

**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.

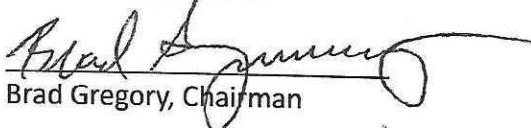
Peaks Mill Water District


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 Breeck - \$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

	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
\$59,849.13	\$39,954.23	\$19,894.90	\$59,849.13	Assume 3% wage increase at mid year
\$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

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%



PEAKS MILL WATER DISTRICT
7165 US 127 NORTH
FRANKFORT, KY 40601
502-227-5740

January 18, 2024

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602-0615

Dear Ms Bridwell.

The Peaks Mill Water District has executed Contract Amendment #1 with Elkhorn Water District for providing business and customer services billing. A copy of the executed amendment is attached for your files.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nancy Sherrow', is written over a faint, light-colored signature line.

Nancy Sherrow
Office Manager

Cc: Church Quarles - PMWD Chair
Greg Heitzman - BlueWater Kentucky

Attachment: PMWD-EWD Contract Amendment #1