

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

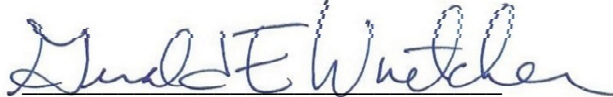
**ELECTRONIC APPLICATION OF)
MOUNTAIN WATER DISTRICT FOR A) CASE NO. 2022-00367
GENERAL ADJUSTMENT OF SEWER RATES)
)**

**MOUNTAIN WATER DISTRICT'S RESPONSE TO
COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION**

Mountain Water District submits its Response to Commission Staff's Post-Hearing Request for Information.

Dated: August 25, 2023

Respectfully submitted,

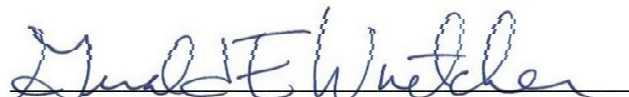


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gerald.wuetcher@skofirm.com

Counsel for Mountain 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 August 25, 2023 and that there is currently no party that the Public Service Commission has excused from participation by electronic means in this proceeding.



Counsel for Mountain Water District

MOUNTAIN WATER DISTRICT

Response to Commission Staff's Post-Hearing Request for Information Case No. 2022-00367

Question No. 1

Responding Witness: Carrie Hatfield/Legal Counsel

- Q-1. Refer to the assessment provided in response to Commission Staff's Third Request for Information (Staff's Third Request), Item 3, and attachment 3-3-2.**
- a. Using the calculation provided, explain whether the total gross revenues multiplied by mills per \$100 results in an assessment of \$12,701 for the water division.**
 - b. Explain whether the payment for the assessment was included in the test year operations expenses; or if it was not paid until July 2023.**
 - c. Explain in which account the payment for the assessment was included.**
- A-1.
- a. Based upon a rate of 1.493 mills per \$1.00 and a gross revenue of \$8,506,727 for Mountain Water District's water operations, the assessment for water operations would be approximately \$12,700.54 ($\$8,506,727 \times 0.001493$). Mountain Water District's response to Commission Staff Request 3-3 incorrectly stated the rate as 1.493 mills per \$100.
 - b. The payment was not included in test period operations expenses. Mountain Water District paid the 2021 PSC Assessment on June 22, 2021 and paid the 2022 PSC Assessment on July 5, 2022.
 - c. If payment had been made during the test period, Mountain Water District would have recorded the payment in Account 6762.08. The payment would have been reflected on the Schedule of Adjusted Operations under "Regulatory Commission Expense."

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Post-Hearing Request for Information
Case No. 2022-00367**

Question No. 2

Responding Witness: Carrie Hatfield

- Q-2. Refer to the response to Commission Staff's Second Request for Information, Item 2. Provide a copy of the invoices for health and dental insurance that shows the allocation of employee's premiums between the water and sewer division.**
- A-2. See Attachment PH-2. .

Invoice # 001591933H
Breakdown Between
Dental and Health

Premium	100% Allocated for Water	100% Allocated for Sewer	80% Allocated for Water	20% Allocated for Sewer
Dental	\$998.14	\$270.41	\$532.32	\$133.09
Health	\$22,376.50	\$5,531.86	\$11,738.24	\$2,934.56
Total	\$23,374.64	\$5,802.27	\$12,270.56	\$3,067.65

Division	Dental	Health
Water	\$1,530.46	\$34,114.74
Sewer	\$403.50	\$8,466.42
Totals	\$1,933.96	\$42,581.16

* W-Water

* WW- Waste Water

* W/WW - Both (80/20) Admin, Customer Service, Maintenance and Mechanic.

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 7
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159
 Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

00453880500

MEMBERSHIP DETAIL

INS TYPE

ID No.	Dept. No.	Emp. No.	Subscriber Name	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
199M54385	WN								
	WN								
	WN								
453W12096	W								
	W								
	W								
044W13258	W								
	W								
	W								
884W09984	W+WW	80/20							
	W+WW	80/20							
	W+WW	80/20							
040M70297	W								
	W								
	W								

Group Number identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 8
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159

Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

MEMBERSHIP DETAIL

Type

ID No.	Dept. No.	Emp. No.	Subscriber Name	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
473W15131	W			Dental W26979D002	A	X001	S	1	22.12
	W			Health W26979M004	A	HXUH	S	1	643.40
	W			Vision W26979V002	A	VVIS	S	1	6.39
615M99864	W			Dental W26979D001	A	X001	S	1	19.30
	W			Health W26979M004	A	HXUH	S	1	643.40
	W			Vision W26979V002	A	VVIS	S	1	6.39
173W13725	W+WW			Dental W26979D001	A	X001	FAM	3	68.66
173W13725	W+WW			Health W26979M004	A	HXUH	S	1	643.40
	W+WW			Vision W26979V002	A	VVIS	FAM	3	18.53
145W10232	W+WW			Health W26979M003	A	HXUH	S	1	594.80
224W08941	WW			Dental W26979D001	A	X001	S	1	19.30
	WW			Health W26979M003	A	HXUH	S	1	594.80
	WW			Vision W26979V002	A	VVIS	S	1	6.39
762W09892	W			Dental W26979D001	A	X001	S	1	19.30
	W			Health W26979M003	A	HXUH	S	1	594.80
	W			Vision W26979V002	A	VVIS	S	1	6.39
624W07841	W+WW			Dental W26979D001	A	X001	S	1	19.30
	W+WW			Health W26979M003	A	HXUH	S	1	594.80
	W+WW			Vision W26979V002	A	VVIS	S	1	6.39
217W02710	W			Dental W26979D001	A	X001	S	1	19.30
	W			Health W26979M003	A	HXUH	S	1	594.80
	W			Vision W26979V002	A	VVIS	S	1	6.39
589W02709	WW			Dental W26979D001	A	X001	S	1	19.30

Group Number Identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 9
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159
 Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

MEMBERSHIP DETAIL

ID No.	Dept. No.	Emp. No.	Subscriber Name	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
608W13391	WW			Health W26979M004	A	HXUH	S	1	643.40
	W			Dental W26979D001	A	X001	S	1	19.30
	W			Health W26979M003	A	HXUH	S	1	594.80
	W			VISION W26979V002	A	VVIS	S	1	6.39
707W16250	W			Dental W26979D002	A	X001	S	1	22.12
687W09984	WW			Dental W26979D001	A	X001	S	1	19.30
	WW			Health W26979M003	A	HXUH	S	1	594.80
	WW			VISION W26979V002	A	VVIS	S	1	6.39
746W15909	W			Dental W26979D002	A	X001	S	1	22.12
	W			Health W26979M004	A	HXUH	S	1	643.40
	W			VISION W26979V002	A	VVIS	S	1	6.39
582W12391	W			Dental W26979D001	A	X001	S	1	19.30
	W			Health W26979M003	A	HXUH	S	1	594.80
572M66173	W			Dental W26979D002	A	X001 S+DEPS		3	51.75
	W			Health W26979M004	A	HXUH S+DEPS		3	1222.46
	W			VISION W26979V002	A	VVIS S+DEPS		3	12.14
604M56203	W/WW			Dental W26979D001	A	X001	S	1	19.30
	W/WW			Health W26979M004	A	HXUH	S	1	643.40
	W/WW			VISION W26979V002	A	VVIS	S	1	6.39
Subtotal for the Department #							54		42,219.78
304M62951	W			Dental W26979D002	A	X001 FAM		3	81.68
	W			Health W26979M004	A	HXUH	S	1	643.40
304M62951 0001	W			VISION W26979V002	A	VVIS 2P		2	11.18

Group Number identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 10
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159

Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

MEMBERSHIP DETAIL

ID No.	Dept. No.	Emp. No.	Subscriber Name	Type	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
388M57921	0001	w/ww	[REDACTED]	Dental	W26979D001	A	X001	S	1	19.30
	0001	w/ww	[REDACTED]	Health	W26979M003	A	HXUH	S	1	594.80
	0001	w/ww	[REDACTED]	Vision	W26979V002	A	VVIS	S	1	6.39
007M54317		w	[REDACTED]	Dental	W26979D001	A	X001	2P	2	38.90
		w	[REDACTED]	Health	W26979M003	A	HXUH	S	1	594.80
007M54317	0001	w	[REDACTED]	Vision	W26979V002	A	VVIS	2P	2	11.18
678M56430		ww	[REDACTED]	Dental	W26979D001	A	X001	S	1	19.30
		ww	[REDACTED]	Health	W26979M003	A	HXUH	S	1	594.80
678M56430	0001	ww	[REDACTED]	Vision	W26979V002	A	VVIS	S	1	6.39
265M56415		w	[REDACTED]	Dental	W26979D001	A	X001	2P	2	38.90
		w	[REDACTED]	Health	W26979M004	A	HXUH	2P	2	1415.49
265M56415	0001	ww	[REDACTED]	Vision	W26979V002	A	VVIS	2P	2	11.18
803M56544		w/ww	[REDACTED]	Dental	W26979D002	A	X001	S	1	22.12
		w/ww	[REDACTED]	Health	W26979M003	A	HXUH	S	1	594.80
903M56544	0001	w/ww	[REDACTED]	Vision	W26979V002	A	VVIS	FAM	4	18.53
352M64272		ww	[REDACTED]	Dental	W26979D002	A	X001	2P	2	44.23
		ww	[REDACTED]	Health	W26979M004	A	HXUH	S	1	643.40
352M64272	0001	ww	[REDACTED]	Vision	W26979V002	A	VVIS	S	1	6.39
270M61928		w	[REDACTED]	Dental	W26979D001	A	X001	2P	2	38.90
		w	[REDACTED]	Health	W26979M003	A	HXUH	2P	2	1308.56
270M61928	0001	w	[REDACTED]	Vision	W26979V002	A	VVIS	2P	2	11.18
141M58194		w/ww	[REDACTED]	Dental	W26979D002	A	X001	S	1	22.12
		w/ww	[REDACTED]	Health	W26979M004	A	HXUH	S	1	643.40

Group Number Identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 12
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159

Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

MEMBERSHIP DETAIL

ID No.	Dept. No.	Emp. No.	Subscriber Name	Type	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
				H	W26979M004	A	HXUH	2P	2	1415.49
535M56352	0001			V	W26979V002	A	VVIS	S	1	6.39
698M54808				D	W26979D001	A	X001	2P	2	38.90
				H	W26979M004	A	HXUH	2P	2	1415.49
698M54988	0001			V	W26979V002	A	VVIS	2P	2	11.18
223M56580				D	W26979D002	A	X001	S	1	22.12
				H	W26979M004	A	HXUH	S	1	643.40
223M56590	0001			V	W26979V002	A	VVIS	S	1	6.39
457M70206	0001			V	W26979V002	A	VVIS	FAM	3	18.53
510M86725				D	W26979D002	A	X001	S	1	22.12
510M86725	0001			V	W26979V002	A	VVIS	S	1	6.39
098M63305				D	W26979D002	A	X001	FAM	3	81.68
				H	W26979M004	A	HXUH	S+DEP	2	1222.46
098M63305	0001			V	W26979V002	A	VVIS	S+DEP	2	12.14
678M56252				P	W26979D002	A	X001	S	1	22.12
				H	W26979M004	A	HXUH	S	1	643.40
678M56252	0001			V	W26979V002	A	VVIS	S	1	6.39
801M93437				D	W26979D002	A	X001	2P	2	44.23
801M93437	0001			V	W26979V002	A	VVIS	2P	2	11.18
727M56627				D	W26979D001	A	X001	FAM	3	68.66
				H	W26979M004	A	HXUH	S	1	643.40
727M56627	0001			V	W26979V002	A	VVIS	S	1	6.39
991M86746				D	W26979D001	A	X001	FAM	3	68.66

Group Number Identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 13
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159

Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

00434308080

MEMBERSHIP DETAIL

ID No.	Dept. No.	Emp. No.	Subscriber Name	COBRA End Date	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
991M86748	0001			Y	W26979V002	A	VVIS	FAM	3	18.53
179M59378				Y	W26979D001	A	X001	FAM	4	68.66
179M59378	0001			H	W26979M004	A	HXUH	S+DEPS	3	1222.46
	0001			V	W26979V002	A	VVIS	FAM	4	18.53
500M86725				D	W26979D001	A	X001	2P	2	38.90
				H	W26979M004	A	HXUH	FAM	3	2058.89
500M86725	0001			V	W26979V002	A	VVIS	FAM	3	18.53
294M57855				D	W26979D002	A	X001	2P	2	44.23
				H	W26979M003	A	HXUH	S	1	594.80
294M57855	0001			V	W26979V002	A	VVIS	2P	2	11.18
327M66406				D	W26979D001	A	X001	S	1	19.30
				H	W26979M003	A	HXUH	S	1	594.80
327M66406	0001			V	W26979V002	A	VVIS	S	1	6.39
484M56209				D	W26979D001	A	X001	FAM	3	68.66
				H	W26979M004	A	HXUH	FAM	3	2058.89
484M56209	0001			V	W26979V002	A	VVIS	FAM	3	18.53
985M54295				D	W26979D002	A	X001	S+DEPS	3	51.75
				H	W26979M003	A	HXUH	S	1	594.80
985M54295	0001			V	W26979V002	A	VVIS	FAM	4	18.53
501M86725				D	W26979D001	A	X001	S	1	19.30
				H	W26979M004	A	HXUH	S	1	643.40
501M86725	0001			V	W26979V002	A	VVIS	S	1	6.39
114M56412				D	W26979D002	A	X001	S	1	22.12

WGBL G001 COMB 20230517B01 J812

Group Number Identifies the Product and Carrier

BILLING DETAIL



Billing Entity Name : MOUNTAIN WATER DISTRICT Invoice No. : 001591933H
 Billing Entity No. : W26979V002 Page No. : 14
 Group Contact : CARRIE HATFIELD
 Premium Specialist : CENTRAL RGN CC Desk No. : 3109 Telephone : (888) 290-9159
 Billing Period: FROM 06-01-23 TO 07-01-23
 Date Billed: 05-17-23
 Payment Due Date: 06-01-23

MEMBERSHIP DETAIL

ID No.	Dept. No.	Emp. No.	Subscriber Name	COBRA End Date	Group No./ Suffix	Grp. Type	Prod. Type	Cont. Type	No. Cvd	Prem. Amt.
		<i>W/W</i>		<i>H</i>	W26979M004	A	HXUH	S	1	643.40
114M56412	0001	<i>W/W</i>		<i>V</i>	W26979V002	A	VVIS	S	1	6.39
113M61328		<i>W</i>		<i>D</i>	W26979D002	A	X001	S	1	22.12
113M61328	0001	<i>W</i>		<i>E</i>	W26979M003	A	HXUH	S	1	594.80
	0001	<i>W</i>			W26979V002	A	VVIS	S	1	6.39
Subtotal for the Department # 0001									35	2,802.91
Total Subscribers		89	Membership detail Subtotal						45,022.69	
						Total Amount Due		45,022.69		

Group Number Identifies the Product and Carrier

MOUNTAIN WATER DISTRICT

Response to Commission Staff's Post-Hearing Request for Information Case No. 2022-00367

Question No. 3

Responding Witness: Carrie Hatfield/Legal Counsel

- Q-3. Refer to the response to Staff's Third Request, Item 2. Provide a copy of the separate test year invoices for General Liability Insurance, and Property Insurance. If Mountain District is unable to provide separate invoices, explain the amount that Mountain District sewer division paid for both General Liability Insurance and Property Insurance separately.**
- A-3. See Attachment PH-3. These invoices do not identify the amounts attributable to each division. Mountain Water District requested a breakdown of cost based upon division, but the insurers were unable to provide such a breakdown. The premiums are based upon total operations.

The Statement of Adjusted Operations reported insurance expense as \$47,567. This amount was based upon applying the allocation factor Ms. Allen developed to the total amount of insurance expense reported in Account 6048.08 – Insurance Expense in the District's general ledger ($\$157,687.58 \times 0.3$).¹ Ms. Allen's allocation factor was based upon ratio of the sewer division's pro forma depreciation expense to total utility pro forma depreciation expense.

A review of the entries contained in Account 6048.08 – Insurance Expense indicates that, in addition to the amounts reflected on Attachment PH-3, payments for or refunds related to insurance coverage outside the test period, workers compensation insurance, employment insurance, and directors' liability insurance were included in the \$157,687.58.

¹ See Excel File MWD Ledger summary.xlsx, Row 70 (in File sewer_rate_study.zip filed with Mountain Water District's Response to Commission Staff's Second Request for Information).

**U.S. SPECIALTY INSURANCE COMPANY
PUBLIC RISK
13403 Northwest Freeway
Houston, Texas 77040
RENEWAL CERTIFICATE**

Policy No. **PKG80610770**
Replacement Number **PKG80510770**

NAMED INSURED AND ADDRESS:
MOUNTAIN WATER DISTRICT
6332 ZEBULON HIGHWAY
P.O. BOX 3157
PIKEVILLE, KY 41502

AGENT NAME AND ADDRESS:
PEOPLES INSURANCE AGENCY, LLC
PO Box 991
1999 Winchester Avenue
Ashland, KY 41105
AGENT NO: 00716

POLICY PERIOD: From: **08/31/2021** To: **08/31/2022**
at 12:01 a.m. Standard Time at your mailing address shown above.

PAYMENT PLAN: **QUARTERLY**

BUSINESS DESCRIPTION: **GOVERNMENTAL SUBDIVISION**

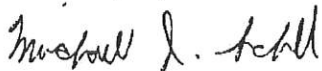
In return for payment of the renewal premium, the above numbered policy is renewed for the Policy Period specified above, subject to all the terms, conditions, exclusions and limits of this Policy, except as other specified herein.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE FORMS FOR WHICH A PREMIUM IS INDICATED.	
	PREMIUM
Commercial General Liability Coverage Part	\$ <u>INCLUDED</u>
Commercial Employee Benefits Coverage Part	\$ <u>INCLUDED</u>
Commercial Liquor Liability Coverage Part	\$ <u>EXCLUDED</u>
Public Officials Liability Coverage Part	\$ <u>INCLUDED</u>
Employment Practices Liability Coverage Part	\$ <u>INCLUDED</u>
Law Enforcement Liability Coverage Part	\$ <u>EXCLUDED</u>
Commercial Property Coverage Part	\$ <u>INCLUDED</u>
Equipment Breakdown Coverage Part	\$ <u>INCLUDED</u>
Commercial Inland Marine Coverage Part	\$ <u>INCLUDED</u>
EDP Coverage Part	\$ <u>INCLUDED</u>
Commercial Crime Coverage Part	\$ <u>INCLUDED</u>
Commercial Auto Coverage Part	\$ <u>INCLUDED</u>
Commercial Excess Coverage Part	\$ <u>INCLUDED</u>
TRIA Coverage	\$ <u>EXCLUDED</u>
SUBTOTAL: \$ 98,999.00	
KENTUCKY SURCHARGE FEE: \$ 1,781.98	
TOTAL: \$ 100,780.98	

FORMS AND ENDORSEMENTS ATTACHED AT POLICY ISSUANCE

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:
Refer to AL000103

The Company has caused this policy to be signed by its President and Secretary:



President



Secretary



**Peoples Premium Finance
PREMIUM FINANCE AGREEMENT**

600 SW Jefferson
Suite 204
Lee's Summit, MO 64063(844) 292-9090 Fax (816) 246-2659

www.peoplespf.com
View your client's account status online

Type of Loan	
<input type="checkbox"/>	Personal
<input checked="" type="checkbox"/>	Commercial
<input checked="" type="checkbox"/>	Additional Premium

AGENT / BROKER (NAME AND BUSINESS ADDRESS) Peoples Insurance Agency 124 Putnam Street Marietta, OH 45750 (740) 588-4035	(01180989)	BORROWER (NAME AND RESIDENCE OR BUSINESS ADDRESS) Mountain Water District P O Box 3157 Pikeville, KY 41502
	PRODUCER CODE A01117	1104-348409

PAYMENT SCHEDULE								
A	TOTAL PREMIUMS	NUMBER OF INSTALLMENTS	AMOUNT OF EACH INSTALLMENT	WHEN PAYMENTS ARE DUE				
	7,314.18	6	770.47	FIRST INSTALLMENT DUE	INSTALLMENT DUE DATES			
				1/21/2022	21st (Monthly)			
B	DOWN PAYMENT	SCHEDULE OF POLICIES						
	2,805.19	Policy Prefix and Number	Effective Date	Name of Insurance Carrier and Name of Managing General Agent	Type of Coverage	Policy Term	Gross Premium	
C	AMOUNT FINANCED The Amount of Credit Provided on Your Behalf 4,508.99	MPL4953171.21	10/6/2021	C00254-Hiscox Insurance Co. Inc. G00837-Cincinnati Intermediaries LLC [CX:0] [SR]	CYBR	12	7,121.00	
D	FINANCE CHARGE The Dollar Amount the Credit Will Cost You 113.83				Ernd. Taxes/Fees		65.00	
E	TOTAL OF PAYMENTS Amount Paid After Making All Scheduled Payments 4,622.82				Fin. Taxes/Fees		128.18	
F	A.P.R. The Cost of Your Credit as Yearly Rate 5.001 %	TOTAL PREMIUMS MUST AGREE WITH BOX "A" ABOVE >>>>						7,314.18

Quote Number: 742908

NOTICE TO THE BORROWER:

If you sign below, you acknowledge receipt of a copy of this Agreement and you agree to the provisions BOTH ON THE FIRST AND THE SECOND PAGE OF THIS AGREEMENT. You further agree that you are appointing LENDER your ATTORNEY-IN-FACT to cancel the policies as outlined in this agreement. The Borrower requests LENDER to pay the premiums on the policies shown in the schedule of policies, less the down payment. In order to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who obtains a loan. What this means for you: When you apply for a loan, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents if you are a business entity.

IF FOR ANY REASON YOU DO NOT RECEIVE YOUR PAYMENT COUPONS OR INVOICE FOR INSTALLMENTS DUE, YOU MUST STILL MAKE YOUR PAYMENTS ON THE ABOVE DATE TO THE ABOVE ADDRESS.

Cornie Atfield
SIGNATURE OF BORROWER(S) OR DULY AUTHORIZED AGENT OF BORROWER(S)

12/29/21
DATE

**PRODUCERS WARRANTIES AND REPRESENTATIONS:
THE UNDERSIGNED WARRANTS AND GUARANTEES:**

- (1) The Borrower has received a copy of this Agreement, and the Required Federal Truth-In-Lending disclosures for Personal Lines Insurance, if applicable,
- (2) The policies listed herein are in full force and effect and the information in the schedule of policies and the premiums are correct,
- (3) The Borrower has authorized this transaction and recognizes the security interest assigned herein,
- (4) To hold in trust for LENDER any payments made or credited to the Borrower through or to the undersigned, directly, indirectly, actually or constructively by any of the insurance companies and to pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the Borrower and that any lien the undersigned now has or hereafter may acquire on any returned premium arising out of the above listed insurance policies is subordinated to LENDER's lien or security interest therein,
- (5) There are no exceptions to the policies other than those indicated and the policies included on this finance agreement are in full force and effect and comply with LENDER's eligibility requirements,
- (6) No direct company bill, audit or reporting form policies, policies subject to retrospective rating, or policies subject to minimum earned premiums are included except as indicated, and that the deposit or provisional premiums are not less than the anticipated premiums to be earned for the full term of the policies if policy is subject to a minimum earned premium, it is _____.
- (7) The policies can be cancelled by the Borrower or the Insurance Company on 10 days' notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated,
- (8) A proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the named Borrower or if the named Borrower is the subject of such a proceeding, it is noted on this Agreement in the space in which the Borrower's name and address is placed,
- (9) To hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representation or from errors, omissions or inaccuracies of the agent/broker in preparing this agreement,
- (10) To pay the down payment and any funding amounts received from the Lender under this Agreement to the insurance company or general agent (less commissions),
- (11) No term or provision of any financed policy requires the lender to notify or get the consent of any third party to effect cancellation of such policy.
- (12) To promptly notify Lender in writing of any information on the Agreement becomes inaccurate.

SIGNATURE OF AGENT OR BROKER _____ DATE _____
Q# 742908, PRN: 122821, CFG: Peoples 20/10 Monthly with ACH, RT: Peoples Insurance, DD: N/A, BM: ACH, P/F: 0.00 Qtd For: A01117 AP

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Post-Hearing Request for Information
Case No. 2022-00367**

Question No. 4

Responding Witness: Legal Counsel

Q-4. Explain where the rate case expense is accounted for in the Statement of Adjusted Operating Expenses for the sewer division.

A-4. See Exhibit 6, first page, line labeled "Contractual Services" and second page, Reference H. See also Excel Workbook rate study supplementals31Jan23.xlsx, Spreadsheet Sewer, Row 23 and Spreadsheet notes, Rows 21-23 (in File sewer_rate_study.zip filed with Mountain Water District's Response to Commission Staff's Second Request for Information). This adjustment represents the allocation of the cost of the rate study amortized over three years. No costs for legal services related to the rate case are reflected on the Statement of Adjusted Operations.