PENDLETON COUNTY WATER DISTRICT

November 3, 2026

CASE NO.
2026-00266

This is the response to the commission staff's first request for information to Pendleton County Water District regarding case number 2026-00266. All answers to the staff's questions are made by I, Austin Monroe, general manager for Pendleton County Water District. All responses to the staff's questions are true and accurate to the best of my knowledge.

1. Refer to the proposed tariff, Sheet No. 1, filed on September 8, 2026 (Tariff). Explain how the newly proposed Pendleton Fill Station rate of $0.01051 per gallon was calculated and provide any associated workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

   Response given by Austin Monroe.
   The rate for the Pendleton Fill Station in the proposed tariff, Sheet No. 1, filed on September 8, 2026 wasn't necessarily calculated in the normal manner. After speaking with the Public Service Commission earlier in the year, I was informed that transfer of ownership of a fill station is not something that happens often. So not many cases could be found to use a template. After speaking with the PSC through email (Exhibit 1), it was found that the last rate step in the rate schedules should approximate the cost of water which at the time was $0.00985. Since then, Pendleton County has had a PWA and our tariff has changed, our last rate step is now $0.01051. Seeing how Pendleton County did not purchase anything from the City of Butler and only transferred ownership, therefore we did not need to recoup any money spent. The last rate step of $0.01051 per gallon would then cover the cost of the electric and any future parts that may need to be purchased. Pendleton County conducted a three-month study (Exhibit 2) to record the amount of water sold and how much electric would be since the City of Butler did not know exactly. After the findings it was determined that our last rate step of $0.01051 per gallon would be sufficient in covering the cost of electric and future materials.

2. Refer to the proposed Tariff, and the proposed Agreement for Transfer of Operation and Responsibility entered between Pendleton District and city of Butler (Butler) on March 2, 2026 (Agreement), Sections 1 and 4. Explain why the proposed Tariff does not reflect a new, discounted rate for Butler even

though the proposed Agreement refers to a discounted rate for Butler's monthly municipal water usage.

Response given by Austin Monroe.
In the Agreement between Butler and Pendleton County Water, in Section 1 and 4 it states that Butler will be given a discount on its monthly water usage. The proposed tariff does not show the discount because the discount from month to month is unknown. Seeing how Pendleton County Water wholesales to Butler, and the Fill Station sits inside Butler city limits, there is no other way to discount the Fill Station water than by removing the Fill Station gallons sold per month from the City of Butlers purchased gallons per month. The gallons removed from the Fill Station will only effect Butler's water bill if and when they exceed their minimum bill. Butler's bill will show the subtracted gallons every month. The only other way at the current moment is if Pendleton County would absorb Butler's distribution system or the Fill Station is relocated outside of city limits. Seeing how at the moment neither of those options have been placed on the table, this current agreement was the best and agreed upon option to move forward for both parties.

3. Refer to the proposed Agreement, generally.

    a. Explain how Pendleton District and Butler came to this proposed Agreement and the anticipated benefits to both parties.
    b. Explain why Pendleton District proposed to accept responsibility for operating the Butler Water Fill Station (Fill Station).
    c. Explain whether Pendleton District has any experience with operating the referenced Fill Station or a similar water fill station.
    d. Explain why Butler proposed to retain ownership of the physical property and land on which the Fill Station is located.
    e. Provide the term of the Agreement.
    f. Explain whether and how either party could terminate the Agreement.

Response given by Austin Monroe.

a. In January of 2026, the Judge Executive of Pendleton County called and asked if Pendleton District would be interested in taking over the Butler Fill Station. The City of Butler Mayor had voiced his opinion that the cost of operating the Fill Station was and should not be a burden on his city residents, seeing how none of his residents use the Fill Station, but the city has to use their tax dollars to maintain it. The city no longer wanted to spend money to operate the Fill Station, which only benefits residents outside the city, which if they had city water would be Pendleton County Water customers. Since Pendleton District has yet to extend to serve these residents, the Judge, myself, and Mayor of Butler agree that Pendleton

District should and could continue to operate the Fill Station until Pendleton District is able to extend to these unserved areas. The Mayor and I discussed and came to this Agreement to serve both utilities as well as keeping the Fill Station open to serve non city water residents.

b. Pendleton District proposed to accept responsibility of the Fill Station because we feel we have an obligation to serve all of Pendleton District, whether its with water mains or through a Fill Station. The cost of water main extensions is high and this was a viable option to serve residents until we are able to properly extend our mains to those potential customers.
c. Pendleton District and myself have experience with the referenced Fill Station. Pendleton District works to help the city of Butler with main breaks and other water related issues including helping fix things that go wrong inside the Fill Station. We work to help the city of Butler in any way we can. Sometimes they lack the man power or the materials they need to fix an issue properly. Taking over the day-to-day operation of the fill station was just another way to help Butler and the community.
d. Butler proposed to retain ownership of the physical property and land because Pendleton District did not "buy" the Fill Station. We simply just agree to continue to operate and serve water from it. Pendleton District receives a small monthly revenue from the sold water, while Butler maintains and keeps the equity of the small building. We both agreed it was a "win win".
e. The Agreement has no defined term. It was just agreed upon the Fill Station would now be, here and forever, operated by Pendleton District.
f. Pendleton District is not looking to terminate the Agreement and there is no defined way for either party to terminate the Agreement as it is written. In my eyes as the Agreement reads, the only way it could be terminated or would be terminated would be if the structure becomes unusable for any reason.

4. Refer to the proposed Agreement, Section 4.

    a. Provide the proposed monthly discount to Butler.
    b. Confirm whether the proposed monthly discount applies across all water sold or only water sold through the Fill Station.
    c. Explain and provide any calculations utilized in the determination of the monthly discount.
    d. Explain any instances in which the proposed discount would be altered.
    e. Explain and provide the calculation of how the proposed monthly discount would impact Pendleton Districts revenue requirement.

Provide the calculation in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response given by Austin Monroe.

a. The proposed monthly discount in the Agreement for the Fill Station will be based on the water passed through the Fill Station from a month-to-month basis, as those numbers cannot be estimated. The gallons used at the fill station will be subtracted from the gallons on Butler's wholesale amount. The discount is a gallon only discount and will only affect the dollar amount, if and when the usage of Butlers wholesale bill exceeds the minimum bill amount. If Butler exceeds their minimum gallon amount during a month, Pendleton District will subtract the Fill Station amount and that gallon discount will reflect a dollar discount on their monthly bill. Seeing how the gallons used at the Fill Station have already been accounted for at Pendleton Districts wholesale meter with Butler, the only way to discount is to just simply subtract those gallons that have already been accounted for at the wholesale meter.
b. The proposed monthly discount will be applied on Butler's wholesale gallon amount with Pendleton District. The Fill Station gallons will be subtracted from Butler's monthly wholesale amount.
c. The only calculations that will be used is subtracting the gallons used at the Fill Station from Butlers wholesale amount monthly.
d. The instances that would alter the proposed discount would be if Pendleton District absorbed Butler's distribution system, or Pendleton District moved the Fill Station outside city limits. If the Fill Station is moved outside city limits then Butler would not need to be discounted on the wholesale bill which would be the best option but not in the works as of now.
e. Pendleton Districts revenue would not be impacted at all. Butler rarely exceeds their minimum bill amount, so the gallons being discounted from their bill will not be lost revenue. The gallons sold at the Fill Station will actually be a very small, yet, increase of revenue for Pendleton District.

5. Refer to the proposed Agreement, generally.
    a. Provide a breakdown of any expected costs, including utilities, maintenance, and operational costs, anticipated from running the Fill Station.
    b. Provide a breakdown of any anticipated revenues from operating the Fill Station.
    c. Explain how the Fill Station bills will be collected.

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Response given by Austin Monroe.

a. A monthly breakdown of expected costs for the Fill Station include electric for the site which on average runs around $65. Maintenance costs and are not a month-to-month cost. Maintenance could include meters for registering flow, check valves to prevent back flow, and electric valves for operating the Fill Station. All material is working and in good condition.
b. The breakdown of revenue from the Fill Station is included in Exhibit 2 during the 3 month study of water used through the Fill Station. It was found that the monthly revenue is approximately 700 to 900 dollars per month billing at the $0.01051 per gallon rate. The community is getting a reduced cost at Pendleton Districts rate since Butler's rate was approximately $0.05/gallon per the Mayor of Butler. The revenue Pendleton District would receive is small but is enough to set aside for future maintenance costs.
c. The Fill Station bill is collected from a third party source called Cantaloupe. It operates like a vending machine, customers pay with a card and every Monday they deposit the collected funds into Pendleton Districts bank account that is set up with them. There is a small 5.95% fee taken out of each transaction that is collected by Cantaloupe.

All responses to the Commission staff's first request for information to Pendleton County Water District have been made by I, Austin Monroe, on behalf of Pendleton County Water District in the matter of Case number 2026-00266. All responses are true and accurate and to the best of my knowledge.

X Austin Monroe

Austin Monroe
General Manager