

CONTRACT AMENDMENT #1
AGREEMENT FOR BUSINESS AND CUSTOMER SERVICES BILLING
FOR
PEAKS MILL WATER DISTRICT AND ELKHORN WATER DISTRICT

The Peaks Mill Water District (Peaks Mill) and the Elkhorn Water District (Elkhorn) entered into an Agreement on March 14, 2017, whereby Peaks Mill provides business and customer services to Elkhorn at a rate of \$2.71 per active customer per month. Peaks Mill invoices Elkhorn on a monthly basis for these services. The business and customer services costs include the following: administrative staff labor and overhead; office electric; office pest control; office rent; and office telephone, internet and security.

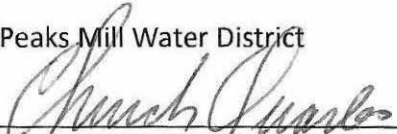
As of December 31, 2023, Peaks Mill had 1,215 active customers (67% of total) and Elkhorn had 605 active customers (33% of total) for a total active customer count of 1,820. Peaks Mill and Elkhorn agree to share in business and customer service costs using an allocation of 67 percent for Peaks Mill and 33% for Elkhorn.

Peaks Mill has updated its cost for business and customer services using actual cost data from 2023 and has prepared a projection of costs for 2024 as shown in Exhibit A. Based on this analysis, the administrative fee for these services will increase from \$2.71 per customer per month to \$3.90 per customer per month, beginning January 2024.

Other shared costs (i.e. office supplies) of the Parties not identified in Exhibit A will be allocated on a 67% Peaks Mill and 33% Elkhorn for the duration of this Amendment.

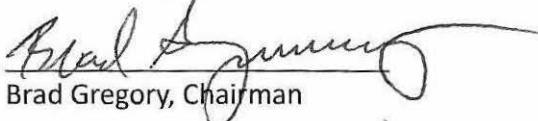
Peaks Mill will review its annual business and customer services costs following completion of the calendar year and adjust the monthly administrative fee and allocation percentages through an amendment executed in writing by both Parties.

Peaks Mill Water District


Church Quarles, Chairman

Board Approval Date: 1/10/2024

Elkhorn Water District


Brad Gregory, Chairman

Board Approval Date: 1/9/2024

EXHIBIT A – Cost Share Analysis

ANALYSIS OF ADMINISTRATION COSTS PMWD/EWD

1/6/2024 GH

Current EWD Administrative Fee = \$2.71/Customer since 2017

Propose EWD Administrative Fee = \$3.90/Customer effective January 2024

| Employee Name | 2022 Annual Pay | 2023 Annual Pay |
|----------------------------|-----------------|-----------------|
| Andrea Breack - \$20.19/hr | \$10,641.61 | \$14,322.92 |
| Nancy Sherron - \$22.50/hr | \$29,106.96 | \$31,630.04 |
| Roseanne Wise - 18.71/hr | \$11,850.60 | \$13,011.70 |

| Item | 2022 Actual | 2023 Actual |
|---|---|--------------------|
| Payroll | \$51,599.17 | \$58,964.66 |
| Payroll Taxes | \$4,050.53 | \$4,649.56 |
| Payroll Paychex Fee @ 4% | \$2,063.97 | \$2,063.97 |
| Total Administrative Labor Costs | \$57,713.67 | \$65,678.19 |
| Computer System Support | Not shared, paid by each District | |
| Electric - Office | \$2,752.31 | \$3,098.19 |
| Office Supplies | Shared 67% PMWD and 33% EWD | |
| Pest Control | \$300.00 | \$300.00 |
| Postage | Not shared, paid by each District | |
| Rent (not incl Yard) | \$12,000.00 | \$12,000.00 |
| Security System | \$341.00 | \$371.88 |
| FPB Telephone/Internet/Security | Included in shared allocation, beginning Jan 2024 | |
| Total Non-Labor | \$15,393.31 | \$15,770.07 |
| Total Administrative Costs | \$73,106.98 | \$81,448.26 |

| | | |
|-----------------------|---------|---------|
| Total # of Customers | 1,803 | 1820 |
| Annual Cost/Customer | \$40.55 | \$44.75 |
| Monthly Cost/Customer | \$3.38 | \$3.73 |

| Number of Customers | 12/31/2022 | 12/31/2023 |
|---------------------|----------------|----------------|
| PMWD | 1204 | 1215 |
| EWD | 599 | 605 |
| Total | 1803 | 1820 |
| | | |
| % PMWD | 66.78% | 66.76% |
| % EWD | 33.22% | 33.24% |
| Total | 100.00% | 100.00% |

| | 2022 | 2023 |
|------------------------|---------------|---------------|
| Social Security (6.2%) | \$3,199.15 | \$3,655.84 |
| Medicare (1.45%) | \$748.19 | \$855.02 |
| KY Unemployment (0.2%) | \$103.20 | \$122.62 |
| KY SCUF | \$0.00 | \$16.08 |
| Total Employer Tax | \$4,050.53 | \$4,649.56 |
| Total Employee Pay | \$51,599.17 | \$58,964.66 |
| % of Payroll | 7.850% | 7.885% |

| 2024 Forecast | PMWD Portion | EWD Portion | Total | Comment |
|--------------------|--------------------|--------------------|--------------------|---|
| | | | | Assume 3% wage increase at mid year |
| \$59,849.13 | \$39,954.23 | \$19,894.90 | \$59,849.13 | |
| \$4,698.16 | \$3,136.41 | \$1,561.75 | \$4,698.16 | FICA at 7.85% Average |
| \$2,393.97 | \$1,598.17 | \$795.80 | \$2,393.97 | Payroll Process Fee Average |
| \$66,941.25 | \$44,688.80 | \$22,252.45 | \$66,941.25 | Total Labor Costs |
| | | | | |
| \$3,098.19 | \$2,068.30 | \$1,029.89 | \$3,098.19 | Use 2023 Actual |
| | | | | |
| \$300.00 | \$200.27 | \$99.73 | \$300.00 | \$25.00 per month |
| | | | | |
| \$12,600.00 | \$8,411.54 | \$4,188.46 | \$12,600.00 | Monthly office Rent = \$10,500 beginning 1/2024 \$1050 |
| | | | | |
| N/A | N/A | N/A | N/A | Security included in FPB Telephone/Electric |
| \$2,136.24 | \$1,426.12 | \$710.12 | \$2,136.24 | \$178.02 per month for Telephone, Internet and Security |
| \$18,134.43 | \$12,106.23 | \$6,028.20 | \$18,134.43 | Total Non-Labor Costs |
| | | | | |
| \$85,075.68 | \$56,795.03 | \$28,280.65 | \$85,075.68 | Total Administrative Costs |
| | | | | |
| 1820 | 1215 | 605 | 1820 | Customer Count |
| \$46.74 | \$46.74 | \$46.74 | \$46.74 | Annual Cost/Customer |
| \$3.90 | \$3.90 | \$3.90 | \$3.90 | Monthly Cost/Customer |
| \$85,075.68 | \$56,795.03 | \$28,280.65 | \$85,075.68 | Allocated Cost |
| % Share | 66.8% | 33.2% | 100.00% | Percent Allocated |