

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING) CASE NO.
OF EAST CLARK COUNTY WATER DISTRICT) 2026-00205

VERIFICATION OF WILLIAM BALLARD

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF Clark)

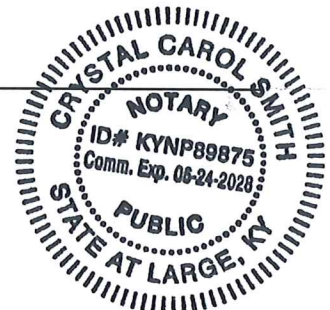
William Ballard, General Manager of East Clark County Water District, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

William Ballard
William Ballard

The foregoing Verification was signed, acknowledged and sworn to before this 28th day of October, 2026. By William Ballard.

Crystal Carol Smith

Commission expiration: _____



EAST CLARK COUNTY WATER DISTRICT
CASE NO. 2026-00205 RESPONSE TO COMMISSION
STAFF'S SECOND REQUEST FOR INFORMATION

1. Refer to East Clark District's response to Staff's First Request for Information (Staff's First Request), Item 6(a), Analysis of Purchase Expense to Gallons Purchased, also refer to the general ledger account 5400, Purchased Water and Winchester Municipal Utilities Commission's (WMUC) tariff applicable to East Clark District. East Clark District reported 144,559,000 gallons purchased from WMUC during the test year. Applying WMUC's wholesale water rate of \$1.72 per 100 cubic feet and Kentucky River Authority Withdrawal Fee of \$0.320 per 100 cubic feet appears to result in a calculated test-year WMUC purchased-water expense of approximately \$394,227.

a. Confirm that \$394,227 represents WMUC test-year purchased-water expense. If unable to confirm explain.

Response: The calculation of Purchased Water Expense to Gallons purchased for the test year appears correct, given the gallons purchased and rates used. We observed a difference in the Kentucky River Authority Withdrawal Fee used in the calculation and the rate billed and paid during the test year.

Witness: William Ballard

b. Explain and reconcile the difference between WMUC purchased-water expense amount of \$394,227 calculated above and the \$378,880 reported purchased-water expense.

Response: ECCWD recorded and paid all bills for water purchased in the test year. Payments appear in general ledger account number 5400. The difference between calculated expense of Purchased Water in the test year and the actual expense paid is attributed in part to the difference in the Kentucky River Authority Withdrawal Fee \$0.320 used in the calculation and the rate of \$0.26 which was actually paid. WMU billed the Kentucky River Authority Withdrawal Fee at a rate of \$0.26 from February through December of 2025. Any other variance between calculated and actual expense paid may be attributed to the timing of the vendor's bills. Under strict accrual accounting policies this timing difference would be eliminated by estimating the gallons pumped in periods prior to and subsequent

to the current period. The cost of these estimated gallons has been deemed immaterial to the integrity of ECCWD's financial statements and has not been made.

Witness: William Ballard

2. Refer to East Clark District's response to Staff's First Request, Item 1a, General Ledger 2025, for the accounts listed below. Refer also to the chart below.

5330 - Materials and Supplies - Supplies			
Date	Name		Amount
2/28/2025	Neptune Equipment	\$	4,056
9/1/2025	BADGER METER		3,002
12/11/2025	Bunch Brothers Auctioneers, In		3,120
6740 - Contractual Services			
	Travel & Meals Expense		1,555

a. For each item listed in the chart above, provide a copy of each receipt, reimbursement request, or other payment support relevant to the item.

Response: See the attached files titled:

2_a_6740_Travel_&_Meals_Expense.pdf
2_a_Badger_Meter.pdf
2_a_Bunch_Brothers.pdf
2_a_Neptune_Equipment.pdf

Witness: William Ballard

b. For each item listed in the chart above, describe the purchase and state whether each item should have been capitalized.

Response: 2/28/2025 Neptune Equipment \$4,056 - 12 Water Meters purchase to be used as needed. The cost of individual meters is significantly lower than our standard capitalization rate. These meters are not capitalized.

9/1/2025 Badger Meter \$3,002 is a pressure meter with a life expectancy of two, to three years. The pressure meter was not capitalized. See attached file 2_a_Badger_Meter.pdf

12/11/2025 Bruch Brother Auctioneers \$3,120, Item was capitalized. See the response to 2.c.

6740 - Contractual Services, See the response to 2.d.

Witness: William Ballard

c. For each item listed in the chart above, if a purchase should have been capitalized, provide the appropriate NARUC useful life, as well as its asset-register entry and placed-in-service date for depreciation purposes.

Response: 12/11/2025 Bruch Brother Auctioneers \$3,120 is two cast metal road plates which were reclassified to general ledger account #1550 and capitalized. Depreciation schedules were provided in ECCWD response to Staff's initial request for information, item #17 a - 2025 Depreciation Schedules. The reference is on line 259 – Road Plate

Witness: William Ballard

d. For each item in the chart above, which East Clark District believes its classification as an expense is proper, explain the reasoning.

Response: Account 6740 –Travel and Meals is personal expense reimbursements to Commissioners and staff who attend conferences and other meetings. On SOA 1_c cross reference expenses, the account was included in Contractual Services in error. The account should have been included in 675 Miscellaneous. Individual reimbursement requests are attached for inspection.

Witness: William Ballard

3. Refer to East Clark District's response to Staff's First Request Item 1(c). East Clark District's response does not appear to include reconciliations for revenues or taxes other than income and depreciation. Provide a reconciliation of each of these Statement of Adjusted Operations (SAO) amounts to the corresponding general ledger account(s), identifying each general ledger account number, description and amount comprising the respective SAO balance, and explain any differences between the general ledger and SAO amounts.

Response: See the attached file titled, 3_SOA_Revenue_Reconciliation.xlsx

Witness: William Ballard

4. Refer to East Clark District's response to Staff's First Request, Item 4. East Clark District did not appear to provide all of the requested information. Provide copies of the invoices for 2025 and 2026 for HSA, Dental, Life and Short-term disability benefits.

Response: See the attached files titled:

4_American_Fidelity_2025.pdf

4_American_Fidelity_2026.pdf

4_Delta_Dental_2025.pdf

4_Delta_Dental_2026.pdf

4_KACO 2025.pdf

4_KACO 2026.pdf

Witness: William Ballard

5. Refer to East Clark District's response to Staff's First Request, Item 12(a), and General Ledger Account No. 4090, Miscellaneous Income. For each of the following transactions, explain the nature of the transaction, why the amount was recorded as Miscellaneous Income, and provide any supporting documentation.

Date	Description	Amount
8/8/25	WC Insurance - Miscellaneous income	\$ 1,147.26
12/11/25	KACO - Miscellaneous income	316.82
12/31/25	Write off immaterial, unknown balance from prior audited year(s).	622.08
12/31/25	Adjust refundable deposits to Ampstun schedule	1,810.99

Response:

- 8/8/25_ Worker's Comp insurance of \$1,147.26 is a refund related to a prior period and is not expected to recur.**
- 12/11/2025_KACO insurance of \$316.82 is a refund related to a prior period and is not expected to recur.**
- The balance of \$622.08 occurred in acct # 2180 – Kentucky Deferred Comp, due to miscoding in the Payroll Journal provided by an outside vendor. Payroll accruals per the journal did not agree with payment invoices from benefit providers. We were aware of the discrepancy. Auditors considered it an immaterial misstatement and advised us to let it continue until the**

payroll service could get all the benefit items re-coded to the invoices we sent them. At the end of 2025 it was determined that the outstanding balance was attributable to periods prior to January 1, 2025, and the balance was written off. See the attached file titled, 5_c_GL_Account_#2180_KY_Deferred_Comp.pdf

- d. Refundable Customer Water Deposits are posted and maintained in our billing and accounts receivable software. At the end of 2025 the Customer Deposit Audit Report from the billing and accounts receivable software was out of balance with the general ledger liability account #2350 – Customer Deposits Liability. The adjustment was made to bring the Customer Deposit Liability account into agreement with the Customer Deposit Audit Report. Our auditors approved the adjustment.

Witness: William Ballard

6. Refer to Application, SAO, Revenue Requirement Calculation, which reflects \$77,780 of Non-utility Income as a deduction from the Total Revenue Requirement. Provide a detailed breakdown of the revenues comprising the \$77,780, including a description of each revenue source, the corresponding amount, and the General Ledger account in which each amount was recorded.

Response: The non-utility income of \$77,780 represents the interest earned on Certificates of Deposit with local banks. In ECCWD financial statements the CDs are listed as Investments on the balance sheet.

Witness: William Ballard

7. Refer to the Application, Attachment_12_ECCWD_Rate_Study.xlsx, Tab ExBA, Cells G8 and J8. Explain the \$(2,659) adjustment and provide the "Adjustments report" referenced.

Response: See the attached file titled, 7_Adjustment_Report_ECCWD_2025.pdf

Witness: William Ballard

8. Refer to the Application, Attachment_12_ECCWD_Rate_Study.xlsx, Tab ExBA, Cell G10. Refer also to East Clark District's 2025 Annual Report filed with the Commission. Reconcile this retail sales amount with the amount reported in East Clark District's 2025 Annual Report.

Response: The amount of \$1,754,289 in Cell G10 of the billing analysis is the adjusted retail sales. The residential plus commercial metered sales less the misclassified miscellaneous service revenues. ECCWD's general ledger does not include itemized accounts for these categories of sales. The information is available in other billing reports. To the best of our knowledge, Residential Sales (461.1) amounts to \$1,744,898, Commercial Sales (461.2) amounts to \$19,670, and Bulk Loading Sales (461.6), general ledger account #4040, amounts to \$2,656, for a total of \$1,767,224. ECCWD's 2025 Annual Report was amended to reflect the reclassification of Miscellaneous Revenues after the application was prepared. See the attached file titled, 8_Reconciliation_of_retail_sales.pdf.

Witness: William Ballard