utility Operating Expenses	<u>\$5,743,613</u>		<u>\$6,017,484</u>
Utility Operating Income	\$ 197,531		\$ 248,178
Gains(Losses) from Disposition of Property	<u>1,231</u>		<u>1,231</u>
Total Utility Operating Income	\$ 198,762		\$ 249,409
<u>Other Income and Deductions</u>			
Interest and Dividend Income	\$ 43,958		\$ 43,958
Nonutility Income	0		0
Miscellaneous Nonutility Expenses	<u>0</u>		<u>0</u>
Total Other Income and Deductions	\$ 43,958		\$ 43,958
<u>Interest Expense</u>			
Interest Expense	\$ 395		\$ 395
Amortization of Debt Discount and Expense	0		0
Total Interest Expense	<u>395</u>		<u>395</u>
Net Income Before Contributions	<u>\$ 242,325</u>		<u>\$ 292,972</u>

BALANCE SHEET AS OF DECEMBER 31, 2021

	Actual	Adjustment	Proforma
<u>Utility Plant</u>			
Utility Plant	\$27,376,033		\$27,376,033
Less Accumulated Depreciation	<u>11,901,640</u>	22,417	<u>11,924,057</u>
Total Net Utility Plant	\$15,474,393		\$15,451,976
<u>Current and Accrued Assets</u>			
Cash	\$ 755,834		\$ 755,834
Special Deposits	368,170		368,170
Temporary Cash Investments	5,949,951		5,949,951
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	820,310		820,310
Materials and Supplies	374,157		374,157
Prepayments	22,657		22,657
Accrued interest and Dividends Receivable	<u>1,064</u>		<u>1,064</u>
Total Current and Accrued Assets	\$ 8,292,143		\$ 8,292,143
<u>Deferred Debits</u>			
Unamortized Debt Discount and Expense	0		0
Miscellaneous Deferred Debits	<u>0</u>		<u>0</u>
Total Deferred Debits	\$ 0		\$ 0
TOTAL ASSETS AND OTHER DEBITS	<u>\$23,766,536</u>		<u>\$23,744,119</u>
<u>Equity Capital</u>			
Retained Earnings For Income Before Contributions	\$ 2,937,975	\$(22,417)	\$ 2,915,558
Donated Capital	<u>19,720,142</u>		<u>19,720,142</u>
Total Equity Capital	\$22,658,117		\$22,635,700
<u>Long-Term Debt</u>			
Bonds	0		0
Other Long-Term Debt	<u>0</u>		<u>0</u>
Total Long-Term Debt	\$ 0		\$ 0
<u>Current and Accrued Liabilities</u>			
Accounts Payable	\$ 697,748		697,748
Customer Deposits	311,284		311,284
Accrued Taxes	16,246		16,246
Tax Collections Payable	16,841		16,841
Miscellaneous Current and Accrued Liabilities	<u>66,300</u>		<u>66,300</u>
Total Current and Accrued Liabilities	\$ 1,108,419		\$ 1,108,419
<u>Deferred Credits</u>			
Unamortized Premium on Debt	0		0
Other Deferred Credits	0		0
Total Deferred Credits	<u>0</u>		<u>0</u>
TOTAL EQUITY CAPITAL AND LIABILITIES	<u>\$23,766,536</u>		<u>\$23,744,119</u>

EXHIBIT 21

DAVISS COUNTY WATER DISTRICT CAPITAL BUDGET

2022

TANKS	West Louisville exterior paint	\$85,000.00
WATER LINES	Hwy 54 - 800' - 8" line and two hot taps	\$50,000.00
VALVES	Repair as needed	Anticipated cost included in operational budget
HYDRANTS	Repair as needed	Anticipated cost included in operational budget
METERS	5/8 x 3/4"	528 \$60,720.00
	1"	160 \$32,480.00
	1-1/2"	19 \$10,165.00
	2"	24 \$18,000.00
	Meter cost reimbursed eventually by meter tap fees	
RADIOS	432	\$62,640.00
METER TESTING	Contractor to test 1-1/2" & 2" meters	Anticipated cost included in operational budget
TRUCKS	Purchase 2 trucks	\$ 89,000.00
OFFICE	Architect fee for new office design	\$ 100,000.00
FUTURE PLANNING	Rework pump at Wing Ave. to 75 HP Rework pump at Parrish Ave. to 40 HP	
	These pump upgrades will be done if Reid Rd. & Carter Rd. have upgraded to 40 HP pumps in 2022 through Federal funds	

KIA PROJECTS

Upgrade pumps at Reid Road pumpstation to 40 hp	\$ 165,000.00
Upgrade pumps at Carter Road pumpstation to 40 hp	\$ 165,000.00
Hwy 54 upsize line from 12" to 16" with widening project	\$ 275,000.00
Wing Ave pumpstation to Wimsatt Ct upsize from 12" to 16"	\$ 1,310,000.00
Installation of master meters for leak detection	\$ 200,000.00
Total external funding from KIA	<u>\$ 2,115,000.00</u>

Total Capital Projects (Internal Funding)	\$508,005.00
Total Capital Projects (External Funding)	<u>\$2,115,000.00</u>
Total Capital Projects	<u>\$2,623,005.00</u>

EXHIBIT 22

DAVISS COUNTY WATER DISTRICT

BUDGET 2022

	Actual 2020	Budget 2021	Estimate 2021	Budget 2022
<u>Operating Revenues</u>				
<u>Sales of Water (sub-category)</u>				
Metered Water Revenue - Residential	\$ 3,437,401.59	\$ 4,139,000.00	\$ 4,262,000.00	\$ 4,549,000.00
Metered Water Revenue - Commercial	\$ 600,812.86	\$ 808,000.00	\$ 850,000.00	\$ 904,500.00
Metered Water Revenue - Apartments	\$ 96,393.36	\$ 111,000.00	\$ 114,500.00	\$ 145,000.00
Fire Protection Revenue	\$ 34,574.00	\$ 36,100.00	\$ 36,800.00	\$ 37,300.00
Sales to Irrigation Customers	\$ 128,253.10	\$ 168,500.00	\$ 142,000.00	\$ 155,000.00
Sales for Resale	\$ 276,247.78	\$ 349,000.00	\$ 379,000.00	\$ 430,000.00
Subtotal Sales of Water	\$ 4,573,682.69	\$ 5,611,600.00	\$ 5,784,300.00	\$ 6,220,800.00
<u>Other Water Revenue (sub-category)</u>				
Tap On Fees	\$ 258,400.00	\$ 230,000.00	\$ 260,000.00	\$ 260,000.00
Forfeited Discounts	\$ 8,637.54	\$ -	\$ -	\$ -
Service Order Charges	\$ 60,880.00	\$ 32,000.00	\$ 31,000.00	\$ 32,000.00
Miscellaneous Revenue	\$ 39,608.54	\$ 40,000.00	\$ 46,000.00	\$ 45,000.00
Sewer Collection Fee	\$ 92,032.40	\$ 98,000.00	\$ 99,500.00	\$ 105,000.00
Subtotal Other Water Revenues	\$ 459,558.48	\$ 400,000.00	\$ 436,500.00	\$ 442,000.00
Total Operating Revenues	\$ 5,033,241.17	\$ 6,011,600.00	\$ 6,220,800.00	\$ 6,662,800.00
<u>Operation and Maintenance Expenses</u>				
Salaries and Wages - Employees	\$ 737,623.23	\$ 751,000.00	\$ 751,000.00	\$ 938,600.00
Salaries and Wages - Commissioners	\$ 17,625.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Employee Pensions and Benefits				
Medical/Life Insurance	\$ 273,876.12	\$ 290,000.00	\$ 260,000.00	\$ 320,000.00
Payroll Taxes	\$ 59,965.41	\$ 62,000.00	\$ 62,000.00	\$ 77,000.00
Retirement Benefits	\$ 104,312.88	\$ 105,500.00	\$ 103,000.00	\$ 113,000.00
Purchased Water	\$ 2,528,596.44	\$ 2,830,000.00	\$ 3,135,000.00	\$ 3,365,000.00
Purchased Power	\$ 112,661.05	\$ 120,000.00	\$ 112,000.00	\$ 120,000.00
Telephone	\$ 12,460.87	\$ 12,500.00	\$ 16,000.00	\$ 15,000.00
Maintenance Materials	\$ 193,373.05	\$ 200,000.00	\$ 210,000.00	\$ 230,000.00
Office Supplies	\$ 74,147.14	\$ 75,000.00	\$ 80,000.00	\$ 80,000.00
Computer Expense	\$ 49,589.25	\$ 50,000.00	\$ 55,000.00	\$ 55,000.00
Contractual Services - Engineering	\$ 3,050.00	\$ 2,500.00	\$ -	\$ 2,500.00
Contractual Services - Accounting	\$ 18,380.00	\$ 18,900.00	\$ 19,000.00	\$ 15,000.00
Contractual Services - Legal	\$ 103,337.50	\$ 20,000.00	\$ 16,000.00	\$ 20,000.00
Water Test	\$ 17,770.00	\$ 20,500.00	\$ 17,000.00	\$ 20,000.00
Rental of Building/Real Property	\$ 11,692.32	\$ 11,700.00	\$ 11,700.00	\$ 12,700.00
Transportation Expenses	\$ 51,435.90	\$ 54,000.00	\$ 57,000.00	\$ 57,000.00
Insurance - Unemployment	\$ 553.59	\$ 1,000.00	\$ -	\$ 500.00
Insurance - Workers' Compensation	\$ 9,248.70	\$ 10,200.00	\$ 10,000.00	\$ 10,500.00
Insurance - Property & Liability	\$ 42,462.56	\$ 37,000.00	\$ 36,000.00	\$ 37,000.00
Advertising Expense	\$ 5,041.41	\$ 1,500.00	\$ 4,500.00	\$ 3,000.00
Bad Debt Expense	\$ 12,162.10	\$ 14,000.00	\$ 7,000.00	\$ 12,000.00
Miscellaneous Expenses	\$ 23,080.01	\$ 13,000.00	\$ 12,000.00	\$ 19,000.00
Petty Cash	\$ 1,623.27	\$ 1,000.00	\$ 800.00	\$ 1,000.00
Uniforms	\$ 6,960.26	\$ 7,000.00	\$ 7,200.00	\$ 8,000.00
Education & Seminars	\$ 720.35	\$ 2,000.00	\$ 1,000.00	\$ 2,000.00
Depreciation Expense	\$ 733,839.79	\$ 750,000.00	\$ 760,000.00	\$ 800,000.00
PSC Assessment	\$ 8,963.88	\$ 9,500.00	\$ 5,500.00	\$ 10,000.00
Other Taxes and Licenses	\$ -	\$ -	\$ 1,900.00	\$ 3,000.00
Total Operation and Maintenance Expenses	\$ 5,214,552.08	\$ 5,487,800.00	\$ 5,768,600.00	\$ 6,361,800.00
Utility Operating Income (Loss)	\$ (181,310.91)	\$ 523,800.00	\$ 452,200.00	\$ 301,000.00

<u>Other Income and Deductions</u>				
Interest and Dividend Income	\$ 105,804.21	\$ 50,000.00	\$ 44,000.00	\$ 30,000.00
Interest Expense on Long / Short Term Debt		\$ -		
Interest Expense on Customer Deposits	\$ 4,986.94	\$ 3,500.00	\$ 400.00	\$ 400.00
Gain (Loss) from Disposition of Utility Property	\$ (2,741.25)	\$ -	\$ 15,000.00	\$ -
Total Other Income and Deductions	\$ 98,076.02	\$ 46,500.00	\$ 58,600.00	\$ 29,600.00
Income before Contributions	\$ (83,234.89)	\$ 570,300.00	\$ 510,800.00	\$ 330,600.00
<u>Proceeds from Capital Contributions</u>				
Proceeds from Capital Contributions				
Federal Grants				
State Grants				
Other Grants				
Customer Contributions	\$ 83,392.50	\$ 130,000.00	\$ 227,000.00	\$ 130,000.00
Surcharge Contributions				
Subtotal Proceeds from Capital Contributions	\$ 83,392.50	\$ 130,000.00	\$ 227,000.00	\$ 130,000.00
Change in Net Assets	\$ 157.61	\$ 700,300.00	\$ 737,800.00	\$ 460,600.00

**WATER STATISTICS
In Gallons**

	Actual 2020	Budget 2021	Estimate 2021	Budget 2022
Water Produced & Purchased	1,087,508,802	1,110,000,000	1,138,000,000	1,120,000,000
Total Water Sales	962,969,110	988,000,000	977,000,000	991,200,000
Other Water Used	13,593,000	15,000,000	13,500,000	15,000,000
Water Loss	110,946,692	107,000,000	147,500,000	113,800,000
Water Loss Percentage	10.20%	9.64%	12.96%	10.16%

Number of meters added in 2021	226
Number of meters added in 2020	258
Number of meters added in 2019	202
Number of meters added in 2018	193
Number of meters added in 2017	181

DAVISS COUNTY WATER DISTRICT
BUDGET COMPARISON
JANUARY - MARCH 2022

	Budget 2021	Jan - Mar Adj Factor	Jan - Mar Budget	Jan - Mar Actual	Actual over / (under) Budget	Percentage of over / (under) above (below) Budget
Operating Revenues						
<u>Sales of Water (sub-category)</u>						
Metered Water Revenue - Residential	\$ 4,549,000.00	22%	\$ 1,000,780.00	\$ 958,718.24	\$ (42,061.76)	-4.20%
Metered Water Revenue - Commercial	\$ 904,500.00	22%	\$ 198,990.00	\$ 190,788.15	\$ (8,201.85)	-4.12%
Metered Water Revenue - Apartments	\$ 145,000.00	22%	\$ 31,900.00	\$ 30,762.88	\$ (1,137.12)	-3.56%
Fire Protection Revenue	\$ 37,300.00	25%	\$ 9,325.00	\$ 9,318.00	\$ (7.00)	-0.08%
Sales to Irrigation Customers	\$ 155,000.00	22%	\$ 34,100.00	\$ 34,569.16	\$ 469.16	1.38%
Sales for Resale	\$ 430,000.00	22%	\$ 94,600.00	\$ 99,612.59	\$ 5,012.59	5.30%
Subtotal Sales of Water	\$ 6,220,800.00		\$ 1,369,695.00	\$ 1,323,769.02	\$ (45,925.98)	-3.35%
<u>Other Water Revenue (sub-category)</u>						
Tap On Fees	\$ 260,000.00	25%	\$ 65,000.00	\$ 42,945.00	\$ (22,055.00)	-33.93%
Forfeited Discounts	\$ -	25%	\$ -	\$ -	\$ -	0.00%
Service Order Charges	\$ 32,000.00	25%	\$ 8,000.00	\$ 5,899.50	\$ (2,100.50)	-26.26%
Miscellaneous Revenue	\$ 45,000.00	50%	\$ 22,500.00	\$ 19,372.65	\$ (3,127.35)	-13.90%
Sewer Collection Fee	\$ 105,000.00	25%	\$ 26,250.00	\$ 25,797.10	\$ (452.90)	-1.73%
Subtotal Other Water Revenues	\$ 442,000.00		\$ 121,750.00	\$ 94,014.25	\$ (27,735.75)	-22.78%
Total Operating Revenues	\$ 6,662,800.00		\$ 1,491,445.00	\$ 1,417,783.27	\$ (73,661.73)	-4.94%
Operation and Maintenance Expenses						
Salaries and Wages - Employees	\$ 938,600.00	25%	\$ 234,650.00	\$ 197,672.08	\$ (36,977.92)	-15.76%
Salaries and Wages - Commissioners	\$ 18,000.00	25%	\$ 4,500.00	\$ 4,500.00	\$ -	0.00%
Employee Pensions and Benefits						
Medical/Life Insurance	\$ 320,000.00	25%	\$ 80,000.00	\$ 69,381.40	\$ (10,618.60)	-13.27%
Payroll Taxes	\$ 77,000.00	25%	\$ 19,250.00	\$ 16,017.33	\$ (3,232.67)	-16.79%
Retirement Benefits	\$ 113,000.00	25%	\$ 28,250.00	\$ 26,929.08	\$ (1,320.92)	-4.68%
Purchased Water	\$ 3,365,000.00	21%	\$ 706,650.00	\$ 744,016.06	\$ 37,366.06	5.29%
Purchased Power	\$ 120,000.00	25%	\$ 30,000.00	\$ 29,113.30	\$ (886.70)	-2.96%
Telephone	\$ 15,000.00	25%	\$ 3,750.00	\$ 3,667.58	\$ (82.42)	-2.20%
Maintenance Materials	\$ 230,000.00	25%	\$ 57,500.00	\$ 46,782.03	\$ (10,717.97)	-18.64%
Office Supplies	\$ 80,000.00	25%	\$ 20,000.00	\$ 17,449.34	\$ (2,550.66)	-12.75%
Computer Expense	\$ 55,000.00	55%	\$ 30,250.00	\$ 27,970.55	\$ (2,279.45)	-7.54%
Contractual Services - Engineering	\$ 2,500.00	25%	\$ 625.00	\$ -	\$ (625.00)	0.00%
Contractual Services - Accounting	\$ 15,000.00	100%	\$ 15,000.00	\$ 14,842.00	\$ (158.00)	0.00%
Contractual Services - Legal	\$ 20,000.00	25%	\$ 5,000.00	\$ 6,242.00	\$ 1,242.00	24.84%
Water Test	\$ 20,000.00	25%	\$ 5,000.00	\$ 3,840.00	\$ (1,160.00)	-23.20%
Rental of Building/Real Property	\$ 12,700.00	25%	\$ 3,175.00	\$ 3,117.96	\$ (57.04)	-1.80%
Transportation Expenses	\$ 57,000.00	25%	\$ 14,250.00	\$ 6,644.06	\$ (7,605.94)	-53.38%
Insurance - Unemployment	\$ 500.00	25%	\$ 125.00	\$ -	\$ (125.00)	-100.00%
Insurance - Workers' Compensation	\$ 10,500.00	25%	\$ 2,625.00	\$ 2,450.99	\$ (174.01)	-6.63%
Insurance - Property & Liability	\$ 37,000.00	25%	\$ 9,250.00	\$ 8,877.55	\$ (372.45)	-4.03%
Advertising Expense	\$ 3,000.00	25%	\$ 750.00	\$ 81.25	\$ (668.75)	-89.17%
Bad Debt Expense	\$ 12,000.00	25%	\$ 3,000.00	\$ 1,356.80	\$ (1,643.20)	-54.77%
Miscellaneous Expenses	\$ 19,000.00	25%	\$ 4,750.00	\$ 2,570.47	\$ (2,179.53)	-45.88%
Petty Cash	\$ 1,000.00	25%	\$ 250.00	\$ 187.00	\$ (63.00)	-25.20%
Uniforms	\$ 8,000.00	25%	\$ 2,000.00	\$ 1,587.91	\$ (412.09)	-20.60%
Education & Seminars	\$ 2,000.00	25%	\$ 500.00	\$ 1,301.05	\$ 801.05	160.21%
Total Oper. and Maint. Expenses	\$ 5,551,800.00		\$ 1,281,100.00	\$ 1,236,597.79	\$ (44,502.21)	-3.47%

Other Expenses						
Depreciation Expense on Utility Plant	\$ 800,000.00	25%	\$ 200,000.00	\$ 194,112.71	\$ (5,887.29)	-2.94%
Utility Regulatory Assessment Fees	\$ 10,000.00	0%	\$ -	\$ -	\$ -	0.00%
Other Taxes and Licenses	\$ 3,000.00	0%	\$ -	\$ -	\$ -	0.00%
Gains (Losses) from Disp. of Utility Prop.	\$ -	0%	\$ -	\$ -	\$ -	0.00%
Total Other Expenses	\$ 810,000.00		\$ 200,000.00	\$ 194,112.71	\$ (5,887.29)	-2.94%
Net Utility Operating Expenses	\$ 6,361,800.00		\$ 1,481,100.00	\$ 1,430,710.50	\$ (50,389.50)	-3.40%
Utility Operating Income (Loss)	\$ 301,000.00		\$ 10,345.00	\$ (12,927.23)	\$ (23,272.23)	-224.96%
Other Income and Deductions						
Interest and Dividend Income	\$ 30,000.00	25%	\$ 7,500.00	\$ 9,348.96	\$ 1,848.96	24.65%
Interest Expense on Long / Short Term Debt		0%	\$ -	\$ -	\$ -	0.00%
Interest Expense on Customer Deposits	\$ 400.00	0%	\$ -	\$ 1.53	\$ 1.53	0.00%
Amortization Expense	\$ -	0%	\$ -	\$ -	\$ -	0.00%
Total Other Income and Ded.	\$ 29,600.00		\$ 7,500.00	\$ 9,347.43	\$ 1,847.43	24.63%
Income before Contributions	\$ 330,600.00		\$ 17,845.00	\$ (3,579.80)	\$ (21,424.80)	-120.06%
Proceeds from Capital Contributions						
Proceeds from Capital Contributions						
Federal Grants						
State Grants						
Other Grants						
Customer Contributions	\$ 130,000.00	0%	\$ -	\$ -	\$ -	0.00%
Surcharge Contributions						
Subtotal Proceeds from Capital Cont.	\$ 130,000.00		\$ -	\$ -	\$ -	0.00%
Change in Net Assets	\$ 460,600.00		\$ 17,845.00	\$ (3,579.80)	\$ (21,424.80)	-120.06%

**WATER STATISTICS
In Gallons**

	Budget 2021	Jan - Mar Adj Factor	Jan - Mar Budget	Jan - Mar Actual	Actual over / (under) Budget	Percentage of over / (under) above (below) Budget
Water Purchased	1,120,000,000	22%	246,400,000	255,336,036	8,936,036	3.63%
Total Water Sales	991,200,000	22%	218,064,000	209,722,950	(8,341,050)	-3.83%
Other Water Used	15,000,000	22%	3,300,000	5,458,000	2,158,000	
Water Loss	113,800,000	22%	25,036,000	40,155,086	15,119,086	
Water Loss Percentage	10.16%		10.16%	15.73%	5.57%	