

LIST OF ATTACHMENTS
LAKE VILLAGE WATER ASSOCIATION

- 1. Customer Notice of proposed rate adjustments**
- 2. Reasons for application**
- 3. Current and proposed rates**
- 4. Statement of Adjusted Operations and Revenue Requirement with the following attachments:**
 - i. Refences**
 - ii. Table A – Depreciation Expense Adjustments**
 - iii. Table B – Debt Service Schedule**
- 5. Current Rates Billing Analysis**
- 6. Proposed Rates Billing Analysis**
- 7. Depreciation Schedule – 2024 (excel file)**
- 8. Board Resolution**
- 9. Statements of Disclosure of Related Party Transaction**
- 10. Amortization schedules**
- 11. Bond Resolutions**
- 12. Rate Study (excel file)**

Attachment #1

NOTICE

Notice is hereby given that Lake Village Water Association, Inc. expects to file an application with the Public Service Commission on or about March 12, 2026, seeking approval of a proposed adjustment to its rates for water service. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates or six (6) months from the date of the filing of the application, whichever occurs first.

CURRENT AND PROPOSED RATES LAKE VILLAGE WATER ASSOCIATION

RETAIL RATES

<u>Rate per Thousand Gallons</u>	<u>per Month</u>	<u>Current</u>	<u>Proposed</u>		<u>Difference</u>	
First 2,000 Gallons		\$ 30.37	\$ 33.08	Minimum Bill	\$ 2.71	8.9%
Next 18,000 Gallons		\$ 11.88	\$ 12.94	Per 1,000 gallons	\$ 1.06	8.9%
Over 20,000 Gallons		\$ 9.64	\$ 10.50	Per 1,000 gallons	\$ 0.86	8.9%

WHOLESALE WATER RATE

	<u>per Month</u>	<u>Current</u>	<u>Proposed</u>		<u>Difference</u>	
For all Water Sold		\$ 4.76	\$ 5.18	Per 1,000 gallons	\$ 0.42	8.8%

WATER LOSS REDUCTION SURCHARGE

<u>Amount per Customer</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	
<u>per month</u>	\$	\$	\$	%
	1.61	1.61	-	0.00%

If the Public Service Commission approves the proposed water rates, then the effect on the average monthly bill for each customer class is set out in the table below.

Customer	Average Usage	Existing Bill	Proposed Bill	Change	Percentage
Retail Customer	4,000	\$54.13	\$58.96	\$4.83	8.9%
Wholesale Customer	4,700,000	\$22,372.00	\$24,346.00	\$1,974.00	8.8%

The Application may be examined at the utility's office located at 801 Pleasant Hill Dr., Burgin, Ky; telephone (859) 748-5642.

The rates contained in this notice are the rates proposed by the utility. However, the PSC may order rates to be charged that differ from the proposed rates contained in this notice.

A person may examine this application at the Public Service Commission offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 am to 4:30 pm or through the PSC website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the PSC through its website or by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. You may contact the Public Service Commission at (502) 564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

Attachment #2

Reasons for Application

Lake Village Water Association is requesting a 8.9 percent rate increase for all of its water customers. The rate increase will generate approximately \$158,509 in additional revenue.

The Association needs the rate increase for the following reasons.

1. To enable the Association to pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves;
2. To restore the Association to a sound financial condition;
3. To enable the Association to enhance its financial capacity to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

Attachment #3

CURRENT AND PROPOSED RATES
LAKE VILLAGE WATER ASSOCIATION

RETAIL RATES

Rate per Thousand Gallons

<u>per Month</u>	<u>Current</u>	<u>Proposed</u>		<u>Difference</u>	
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WHOLESALE WATER RATE

<u>per Month</u>	<u>Current</u>	<u>Proposed</u>		<u>Difference</u>	
For all Water Sold	\$ 4.76	\$ 5.18	Per 1,000 gallons	\$ 0.42	8.8%

WATER LOSS REDUCTION SURCHARGE

<u>Amount per Customer</u>	<u>Current</u>	<u>Proposed</u>		<u>Difference</u>	
<u>per month</u>	\$ 1.61	\$ 1.61		\$ -	0.00%

Attachment #4

SCHEDULE OF ADJUSTED OPERATIONS

Lake Village Water Association

2024

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Sales to Residential Customers	1,680,323	3,573	A	1,683,896
Sales to Commercial Customers	143,290			143,290
Sales for Resale	-			-
Other Water Revenues:				
Forfeited Discounts	-			-
Misc. Service Revenues	-			-
Other Water Revenues	58,646	22,500	B	81,146
Total Operating Revenues	1,882,259			1,908,332
<u>Operating Expenses</u>				
Operation and Maintenance				
Salaries and Wages - Employees	476,579	6,757	C	
		(6,176)	D	477,160
Salaries and Wages - Officers	30,000			30,000
Employee Pensions and Benefits	68,034	6,959	E	
		729	F	
				75,722
Purchased Water	630,042	(17,737)	G	612,305
Purchased Power	-	11,382	H	
		(320)	G	11,062
Chemicals	-			-
Materials and Supplies	112,944	(14,410)	D	98,535
Contractual Services - Eng	4,140			4,140
Contractual Services - Acct.	10,525			10,525
Contractual Services - Legal	4,192			4,192
Transportation	20,526			20,526
Insurance - Vehicle	7,495			7,495
Insurance - General liability	26,697			26,697
Insurance - Other	6,548			6,548
Miscellaneous Expenses	59,003	(11,382)	H	47,621
Amortization rate case expense		4,493	I	4,493
Total Operation and Mnt. Expenses	1,456,725			1,437,020
Depreciation Expense	330,203	(99,535)	J	230,668
Taxes Other Than Income	38,799	471	K	39,270
Total Operating Expenses	1,825,727			1,706,959
Total Utility Operating Income	56,532			201,373

REVENUE REQUIREMENTS USING DEBT SERVICE COVERAGE METHOD

Pro Forma Operating Expenses	1,706,959
Plus: Average Annual Principal and Interest Payments	L 310,265
Additional Working Capital	M <u>62,053</u>
Total Revenue Requirement	2,079,276
Less: Other Operating Revenue	81,146
Private Fire Protection	
Interest Income	<u>7,921</u>
Revenue Required From Sales of Water	1,990,209
Less: Revenue from Sales with Present Rates	<u>1,827,186</u>
Required Revenue Increase	163,023
Percent Increase	8.92%

References	
A	Adjustment to revenues to match 2024 billing analysis with current rates.
B	Lake Village WA provides management to Mercer County Sanitation District the contracted fee increased from \$42,500 to \$65,000 a \$22,500 increase
C	Increase in individual employee wage rates
D	The utility collected \$20,585 in tapping fees in 2024. These taps were installed by the utility and were recorded as labor and material expenses. Labor expense has been reduced by \$6,176 or 30% of the tapping fees while materials and supplies expense has been reduced by \$14,410 or 70% of the tapping fees.
E	Decrease in pension benefits to reflect change in salaries and current contribution rates.
F	Increase in employee health insurance
G	The utility's test year water loss was 17.82 percent. The PSC's maximum allowable loss for rate-making purposes in 15.0 percent. Therefore, the expenses for purchased water and purchased power above the 15 percent limit is not allowed in the rate base and must be deducted. Purchased water expense was decreased by \$17,737 and Purchased power expense was decreased by \$320,
H	Increase in purchased Power expense due to misclassification of \$11,382 to Miscellaneous expense.
I	Amortization of rate case expense over 3 years ($\$13,480 / 3 = \$4,493$)
J	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, depreciation expense was reduced by \$96,223. See Table A.
K	Increased wages results in an increase to payroll taxes of \$471.
L	Revenue requirements were computed using the Debt Service Coverage Method. Annual debt service payments for the utility's debt are shown in Table B. the five-year average of these payments \$310,265 is added in the revenue requirement calculation.
M	The amount of \$62,053 is included in the revenue requirement as additional working capital. The amount shown in Table B for coverage on long term debt is required by the utility's loan documents.

Table A
DEPRECIATION EXPENSE ADJUSTMENTS

Lake Village Water Association

Asset	Date in Service	Original Cost *	Life	Reported		Proforma		Depreciation Expense
				Life	Depr. Exp.	Life	Depr. Exp.	Adjustment
General Plant								
Structures & Improvements	various	\$ 122,994	20		6,150	37.5	3,280	(2,870)
Office Furniture & Equipment	various	\$ 1,770	10		177	22.5	79	(98)
Source of Supply Plant								
Supply Mains	various	\$ 15,500	33		470	62.5	248	(222)
Pumping Plant								
Structures & Improvements	various	\$ 200,431	33		6,074	37.5	5,345	(729)
Telemetry	11/02/09	\$ 84,425	20.0		4,221	10.0	8,442	4,221
Transmission & Distribution Plant								
Transmission & Distribution Mains	various	\$ 8,284,065	33		210,560	62.5	132,545	(78,015)
Meter Change-outs	various	\$ 198,748	20		8,528	20.0	9,937	1,409
Services	various	\$ 179,712	33		5,345	40.0	4,493	(852)
Reservoirs & Tanks	various	\$ 2,369,178	33		71,793	45.0	52,648	(19,145)
Tank Painting & Repairs	various	\$ 35,317	33		1,070	15.0	2,354	1,284
Transportation Equipment								
Entire Group	various	\$ 79,073	5.0		15,815	7.0	11,296	(4,518)
TOTALS		\$11,571,212.35			\$330,203.15		\$230,668.03	\$ (99,535.12)

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

Table B
DEBT SERVICE SCHEDULE

Lake Village Water Association
CY 2026 - 2030

	CY 2026		CY 2027		CY 2028		CY 2029		CY 2030		TOTALS
	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	
RD 91-11	12,096	15,947.9	12,429	15,615	12,771	15,273	13,122	14,922	13,483	14,561	140,221
RD 91-12	32,833	48,054	33,622	47,265	34,429	46,458	35,256	45,631	36,102	44,785	404,435
KRWFC 2015C	70,000	22,515	55,000	20,109	55,000	17,991	60,000	15,778	60,000	13,468	389,860
KRWFC 2021B	65,000	59,618	65,000	57,538	70,000	55,458	70,000	53,218	70,000	50,977	616,807
TOTALS	179,929	146,134	166,051	140,527	172,200	135,180	178,378	129,549	179,585	123,791	1,551,324
Average Annual Principal & Interest											\$ 310,265
Average Annual Coverage											\$ 62,053

Attachment #5

CURRENT BILLING ANALYSIS WITH 2024 USAGE & EXISTING RATES
Lake Village Water Association, Inc.

		SUMMARY		
COMPONENT	BILLS	GALLONS	REVENUE	
RETAIL	27,584	108,871,892	\$	1,599,363
WHOLESALE	<u>12</u>	<u>56,135,000</u>	\$	<u>267,203</u>
TOTAL METERED WATER SALES	27,596	165,006,892	\$	1,866,565
LESS ADJUSTMENTS			\$	(39,379)
NET METERED WATER SALES			\$	1,827,186
FROM PSC ANNUAL REPORT			\$	<u>1,823,613</u>
DIFFERENCE			\$	3,573

ADJUSTMENT TO SAO BILLED REVENUES

RETAIL USAGE BY RATE INCREMENT

		THOUSAND		FIRST	NEXT	ALL OVER		
USAGE	BILLS	GALLONS	2,000	18,000	20,000	TOTAL		
FIRST 2,000	11,942	9,878,392	9,878,392	-	-	9,878,392		
NEXT 18,000	15,151	70,087,700	30,302,000	39,785,700	-	70,087,700		
ALL OVER 20,000	<u>491</u>	<u>28,905,800</u>	<u>982,000</u>	<u>8,838,000</u>	<u>19,085,800</u>	<u>28,905,800</u>		
	27,584	108,871,892	41,162,392	48,623,700	19,085,800	108,871,892		

RETAIL REVENUE BY RATE INCREMENT

		THOUSAND		RATE PER			
USAGE	BILLS	GALLONS	THOUSAND	THOUSAND	REVENUE		
FIRST 2,000	27,584	41,162,392	\$	30.37	\$ 837,726.08		
NEXT 18,000		48,623,700	\$	11.88	\$ 577,649.56		
ALL OVER 20,000		<u>19,085,800</u>	\$	9.64	\$ 183,987.11		
TOTAL	27,584	108,871,892			\$ 1,599,362.75		

REVENUE FROM WHOLESALE SALES

		THOUSAND		RATE PER			
Wholesale	BILLS	GALLONS	THOUSAND	THOUSAND	REVENUE		
	12	56,135,000	\$	4.76	\$ 267,202.60		

Attachment #6

CURRENT BILLING ANALYSIS WITH 2024 USAGE & PROPOSED RATES
Lake Village Water Association, Inc.

SUMMARY

COMPONENT	BILLS	GALLONS	REVENUE
RETAIL	27,584	108,871,892	\$ 1,742,070
WHOLESALE	<u>12</u>	<u>56,135,000</u>	<u>\$ 290,779</u>
TOTAL METERED WATER SALES	27,596	165,006,892	\$ 2,032,850
Less Adjustments			<u>\$ (39,379)</u>
Net Metered Water Sales			<u>1,993,470</u>

RETAIL USAGE BY RATE INCREMENT

	USAGE	BILLS	THOUSAND GALLONS	FIRST 2,000	NEXT 18,000	ALL OVER 20,000	TOTAL
FIRST	2,000		11,942	9,878,392	9,878,392	-	9,878,392
NEXT	18,000		15,151	70,087,700	30,302,000	39,785,700	70,087,700
ALL OVER	20,000		491	28,905,800	982,000	8,838,000	28,905,800
			27,584	108,871,892	41,162,392	48,623,700	19,085,800
						19,085,800	108,871,892

RETAIL REVENUE BY RATE INCREMENT

	USAGE	BILLS	THOUSAND GALLONS	RATE	REVENUE
FIRST	2,000		27,584	\$ 33.08	\$ 912,478.72
NEXT	18,000			\$ 12.94	\$ 629,190.68
ALL OVER	20,000		19,085,800	\$ 10.50	\$ 200,400.90
TOTAL			27,584		\$1,742,070.30

REVENUE FROM WHOLESALE SALES

	BILLS	THOUSAND GALLONS	RATE	REVENUE
Wholesale		12	\$ 5.18	\$ 290,779.30

Attachment #7

(see file Attachment_7_LVWD_Depreciation_Schedule_2024.xlsx)

Attachment #8

(see file Attachment_8_Board_Resolution.pdf)

Attachment #9

see the attached files titled:

Attachment_9_ARF_Form_3-Boyd.pdf

Attachment_9_ARF_Form_3-Carey.pdf

Attachment_9_ARF_Form_3-Gross.pdf

Attachment_9_ARF_Form_3-Hager.pdf

Attachment_9_ARF_Form_3-Hughes.pdf

Attachment_9_ARF_Form_3-Sanford.pdf

Attachment #10

see the attached files titled:

Attachment_10_Amortization_Schedule_KRWFC_2015C.pdf

Attachment_10_KRWFC_Bond_Refunding_2021.pdf

Attachemnt_10_RD_91-11_Amortization_Schedule.pdf

Attachemnt_10_RD_91-12_Amortization_Schedule.pdf

Attachment #11

See the attached files titled:

Attachment_11_KRWFC_Bond_Refunding_2021.pdf

Attachment_11_RD Loan 91-11 Documents.pdf

Attachment_11_RD_Loan_2023 .pdf

Attachment_11_Series 2015C Transcript Part 1.pdf

Attachment_11_Series 2015C Transcript Part 2.pdf

Attachment_11_Series 2015C Transcript Part 3.pdf

Attachment_11_Series 2015C Transcript Part 4.pdf

Attachment #12

(see the attached file, Attachment_12_LVWD_Rate Study.xlsx)