



August 16, 2024

Ms. Amy Dumeny  
Administrative Director  
Maine Public Utilities Commission  
18 State House Station  
Augusta Maine 04333-0018

Subject: Initial filing – proposed water rate increase

Dear Ms. Dumeny:

The Kennebec Water District is submitting this informational rate filing pursuant to 35-A, MRS §6104. Included, please find supporting materials for a two-step rate increase (6 percent on January 1, 2025, and 8 percent on January 1, 2026):

1. Proposed new water rates – 2025 and 2026
2. Supporting information for new water rates
  - a. Statement of Income and Expenses
  - b. Income and Expense Variance Between 2024 and Pro Forma 2025
  - c. Income and Expense Variance Between Pro Forma 2025 and Pro Forma 2026
  - d. Operating Statement – 2024 and Pro Forma 2025 and 2026
  - e. Water Operating Revenues 2024 and Pro Forma 2025 and 2026
  - f. Long-Term Debt Summary
  - g. 2025-2026 Pro Forma Depreciation Projection
  - h. Balance Sheet as of December 31, 2023

KWD is seeking this rate increase to cover the cost of replacing aging infrastructure to ensure ongoing reliability of our water treatment and delivery systems. The increase also reflects inflation and personnel cost increases. KWD is not forecasting a change in water sales over the rate effective period.

A public hearing has been scheduled for September 17, 2024, at KWD's Administration and Operations facilities in Waterville, Maine.

The table below summarizes our anticipated schedule for the rate setting process.

<b>Date</b>	<b>Activity</b>
August 16, 2024	Initial rate filing with PUC and OPA
August 28, 2024	Publish rate increase information on KWD website
August 29, 2024	Publish notice of public hearing on KWD's Facebook page and send email to all customers who have signed up for electronic notification in our WaterSmart system
August 29, 2024	Mail notice of public hearing to all customers via USPS
August 29, 2024	File copies of public notices with the PUC
September 17, 2024	Public Hearing
September 19, 2024	Board of Trustee meeting – final approval of proposed rate increase
September 30, 2024	Final rate increase filing with PUC
January 1, 2025	Anticipated effective date of 1 <sup>st</sup> rate increase step
January 1, 2026	Anticipated effective date of 2 <sup>nd</sup> rate increase step

A copy of this letter and the enclosures will be sent to the Office of the Public Advocate, published on KWD's website, and available for customer review at KWD's business office at 131 Drummond Avenue in Waterville, Maine during normal business hours.

If you have any questions, please contact me via phone at (207) 872-2763 or via e-mail at [rcrouse@kennebecwater.org](mailto:rcrouse@kennebecwater.org).

Yours for safe drinking water,



Roger Crouse  
General Manager

Ec: Office of the Public Advocate

**Kennebec Water District - proposed rate increase**

Rate Increase Percentage		January 1, 2025 6%	January 1, 2026 8%
<b>METERED WATER RATES</b>			
<b>Quarterly Rates</b>			
Meter Size	Volume Allowance (Cubic Feet)	Quarterly Minimum	Quarterly Minimum
5/8"	300	\$83.67	\$90.36
3/4"	300	\$148.14	\$159.99
1"	300	\$206.05	\$222.53
1 1/2"	300	\$403.42	\$435.69
2"	300	\$749.25	\$809.19
3"	300	\$1,376.35	\$1,486.46
4"	300	\$2,891.88	\$3,123.23
6"	300	\$8,500.75	\$9,180.81
8"	300	\$29,185.05	\$31,519.85
<b>Monthly Rates</b>			
Meter Size	Volume Allowance (Cubic Feet)	Monthly Minimum	Monthly Minimum
5/8"	100	\$35.49	\$38.33
3/4"	100	\$57.00	\$61.56
1"	100	\$76.29	\$82.39
1 1/2"	100	\$142.08	\$153.44
2"	100	\$257.37	\$277.96
3"	100	\$452.74	\$488.96
4"	100	\$971.57	\$1,049.29
6"	100	\$2,841.17	\$3,068.46
8"	100	\$9,735.94	\$10,514.81
<b>VOLUME CHARGE</b>			
Volume (per 100 cubic feet)		\$2.12	\$2.29
<b>PUBLIC FIRE PROTECTION CHARGES</b>			
Municipality	No. of Hydrants	Annual Charge	Annual Charge
Waterville	329	\$450,169.44	\$486,183.00
Winslow	141	\$192,929.76	\$208,364.16
Fairfield	131	\$179,246.80	\$193,586.56
Benton	31	\$42,417.20	\$45,810.56
Vassalboro	22	\$30,102.52	\$32,510.72
	654	\$894,865.72	\$966,455.00

**Kennebec Water District - proposed rate increase**

Rate Increase Percentage	January 1, 2025 6%	January 1, 2026 8%
<b>PRIVATE FIRE SERVICE</b>		
<b>Service Size</b>	<b>Quarterly Charge</b>	<b>Quarterly Charge</b>
2"	\$19.67	\$20.85
4"	\$121.58	\$128.88
5"	\$231.64	\$245.54
6"	\$353.23	\$374.43
8"	\$752.77	\$797.94
10"	\$1,353.74	\$1,434.96
12"	\$2,186.64	\$2,317.84
<b>BULK WATER SALES (new rate structure)</b>		
Minimum Purchase	\$50	No change
Volume Allowance	5,000 gallons	
Volume Charge (per 1,000 gallons)	\$10	

**KENNEBEC WATER DISTRICT  
STATEMENT OF INCOME AND EXPENSES**

				Salary Increas		5.0%		4.5%	
				Inflation Exp		3.0%		3.0%	
						6.0%		8.0%	
Acct #	Account Name	2023 Audit	FY24 Pro Forma	2025 VARIANCE	FY25 Pro Forma	2026 VARIANCE	FY26 Pro Forma		
601	Salaries and Wages - Employees	1,801,485	1,882,588	1	94,129	1,976,717	1	88,952	2,065,670
603	Salaries and Wages - Trustees and Officers	137,922	146,301	2	7,090	153,391	2	6,903	160,294
604	Employee Pensions and Benefits	753,225	752,793	3	52,696	805,488	3	36,247	841,735
615	Purchased Power	209,702	328,570	4	9,857	338,428	4	10,153	348,580
618	Chemicals	294,819	224,091	5	6,723	230,813	5	6,924	237,738
620	Materials and Supplies	317,089	395,651	6	11,870	407,521	6	12,226	419,746
631	Contractual Services - Engineering	-	-	7	-	-	7	-	-
632	Contractual Services - Accounting	18,159	20,000	7	-	20,000	7	600	20,600
633	Contractual Services - Legal	14,702	10,247	8	307	10,554	8	317	10,871
635	Contractual Services - Other	604,487	699,067	9	-	699,067	9	20,972	720,039
641	Rental Property	866	69	10	2	71	10	2	73
642	Rental of Equipment	3,482	3,363	11	101	3,464	11	104	3,568
650	Transportation Expenses	51,149	70,986	12	2,130	73,115	12	2,193	75,309
656	Insurance - Vehicle	17,839	18,270	13	548	18,819	13	565	19,383
657	Insurance - General Liability	46,994	51,612	14	1,548	53,161	14	1,595	54,755
658	Insurance - Workers Compensation	27,498	25,557	15	767	26,324	15	790	27,113
659	Insurance - Bond	1,295	2,963		89	3,052		92	3,143
660	Advertising Expense	218	-	16	-	-	16	-	-
667	Regulatory Comm Exp	-	-	17	-	-	17	-	-
670	Bad Debt Expense	-	-	18	-	-	18	-	-
408.1	Taxes Other than Income	208,025	216,432	19	10,822	227,254	19	13,635	240,889
675	Miscellaneous Expenses	233,284	171,133	20	5,134	176,267	20	5,288	181,555
600	<b>Total Water Utility Operating Expenses- before Depreciation</b>	<b>4,742,240</b>	<b>5,019,693</b>	<b>B</b>	<b>203,812</b>	<b>5,223,505</b>	<b>B</b>	<b>207,557</b>	<b>5,431,062</b>
403	Depreciation	1,711,629	1,916,029	C	119,079	2,035,108	C	102,992	2,138,100
	<b>Total Water Utility Operating Expenses</b>	<b>6,453,869</b>	<b>6,935,722</b>		<b>322,891</b>	<b>7,258,613</b>		<b>310,549</b>	<b>7,569,162</b>
427	Interest Expense	816,366	873,500		(48,680)	824,820		9,151	833,971
221	Principal Repayment	546,300	603,730		483,938	1,087,668		197,048	1,284,716
	<b>Total Expenses Plus Debt Excluding Depreciati</b>	<b>6,104,906</b>	<b>6,496,923</b>		<b>639,070</b>	<b>7,135,993</b>		<b>413,756</b>	<b>7,549,749</b>
461	Rate Revenue	7,010,522	7,741,084		464,465	8,205,549		656,444	8,861,993
	Non-Rate Operating Revenues	184,579	99,826		2,840	102,665		4,013	106,679
	<b>Total Operating Revenues</b>	<b>7,195,101</b>	<b>7,840,910</b>	<b>A</b>	<b>467,305</b>	<b>8,308,215</b>	<b>A</b>	<b>660,457</b>	<b>8,968,672</b>
428	Amortization of forgiveness and grants	262,346	396,426		40,000	436,426		25,000	461,426
415	Net Jobbing Revenues	(3,871)	45,000		(32,000)	13,000		-	13,000
419	Interest Income	303,765	306,162		(106,162)	200,000		-	200,000
	Other Misc non-operating revenues	84,589	173,000		(119,100)	53,900		27,000	80,900
421	Contribution in Aid of Construction	80,500	64,000		436,000	500,000		(500,000)	-
414	Gain/Loss from sale of property and equipment	35,921	220,000		(220,000)	-		-	-
	<b>TOTAL Revenues</b>	<b>7,958,351</b>	<b>9,045,498</b>		<b>466,043</b>	<b>9,511,541</b>		<b>212,457</b>	<b>9,723,998</b>
	<b>Net Income (GAAP)</b>	<b>688,116</b>	<b>1,236,276</b>			<b>1,428,108</b>			<b>1,320,866</b>

**KENNEBEC WATER DISTRICT  
STATEMENT OF INCOME AND EXPENSES**

**Salary Increas      5.0%                      4.5%**  
**Inflation Exp        3.0%                      3.0%**

**Rate Incr              Rate Incr                      6.0%                      8.0%**

Acct # Account Name	2023 Audit	FY24 Pro Forma	2025 VARIANCE	FY25 Pro Forma	2026 VARIANCE	FY26 Pro Forma
<b>Contingency Allowance</b>						
Operating Expense	4,742,240	5,019,693	203,812	5,223,505	207,557	5,431,062
Depreciation and Amortization	1,449,283	1,519,603	79,079	1,598,682	77,992	1,676,674
Income Items	(205,385)	(588,162)	(178,738)	(766,900)	473,000	(293,900)
<b>Debt Service:</b>						
Interest	816,366	873,500	(48,680)	824,820	9,151	833,971
Principal	546,300	603,730	483,938	1,087,668	197,048	1,284,716
Total Base	<u>7,348,804</u>	<u>7,428,364</u>	<u>539,410</u>	<u>7,967,774</u>	<u>964,748</u>	<u>8,932,523</u>
Contingency Allowance	367,440	371,418	26,971	398,389	48,237	446,626
<b>Gross Revenue:</b>						
All Expenses	7,348,804	7,428,364	539,410	7,967,774	964,748	8,932,523
Contingency Allowance	<u>367,440</u>	<u>371,418</u>	<u>26,971</u>	<u>398,389</u>	<u>48,237</u>	<u>446,626</u>
Gross Revenue	<u>7,716,244</u>	<u>7,799,782</u>	<u>566,381</u>	<u>8,366,163</u>	<u>1,012,985</u>	<u>9,379,149</u>
<b>Contingency Allowance</b>						
Operating Expense	4,742,240	5,019,693	203,812	5,223,505	207,557	5,431,062
Depreciation	1,711,629	1,916,029	119,079	2,035,108	102,992	2,138,100
Other Income items	(205,385)	(588,162)	(178,738)	(766,900)	473,000	(293,900)
<b>Debt Service</b>						
Interest	816,366	873,500	(48,680)	824,820	9,151	833,971
Principal	546,300	603,730	483,938	1,087,668	197,048	1,284,716
Total Base	<u>7,611,150</u>	<u>7,824,790</u>	<u>579,410</u>	<u>8,404,201</u>	<u>989,748</u>	<u>9,393,949</u>
Contingency Allowance	5%	5%		5%	5%	5%
	380,557	391,240	28,971	420,210	49,487	469,697
<b>Gross Revenue:</b>						
All Expenses including principal repayment	7,611,150	7,824,790	579,410	8,404,201	989,748	9,393,949
Contingency Allowance	380,557	391,240	28,971	420,210	49,487	469,697
Gross Revenue:	7,991,707	8,216,030	608,381	8,824,411	1,039,235	9,863,646
<b>Allowable Increase (Cumulative)</b>				<b>7%</b>		<b>20%</b>
Operational Revenues with proposed increase	7,195,101	7,840,910	467,305	8,308,215	660,457	8,968,672
Surplus/(Defecit)	316,508	752,642	(1,268,838)	(516,196)	(378,778)	(894,974)

**KENNEBEC WATER DISTRICT  
VARIANCE BETWEEN PRO FORMA 2024 AND PRO FORMA 2025**

OPERATING EXPENSES		\$	%		
		INCREASE	INCREASE		
601 Salaries and Wages - Employees	Pro Forma 2025	\$ 1,976,717			
	Less PF 2024	<u>\$ 1,882,588</u>	\$ 94,129	5.0%	#1 5.0% wage increase per year
603 Salaries and Wages - Trustees and Officers	Pro Forma 2025	\$ 153,391			
	Less PF 2024	<u>\$ 146,301</u>	\$ 7,090	4.8%	#2 5.0% wage increase per year; no change to trustees
604 Employee Pensions and Benefits	Pro Forma 2025	\$ 805,488			
	Less PF 2024	<u>\$ 752,793</u>	\$ 52,696	7.0%	#3 Wage estimated increase was estimated to be 5% and Health Insur is expected to be 8-10 percent
615 Purchased Power	Pro Forma 2025	\$ 338,428			
	Less PF 2024	<u>\$ 328,570</u>	\$ 9,857	3.0%	#4 Assumed standard inflation of 3%
618 Chemicals	Pro Forma 2025	\$ 230,813			
	Less PF 2024	<u>\$ 224,091</u>	\$ 6,723	3.0%	#5 Assumed standard inflation of 3%
620 Materials & Supplies	Pro Forma 2025	\$ 407,521			
	Less PF 2024	<u>\$ 395,651</u>	\$ 11,870	3.0%	#6 Assumed standard inflation of 3%
632 Contractual Services - Accounting	Pro Forma 2025	\$ 20,000			
	Less PF 2024	<u>\$ 20,000</u>	\$ -	0.0%	#7 Assumed standard inflation of 3%
633 Contractual Services - Legal	Pro Forma 2025	\$ 10,554			
	Less PF 2024	<u>\$ 10,247</u>	\$ 307	3.0%	#8 Assumed standard inflation of 3%
635 Contractual Services - Other	Pro Forma 2025	\$ 699,067			
	Less PF 2024	<u>\$ 699,067</u>	\$ -	0.0%	#9 One time project in 2024
641 Rental Property	Pro Forma 2025	\$ 71			
	Less PF 2024	<u>\$ 69</u>	\$ 2	3.0%	#10 No increase expected for 2025
642 Rental of Equipment	Pro Forma 2025	\$ 3,464			
	Less PF 2024	<u>\$ 3,363</u>	\$ 101	3.0%	#11 Assumed standard inflation of 3%
650 Transportation expenses	Pro Forma	\$ 73,115			
	Less PF 2024	<u>\$ 70,986</u>	\$ 2,130	3.0%	#12 Assumed standard inflation of 3%

**KENNEBEC WATER DISTRICT**  
**VARIANCE BETWEEN PRO FORMA 2024 AND PRO FORMA 2025**

<b>OPERATING EXPENSES</b>		<b>\$</b>	<b>%</b>	
		<b>INCREASE</b>	<b>INCREASE</b>	
656 Insurance - Vehicle	Pro Forma 2025	\$ 18,819		
	Less PF 2024	<u>\$ 18,270</u>	\$ 548	3.0% #13 Assumed standard inflation of 3%
657 Insurance - General Liability	Pro Forma 2025	\$ 53,161		
	Less PF 2024	<u>\$ 51,612</u>	\$ 1,548	3.0% #14 Assumed standard inflation of 3%
658 Insurance - Workers Compensation	Pro Forma 2025	\$ 26,324		
	Less PF 2024	<u>\$ 25,557</u>	\$ 767	3.0% #15 Assumed standard inflation of 3%
660 Advertising Expense	Pro Forma 2025	\$ -		
	Less PF 2024	<u>\$ -</u>	\$ -	#16 N/A
667 Regulatory Comm Expense	Pro Forma 2025	\$ -		
	Less PF 2024	<u>\$ -</u>	\$ -	#17 N/A
670 Bad Debt Expense	Pro Forma	\$ -		
	Less PF 2024	<u>\$ -</u>	\$ -	#18 N/A
675 Miscellaneous Expenses	Pro Forma 2025	\$ 176,267		
	Less PF 2024	<u>\$ 171,133</u>	\$ 5,134	3.0% #19 Estimated expenses
408.I Taxes other than income	Pro Forma 2025	\$ 227,254		
	Less PF 2024	<u>\$ 216,432</u>	\$ 10,822	5.0% #20 Estimated 5% increase in payroll tax; Additional 6% increase on
<b>Total</b>	Pro Forma 2025		<b>\$ 203,723</b>	<b>B</b>
	Less PF 2024			
400				
Operating Revenues	Pro Forma 2025	\$ 8,308,215		
	Less PF 2024	<u>\$ 7,840,910</u>	\$ 467,305	6.0% <b>A</b> 6% increase
403				
Depreciation Expense	Pro Forma 2025	\$ 2,035,108		
	Less PF 2024	<u>\$ 1,916,029</u>	\$ 119,079	6.2% <b>C</b> Adjusted for depreciation on new assets



**KENNEBEC WATER DISTRICT  
VARIANCE BETWEEN PRO FORMA 2025 AND PRO FORMA 2026**

<b>OPERATING EXPENSES</b>		\$	%			
		<b>INCREASE</b>	<b>INCREASE</b>			
601 Salaries and Wages - Employees	Pro Forma 2026	\$ 2,065,670				
	Less 2025	<u>\$ 1,976,717</u>	\$ 88,952	4.5%	#1	4.5% wage increase per year
603 Salaries and Wages - Trustees and Officers	Pro Forma 2026	\$ 160,294				
	Less 2025	<u>\$ 153,391</u>	\$ 6,903	4.5%	#2	Assume 4.5% wage increase per year; no change to trustees
604 Employee Pensions and Benefits	Pro Forma 2026	\$ 841,735				
	Less 2025	<u>\$ 805,488</u>	\$ 36,247	4.5%	#3	Increase in Health, Dental and Retirement benefits
615 Purchased Power	Pro Forma 2026	\$ 348,580				
	Less 2025	<u>\$ 338,428</u>	\$ 10,153	3.0%	#4	Assumes 3% inflation
618 Chemicals	Pro Forma 2026	\$ 237,738				
	Less 2025	<u>\$ 230,813</u>	\$ 6,924	3.0%	#5	Assumes 3% inflation
620 Materials & Supplies	Pro Forma 2026	\$ 419,746				
	Less 2025	<u>\$ 407,521</u>	\$ 12,226	3.0%	#6	Assumes 3% inflation
632 Contractual Services - Accounting	Pro Forma 2026	\$ 20,600				
	Less 2025	<u>\$ 20,000</u>	\$ 600	3.0%	#7	Assumes 3% inflation
633 Contractual Services - Legal	Pro Forma 2026	\$ 10,871				
	Less 2025	<u>\$ 10,554</u>	\$ 317	3.0%	#8	Assumes 3% inflation
635 Contractual Services - Other	Pro Forma 2026	\$ 720,039				
	Less 2025	<u>\$ 699,067</u>	\$ 20,972	3.0%	#9	Assumes 3% inflation
641 Rental Property	Pro Forma 2026	\$ 73				
	Less 2025	<u>\$ 71</u>	\$ 2	3.0%	#10	Assumes 3% inflation
642 Rental of Equipment	Pro Forma 2026	\$ 3,568				
	Less 2025	<u>\$ 3,464</u>	\$ 104	3.0%	#11	Assumes 3% inflation
650 Transportation expenses	Pro Forma 2026	\$ 75,309				
	Less 2025	<u>\$ 73,115</u>	\$ 2,193	3.0%	#12	Assumes 3% inflation

**KENNEBEC WATER DISTRICT  
VARIANCE BETWEEN PRO FORMA 2025 AND PRO FORMA 2026**

<b>OPERATING EXPENSES</b>		\$	%		
		<b>INCREASE</b>	<b>INCREASE</b>		
656 Insurance - Vehicle	Pro Forma 2026	\$ 19,383			
	Less 2025	<u>\$ 18,819</u>	\$ 565	3.0%	#13 Assumes 3% inflation
657 Insurance - General Liability	Pro Forma	\$ 54,755			
	Less 2025	<u>\$ 53,161</u>	\$ 1,595	3.0%	#14 Assumes 3% inflation
658 Insurance - Workers Compensation	Pro Forma 2026	\$ 27,113			
	Less 2025	<u>\$ 26,324</u>	\$ 790	3.0%	#15 Assumes 3% inflation
660 Advertising Expense	Pro Forma 2026	\$ -			
	Less 2025	<u>\$ -</u>	\$ -		#16 N/A
667 Regulatory Comm Expense	Pro Forma 2026	\$ -			
	Less 2025	<u>\$ -</u>	\$ -		#17 N/A
670 Bad Debt Expense	Pro Forma 2026	\$ -			
	Less 2025	<u>\$ -</u>	\$ -		#18 N/A
675 Miscellaneous Expenses	Pro Forma 2026	\$ 181,555			
	Less 2025	<u>\$ 176,267</u>	\$ 5,288	3.0%	#19 Assumes 3% inflation
408.1 Taxes other than income	Pro Forma 2026	\$ 240,889			
	Less 2025	<u>\$ 227,254</u>	\$ 13,635	6.0%	Estimated 4.5% increase in payroll tax; #20 Additional 8% increase on assessments
<b>Total</b>			<b>\$ 207,465</b>		<b>B</b>
400 Operating Revenues	Pro Forma	\$ 8,968,672			
	Less 2025	\$ 8,308,215	<b>\$ 660,457</b>	7.9%	<b>A</b> Rate increase of 8%
403 Depreciation Expense	Pro Forma 2026	\$ 2,138,100			
	Less 2025	<u>\$ 2,035,108</u>	<b>\$ 102,992</b>	5.1%	<b>C</b> Adjusted for depreciation on new assets

**KENNEBEC WATER DISTRICT  
OPERATING STATEMENT**

Acct #	Utility Operating Income	Audited 2023	Pro Forma 2024	Variance	Pro Forma 2025	Variance	Pro Forma 2026
400	Operating Revenues	7,195,101	7,840,910	467,305	8,308,215	660,457	8,968,672
600	Operating Expenses	4,742,240	5,019,693	203,812	5,223,505	207,557	5,431,062
403	Depreciation Expense	1,711,629	1,916,029	119,079	2,035,108	102,992	2,138,100
	<b>Total Utility Operating Expenses</b>	<b>6,453,869</b>	<b>6,935,722</b>	<b>322,891</b>	<b>7,258,613</b>	<b>310,549</b>	<b>7,569,162</b>
	<b>Utility Operating Income</b>	<b>741,232</b>	<b>905,188</b>	<b>144,414</b>	<b>1,049,602</b>	<b>349,908</b>	<b>1,399,510</b>
414	Gains (Losses) From Disposition of Utility Property	35,921	220,000	(220,000)	-	-	-
	<b>Total Utility Operating Income</b>	<b>777,153</b>	<b>1,125,188</b>	<b>(75,586)</b>	<b>1,049,602</b>	<b>349,908</b>	<b>1,399,510</b>
415	Revenues From Merchandising, Jobbing (Net)	(3,871)	45,000	(32,000)	13,000	-	13,000
419	Interest and Dividend Income	303,765	306,162	(106,162)	200,000	-	200,000
421	Nonutility Income	165,089	237,000	316,900	553,900	(473,000)	80,900
	<b>Total Other Income and Deductions</b>	<b>464,983</b>	<b>588,162</b>	<b>178,738</b>	<b>766,900</b>	<b>(473,000)</b>	<b>293,900</b>
427	Interest Expense	816,366	873,500	(48,680)	824,820	9,151	833,971
428	Amortization of Debt Discount & Expense	(262,346)	(396,426)	(40,000)	(436,426)	(25,000)	(461,426)
	<b>Total Interest Expense</b>	<b>554,020</b>	<b>477,074</b>	<b>(88,680)</b>	<b>388,394</b>	<b>(15,849)</b>	<b>372,545</b>
	<b>NET INCOME</b>	<b>688,116</b>	<b>1,236,276</b>	<b>191,832</b>	<b>1,428,108</b>	<b>(107,243)</b>	<b>1,320,866</b>

**KENNEBEC WATER DISTRICT  
WATER OPERATING REVENUES**

					<b>Proposed Increase 6.00%</b>	<b>Proposed Increase 8.00%</b>	
		<b>Audit 2023</b>	<b>Pro Forma 2024</b>	<b>Variance</b>	<b>Pro Forma 2025</b>	<b>Variance</b>	<b>Pro Forma 2026</b>
<b>OPERATING REVENUES</b>							
ACCT #	SALES OF WATER						
461	Metered Sales to Gen.						
461.1	Residential	3,354,008	3,578,986	214,739	3,793,725	303,498	4,097,223
461.2	Commercial	1,103,501	1,157,579	69,455	1,227,034	98,163	1,325,197
461.3	Industrial	1,085,650	1,454,827	87,290	1,542,117	123,369	1,665,486
461.4	Public Authorities	182,662	189,712	11,383	201,094	16,088	217,182
	<b>Total</b>	<b>5,725,821</b>	<b>6,381,104</b>	<b>382,866</b>	<b>6,763,970</b>	<b>541,118</b>	<b>7,305,088</b>
462.1	Public Fire-Protection Service	812,946	844,213	50,653	894,866	71,589	966,455
462.2	Private Fire-Protection Service	294,649	330,469	19,828	350,297	28,024	378,320
466	Water for Resale	177,106	185,299	11,118	196,417	15,713	212,130
	<b>Rate Revenues</b>	<b>7,010,522</b>	<b>7,741,084</b>	<b>464,465</b>	<b>8,205,549</b>	<b>656,444</b>	<b>8,861,993</b>
<b>OTHER OPERATING</b>							
470	Foreited Discounts	45,420	29,496	1,770	31,266	2,501	33,767
471	Miscellaneous Service Revenues	86,659	17,830	1,070	18,900	1,512	20,412
474	Other Water Revenues	52,500	52,500	-	52,500	-	52,500
	<b>Non-Rate Revenues</b>	<b>184,579</b>	<b>99,826</b>	<b>2,840</b>	<b>102,665</b>	<b>4,013</b>	<b>106,679</b>
400	<b>Total Operating Revenues</b>	<b>7,195,101</b>	<b>7,840,910</b>	<b>467,305</b>	<b>8,308,215</b>	<b>660,457</b>	<b>8,968,672</b>

**KENNEBEC WATER DISTRICT  
WATER DIVISION LONG TERM DEBT**

Issuer	Date of Issue	Date of Maturity	Par Value Authorized	Par Value Outstanding 12/31/2023	Rate
MMBB Stimulus	2009	2029	409,641	78,856	0.00%
MMBB 2011	2011	2031	1,304,500	618,227	0.5-5.5%
MMBB 2017	2017	2037	3,000,000	1,999,677	1%
MMBB 2020F	2020	2040	659,589	404,814	1%
MMBB 2020FR	2020	2040	4,946,831	2,575,260	1%
MMBB 2021F	2022	2042	1,527,364	628,026	1%
Facility Bond	2022	2052	14,640,000	14,640,000	4%-5%
Eustis/High Bond	2022	2042	1,635,000	1,585,000	4%-5%
Western Ave FF MMBB	2022	2042	1,547,000	745,866	1%
Chemical Room MMBB	2022	2042	1,610,000	1,035,967	1%
<i>Kennebec-Lockwood MMBB</i>	<i>2024</i>	<i>2044</i>	<i>1,086,000</i>	<i>456,817</i>	<i>1%</i>
<i>Pleasant Street Estimate</i>	<i>2024</i>	<i>2044</i>	<i>4,440,000</i>	<i>2,405,000</i>	<i>2%</i>
<i>Lead Service Line Replacement Estimate</i>	<i>2025</i>	<i>2045</i>	<i>82,000</i>	<i>36,900</i>	<i>0%</i>
<i>Summer Street Estimate</i>	<i>2025</i>	<i>2045</i>	<i>3,146,420</i>	<i>2,045,173</i>	<i>1%</i>
<i>Chase Avenue Pump Station Estimate</i>	<i>2025</i>	<i>2045</i>	<i>1,000,000</i>	<i>750,000</i>	<i>1%</i>
<i>Main replacement project 2026</i>	<i>2026</i>	<i>2046</i>	<i>2,000,000</i>	<i>1,500,000</i>	<i>1%</i>

Year Ending December 31	Principal	Interest	Total
2024	555,763	839,540	1,395,302
2025	1,087,805	849,680	1,937,484
2026	1,284,716	842,302	2,127,018
2027	1,319,315	833,467	2,152,783
2028	1,332,725	807,213	2,139,938
2029	1,335,374	772,950	2,108,323
2030	1,343,310	738,310	2,081,621
2031	1,358,710	703,621	2,062,331
2032	1,275,627	672,940	1,948,567
2033	1,286,508	642,520	1,929,028
2034	1,297,454	611,790	1,909,244
2035	1,320,887	579,752	1,900,639
2036	1,351,949	545,903	1,897,852
2037	1,383,070	510,743	1,893,813
2038	1,265,477	470,166	1,735,642
2039	1,290,184	439,703	1,729,887
2040	1,287,433	407,019	1,694,452
2041	1,156,479	374,531	1,531,010
2042	1,146,097	339,793	1,485,890
2043	950,222	303,234	1,253,456
2044	976,778	274,343	1,251,120
2045	844,759	245,166	1,089,925
2046	683,695	215,606	899,302
2047	685,000	186,275	871,275
2048	715,000	156,078	871,078
2049	750,000	124,031	874,031
2050	785,000	90,453	875,453
2051	820,000	55,344	875,344
2052	855,000	18,703	873,703

**KENNEBEC WATER DISTRICT**

**2025 Depreciation Projection**

Prior year depreciation expense

**PRO FORMAPRO FORMAPRO FORMA**

**2024      2025      2026**  
 \$ 1,659,449    \$ 1,916,029    \$ 2,035,108

	<b>TOTAL</b>		<b>Depreciatio</b>	<b>Annual</b>	<b>In Service</b>	<b>In Service</b>	<b>In Service</b>
	<b>COST</b>		<b>n Rate</b>	<b>Depreciatio</b>	<b>in 2024</b>	<b>in 2025</b>	<b>in 2026</b>
<b>ADDITIONS</b>							
Half-Year of 2023 new additions					\$ 193,353		
Flow Transmitters and Manifold Upgrade	\$ 25,000		10.0%	\$ 2,500	\$ 1,250	\$ 1,250	
Remote Access Flushing System	\$ 13,000		10.0%	\$ 1,300	\$ 650	\$ 650	
Replacement of Pneumatic Valves	\$ 60,000		5.0%	\$ 3,000	\$ 1,500	\$ 1,500	
Replace the Granular Activated Carbon (GAC)	\$ 250,000		5.0%	\$ 12,500	\$ 6,250	\$ 6,250	
Upgrade programable logic controller	\$ 20,000		10.0%	\$ 2,000	\$ 1,000	\$ 1,000	
SCADA Remote Access Platform for Mobile Devices	\$ 16,400		10.0%	\$ 1,640	\$ 820	\$ 820	
Pick-up Sweeper for Loader	\$ 28,000		6.7%	\$ 1,867	\$ 933	\$ 933	
Chase Avenue Pump Station Rehabilitation Design	\$ 218,160		2.0%	\$ 4,363	\$ 2,182	\$ 2,182	
Waterville-Winslow Bridge Water Main Crossing Design	\$ 1,158,058		1.3%	\$ 15,055	\$ 7,527	\$ 7,527	
Pleasant St Main Replacement	\$ 3,532,000		1.3%	\$ 45,916	\$ 22,958	\$ 22,958	
Intake Building - Asbestos Siding replacement	\$ 15,000		2.0%	\$ 300	\$ 150	\$ 150	
Pipe Freezing Unit Kit	\$ 5,132		10.0%	\$ 513	\$ 257	\$ 257	
Miscellaneous Projects - various locations	\$ 100,000		3.0%	\$ 3,000	\$ 1,500	\$ 1,500	
VAC Truck	\$ 650,000		5.0%	\$ 32,500	\$ 16,250	\$ 16,250	
2025 Vehicle & Equipment Replacement	\$ 184,000		20.0%	\$ 36,800	\$ -	\$ 18,400	\$ 18,400
2025 Main Replacement	\$ 3,146,420		1.3%	\$ 40,903	\$ -	\$ 20,452	\$ 20,452
2025 Miscellaneous 10 year	\$ 50,000		10.0%	\$ 5,000	\$ -	\$ 2,500	\$ 2,500
2025 Miscellaneous 20 year	\$ 50,000		5.0%	\$ 2,500	\$ -	\$ 1,250	\$ 1,250
2025 Miscellaneous 33.3 year	\$ 50,000		3.0%	\$ 1,500	\$ -	\$ 750	\$ 750
2025-Lagoon discharge-upgrade pumps and pipes	\$ 500,000		5.0%	\$ 25,000	\$ -	\$ 12,500	\$ 12,500
2026-Main Replacement	\$ 2,000,000		1.3%	\$ 26,000	\$ -		\$ 13,000
2026-Chase Avenue Pump Station Rehabilitation	\$ 1,000,000		2.0%	\$ 20,000	\$ -		\$ 10,000
					<u>\$ 256,580</u>	<u>\$ 119,079</u>	<u>\$ 102,992</u>
<b>TOTAL DEPRECIATION</b>					<u><b>1,916,029</b></u>	<u><b>2,035,108</b></u>	<u><b>2,138,100</b></u>

**KENNEBEC WATER DISTRICT**  
**BALANCE SHEET (GAAP)**  
**DECEMBER 31, 2023**

**AUDITED**  
**2023**

**ASSETS**

**Current Assets**

Cash	5,804,345
Accounts Receivables	362,234
Unbilled services	740,586
Prepaid expenses	108,533
Inventory	381,323
<b>Total Current Assets</b>	<b>7,397,021</b>

**Non-Current Assets**

Other Assets	55,046
<b>Total Non-Current Assets Excluding Capital</b>	<b>55,046</b>

**Capital Assets**

Capital assets, not being depreciated	764,762
Capital assets, being depreciated	84,417,918
Accumulated Depreciation	(28,944,946)
<b>Total Capital Assets</b>	<b>56,237,734</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Other Post Employee Benefits	23,883
Deferred Pension Benefits	219,994
<b>Total Deferred Outflows of Resources</b>	<b>243,877</b>

**TOTAL ASSETS AND DEFERRED OUTFLOWS**

**63,933,678**

**LIABILITIES**

**Current Liabilities**

Accounts Payable	168,040
Accrued Expenses	50,866
Accrued Interest Payable	85,456
Short-Term Debt	-
Current portion of LT Debt	578,437
Current portion of Subscription liability	58,627
<b>Total Current Liabilities</b>	<b>941,426</b>

**Non-Current Liabilities**

Accrued Compensated Balances	70,590
Other Post Employee Benefits Liabilities	218,933
Net Pension Liability (Asset)	640,280
Unamortized bond premium less current	347,563
Long-Term Debt (Net)	23,755,930
<b>Total Non-Current Liabilities</b>	<b>24,962,706</b>

**TOTAL LIABILITIES**

**25,974,722**

**DEFERRED INFLOWS OF RESOURCES**

Deferred Credits	2,642,625
Deferred Other Post Employee Benefits	79,911
Deferred-Pension Benefits	140,444

**TOTAL DEFERRED INFLOWS OF RESOURCES**

**2,862,980**

**NET POSITION**

**35,095,976**

**TOTAL LIABILITIES, DEFERRED INFLOWS OF**

**63,933,678**