



## INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of North Water Cost per Contract (Calculation) of Henderson Water Utility for the year ended June 30, 2025. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Henderson County Water District Calculation of North Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2025, is presented in accordance with the Contract, in all material respects.

*Riney Hancock* CPAs PSC

Owensboro, Kentucky  
January 5, 2026

**Henderson County Water District**  
**Calculation of North Water Cost per Contract**  
**06/30/25**

Operating expenses	\$ 7,979,723
Interest expense	<u>751,070</u>
Total cost	8,730,793
Less: City of Henderson overhead allocation	<u>(331,100)</u>
Net expenses applicable to Henderson County Water District	<u><u>\$ 8,399,693</u></u>

Calculation of North Water Cost per Contract:

Expenses per above	\$ 8,399,693
Volume in gallons	<u>3,104,400,196</u>
Rate per 1000 gallons	\$ 2.7057
Times contract factor	<u>1.25</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 3.3822</u></u>



Riney Hancock CPAs  
PSC

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## INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of South Water Cost per Contract (Calculation) of Henderson Water Utility for the year ended June 30, 2025. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Henderson County Water District Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2025, is presented in accordance with the Contract, in all material respects.

*Riney Hancock CPAs PSC*

Owensboro, Kentucky

January 5, 2026

**Henderson County Water District**  
**Calculation of South Water Cost per Contract**  
**06/30/25**

Operating expenses	\$ 2,265,989
Interest expense	<u>40,291</u>
Total cost	2,306,280
Less: City of Henderson overhead allocation	<u>(94,600)</u>
Net expenses applicable to HCWD	<u><u>\$ 2,211,680</u></u>

Calculation of South Water Cost per Contract:

Expenses per above	\$ 2,211,680
Volume in gallons	<u>1,050,897,239</u>
Rate per 1000 gallons	\$ 2.1046
Times contract factor	<u>1.25</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 2.6307</u></u>



# Henderson Water Utility

WATER • WASTEWATER • STORMWATER

📞 270.826.2421

💻 [www.hkywater.org](http://www.hkywater.org)

📍 111 Fifth Street  
Henderson, KY 42420

January 12, 2026

Sheila Murphy, Manager  
Beech Grove Water System, Inc.  
445 Highway 56 North  
Calhoun, Kentucky 42327

Dear Mrs. Murphy:

In accordance with the contract between the Henderson Water Utility (HWU) and the Beech Grove Water System, the costs of providing water services based on our fiscal year June 30, 2025 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rate:

BEECH GROVE WATER RATE	
Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
\$3.0040	\$2.6767

These revised rates are to go into effect on the first billing after April 30, 2026 (April 2026 consumption). We appreciate the opportunity to serve the Beech Grove Water System. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley  
Chief Financial Officer





Riney Hancock CPAs  
PSC

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## INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Beech Grove Water System, Inc. Calculation of South Water Cost per Contract (Calculation) of Henderson Water Utility for the year ended June 30, 2025. Henderson Water Utility's management is responsible for the Calculation in accordance with the agreement dated October 14, 2014. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Agreement, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Beech Grove Water System, Inc. Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2025, is presented in accordance with the agreement, in all material respects.

*Riney Hancock* CPAs PSC

Owensboro, Kentucky

January 5, 2026

**Beech Grove Water System, Inc.**  
**Calculation of South Water Cost per Contract**  
**06/30/25**

Operating expenses	\$ 2,265,989
Interest expense	<u>40,291</u>
Total cost	<u><u>\$ 2,306,280</u></u>
Net expenses applicable to Beech Grove Water System, Inc.	\$ 2,306,280
<u>Calculation of South Water Cost per Contract:</u>	
Expenses per above	\$ 2,306,280
Billable volume in gallons	990,867,152
Rate per 1000 gallons	\$ 2.3275
Times contract factor	<u>1.15</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 2.6767</u></u>