

### **Purchased Water Expense**

#### **UPDATE:**

Purchased Water expense has been updated to reflect the annualized expense that is expected to be realized by (a) Aqua North Carolina Water (b) Brookwood Water and (c) Fairways Utilities Water going forward.

An Item 18 adjustment has been made to apply the latest/current vendor pricing to the volume of water purchased during the twelve months ended 3/31/2020. This updated annual expense is an increase of \$42,087.60 over the amount requested in Item 10 Exhibit B3-b.

An additional update is being made for all Johnston County purchased water accounts. The Company has been informed that the current rate per 1,000 gallons of usage will increase from \$2.65 to \$2.85 effective July 1, 2020 – pending Johnston County Board of Commissioners approval. The impact of this price increase has been applied to the volume of the twelve months ended 3/31/2020 and an adjustment is being requested for \$43,431.57. See attached e-mail from Chandra Cox Farmer of Johnston County Dept. of Public Utilities. This adjustment is requested assuming that the rate design calculation would be similarly adjusted for the increased revenue associated with this pass-through system. If the revenue increase is not factored into the final rate design, then this request for adjustment would be withdrawn.

The adjustments to reflect the current level of expense in these categories are supported by the following schedules attached:

- Purchased Water Expense – Summary by Rate Entity (ITEM 18-Purchased Water). This schedule summarizes the two adjustments described above and provides a total for each Aqua NC rate entity.
- Purchased Water Expense – Summary by Vendor – Twelve Months Ended 3/31/2020 (ITEM 18 Purchased Water -12 Month Volume @ Current Price). This schedule details all purchased water invoices during the 12 months ended 3/31/2020. It details gallons purchased and amount charged by the vendor as well as the amount that would be charged for the test year volume at the latest known vendor pricing.
- Purchased Water Expense – JOHNSTON COUNTY (ITEM 18 Purchased Water-Johnston County). This schedule details every purchased water invoice received from Johnston County during the twelve months ended 3/31/2020 and calculates the impact of the vendor rate increase from \$2.65 per 1,000 gallons of usage to \$2.85 effective 7/1/2020.

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ITEM 18  
(continued)

The Item 18 update detailed in the schedules above are necessary to reflect the appropriate amount of Purchased Water expense the Company expects to incur during the first year that rates are in effect as a result of this application.

PURCHASED WATER - Summary by Rate Entity  
Twelve Months Ended 3/31/2020

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ITEM 18  
Purchased Water

| Line | (a)                                                                                               | (b)                             | (c)                             | (d)                    | (e)        | (f)                      |
|------|---------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|------------------------|------------|--------------------------|
| 1    | <b>UPDATED VOLUME (April 2019-March 2020) - Current Vendor Price Applied to 12 Month Volume</b>   |                                 |                                 |                        |            |                          |
| 2    | GL Month                                                                                          | (Multiple Items)                |                                 | ITEM 10                | ITEM 18    |                          |
| 3    |                                                                                                   |                                 | Trailing 12-Month Amount        | AMOUNT                 | ADJUSTMENT |                          |
| 4    | Row Labels                                                                                        | Sum of Gallons Purchased        | Sum of Calculated Charge        |                        |            |                          |
| 5    | ANC Water                                                                                         | 421,605,092                     | \$1,874,777.85                  | \$ 1,850,077.92        | \$         | 24,699.93                |
| 6    | Brookwood                                                                                         | 92,597,650                      | \$281,721.48                    | \$ 264,333.81          | \$         | 17,387.67                |
| 7    | <b>Grand Total</b>                                                                                | <b>514,202,742</b>              | <b>\$2,156,499.33</b>           | <b>\$ 2,114,411.74</b> | <b>\$</b>  | <b>42,087.60</b>         |
| 8    |                                                                                                   | ITEM 18                         | ITEM 18                         | Exhibit B3-b (line 9)  |            | col. c less col.d        |
| 9    |                                                                                                   | Purchased Water                 | Purchased Water                 | ITEM 10                |            |                          |
| 10   |                                                                                                   | 12 Month Volume @ Current Price | 12 Month Volume @ Current Price |                        |            |                          |
| 11   |                                                                                                   | (column b)                      | (column d)                      |                        |            |                          |
| 12   |                                                                                                   |                                 |                                 |                        |            |                          |
| 13   | <b>JOHNSTON COUNTY PRICE INCREASE EFFECTIVE 7/1/2020 - APPLIED TO VOLUME FROM 04/2019-03/2020</b> |                                 |                                 |                        |            |                          |
| 14   |                                                                                                   |                                 | Trailing 12-Mth Volume          | Trailing 12-Mth Volume | ITEM 18    |                          |
| 15   | Row Labels                                                                                        | Sum of Gallons Purchased        | @ Current Price                 | @ 7/1/2020 Price       | ADJUSTMENT |                          |
| 16   | <b>ANC Water</b>                                                                                  |                                 |                                 |                        |            |                          |
| 17   | Johnston County Wate                                                                              | 217,157,865                     | \$581,468.34                    | \$ 624,899.92          |            | \$43,431.57              |
| 18   | ITEM 18                                                                                           |                                 |                                 | ITEM 18                |            | col. d less col.c        |
| 19   | Purchased Water                                                                                   |                                 |                                 | Purchased Water        |            |                          |
| 20   | 12 Mth Vol @ Curr Price                                                                           |                                 |                                 | Johnston County        |            |                          |
| 21   | Line 7                                                                                            |                                 |                                 | Line 136               |            |                          |
| 22   |                                                                                                   |                                 |                                 |                        | ITEM 18    |                          |
| 23   |                                                                                                   |                                 |                                 |                        | ADJ-TOTAL  |                          |
| 24   |                                                                                                   |                                 |                                 | ANC Water              | \$         | 68,131.50 line 5+line 15 |

PURCHASED WATER - Summary by Vendor  
Twelve Months Ended 3/31/2020

W-218 Sub 526

ITEM 18

Purchased Water

12 Month Volume @ Current Price

| Line | (a)                              | (b)                      | (c)                  | (d)                      |
|------|----------------------------------|--------------------------|----------------------|--------------------------|
| 1    | GL Month                         | (Multiple Items)         | 04/19-03/20 Volume   | 04/19-03/20 Volume       |
| 2    |                                  |                          | @ Actual Price       | @ Current Price          |
| 3    | Row Labels                       | Sum of Gallons Purchased | Sum of Actual Charge | Sum of Calculated Charge |
| 4    | ANC Water                        | 421,605,092              | \$1,860,558.01       | \$1,874,777.85           |
| 5    | Cary                             | 276,116,465              | \$1,222,951.41       | \$1,238,093.16           |
| 6    | Chatham Co Utilities             | 21,477,000               | \$176,353.50         | \$176,353.50             |
| 7    | Johnston County Water            | 217,157,865              | \$566,460.02         | \$581,468.34             |
| 8    | Town of Fuquay Varina            | 3,017,600                | \$15,590.32          | \$15,723.75              |
| 9    | Town of Pittsboro                | 33,671,000               | \$460,282.57         | \$460,282.57             |
| 10   | Warren County                    | 793,000                  | \$4,265.00           | \$4,265.00               |
| 11   | Denver                           | 87,987,019               | \$412,736.73         | \$411,273.06             |
| 12   | Charlotte-Mecklenburg Utility De | 33,472,993               | \$97,127.58          | \$94,933.16              |
| 13   | City of Asheville                | 1,421,295                | \$8,026.85           | \$8,237.20               |
| 14   | City of Belmont                  | 4,881,000                | \$64,436.83          | \$64,436.82              |
| 15   | City of Concord                  | 5,148,000                | \$28,106.60          | \$28,130.58              |
| 16   | City of Gastonia                 | 6,799,900                | \$46,579.66          | \$46,579.60              |
| 17   | City of Hickory                  | 4,797,806                | \$29,216.96          | \$29,266.15              |
| 18   | City of Lincolnton               | 2,975,454                | \$27,697.58          | \$27,697.58              |
| 19   | City of Morganton                | 6,076,480                | \$16,585.55          | \$16,585.54              |
| 20   | CITY OF NEWTON                   | 1,176,000                | \$4,043.79           | \$4,069.32               |
| 21   | Hendersonville Water & Sewer     | 11,710,800               | \$41,204.99          | \$41,252.12              |
| 22   | Iredell Water Corp               | 1,118,300                | \$4,362.30           | \$4,537.54               |
| 23   | Lincoln Co. Dept of Public Work  | 954,790                  | \$6,106.21           | \$6,148.78               |
| 24   | Town of Forest City              | 1,899,400                | \$10,954.03          | \$10,954.03              |
| 25   | Town of Harrisburg               | 66,100                   | \$618.75             | \$631.60                 |
| 26   | Town of Mooresville              | 2,982,700                | \$12,460.79          | \$12,457.54              |
| 27   | Town of Spruce Pine              | 2,506,000                | \$15,208.26          | \$15,355.50              |
| 28   | Fayetteville                     | 41,508,010               | \$114,977.17         | \$114,977.19             |
| 29   | Harnett County Utilities         | 41,508,010               | \$114,977.17         | \$114,977.19             |
| 30   | Kernersville                     | 14,677,749               | \$97,423.23          | \$97,730.30              |
| 31   | City of Archdale                 | 415,341                  | \$4,018.25           | \$4,018.25               |
| 32   | City of Mount Airy               | 5,695,000                | \$44,497.16          | \$44,497.16              |
| 33   | Davidson Water                   | 8,567,408                | \$48,907.82          | \$49,214.89              |
| 34   | Region                           | 1,315,849                | \$12,469.47          | \$12,704.14              |
| 35   | City of Archdale                 | 1,315,849                | \$12,469.47          | \$12,704.14              |
| 36   | Brookwood                        | 92,597,650               | \$281,603.57         | \$281,721.48             |
| 37   | Fayetteville                     | 92,597,650               | \$281,603.57         | \$281,721.48             |
| 38   | PWC                              | 90,770,150               | \$272,172.83         | \$272,181.93             |
| 39   | Town of Linden                   | 1,827,500                | \$9,430.74           | \$9,539.55               |
| 40   | Grand Total                      | 514,202,742              | \$2,142,161.58       | \$2,156,499.33           |

(see TTM Prch Water-Updated Rates)

## PURCHASED WATER EXPENSE - JOHNSTON COUNTY

W-218 Sub 526

ITEM 18

Twelve Months Ended 3/31/2020

Purchased Water

IMPACT OF JULY 1, 2020 RATE INCREASE

Johnston County

| Line | (a)      | (b)      | (c)        | (d)        | (e)              | (f)             | (g)       | (h)          | (i)                    | (j)                    | (k)       | (l)     | (m)      | (n)     | (o)    |
|------|----------|----------|------------|------------|------------------|-----------------|-----------|--------------|------------------------|------------------------|-----------|---------|----------|---------|--------|
| 1    |          |          |            |            |                  |                 |           |              | CURRENT                | Jul-20                 |           |         |          |         |        |
| 2    |          |          |            |            |                  |                 |           |              | RATE (\$2.65 PER KGAL) | RATE (\$2.85 PER KGAL) |           |         |          |         |        |
| 3    |          |          |            |            |                  |                 |           |              |                        |                        |           |         |          |         |        |
| 4    | Region   | District | Co #       | Vendor #   | Sys Name         | Service Address | AU        | GL           | Acct #                 |                        |           |         |          |         |        |
| 5    | Cary     | N528     | 02         | 31266      | CREEKSIDE PLACE  |                 | 8000      | 610100       | Bulk water             |                        |           |         |          |         |        |
| 6    |          | N528     |            |            | Present          | TRUE            | Monthly   | Calc         |                        |                        |           |         | CURRENT  |         | 7/1/20 |
| 7    | GL Month | Reading  | Read Date  | Bill Date  | Reading          | Usage           | Charge    | Charge       | variance               | Gallons Billed         | per Kgal  | BFC     | per Kgal |         |        |
| 8    | Apr-19   | 72513    | 4/29/19    | 5/5/19     | 72976            | 463             | 463,000   | \$ 1,326.95  | \$ 1,419.55            | \$ 92.60               | 522,100   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 9    | May-19   | 72976    | 6/3/19     | 6/3/19     | 73858            | 882             | 882,000   | \$ 2,437.30  | \$ 2,613.70            | \$ 176.40              | 614,500   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 10   | Jun-19   | 73858    | 7/1/19     | 7/1/19     | 74460            | 602             | 602,000   | \$ 1,695.30  | \$ 1,815.70            | \$ 120.40              | 808,300   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 11   | Jul-19   | 74460    | 7/29/19    | 7/29/19    | 75166            | 706             | 706,000   | \$ 1,970.90  | \$ 2,112.10            | \$ 141.20              | 741,000   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 12   | Aug-19   | 75166    | 9/3/19     | 9/3/19     | 75963            | 797             | 797,000   | \$ 2,212.05  | \$ 2,371.45            | \$ 159.40              | 679,000   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 13   | Sep-19   | 75963    | 9/30/19    | 9/30/19    | 76428            | 465             | 465,000   | \$ 1,332.25  | \$ 1,425.25            | \$ 93.00               | 722,600   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 14   | Oct-19   | 76428    | 11/4/19    | 11/4/19    | 77083            | 655             | 655,000   | \$ 1,835.75  | \$ 1,966.75            | \$ 131.00              | 603,600   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 15   | Nov-19   | 77083    | 12/2/19    | 12/2/19    | 77506            | 423             | 423,000   | \$ 1,220.95  | \$ 1,305.55            | \$ 84.60               | 619,700   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 16   | Dec-19   | 75166    | 12/30/19   | 12/30/19   | 77914            | 408             | 408,000   | \$ 1,181.20  | \$ 1,262.80            | \$ 81.60               | 679,000   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 17   | Jan-20   | 77914    | 2/3/20     | 2/3/20     | 78448            | 534             | 534,000   | \$ 1,515.10  | \$ 1,621.90            | \$ 106.80              | 479,800   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 18   | Feb-20   | 78448    | 3/2/20     | 3/2/20     | 78865            | 417             | 417,000   | \$ 1,205.05  | \$ 1,288.45            | \$ 83.40               | 555,900   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 19   | Mar-20   | 78865    | 3/30/20    | 4/2/20     | 79363            | 498             | 498,000   | \$ 1,419.70  | \$ 1,519.30            | \$ 99.60               | 577,800   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 20   |          |          |            |            |                  | 6,850           | 6,850,000 | \$ 19,352.50 | \$ 20,722.50           | \$ 1,370.00            | 7,603,300 |         |          |         |        |
| 21   |          |          |            |            |                  |                 |           |              |                        |                        |           |         |          |         |        |
| 22   |          |          |            |            |                  |                 |           |              |                        |                        |           |         |          |         |        |
| 23   | Region   | District | Co #       | Vendor #   | Sys Name         | Service Address | AU        | GL           | Acct #                 |                        |           |         |          |         |        |
| 24   | Cary     | N520     | 02         | 31266      | SOUTH PLANTATION |                 | 8000      | 610100       | Bulk water             |                        |           |         |          |         |        |
| 25   | Cary     | N520     | 02         | 31266      | SOUTH PLANTATION |                 | 8000      | 610100       | Bulk water             |                        |           |         |          |         |        |
| 26   |          | Previous |            |            | Present          | TRUE            | Monthly   | Calc         |                        |                        |           |         | CURRENT  |         | 7/1/20 |
| 27   | GL Month | Reading  | Read Date  | Bill Date  | Reading          | Usage           | Charge    | Charge       | variance               | Gallons Billed         | per Kgal  | BFC     | per Kgal |         |        |
| 28   | Apr-19   | 61563    | 4/29/2019  | 5/5/2019   | 62040            | 477             | 477,000   | \$ 1,364.05  | \$ 1,459.45            | \$ 95.40               | 516,800   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 29   | Apr-19   | 270      | 4/29/2019  | 5/5/2019   | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 30   | May-19   | 62040    | 6/3/2019   | 6/3/2019   | 62780            | 740             | 740,000   | \$ 2,061.00  | \$ 2,209.00            | \$ 148.00              | 536,100   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 31   | May-19   | 270      | 6/3/2019   | 6/3/2019   | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 32   | Jun-19   | 62780    | 7/1/19     | 7/1/19     | 63302            | 522             | 522,000   | \$ 1,483.30  | \$ 1,587.70            | \$ 104.40              | 692,400   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 33   | Jun-19   | 270      | 7/1/19     | 7/1/19     | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 34   | Jul-19   | 63302    | 7/29/2019  | 7/29/2019  | 63825            | 523             | 523,000   | \$ 1,485.95  | \$ 1,590.55            | \$ 104.60              | 589,400   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 35   | Jul-19   | 270      | 7/29/2019  | 7/29/2019  | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 36   | Aug-19   | 63825    | 9/3/2019   | 9/3/2019   | 64530            | 705             | 705,000   | \$ 1,968.25  | \$ 2,109.25            | \$ 141.00              | 577,300   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 37   | Aug-19   | 270      | 9/3/2019   | 9/3/2019   | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 38   | Sep-19   | 64530    | 9/30/2019  | 9/30/2019  | 65034            | 504             | 504,000   | \$ 1,435.60  | \$ 1,536.40            | \$ 100.80              | 672,600   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 39   | Sep-19   | 270      | 9/30/2019  | 9/30/2019  | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 40   | Oct-19   | 65034    | 11/4/2019  | 11/4/2019  | 65640            | 606             | 606,000   | \$ 1,705.90  | \$ 1,827.10            | \$ 121.20              | 522,000   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 41   | Oct-19   | 270      | 11/4/2019  | 11/4/2019  | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 42   | Nov-19   | 65640    | 12/2/2019  | 12/2/2019  | 66123            | 483             | 483,000   | \$ 1,379.95  | \$ 1,476.55            | \$ 96.60               | 620,900   | \$ 2.65 | \$ 100   | \$ 2.85 |        |
| 43   | Nov-19   | 270      | 12/2/2019  | 12/2/2019  | 270              | -               |           |              |                        |                        |           |         |          |         |        |
| 44   | Dec-19   | 66123    | 12/30/2019 | 12/30/2019 | 66591            | 468             | 468,000   | \$ 1,340.20  | \$ 1,433.80            | \$ 93.60               | 577,300   | \$ 2.65 | \$ 100   | \$ 2.85 |        |

## PURCHASED WATER EXPENSE - JOHNSTON COUNTY

W-218 Sub 526

ITEM 18

Twelve Months Ended 3/31/2020

Purchased Water

IMPACT OF JULY 1, 2020 RATE INCREASE

Johnston County

| Line | (a)      | (b)      | (c)        | (d)        | (e)       | (f)             | (g)       | (h)    | (i)                    | (j)                    | (k)            | (l)      | (m)      | (n)       | (o)                   |
|------|----------|----------|------------|------------|-----------|-----------------|-----------|--------|------------------------|------------------------|----------------|----------|----------|-----------|-----------------------|
| 1    |          |          |            |            |           |                 |           |        | CURRENT                | Jul-20                 |                |          |          |           |                       |
| 2    |          |          |            |            |           |                 |           |        | RATE (\$2.65 PER KGAL) | RATE (\$2.85 PER KGAL) |                |          |          |           |                       |
| 3    |          |          |            |            |           |                 |           |        |                        |                        |                |          |          |           |                       |
| 4    | Region   | District | Co #       | Vendor #   | Sys Name  | Service Address | AU        | GL     | Acct #                 |                        |                |          |          |           |                       |
| 45   | Dec-19   | 270      | 12/30/2019 | 12/30/2019 | 270       | -               |           |        |                        |                        |                |          |          |           |                       |
| 46   | Jan-20   | 66591    |            | 2/3/2020   | 67160     | 569             | 569,000   | \$     | 1,607.85               | \$                     | 1,721.65       | \$       | 113.80   | 527,300   | \$ 2.65 \$100 \$ 2.85 |
| 47   | Jan-20   | 270      |            | 2/3/2020   | 270       | -               |           |        |                        |                        |                |          |          |           |                       |
| 48   | Feb-20   | 67160    |            | 3/2/2020   | 67597     | 437             | 437,000   | \$     | 1,258.05               | \$                     | 1,345.45       | \$       | 87.40    | 567,900   | \$ 2.65 \$100 \$ 2.85 |
| 49   | Feb-20   | 270      |            | 3/2/2020   | 270       | -               |           |        |                        |                        |                |          |          |           |                       |
| 50   | Mar-20   | 67597    |            | 4/2/2020   | 68071     | 474             | 471,000   | \$     | 1,348.15               | \$                     | 1,442.35       | \$       | 94.20    | 550,000   | \$ 2.65 \$100 \$ 2.85 |
| 51   | Mar-20   | 270      |            | 4/2/2020   | 273       | 3               |           |        |                        |                        |                |          |          |           |                       |
| 52   |          |          |            |            |           | 6,511           | 6,505,000 | \$     | 18,438.25              | \$                     | 19,739.25      | \$       | 1,301.00 | 6,950,000 |                       |
| 53   |          |          |            |            |           |                 |           |        |                        |                        |                |          |          |           |                       |
| 54   |          |          |            |            |           |                 |           |        |                        |                        |                |          |          |           |                       |
| 55   | Region   | District | Co #       | Vendor #   | Sys Name  | Service Address | AU        | GL     | Acct #                 |                        |                |          |          |           |                       |
| 56   | Cary     | N467     | 02         | 31266      | SOUTHGATE | Rynal Rd        | 8000      | 610100 | Bulk water             |                        |                |          |          |           |                       |
| 57   | Cary     | N467     | 02         | 31266      | SOUTHGATE | Rynal Rd        | 8000      | 610100 | Bulk water             |                        |                |          |          |           |                       |
| 58   |          | Previous |            |            | Present   |                 | TRUE      |        | Monthly                |                        | Calc           |          | CURRENT  |           | 7/1/20                |
| 59   | GL Month | Reading  | Read Date  | Bill Date  | Reading   | Usage           | Gallons   | Charge | Charge                 | variance               | Gallons Billed | per Kgal | BFC      | per Kgal  |                       |
| 60   | Apr-19   | 129533   | 4/29/2019  | 5/5/2019   | 132117    | 2,584           | 234,143   | \$     | 720.48                 | \$                     | 767.31         | \$       | 46.83    | 231,100   | \$ 2.65 \$100 \$ 2.85 |
| 61   | Apr-19   | 1718706  | 4/29/2019  | 5/5/2019   | 1950265   | 231,559         | -         |        |                        |                        |                |          |          |           |                       |
| 62   | May-19   | 132117   | 6/3/2019   | 6/3/2019   | 147989    | 15,872          | 368,818   | \$     | 1,077.37               | \$                     | 1,151.13       | \$       | 73.76    | 252,500   | \$ 2.65 \$100 \$ 2.85 |
| 63   | May-19   | 1950265  | 6/3/2019   | 6/3/2019   | 2303211   | 352,946         | -         |        |                        |                        |                |          |          |           |                       |
| 64   | Jun-19   | 147989   | 7/1/19     | 7/1/19     | 147989    | -               | 264,848   | \$     | 801.85                 | \$                     | 854.82         | \$       | 52.97    | 350,300   | \$ 2.65 \$100 \$ 2.85 |
| 65   | Jun-19   | 2303211  | 7/1/19     | 7/1/19     | 2568059   | 264,848         | -         |        |                        |                        |                |          |          |           |                       |
| 66   | Jul-19   | 147989   | 7/29/2019  | 7/29/2019  | 149053    | 1,064           | 237,659   | \$     | 729.80                 | \$                     | 777.33         | \$       | 47.53    | 280,200   | \$ 2.65 \$100 \$ 2.85 |
| 67   | Jul-19   | 2568059  | 7/29/2019  | 7/29/2019  | 2804654   | 236,595         | -         |        |                        |                        |                |          |          |           |                       |
| 68   | Aug-19   | 149053   | 9/3/2019   | 9/3/2019   | 151417    | 2,364           | 289,984   | \$     | 868.46                 | \$                     | 926.45         | \$       | 58.00    | 242,300   | \$ 2.65 \$100 \$ 2.85 |
| 69   | Aug-19   | 2804654  | 9/3/2019   | 9/3/2019   | 3092274   | 287,620         | -         |        |                        |                        |                |          |          |           |                       |
| 70   | Sep-19   | 151417   | 9/30/2019  | 9/30/2019  | 153338    | 19,210          | 230,339   | \$     | 710.40                 | \$                     | 756.47         | \$       | 46.07    | 272,400   | \$ 2.65 \$100 \$ 2.85 |
| 71   | Sep-19   | 3092274  | 9/30/2019  | 9/30/2019  | 3320692   | 228,418         | -         |        |                        |                        |                |          |          |           |                       |
| 72   | Oct-19   | 153338   | 11/4/2019  | 11/4/2019  | 156630    | 3,292           | 304,093   | \$     | 905.85                 | \$                     | 966.67         | \$       | 60.82    | 249,500   | \$ 2.65 \$100 \$ 2.85 |
| 73   | Oct-19   | 3320692  | 11/4/2019  | 11/4/2019  | 3621493   | 300,801         | -         |        |                        |                        |                |          |          |           |                       |
| 74   | Nov-19   | 156630   | 12/2/2019  | 12/2/2019  | 158815    | 2,185           | 247,837   | \$     | 756.77                 | \$                     | 806.34         | \$       | 49.57    | 28,800    | \$ 2.65 \$100 \$ 2.85 |
| 75   | Nov-19   | 3621493  | 12/2/2019  | 12/2/2019  | 3867145   | 245,652         | -         |        |                        |                        |                |          |          |           |                       |
| 76   | Dec-19   | 158815   | 12/30/2019 | 12/30/2019 | 160897    | 2,082           | 265,102   | \$     | 802.52                 | \$                     | 855.54         | \$       | 53.02    | 242,300   | \$ 2.65 \$100 \$ 2.85 |
| 77   | Dec-19   | 3867145  | 12/30/2019 | 12/30/2019 | 4130165   | 263,020         | -         |        |                        |                        |                |          |          |           |                       |
| 78   | Jan-20   | 160897   |            | 2/3/2020   | 162792    | 1,895           | 296,147   | \$     | 884.79                 | \$                     | 944.02         | \$       | 59.23    | 263,600   | \$ 2.65 \$100 \$ 2.85 |
| 79   | Jan-20   | 4130165  |            | 2/3/2020   | 4424417   | 294,252         | -         |        |                        |                        |                |          |          |           |                       |
| 80   | Feb-20   | 162792   |            | 3/2/2020   | 163818    | 1,026           | 216,866   | \$     | 674.69                 | \$                     | 718.07         | \$       | 43.37    | 285,600   | \$ 2.65 \$100 \$ 2.85 |
| 81   | Feb-20   | 4424417  |            | 3/2/2020   | 4640257   | 215,840         | -         |        |                        |                        |                |          |          |           |                       |
| 82   | Mar-20   | 163818   |            | 4/2/2020   | 185572    | 21,754          | 279,129   | \$     | 839.69                 | \$                     | 895.52         | \$       | 55.83    | 265,000   | \$ 2.65 \$100 \$ 2.85 |
| 83   | Mar-20   | 4640257  |            | 4/2/2020   | 4897632   | 257,375         | -         |        |                        |                        |                |          |          |           |                       |
| 84   |          |          |            |            |           | 3,252,254       | 3,234,965 | \$     | 9,772.66               | \$                     | 10,419.65      | \$       | 646.99   | 2,963,600 |                       |

## PURCHASED WATER EXPENSE - JOHNSTON COUNTY

W-218 Sub 526

ITEM 18

Twelve Months Ended 3/31/2020

Purchased Water

IMPACT OF JULY 1, 2020 RATE INCREASE

Johnston County

| Line | (a)      | (b)      | (c)       | (d)       | (e)                      | (f)             | (g)         | (h)               | (i)                    | (j)                      | (k)            | (l)      | (m)    | (n)      | (o) |
|------|----------|----------|-----------|-----------|--------------------------|-----------------|-------------|-------------------|------------------------|--------------------------|----------------|----------|--------|----------|-----|
| 1    |          |          |           |           |                          |                 |             |                   | CURRENT                | Jul-20                   |                |          |        |          |     |
| 2    |          |          |           |           |                          |                 |             |                   | RATE (\$2.65 PER KGAL) | RATE (\$2.85 PER KGAL)   |                |          |        |          |     |
| 3    |          |          |           |           |                          |                 |             |                   |                        |                          |                |          |        |          |     |
| 4    | Region   | District | Co #      | Vendor #  | Sys Name                 | Service Address | AU          | GL                | Acct #                 |                          |                |          |        |          |     |
| 85   |          |          |           |           |                          |                 |             |                   |                        |                          |                |          |        |          |     |
| 86   |          |          |           |           |                          |                 |             |                   |                        |                          |                |          |        |          |     |
| 87   | Region   | District | Co #      | Vendor #  | Sys Name                 | Service Address | AU          | GL                | Acct #                 |                          |                |          |        |          |     |
| 88   | Cary     | N397     | 02        | 31266     | THE GARDENS @ FLOWERS PL |                 | 8000        | 610100            | Bulk water             |                          |                |          |        |          |     |
| 89   |          | Previous |           |           | Present                  | TRUE            | Monthly     | Calc              |                        |                          |                | CURRENT  |        | 7/1/20   |     |
| 90   | GL Month | Reading  | Read Date | Bill Date | Reading                  | Usage           | Gallons     | Charge            | Charge                 | variance                 | Gallons Billed | per Kgal | BFC    | per Kgal |     |
| 91   | Apr-19   |          | 4/29/19   | 5/5/19    |                          | 11,755,800      | 11,755,800  | \$ 31,252.87      | \$ 33,604.03           | \$ 2,351.16              | 10,560,700     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 92   | May-19   |          | 6/3/19    | 6/3/19    |                          | 23,528,600      | 23,528,600  | \$ 62,450.79      | \$ 67,156.51           | \$ 4,705.72              | 12,822,900     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 93   | Jun-19   |          | 7/1/19    | 7/1/19    |                          | 19,001,200      | 19,001,200  | \$ 50,453.18      | \$ 54,253.42           | \$ 3,800.24              | 18,033,800     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 94   | Jul-19   |          | 7/29/2019 | 7/29/2019 |                          | 20,615,900      | 20,615,900  | \$ 54,732.14      | \$ 58,855.32           | \$ 4,123.18              | 22,576,800     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 95   | Aug-19   |          | 9/3/19    | 9/3/19    |                          | 22,605,600      | 22,605,600  | \$ 60,004.84      | \$ 64,525.96           | \$ 4,521.12              | 18,737,800     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 96   | Sep-19   |          | 9/30/19   | 9/30/19   |                          | 17,754,300      | 17,754,300  | \$ 47,148.90      | \$ 50,699.76           | \$ 3,550.86              | 18,705,000     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 97   | Oct-19   |          | 11/4/19   | 11/4/19   |                          | 23,341,000      | 23,341,000  | \$ 61,953.65      | \$ 66,621.85           | \$ 4,668.20              | 18,168,900     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 98   | Nov-19   |          | 12/2/2019 | 12/2/2019 |                          | 8,239,000       | 8,239,000   | \$ 21,933.35      | \$ 23,581.15           | \$ 1,647.80              | 13,999,600     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 99   | Dec-19   |          | 12/30/19  | 12/30/19  |                          | 10,602,500      | 10,602,500  | \$ 28,196.63      | \$ 30,317.13           | \$ 2,120.50              | 18,737,800     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 100  | Jan-20   |          | 2/3/20    | 2/3/20    |                          | 13,922,500      | 13,922,500  | \$ 36,994.63      | \$ 39,779.13           | \$ 2,784.50              | 10,807,700     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 101  | Feb-20   |          |           | 3/2/20    |                          | 11,991,500      | 11,991,500  | \$ 31,877.48      | \$ 34,275.78           | \$ 2,398.30              | 13,388,900     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 102  | Mar-20   |          |           | 4/2/2020  |                          | 12,573,000      | 12,573,000  | \$ 33,418.45      | \$ 35,933.05           | \$ 2,514.60              | 11,671,700     | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 103  |          |          |           |           |                          | 195,930,900     | 195,930,900 | \$ 520,416.89     | \$ 559,603.07          | \$ 39,186.18             | 188,211,600    |          |        |          |     |
| 104  |          |          |           |           |                          |                 |             |                   |                        |                          |                |          |        |          |     |
| 105  |          |          |           |           |                          |                 |             |                   |                        |                          |                |          |        |          |     |
| 106  | Region   | District | Co #      | Vendor #  | Sys Name                 | Service Address | AU          | GL                | Acct #                 |                          |                |          |        |          |     |
| 107  | Cary     | N529     | 02        | 31266     | SUNRIDGE FARMS           |                 | 8000        | 610100            | Bulk water             |                          |                |          |        |          |     |
| 108  |          | Previous |           |           | Present                  | TRUE            | Monthly     | Calc              |                        |                          |                | CURRENT  |        | 7/1/20   |     |
| 109  | GL Month | Reading  | Read Date | Bill Date | Reading                  | Usage           | Gallons     | Charge            | Charge                 | variance                 | Gallons Billed | per Kgal | BFC    | per Kgal |     |
| 110  | Apr-19   | 41296    | 4/29/19   | 5/5/19    | 44448                    | 3,152           | 322,000     | \$ 953.30         | \$ 1,017.70            | \$ 64.40                 | 435,300        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 111  | May-19   | 44448    | 6/3/19    | 6/3/19    | 947                      | 499             | 499,000     | \$ 1,422.35       | \$ 1,522.15            | \$ 99.80                 | 394,400        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 112  | Jun-19   | 947      | 7/1/19    | 7/1/19    | 1320.00                  | 373             | 373,000     | \$ 1,088.45       | \$ 1,163.05            | \$ 74.60                 | 525,800        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 113  | Jul-19   | 1320     | 7/29/2019 | 7/29/2019 | 1714.00                  | 394             | 394,000     | \$ 1,144.10       | \$ 1,222.90            | \$ 78.80                 | 452,600        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 114  | Aug-19   | 1714     | 9/3/19    | 9/3/19    | 2179                     | 465             | 465,000     | \$ 1,332.25       | \$ 1,425.25            | \$ 93.00                 | 491,400        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 115  | Sep-19   | 2179     | 9/30/19   | 9/30/19   | 2541                     | 362             | 362,000     | \$ 1,059.30       | \$ 1,131.70            | \$ 72.40                 | 469,800        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 116  | Oct-19   | 2541     | 11/4/19   | 11/4/19   | 2984                     | 443             | 443,000     | \$ 1,273.95       | \$ 1,362.55            | \$ 88.60                 | 428,000        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 117  | Nov-19   | 2984     | 12/2/2019 | 12/2/2019 | 3309                     | 325             | 325,000     | \$ 961.25         | \$ 1,026.25            | \$ 65.00                 | 458,800        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 118  | Dec-20   | 1714     | 9/3/19    | 9/3/19    | 3637                     | 328             | 328,000     | \$ 969.20         | \$ 1,034.80            | \$ 65.60                 | 491,400        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 119  | Jan-20   | 3637     | 2/3/20    | 2/3/20    | 4027                     | 390             | 390,000     | \$ 1,133.50       | \$ 1,211.50            | \$ 78.00                 | 405,900        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 120  | Feb-20   | 4027     |           | 3/2/20    | 4346                     | 319             | 319,000     | \$ 945.35         | \$ 1,009.15            | \$ 63.80                 | 468,400        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 121  | Mar-20   | 4346     |           | 4/2/2020  | 4763                     | 417             | 417,000     | \$ 1,205.05       | \$ 1,288.45            | \$ 83.40                 | 419,300        | \$ 2.65  | \$ 100 | \$ 2.85  |     |
| 122  |          |          |           |           |                          | 7,467           | 4,637,000   | \$ 13,488.05      | \$ 14,415.45           | \$ 927.40                | 5,441,100      |          |        |          |     |
| 123  |          |          |           |           |                          | Month           | Gallons     | @ \$2.65 per Kgal | @ \$2.85 per Kgal      | IMPACT OF PRICE INCREASE |                |          |        |          |     |





**ITEM 18 – NOTICE OF JOHNSTON COUNTY RATES EFFECTIVE 7/1/2020**

**From:** Chandra Farmer <[chandra.farmer@johnstonnc.com](mailto:chandra.farmer@johnstonnc.com)>

**Date:** April 16, 2020 at 4:20:45 PM EDT

**To:** "Melton, Michael A" <[MAMelton@aquaamerica.com](mailto:MAMelton@aquaamerica.com)>

**Cc:** "Pearce, Joseph R" <[JRPearce@aquaamerica.com](mailto:JRPearce@aquaamerica.com)>, Eric Narron <[eric.narron@johnstonnc.com](mailto:eric.narron@johnstonnc.com)>, Howard Mills <[howard.mills@johnstonnc.com](mailto:howard.mills@johnstonnc.com)>

**Subject:** [EXTERNAL] Proposed FY 20/21 Water & Sewer Rate Adjustments

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Michael,

Although the Johnston County Utilities Department has not completed the budgeting process or discussed the details with our County Manager or Board of Commissioners, I wanted to give you a head's up that Public Utilities staff plans to recommend several bulk customer water and sewer rate adjustments for FY 20/21. These recommendations are consistent with a third party rate study update completed February 2019.

Therefore, I would expect the bulk rates related to Aqua to be adjusted as follows:

|                                               | Current              | Proposed             |
|-----------------------------------------------|----------------------|----------------------|
| Bulk Water Commodity Charge                   | \$2.65/1,000 gallons | \$2.85/1,000 gallons |
| Bulk Wastewater Treatment Commodity Charge    | \$2.37/1,000 gallons | \$3.00/1,000 gallons |
| Bulk Wastewater Transmission Commodity Charge | \$1.13/1,000 gallons | \$1.24/1,000 gallons |
| Bulk Water Capacity Fee                       | \$6.00/gpd           | \$6.25/gpd           |
| Bulk Wastewater Capacity Fee                  | \$14.62/gpd          | \$11.00/gpd          |

Formal correspondence will follow after the Johnston County Board of Commissioners approves the FY 20/21 budget or if there are any proposed changes during the budgeting process.

Please let me know if you have any questions.

Thanks,  
Chandra

**Chandra Cox Farmer, PE**

Director

Johnston County Department of Public Utilities

PO Box 2263

309 E. Market St.

Smithfield, NC 27577

(919) 209-8333

(919) 934-7174 (fax)