



Control Number: 47998



Item Number: 23

Addendum StartPage: 0

PUC DOCKET NO. 47998
SOAH DOCKET NO. 473-18-2879.WS

FILED

RATEPAYERS' APPEAL OF THE
DECISION BY GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT NO.12
TO CHANGE RATES

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BEFORE THE STATE OFFICE

2018 JUL 16 AM 9:29

PUBLIC UTILITY COMMISSION
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

WILLIAM I. ALCORN, JR.

ON BEHALF OF

GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12

AFFIDAVIT OF WILLIAM ALCORN

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

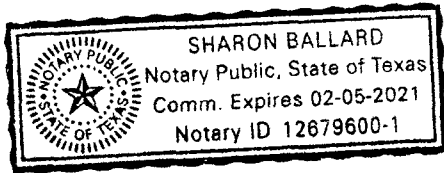
I, William I. Alcorn, Jr., affirm that as the President of Galveston County Municipal Utility District No. 12 during the time in question, I requested a roll call among the Board of Directors at the Board meeting of November 20, 2017 to indicate whether or not they favored increasing the District's base water and sewer rates to enable the District to move forward on necessary maintenance projects for District facilities. All Directors present were in favor. In making this decision, I reviewed the financial needs of the District, had extensive discussions with the District Bookkeeper Ms. Lydia Cook, evaluated various rate options, and compared the rates of surrounding municipalities in order to make a fair and reasonable determination of the necessary rates for the District. These matters were also discussed in public meetings of the Board of Directors, which led to the vote to amend the District's Rate Order on November 20, 2017. I believe the Board used its best judgment to set reasonable water and sewer rates based upon the needs of the District and its residents. I further attest the documents attached to the Minutes of the November 20, 2017, meeting were used in making this determination by myself and the Board, certain copies of which are also attached hereto.

William I. Alcorn, Jr.
(Signature)

SWORN TO AND SUBSCRIBED BEFORE ME this 5th day of July, 2018,
by William I. Alcorn, Jr., a person known unto me.

(SEAL)

Sharon Ballard
Notary Public, State of Texas



RATE STUDY 2017

WATER

BAYOU VISTA		GALVESTON		HITCHCOCK		LA MARQUE	
USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT
0-3,000	\$20.00	0-3,000	\$16.05	0-3,000	\$26.00	0-3,000	\$14.35
3,001-6,000 \$3.50 per TGAL	3,001-4,000 = \$23.50 4,001-5,000 = \$27.00 5,001-6,000 = \$30.50	3,001-6,000 \$2.17 per TGAL thru 4,000 then, \$5.43	3,001-4,000 = \$18.22 4,001-5,000 = \$23.65 5,001-6,000 = \$29.08	3,001-6,000 \$4.00 per TGAL	3,001-4,000 = \$30.00 4,001-5,000 = \$34.00 5,001-6,000 = \$38.00	3,001-6,000 \$3.30 per TGAL	3,001-4,000 = \$17.65 4,001-5,000 = \$20.95 5,001-6,000 = \$24.25
6,001-9,000 \$4.00 per TGAL	6,001-7,000 = \$34.50 7,001-8,000 = \$38.50 8,001-9,000 = \$42.50	6,001-9,000 \$5.43 per TGAL thru 7,000 then, \$8.15	6,001-7,000 = \$34.51 7,001-8,000 = \$42.66 8,001-9,000 = \$50.81	6,001-9,000 \$4.00 per TGAL	6,001-7,000 = \$42.00 7,001-8,000 = \$46.00 8,001-9,000 = \$50.00	6,001-9,000 \$3.30 per TGAL	6,001-7,000 = \$27.55 7,001-8,000 = \$30.85 8,001-9,000 = \$34.15
9,001-12,000 \$4.50 per TGAL	9,001-10,000 = \$47.00 10,001-11,000 = \$51.50 11,001-12,000 = \$56.00	9,001-12,000 \$8.15 per TGAL	9,001-10,000 = \$58.96 10,001-11,000 = \$67.11 11,001-12,000 = \$75.26	9,001-12,000 \$4.00 per TGAL	9,001-10,000 = \$54.00 10,001-11,000 = \$58.00 11,001-12,000 = \$62.00	9,001-12,000 \$3.30 per TGAL	9,001-10,000 = \$37.45 10,001-11,000 = \$40.75 11,001-12,000 = \$44.05
12,001-15,000 \$5.00 per TGAL	12,001-13,000 = \$61.00 13,001-14,000 = \$66.00 14,001-15,000 = \$71.00	12,001-15,000 \$8.15 per TGAL thru 14,000 then \$12.22	12,001-13,000 = \$83.41 13,001-14,000 = \$91.56 14,001-15,000 = \$103.78	12,001-15,000 \$4.00 per TGAL	12,001-13,000 = \$66.00 13,001-14,000 = \$70.00 14,001-15,000 = \$74.00	12,001-15,000 \$3.30 per TGAL	12,001-13,000 = \$47.35 13,001-14,000 = \$50.65 14,001-15,000 = \$53.95
15,001-18,000 \$6.00 per TGAL	15,002-16,000 = \$77.00 16,001-17,000 = \$83.00 17,001-18,000 = \$89.00	15,001-18,000 \$12.22 per TGAL	15,001-16,000 = \$116.00 16,001-17,000 = \$128.22 17,001-18,000 = \$140.44	15,001-18,000 \$4.00 per TGAL	15,001-16,000 = \$78.00 16,001-17,000 = \$82.00 17,001-18,000 = \$86.00	15,001-18,000 \$3.30 per TGAL	15,001-16,000 = \$57.25 16,001-17,000 = \$60.55 17,001-18,000 = \$63.85
18,001 or more \$7.00 per TGAL		18,001 or more \$12.22 per TGAL		18,001 or more \$4.00 per TGAL		18,001 or more \$3.30 per TGAL	

TEXAS CITY		TIKI ISLAND		WCID #19	
USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT
0-3,000	\$10.58	0-3,000	\$14.00	0-3,000	\$33.00
3,001-6,000 \$3.83 per TGAL	3,001-4,000 = \$14.41 4,001-5,000 = \$18.24 5,001-6,000 = \$22.07	3,001-6,000 \$3.90 per TGAL	3,001-4,000 = \$17.90 4,001-5,000 = \$21.80 5,001-6,000 = \$25.70	3,001-6,000 \$5.00 per TGAL	3,001-4,000 = \$38.00 4,001-5,000 = \$43.00 5,001-6,000 = \$48.00
6,001-9,000 \$3.83 per TGAL	6,001-7,000 = \$25.90 7,001-8,000 = \$29.73 8,001-9,000 = \$33.56	6,001-9,000 \$3.90 per TGAL thru 8,000 then,	6,001-7,000 = \$29.60 7,001-8,000 = \$33.50 8,001-9,000 = \$38.40	6,001-9,000 \$5.00 per TGAL	6,001-7,000 = \$53.00 7,001-8,000 = \$58.00 8,001-9,000 = \$63.00
9,001-12,000 \$3.83 per TGAL	9,001-10,000 = \$37.39 10,001-11,000 = \$41.22 11,001-12,000 = \$45.05	9,001-12,000 \$4.90 per TGAL	9,001-10,000 = \$43.30 10,001-11,000 = \$48.20 11,001-12,000 = \$53.10	9,001-12,000 \$5.00 per TGAL	9,001-10,000 = \$68.00 10,001-11,000 = \$73.00 11,001-12,000 = \$78.00
12,001-15,000 \$3.83 per TGAL	12,001-13,000 = \$48.88 13,001-14,000 = \$52.71 14,001-15,000 = \$56.54	12,001-15,000 \$5.90 per TGAL	12,001-13,000 = \$59.00 13,001-14,000 = \$64.90 14,001-15,000 = \$70.80	12,001-15,000 \$5.00 per TGAL	12,001-13,000 = \$83.00 13,001-14,000 = \$88.00 14,001-15,000 = \$93.00
15,001-18,000 \$3.83 per TGAL	15,001-16,000 = \$60.37 16,001-17,000 = \$64.20 17,001-18,000 = \$68.03	15,001-18,000 \$5.90 per TGAL thru 16,000	15,001-16,000 = \$76.70 16,001-17,000 = \$83.60 17,001-18,000 = \$90.50	15,001-18,000 \$5.00 per TGAL	15,001-16,000 = \$98.00 16,001-17,000 = \$103.00 17,001-18,000 = \$108.00
18,001 or more \$3.83 per TGAL		18,001 or more \$6.90 per TGAL		18,001 or more \$5.00 per TGAL	

RATE STUDY 2017

SEWER

BAYOU VISTA		PROPOSED BAYOU VISTA		GALVESTON		HITCHCOCK	
USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT
0-3,000	\$20.00	0-3,000	\$20.00	0-3,000	\$13.10	0-3,000	\$18.00
3,001-6,000 \$1.00 per TGAL	3,001-4,000 = \$21.00 4,001-5,000 = \$22.00 5,001-6,000 = \$23.00	3,001-6,000 \$3.50 per TGAL	3,001-4,000 = \$23.50 4,001-5,000 = \$27.00 5,001-6,000 = \$30.50	3,001-6,000 \$4.58 per TGAL	3,001-4,000 = \$17.68 4,001-5,000 = \$22.26 5,001-6,000 = \$26.84	3,001-6,000 \$2.50 per TGAL	3,001-4,000 = \$20.50 4,001-5,000 = \$23.00 5,001-6,000 = \$25.50
6,001-9,000 \$1.50 per TGAL	6,001-7,000 = \$24.50 7,001-8,000 = \$26.00 8,001-9,000 = \$27.50	6,001-9,000 \$4.00 per TGAL	6,001-7,000 = \$34.50 7,001-8,000 = \$38.50 8,001-9,000 = \$42.50	6,001-9,000 \$4.58 per TGAL	6,001-7,000 = \$31.42 7,001-8,000 = \$36.00 8,001-9,000 = \$40.58	6,001-9,000 \$2.50 per TGAL	6,001-7,000 = \$28.00 7,001-8,000 = \$30.50 8,001-9,000 = \$33.00
9,001-12,000 \$1.75 per TGAL	9,001-10,000 = \$29.25 10,001-11,000 = \$31.00 11,001-12,000 = \$32.75	9,001-12,000 \$4.50 per TGAL	9,001-10,000 = \$47.00 10,001-11,000 = \$51.50 11,001-12,000 = \$56.00	9,001-12,000 \$4.58 per TGAL	9,001-10,000 = \$45.16 10,001-11,000 = \$49.74 11,001-12,000 = \$54.32	9,001-12,000 \$2.50 per TGAL	9,001-10,000 = \$35.50 10,001-11,000 = \$38.00 11,001-12,000 = \$40.50
12,001-15,000 \$2.00 per TGAL	12,001-13,000 = \$34.75 13,001-14,000 = \$36.75 14,001-15,000 = \$38.75	12,001-15,000 \$5.00 per TGAL	12,001-13,000 = \$61.00 13,001-14,000 = \$66.00 14,001-15,000 = \$71.00	12,001-15,000 \$4.58 per TGAL	12,001-13,000 = \$58.90 13,001-14,000 = \$63.48 14,001-15,000 = \$68.06	12,001-15,000 \$2.50 per TGAL	12,001-13,000 = \$43.00 13,001-14,000 = \$45.50 14,001-15,000 = \$48.00
15,001-18,000 \$2.25 per TGAL	15,001-16,000 = \$41.00 16,001-17,000 = \$43.25 17,001-18,000 = \$45.50	15,001-18,000 \$6.00 per TGAL	15,001-16,000 = \$77.00 16,001-17,000 = \$83.00 17,001-18,000 = \$89.00	15,001-18,000 \$4.58 per TGAL	15,001-16,000 = \$72.64 16,001-17,000 = \$77.22 17,001-18,000 = \$81.80	15,001-18,000 \$2.50 per TGAL	15,001-16,000 = \$50.50 16,001-17,000 = \$53.00 17,001-18,000 = \$55.50
18,001 or more \$3.00 per TGAL		18,001 or more \$7.00 per TGAL		18,001 or more \$4.58 per TGAL		18,001 or more \$2.50 per TGAL	

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LA MARQUE		TEXAS CITY		TIKI ISLAND		WCID #19	
USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT	USAGE	AMOUNT
0-3,000	\$22.95	0-3,000	\$8.85	0-3,000	\$17.00	0-3,000	\$40.00
3,001-6,000 \$2.90 per TGAL	3,001-4,000 = \$25.85 4,001-5,000 = \$28.75 5,001-6,000 = \$31.65	3,001-6,000 \$2.55 per TGAL	3,001-4,000 = \$11.40 4,001-5,000 = \$13.95 5,001-6,000 = \$16.50	3,001-6,000 \$1.50 per TGAL	3,001-4,000 = \$18.50 4,001-5,000 = \$20.00 5,001-6,000 = \$21.50	3,001-6,000 Flat Rate	\$40.00
6,001-9,000 \$2.90 per TGAL	6,001-7,000 = \$34.55 7,001-8,000 = \$37.45 8,001-9,000 = \$40.35	6,001-9,000 \$2.55 per TGAL	6,001-7,000 = \$19.05 7,001-8,000 = \$21.60 8,001-9,000 = \$24.15	6,001-9,000 \$1.50 per TGAL thru 8,000 then \$2.00 per TGAL	6,001-7,000 = \$23.00 7,001-8,000 = \$24.50 8,001-9,000 = \$26.50	6,001-9,000 Flat Rate	\$40.00
9,001-12,000 \$2.90 per TGAL	9,001-10,000 = \$43.25 10,001-11,000 = \$46.15 11,001-12,000 = \$49.05	9,001-12,000 \$2.55 per TGAL	9,001-10,000 = \$26.70 10,001-11,000 = \$29.25 11,001-12,000 = \$31.80	9,001-12,000 \$2.00 per TGAL	9,001-10,000 = \$28.50 10,001-11,000 = \$30.50 11,001-12,000 = \$32.50	9,001-12,000 Flat Rate	\$40.00
12,001-15,000 \$2.90 per TGAL & caps price at	12,001-13,000 = \$51.95 13,001-14,000 = \$54.85 14,001-15,000 = \$57.75	12,001-15,000 \$2.55 per TGAL	12,001-13,000 = \$34.35 13,001-14,000 = \$36.90 14,001-15,000 = \$39.45	12,001-15,000 \$2.50 per TGAL	12,001-13,000 = \$35.00 13,001-14,000 = \$37.50 14,001-15,000 = \$40.00	12,001-15,000 Flat Rate	\$40.00
15,001-18,000	15,001-16,000 = \$57.75 16,001-17,000 = \$57.75 17,001-18,000 = \$57.75	15,001-18,000 \$2.55 per TGAL	15,001-16,000 = \$42.00 16,001-17,000 = \$44.55 17,001-18,000 = \$47.10	15,001-18,000 \$2.50 per TGAL thru 16,000 then	15,001-16,000 = \$42.50 16,001-17,000 = \$45.50 17,001-18,000 = \$48.50	15,001-18,000 Flat Rate	\$40.00
18,001 or more	\$57.75	18,001 or more \$2.55 per TGAL		18,001 or more \$3.00 per TGAL		18,001 or more Flat Rate	\$40.00

GALVESTON COUNTY MUD # 12
 PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
 31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000)					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	697,085	39,085	(58,915)	(216,915)
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENT:	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	<u>2,280,000</u>					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING)	10,000				-	
TOTAL REQUIREMENTS	<u>2,290,000</u>	-			-	
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$20/MONTH		285,000	342,000	342,000	342,000	342,000
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>697,085</u>	<u>39,085</u>	<u>(58,915)</u>	<u>(216,915)</u>	<u>\$(54,915)</u> 1
PROPOSED RATE INCREASE PER MONTH		<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>
CASH RESERVES FURTHER DEPLETED BY THIS AMOUNT TO	\$ 445,085	1				
10 MONTHS OF CASH RESERVES	1,000,000					
NET SHORTFALL OF CASH RESERVES AT THE END OF 5 YEARS	<u>(554,915)</u>					

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GALVESTON COUNTY MUD # 12
PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000) 2					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	768,335	195,835	183,335	110,835
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMEN	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	<u>2,280,000</u>					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING	10,000				-	
TOTAL REQUIREMENTS	<u>2,290,000</u>	-			-	
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$25/MONTH		356,250	427,500	427,500	427,500	427,500
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>768,335</u>	<u>195,835</u>	<u>183,335</u>	<u>110,835</u>	<u>358,335</u> 1
PROPOSED RATE INCREASE		<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 910MONTHS IS	<u>\$ 1,000,000</u> 1				500,000	2
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS					<u>358,335</u>	
					<u>858,335</u>	

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**GALVESTON COUNTY MUD # 12
PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
31-Oct-17**

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000)					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	811,085	289,885	328,685	307,485
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENTS	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	-					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	2,280,000					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING)	10,000					
TOTAL REQUIREMENTS	2,290,000	-				
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$28/MONTH		399,000	478,800	478,800	478,800	478,800
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>811,085</u>	<u>289,885</u>	<u>328,685</u>	<u>307,485</u>	<u>606,285</u>
PROPOSED RATE INCREASE		<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 10 MONTHS IS	<u>\$ 1,000,000</u>	1				500,000
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS						<u>606,285</u> <u>1,106,285</u>

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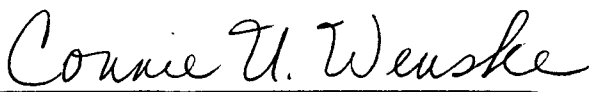
GALVESTON COUNTY MUD # 12
PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	
CASH IN BANK - TFB	478,497						
TEXPOOL	698,238						
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000						
TOTAL CASH	<u>1,301,735</u>						
LESS:							
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000) 2						
CASH OWED ON CUSTOMER DEPOSITS	(139,650)						
NET CASH AVAILABLE	<u>662,085</u>	662,085	839,585	352,585	425,585	438,585	
2017 M & O TAXES	430,000						
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENTS	(430,000)						
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>						
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000						
	680,000						
	<u>2,280,000</u>						
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING)	10,000						
TOTAL REQUIREMENTS	<u>2,290,000</u>	-					
CASH UTILIZED:							
ENGINEERING		(250,000)					
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)	
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$30/MONTH		427,500	513,000	513,000	513,000	513,000	
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>839,585</u>	<u>352,585</u>	<u>425,585</u>	<u>438,585</u>	<u>771,585</u>	1
PROPOSED RATE INCREASE		30	30	30	30	30	
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 10 MONTHS IS	1,000,000 1					500,000 2	
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS						<u>771,585</u> 1	
						<u>1,271,585</u>	
CASH RESERVE GOAL OF 12 MONTHS OF OPERATIONS						<u>1,200,000</u>	

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Direct Testimony was sent by electronic mail, fax and/or certified mail to all parties named therein on this the 6th day of July, 2018.


Connie U. Wenske
Connie U. Wenske