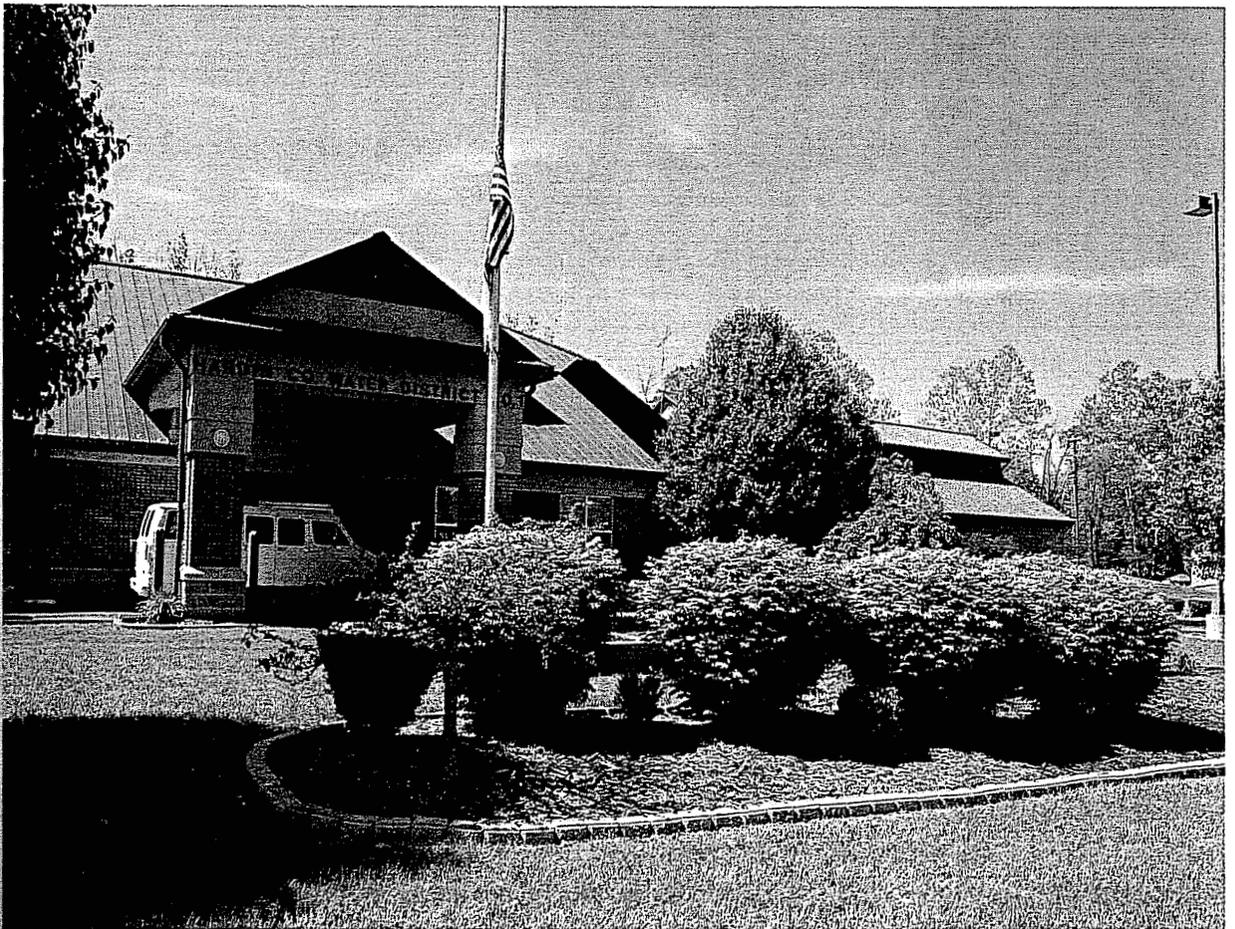


Application to the PSC for a General Rate/Tariff Adjustment

Case No. 7006-00410



Hardin County Water District No. 1

November 2, 2006



RECEIVED

NOV 02 2006

PUBLIC SERVICE
COMMISSION

**Application to the PSC for a
General Rate/Tariff Adjustment**
Case No. 2006-00410
Hardin County Water District No. 1

November 2, 2006

Prepared by:

*Quest Engineers, Inc.
2517 Sir Barton Way
Lexington, Kentucky 40509
(859) 223-3755*

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
THE APPLICATION OF HARDIN COUNTY)
WATER DISTRICT NO. 1 FOR A GENERAL)
RATE ADJUSTMENT EFFECTIVE ON AND)
AFTER DECEMBER 2, 2006)

CASE NO. 2006-00410

*** **

PETITION AND APPLICATION

The Applicant, Hardin County Water District No. 1 ("Hardin District"), respectfully submits this Petition and Application, pursuant to KRS 278.030, 807 KAR 5:001, 807 KAR 5:011, and all other applicable laws and regulations, and requests that the Public Service Commission ("PSC") enter an order approving the proposed adjustment in rates. In support of this Petition and Application, Hardin District states as follows:

1. Hardin District is a water district organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business in the City of Radcliff in Hardin County, Kentucky. Hardin District is engaged in the treatment, distribution and sale of water in the City of Radcliff, the City of Vine Grove and other portions of Hardin County and in portions of Meade County. The post office address of Hardin County Water District No. 1 is 1400 Rogersville Road, Radcliff, Kentucky 40160.

2. An original and ten (10) copies of this Application have been filed with the PSC and one (1) copy was delivered to the Attorney General, Utility Intervention and Rate Division.

3. In order to meet the continuing demand for reliable water service, Hardin District has been and will be required to expend money to renew and replace its existing facilities and to expand its water system. The increase in the cost of service has not been offset by the additional revenue produced by the increase in rates effective March 1, 2002 in case No. 2001-00211. An increase in its rates is essential for Hardin District to maintain a reasonable level of service for existing and new customers, to adequately provide for renewal and replacement of its facilities and to adequately service its debt.

4. As set forth in 807 KAR 5:001, Section 10(2), on September 15, 2006, Hardin District filed with the Executive Director of the Public Service Commission a written notice of its intention to file this rate application. The notice stated that the application would be supported by a historical test period with certain known and measurable adjustments. At the same time, a copy was hand-delivered to the Attorney General, Utility Intervention and Rate Division. A copy of the notice of intent is attached hereto as **Exhibit No. 1.**

5. As authorized by KRS 278.192(1) and for the purpose of justifying the reasonableness of the proposed rate increase, Hardin District has utilized a

historical test period of twelve (12) consecutive calendar months ending December 31, 2005. As authorized by 807 KAR 5:001, Section 10(7), Hardin District has included in its application pro forma adjustments for certain known and measurable changes to ensure fair, just and reasonable rates based on the historical test period.

6. Hardin District's annual reports, including the annual report for 2005, are on file with the Public Service Commission in accordance with 807 KAR 5:006, Section 3(1).
7. Hardin District's audited financial statements for the years ended December 31, 2005 and 2004 are appended hereto as **Exhibit No. 2.**
8. Hardin District's existing annual principal and interest payments for the next three (3) years are detailed in **Exhibit No. 3,** which is appended hereto. The existing annual debt service requirement, including the prescribed coverage ratios, and based on a three-year average, is \$1,461,101.
9. The provisions of 807 KAR 5:001, Section 10(1)(a)(3) through 10(1)(a)(5) are not applicable because Hardin District is neither a corporation nor a limited partnership.

10. Hardin District does not operate under an assumed name and accordingly, the filing of an assumed name certificate, as required by 807 KAR 5:001, Section 10(1)(a)(6) is not necessary.
11. Hardin District has appended hereto its current tariff as **Exhibit No. 4** and its proposed tariff as **Exhibit No. 5**. Hardin District hereby gives notice to the PSC of the adjustment of its rates from those set forth in **Exhibit No. 4** to those rates set forth in **Exhibit No. 5** in the total amount of \$473,855 on an annual basis to become effective on and after December 2, 2006. The percentage increase will be approximately 15.4 % over adjusted test year water sales revenues. The estimated amount of revenue increase from its meter charges is \$ 39,518, 6.9%: residential use \$225,789, 13.4%; commercial, \$ 36,868, 13.4 %; multiple family dwellings; \$13,863, 13.4 %; sales for resale, \$154,616, 38.0 %; private fire protection, \$3,201, 13.4 %. The effect upon the average monthly bill for each customer class to which the proposed rate change will apply is an increase: residential (5,000 Gallons), \$2.92, 12.0%; commercial, \$ 4.58, 12.5 %; multiple family dwellings, \$ 9.37, 12.9 %. In compliance with the provisions of 807 KAR 5:001, Section 10(1)(a)(8)(b), Hardin District has shown its proposed tariff changes and has appended hereto the adjusted tariff. Hardin District has shown a comparison of its existing tariffs and proposed tariff changes in **Exhibit No. 6**. Hardin District proposes to implement these proposed rates on December 2, 2006.

12. Hardin District has complied with 807 KAR 5:011, Section 8(2) and as directed by 807 KAR 5:001, Section 10(1)(a)(9), Hardin District has complied with 807 KAR 5:001, Section 10(3) and (4), by Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission) and by posting a sample copy of the Notice at its principal office and place of business no later than the date this Application is filed with the PSC. A copy of the Notice is appended hereto as **Exhibit No. 7**. In addition to the notification identified previously, Hardin District plans to provide additional notification to its customers in a monthly newsletter that is sent with each bill.

13. As required by 807 KAR 5:001, Section 10(4)(f), Hardin District will post a copy of its required Notice at its place of business no later than the date this Application is filed with the Public Service Commission and it will remain posted until the Public Service Commission has finally determined Hardin District's rates.

14. As required by 807 KAR 5:001, Section 10(6)(a), Hardin District provides a complete description and quantified explanation for it proposed adjustments in **Exhibit No. 8**, which is appended hereto.

15. Testimony of witnesses, as required by 807 KAR 5:001, Section 10(6)(b) is appended hereto as **Exhibit No. 9.**

16. Hardin District is not a local exchange company within the meaning of 807 KAR 5:001, Section 10(6)(f).

17. An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined, as required by 807 KAR 5:001, Section 10(6)(g), is appended hereto as **Exhibit No. 10.**

18. As required by 807 KAR 5:001, Section 10(6)(h), a summary of revenue requirements is appended hereto as **Exhibit No. 11 .**

19. As the revenue requirement reflects debt service, a reconciliation of rate base and capital as would otherwise be required by 807 KAR 5:001, Section 10(6)(i) has not been prepared.

20. Hardin District's current chart of accounts, as required by 807 KAR 5:001, Section 10(6)(j) is appended hereto as **Exhibit No. 12.**

21. The independent auditor's annual opinion report as required by 807 KAR 5:001, Section 10(6)(k) for the calendar year ending December 31, 2005 is appended hereto as **Exhibit No. 13.**

22. The provisions of 807 KAR 5:001, Sections 10(6)(l) and (m) are not applicable to a water district.
23. A summary of Hardin District's latest depreciation study with schedules by major plant accounts, is appended hereto as **Exhibit No. 14** as required by 807 KAR 5:001, Section 10(6)(n).
24. As required by 807 KAR 5:001, Section 10(6)(o), Hardin District submits the following list of commercially available or in-house developed computer software, programs and models used in the development of schedules and work papers associated with this application: The consultant for Hardin District who prepared the cost of service study and other relevant tables used Microsoft Excel and Word. The auditor for Hardin District utilized ProSystems fx Engagement to maintain the chart of accounts and audit files. The latest version of KYPIPE was also used to analyze the results of certain portions of the distribution system allocation factors.
25. The provisions of 807 KAR 5:001, Section 10(6)(p) and (q) are not applicable to a water district.
26. Monthly managerial reports for the 12 months of the test period are appended hereto as **Exhibit No. 15** as required by 807 KAR 5:001, Section 10(6)(r).

27. The provisions of 807 KAR 5:001, Section 10(6)(s) and (t) are not applicable.
28. Hardin District appends hereto as **Exhibit No. 16** its cost of service study as required by 807 KAR 5:001, Section 10(6)(u).
29. Hardin District is not a local exchange carrier within the meaning of 807 KAR 5:001, Section 10(6)(v).
30. As required by 807 KAR 5:001, Section 10(7)(a), Hardin District appends hereto **Exhibit No.17**, which contains a detailed balance sheet and income statement reflecting the impact of proposed pro forma adjustments for known and measurable changes.
31. Hardin District is not requesting any proposed pro forma adjustments for plant additions and accordingly has not submitted a capital construction budget or details for each proposed pro forma adjustment reflecting plant additions as would otherwise be required by 807 KAR 5:001, Section 10(7)(b) and (c).
32. As required by 807 KAR 5:001, Section 10(7)(d), Hardin District appends hereto as **Exhibit No. 18** its 2006 operating budget.

33. As required by 807 KAR 5:001, Section 10(7)(e), Hardin District has appended hereto **Exhibit No. 19**, which contains the number of customers to be added to the test period and related revenue requirements.

34. In further support of its application for a general adjustment in rates, supported by a historical test year with pro forma changes for certain known and measurable changes, Hardin District has incorporated in this application the following Filing Requirements Index:

Filing Requirements Index – Historical Test Year

Requirement	Abbreviated Description	Location or reason for absence
807 KAR 5:001, Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application – Page 1
807 KAR 5:001, Section 8(2)	At the time the original application is filed, 10 additional copies must also be filed with an additional copy for any party named as an interested party.	The correct number of applications has been filed.
807 KAR 5:001, Section 10(1)(a)(1)	A statement of the reason the adjustment is required.	Application – Page 2
807 KAR 5:001, Section 10(1)(a)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1).	Application – Page 3
807 KAR 5:001, Section 10(1)(a)(3) and (5)	Utility's articles of incorporation.	Not applicable to a water district
807 KAR 5:001, Section 10(1)(a)(4) and (5)	Utility's limited partnership agreement.	Not applicable to a water district
807 KAR 5:001, Section 10(1)(a)(6)	Utility's certificate of assumed name or statement that such a certificate is not necessary.	Application – Page 4
807 KAR 5:001, Section 10(1)(a)(7)	The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than 30 days from the date the application is filed.	Exhibit No. 5
807 KAR 5:001, Section 10(1)(a)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or indicating additions in italics or underscoring and striking over deletions in a copy of the current tariff.	Exhibit No. 6
807 KAR 5:001, Section 10(1)(a)(9)	Statement that notice given in compliance with subsections (3) and (4) of 807 KAR 5:001, Section 10 with a copy of the notice.	Application – Page 5 and Exhibit No. 6

807 KAR 5:001, Section 10(2)	If gross annual revenues exceed \$1 million, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Exhibit No. 1
807 KAR 5:001, Section 10(3)(a)	The notice shall include the amount of the change requested in both dollar amounts and percentage change for each customer classification.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(b)	The notice shall include the present rates and the proposed rates for each customer class.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(c)	For electric, gas, water and sewer utilities, the notice shall include the effect upon the average customer for each customer class.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(d)	For local exchange companies, the notice shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service.	Not applicable to a water district
807 KAR 5:001, Section 10(3)(e)	The notice shall include a statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(f)	The notice shall include a statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(g)	The notice shall include a statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice.	Exhibit No. 7
807 KAR 5:001, Section 10(3)(h)	The notice shall include a statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission.	Exhibit No. 7
807 KAR 5:001, Section 10(4)	Manner of notification must conform with the provisions of this subsection.	
807 KAR 5:001, Section 10(6)(a)	Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	Exhibit No. 8
807 KAR 5:001, Section 10(6)(b)	Testimony of witnesses - Jim Bruce - Brent Tippey	Exhibit No. 9
807 KAR 5:001, Section 10(6)(d)	Estimate of effect that new rate(s) will have on revenues, including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	Application – Page 4 and Exhibit No. 6

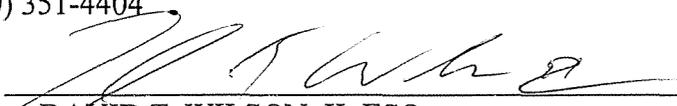
807 KAR 5:001, Section 10(6)(e)	If electric, gas, water or sewer utility, effect upon the average bill for each customer classification to which the change will apply.	Application – Page 4 and Exhibit No. 6
807 KAR 5:001, Section 10(6)(f)	For local exchange company, effect on average bill.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(g)	An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined for each customer class.	Exhibit No. 10
807 KAR 5:001, Section 10(6)(h)	Summary of determination of revenue requirements.	Exhibit No. 11
807 KAR 5:001, Section 10(6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	Not applicable – revenue requirement reflects debt service
807 KAR 5:001, Section 10(6)(j)	Current chart of accounts.	Exhibit No. 12
807 KAR 5:001, Section 10(6)(k)	Independent auditor's annual opinion report, with any written communication which indicates existence of material weakness in internal controls.	Exhibit No. 13 There is no finding of material weakness.
807 KAR 5:001, Section 10(6)(l)	Most recent FERC or FCC audit reports.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(m)	FERC 1, FERC 2, ARMISR and PSCT.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(n)	Latest depreciation study.	Exhibit No. 14
807 KAR 5:001, Section 10(6)(o)	List of software, programs and models used.	Application – Page 7
807 KAR 5:001, Section 10(6)(p)	Prospectuses of the most recent stock or bond offerings.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(q)	Annual report to shareholders or members and statistical supplements covering 2 years prior to application filing date.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(r)	Monthly managerial reports for the 12 months of the test period.	Exhibit No. 15
807 KAR 5:001, Section 10(6)(s)	SEC 10-Ks, 8-Ks and 10-Qs.	Not applicable to a water district
807 KAR 5:001, Section 10(6)(t)	Affiliate, general or home office allocations.	Not applicable – There are no affiliate allocations.
807 KAR 5:001, Section 10(6)(u)	Cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	Exhibit No. 16
807 KAR 5:001, Section 10(6)(v)	Cost of service study for local exchange carrier.	Not applicable to a water district
807 KAR 5:001, Section 10(7)(a)	Detailed income statement and balance sheet reflecting impact of proposed adjustments.	Exhibit No. 17
807 KAR 5:001, Section 10(7)(b)	Most recent capital construction budget containing period of time as proposed for any pro forma adjustment for plant additions.	Not applicable – Hardin District is not proposing any pro forma adjustments for plant additions.
807 KAR 5:001, Section 10(7)(c)	Detail for each proposed pro forma adjustment reflecting plant additions.	Not applicable – Hardin District is not proposing any pro forma adjustments for plant additions.
807 KAR 5:001, Section 10(7)(d)	Operating budget for each month of the period encompassing the pro forma adjustments.	Exhibit No. 18
807 KAR 5:001, Section 10(7)(e)	Number of customers to be added to the test period.	Exhibit No. 19

This Application is filed under the provisions of KRS 278.180 and 278.190 and the Commission is requested to find the proposed rates as fair, just and reasonable under KRS 278.030(1).

Respectfully submitted,

HARDIN COUNTY WATER DISTRICT NO. 1

ATTORNEY FOR HARDIN COUNTY WATER DISTRICT NO. 1
SKEETERS, BENNETT, WILSON AND PIKE
550 W. LINCOLN TRAIL BLVD., P.O. BOX 610
RADCLIFF, KENTUCKY 40160
(270) 351-4404

BY: 

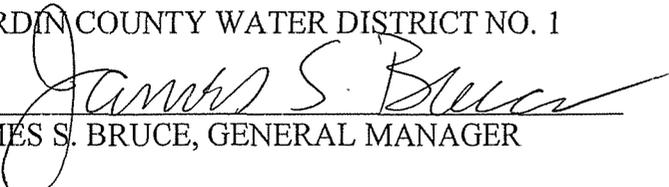
DAVID T. WILSON, II, ESQ.

Dated at Radcliff, Kentucky, this 2 day of Nov, 2006.

VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No. 1, hereby verifies that he has personal knowledge of the matters set forth in the above stated Application, that the information set forth therein is true and correct and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this application on its behalf.

HARDIN COUNTY WATER DISTRICT NO. 1

By 

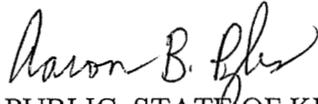
JAMES S. BRUCE, GENERAL MANAGER

The undersigned, Mr. David T. Wilson II, attorney for the Hardin County Water District No. 1, hereby verifies that the foregoing was served on the Attorney General of the Commonwealth of Kentucky by delivering a true and correct copy of same to Greg Stumbo, Attorney General, ATTENTION: David Edward Spenard, Assistant Attorney General, 1024 Capitol Center Drive, Frankfort, KY. 40601 on this 2nd Day of Nov, 2006.



STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 2nd day of November, 2006, personally appeared to me, James S. Bruce and David T. Wilson II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.



NOTARY PUBLIC, STATE OF KENTUCKY
AT LARGE

My Commission Expires: October 30, 2008, 2006

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

September 14, 2006

Ms. Beth O'Donnell
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

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PUBLIC SERVICE
COMMISSION

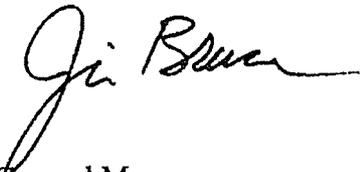
SUBJECT: Notice of Intent to File Rate Case

Dear Director O'Donnell,

Hardin County Water District No. 1 (District) hereby notifies the Public Service Commission, pursuant to 807 KAR 5:001, Section 10(2) and 807 KAR 5:011, Section 8(1), of its intention to file an application for a general adjustment of water rates, including wholesale and private fire protection rates, using a historical test period, with certain known and measurable adjustments.

We expect to make this filing no sooner than (4) weeks following your receipt of this notice. No construction project or Certificate of Public Need & Necessity is attached to this case or dependent on it. A copy of this shall be served upon the Attorney General, Utility Intervention and Rate Division.

Sincerely,



Jim Bruce, General Manager

Cf; Mr. William Rissel, Chairman, HCWD1

Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Teresa J. Hill
Vice Chairman

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov



September 18, 2006

Jim Bruce
General Manager
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40159-0489

RE: Case No 2006-00410
Hardin County Water District #1
(General Rates)
Notice of Intent to file rate case

This letter is to acknowledge receipt of notice of intent to file an application in the above case. The notice was date-stamped received September 15, 2006 and has been assigned Case No 2006-00410. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

Beth O'Donnell
Executive Director

BOD/sh

**HARDIN COUNTY WATER DISTRICT NO.1
RADCLIFF, KENTUCKY**

**AUDITED FINANCIAL STATEMENTS
for the years ended
December 31, 2005 and 2004**

rfh

Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

C O N T E N T S

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

May 22, 2006

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2005 Annual Report & Managements's Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the second year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report and the basic financial statements of the District.

I would like to recognize Ms. Karen Brown, our Accounting Specialist, for her efforts assisting the auditors in preparing this information. Ms. Lindsey Kline was the lead auditor for the firm and also spent many hours performing the audit and field work required to complete the audit and understand our operations.

New Sewer Enterprise

In reviewing the audit report, the reader will notice the addition of "Sewer" as a separate column. The Sewer amounts are also included in the 2005 Total columns, however the 2004 Total column only includes Water operations. The District began operations of the Ft. Knox Sanitary and Storm Sewer utilities in July, 2005 (See Note H - Sewer Acquisition). These systems are operated by Veolia Water North America, South LLC., with whom the District entered into a 20 year operations contract in June, 2005. The District and Veolia also executed a partnership agreement in 2002.

The assets of the systems were transferred to the District in 2005 (for \$1 each), with a depreciated plant value at year end of \$14,535,314. The District's fixed monthly sewer rates are regulated by the Public Service Commission (PSC). A two-year, monthly capital surcharge is also paid by the Government to the District, by which the District will finance numerous required capital improvement projects and studies during the first two years of operations.

Financial Performance & Highlights

Water Utility: The District ended the year with a net operating income, net of debt interest cost, of \$785,373 (+184% [all percentages in parentheses represent change from 2004]). Operating Revenues exceeded Operating Expenditures by \$1,564,644 (+36.4%). At year-end, the combined balance of our various funds was \$3.920 million (+11.4%) of which 44% (-20%) was un-restricted or available for current operations or capital needs. A total of \$5,805,674 (+196%) was expended for non-operating expenses which included capital equipment, construction projects and debt service principal payments. Much of the significant increase from 2004 was due to the capital construction costs of the New Salem Church Road (NSCR) county expansion project.

Continued

Total liabilities increased by 29.7% (+\$3,349,724). Total net assets increased by 25.5% during the year or \$521,316. Plant assets increased by \$4,699,134 (+29%) which was due mostly to the construction of the NSCR Project.

Total Operating Expenses (less depreciation and interest expense) *decreased* by \$252,026 (-1.1%) from 2004. This decrease was mostly due to some salaries being capitalized to the NSCR Project for construction inspection, and a portion of managers salaries charged to the new sewer utility, instead of all to water. Interest Income was 3.4% of total revenues (+278%). Net income for the year was 21.5% of total revenues compared to 5.9% in 2004 (+264%).

On page 8, the Statement of Cash flow shows where operating cash was received from, and used for. Net cash provided by operations increased by 14.1% (+ \$156,634) over 2004. Much of this increase was due to increased tap sales, increased interest income and the allocation of some salaries to sewer which in 2004 were all charged to water.

The bond coverage ratio was 3.26 (+131%) which is 172% higher than the 1.20 required ratio (See Note B - Compliance with Bond Indenture). This is a key ratio as it indicates when the District must increase its water rates and income needed to pay off existing bonds. Revenues (excluding interest income) were 2.8% below our budget estimate (- \$107,101) due largely to a mild and cool summer. Wholesale sales were 9.5% more than budgeted (+ \$35,392).

As part of our audit, we ask our CPA to include a comparison of actual expenses and revenues to budget. This analysis is typical with government entities that set a specific budget amount for a fiscal year. Excluding Purchased Water, Debt Service, Debt Amortized costs and Depreciation expense, operating expenses ended up \$220,626 or 9.7% under budget. Actual net income was \$215,175 more than projected or budgeted (125% of budgeted amount).

In late 2005, the District engaged an engineering company to complete a cost of service rate study, to be completed and submitted to the PSC by mid, 2006. This required rate analysis was part of the 2002 order from the PSC after the last rate case was filed (filed in 2001, based on 2000 expenses), which required that the District update its rates after 2005 was closed out. Because of the latest bond issue debt service, new positions added, new benefits provided and increased depreciation expense, and other increased expenses since 2001, the District does anticipate a moderate rate adjustment will be requested.

Sewer Utilities: Due to the uncertainty of the sewer start-up date set by the Government, there was no pre-approved 2005 Budget for the Sewer Utilities. Total revenues from July through December were \$1,954,134. Expenses were \$959,488 with net operating income for the year of \$303,061. Cash increased for the sewer fund to \$340,729 at year end. The District engaged its sewer engineer (MetroplexCore, Inc.) for the completion of numerous studies and design of capital projects, most of which will be completed or started during 2006, and will require using a significant portion sewer fund cash reserves.

Continued

During 2006, the District will also accept the Town of Muldraugh as its second sewer customer, in addition to the U.S. Government (Ft. Knox). A new wholesale sewer treatment rate for the town will be designed based on cost of service, which will need to be reviewed and approved by the PSC.

Significant Progress / New Projects

In 2005, the NSCR project was substantially completed, which included almost 40 miles of new water mains. The project was substantially complete within the contract time, and the final cost will be about three percent less than the bid and contract amounts. This project brings potable water to almost 400 homes and businesses in northwest, Hardin and Breckinridge counties. The project also included the first elevated, glass lined, concrete composite storage tank in Kentucky. A new pressure zone was also created which improved water pressure to all the District's customers in the county, rural areas.

In May, a new fixed rate bond sale was also completed. This \$6.860 million fixed rate issue was sold using on-line, internet bidding, obtaining a very competitive interest rate of 4.125 percent. The proceeds were used to construct the NSCR expansion project, \$1 million for the automated meter reading project and \$2.64 million to call and pay off the 1998 variable rate bond issue. The Board of Commissioners made a decision to reduce its ratio of variable rate debt, converting a higher portion of its debt portfolio to fixed rate.

In early 2006, the District also received an additional \$3 million in water project grant funding from the legislature. Of this amount, \$1 million was designated for the Constantine County Expansion Project. That \$4 million project, which plans have already been completed, will complete water service to all public county roads in the District's service area.

Operational Changes & Statistics

During 2005, a total of 906.9 MG (million gallons) was treated (+ 0.04%) and a total of 23.1 MG was purchased for resale (-37%). Total water delivered to the system was 930 MG which was about the same as 2004. The maximum demand day was 3.316 MG (-10%) and occurred on March 30th. The average daily demand for the year was 2.548 MG (+1%). A total of 274 new services were installed during the year (+ 94%) which was a strong growth year; a result of the sections of the new county expansion project being put into service and customers purchasing new taps in rural areas.

During 2005, a new position of Operations Manager was filled by Mr. Brett Pyles. Mr. Pyles was previously the District's Distribution / Operations Manager. His previous experience includes 18 years with a municipal water & sewer department, and included positions as Operations Manager and acting General Manager. This new management position oversees daily operations of both water and sewer, including oversight of the Veolia's Ft. Knox sewer operating contract.

Looking Forward

The District also continues its participation in the Lincoln Trail Regional Water Commission (LTRWC). The District's General Manager was re-elected as Chairman of the five member LTRWC.

Continued

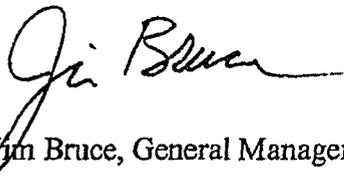
Studies and meetings continue to move toward the planned acquisition of the Ft. Knox Water Utility by the LTRWC, which is anticipated to occur in 2007. The District can purchase all of its treated water needs from Ft. Knox if needed, and in 2005, purchased 2.5% of its treated water from Ft. Knox (-36%).

A total of \$4 million in state grants have now been approved for the Pirtle Spring Water Treatment Plant Reconstruction Project. Legislation in 2006 was also approved to allow all water districts to use Design-Build (DB) as a delivery method for capital projects. The District is moving forward with selecting a DB team and hopes to complete this project by the end of 2007. This would be the first water plant project built in Kentucky using the DB method.

Finally, the District's Board has also authorized staff to proceed with working with other state and county agencies to explore operating and managing alternate septic and on-site wastewater systems in Hardin County. The District has participated in several meetings with the county Planning Commission, county Health District, State Division of Water, Fiscal Court and Hardin County Water District No. 2 to explore how both Hardin County Water District's could manage and oversee the construction and operation of alternative on-site systems in the county.

Overall, 2005 was a very positive growth year, and the beginning of sewer operations was a milestone in the history of the District. As with the most recent history, the District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and other capital projects.

Sincerely,



Mr. Jim Bruce, General Manager

Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

Dennis H. England, CPA
 Michael D. Foley, CPA
 Lyman Hager, Jr., CPA
 Jerry W. Hensley, CPA
 Chris A. Humphrey, CPA
 J. Carroll Luby, CPA
 Marc T. Ray, CPA-ABV

INDEPENDENT AUDITORS' REPORT

David L. Lowe, CPA

Board of Commissioners
 Hardin County Water District No. 1
 Radcliff, Kentucky

We have audited the accompanying balance sheet of Hardin County Water District No. 1 as of December 31, 2005 and 2004, and the related statements of revenues, expenses and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The management's discussion and analysis and budgetary comparison information on pages 1 through 4 and page 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hardin County Water District No. 1 as of December 31, 2005 and 2004 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, we have also issued a report dated May 10, 2006 on our consideration of Hardin County Water District No. 1's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audit.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
 May 10, 2006

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HARDIN COUNTY WATER DISTRICT NO. 1

BALANCE SHEETS

December 31,

ASSETS			<u>2005</u>	<u>2004</u>
	Water	Sewer	Total	Total
Current Assets				
Cash	\$ 181,233	\$ 340,729	\$ 521,962	\$ 131,522
Investments	1,229,267	-	1,229,267	1,170,205
Accounts receivable, net	503,220	325,635	828,855	493,406
Due from other funds	38,376	-	38,376	-
Inventory - materials and supplies	179,536	-	179,536	69,895
Prepaid expenses	233,847	27,483	261,330	278,325
Total current assets	2,365,479	693,847	3,059,326	2,143,353
Long-term Investments				
Unrestricted reserve	312,513	-	312,513	554,922
Restricted assets-reserve funds	2,197,004	-	2,197,004	1,662,696
	2,509,517	-	2,509,517	2,217,618
Property, plant and equipment				
Land	266,023	-	266,023	266,023
Plant and lines	25,940,564	71,104,349	97,044,913	19,443,017
Buildings	139,093	-	139,093	1,677,188
Equipment	2,477,727	272,558	73,582,076	2,287,370
Construction in progress	186,176	309,817	495,993	357,787
Total	29,009,583	71,686,724	100,896,307	24,031,385
Less accumulated depreciation	(8,195,708)	(56,841,593)	(65,037,301)	(7,916,644)
Total property, plant, and equipment	20,813,875	14,845,131	35,659,006	16,114,741
TOTAL ASSETS	\$ 25,688,871	\$ 15,538,978	\$ 41,227,849	\$ 20,475,712
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 75,738	\$ -	\$ 75,738	\$ 264,566
Due to other funds	-	38,376	38,376	-
Customers' deposits	131,516	-	131,516	125,782
Accrued expenses	36,672	-	36,672	38,683
Sewer collections payable	281,923	-	281,923	286,729
State escheatment - reserve for unclaimed funds	13,124	-	13,124	10,983
Liabilities payable from restricted assets:				
Current portion of long-term debt	680,000	-	680,000	840,000
Accrued interest on long-term debt	150,251	-	150,251	64,898
Total current liabilities	1,369,224	38,376	1,407,600	1,631,640
Long-Term Debt				
Bonds payable	13,610,000	-	13,610,000	10,010,000
Less unamortized discount and expenses	(578,356)	-	(578,356)	(538,360)
Long-term debt net	13,031,644	-	13,031,644	9,471,640
Other Liabilities				
Customer advances for construction	196,731	-	196,731	144,595
Total liabilities	14,597,599	38,376	14,635,975	11,247,875
Net Assets				
Invested in capital assets	7,102,231	14,845,131	21,947,362	5,803,101
Restricted	1,424,611	-	1,424,611	912,199
Unrestricted	2,564,430	655,471	3,219,901	2,512,537
Total net assets	11,091,272	15,500,602	26,591,874	9,227,837
TOTAL LIABILITIES AND NET ASSETS	\$ 25,688,871	\$ 15,538,978	\$ 41,227,849	\$ 20,475,712

The accompanying notes are an integral part of the financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
for the years ended December 31,

	Water	Sewer	2005 Total	2004 Total
OPERATING REVENUE				
Metered water sales	\$ 2,636,307	\$ -	\$ 2,636,307	\$ 2,594,396
Wholesale sales	406,892	-	406,892	341,491
Sewer billing contract revenue	184,207	-	184,207	207,687
Sewer service revenue	-	1,953,808	1,953,808	-
Penalties, service fees and miscellaneous	417,193	326	417,519	335,199
	<u>3,644,599</u>	<u>1,954,134</u>	<u>5,598,733</u>	<u>3,478,773</u>
Total operating revenue				
OPERATING EXPENSES				
Treatment	636,075	-	636,075	631,472
Distribution	440,039	-	440,039	582,566
Customer service	298,983	-	298,983	322,031
General & administrative expenses	609,673	-	609,673	693,121
Purchased water	24,638	-	24,638	44,883
General maintenance	56,906	-	56,906	55,340
Source of supply	13,641	-	13,641	2,568
Sewer	-	959,488	959,488	-
	<u>2,079,955</u>	<u>959,488</u>	<u>3,039,443</u>	<u>2,331,981</u>
Total operating expense				
Operating income before depreciation				
	1,564,644	994,646	2,559,290	1,146,792
Depreciation & amortization expense	<u>(488,612)</u>	<u>(691,585)</u>	<u>(1,180,197)</u>	<u>(597,686)</u>
OPERATING INCOME				
	1,076,032	303,061	1,379,093	549,106
Non-operating income (expenses)				
Interest income	126,927	-	126,927	30,772
Interest expense	(452,136)	-	(452,136)	(389,026)
Net unrealized gain (loss)	1,104	-	1,104	-
Gain on sale of equipment	33,446	-	33,446	13,558
	<u>785,373</u>	<u>303,061</u>	<u>1,088,434</u>	<u>204,410</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS				
Capital Contributions				
Government contributions	595,000	15,197,541	15,792,541	-
Tap fees	208,116	-	208,116	99,422
Customer contributions	274,947	-	274,947	150,589
	<u>1,863,436</u>	<u>15,500,602</u>	<u>17,364,038</u>	<u>454,421</u>
Change in net assets				
Net assets, as restated, beginning of year	<u>9,227,836</u>	<u>-</u>	<u>9,227,836</u>	<u>8,773,416</u>
NET ASSETS END OF YEAR				
	<u>\$ 11,091,272</u>	<u>\$ 15,500,602</u>	<u>\$ 26,591,874</u>	<u>\$ 9,227,837</u>

The accompanying notes are an integral
part of the financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
STATEMENTS OF CASH FLOWS
for the years ended December 31,

	Water	Sewer	2005 Total	2004 Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,634,785	\$ 1,628,499	\$ 5,263,284	\$ 3,440,473
Payments to suppliers	(1,125,605)	(959,488)	(2,085,093)	(1,114,745)
Payments for employee services and benefits	(1,207,281)	-	(1,207,281)	(1,218,839)
Other receipts (payments)	(38,376)	10,893	(27,483)	-
Net cash provided by operating activities	<u>1,263,523</u>	<u>679,904</u>	<u>1,943,427</u>	<u>1,106,889</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions in aid of construction	1,078,063	-	1,078,063	250,011
Proceeds from sale of equipment	37,930	-	37,930	17,420
Proceeds from issuance of long-term debt	6,860,000	-	6,860,000	-
Acquisition and construction of capital assets	(5,025,674)	(339,175)	(5,364,849)	(426,233)
Principal paid on long-term debt	(3,420,000)	-	(3,420,000)	(860,000)
Interest paid on long-term debt	(452,136)	-	(452,136)	(374,716)
Cash (paid) received under advance construction contracts	52,136	-	52,136	(22,067)
Net cash(used) by capital and related financing activities	<u>(869,681)</u>	<u>(339,175)</u>	<u>(1,208,856)</u>	<u>(1,415,585)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	126,927	-	126,927	30,772
Redemption of investments	999,233	-	999,233	1,728,779
Purchase of investments	(1,470,291)	-	(1,470,291)	(1,755,059)
Net cash provided (used) by investing activities	<u>(344,131)</u>	<u>-</u>	<u>(344,131)</u>	<u>4,492</u>
NET INCREASE (DECREASE) IN CASH	<u>49,711</u>	<u>340,729</u>	<u>390,440</u>	<u>(304,204)</u>
Cash at beginning of year	131,522	-	131,522	435,726
CASH AT END OF YEAR	<u>\$ 181,233</u>	<u>\$ 340,729</u>	<u>\$ 521,962</u>	<u>\$ 131,522</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (loss)	\$ 1,076,032	\$ 303,061	\$ 1,379,093	\$ 549,106
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	488,612	691,585	1,180,197	597,686
Change In assets and liabilities:				
Accounts receivable	(9,814)	(325,635)	(335,449)	(48,682)
Due from other funds	(38,376)	-	-	-
Inventory	(109,641)	-	(109,641)	58,823
Prepaid expenses	44,479	(27,483)	16,996	(234,759)
Accounts payable	(188,827)	-	(188,827)	164,334
Due to other funds	-	38,376	-	-
Accrued expenses	(2,011)	-	(2,011)	(46,439)
Other payables	3,069	-	3,069	66,820
Net cash provided by operating activities	<u>\$ 1,263,523</u>	<u>\$ 679,904</u>	<u>\$ 1,943,427</u>	<u>\$ 1,106,889</u>

The accompanying notes are an integral
part of the financial statements

**HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Hardin County Water District No. 1 (the District) organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin and Meade Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity: The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The entities included in the financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

As of January 1, 2004 the District implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement established a new financial reporting model for state and local governments that included the addition of Management's Discussion and Analysis and certain other required supplementary information. In addition, this Statement required certain reclassifications of fund balance (net assets) and the recognition of grants as revenue rather than direct entries to fund balance (net assets). Prior year amounts have been reclassified to confirm to this presentation.

The District applies all applicable FASB pronouncements in accounting and reporting for its operations.

Accounts Receivable: The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2005 and 2004. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The Sewer Fund has no allowance for uncollectible accounts because all receivables are believed to be collectible.

Inventory: The Water Fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The inventory is stated at the lower of cost (first-in, first-out method) or market.

Restricted Assets: The Water Fund's Restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market accounts, and interest-bearing accounts. The cost of the investments approximates market value.

Property and Equipment: The Water and Sewer Fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Amortization: The Water Fund's bond discounts and issue costs are being amortized on the straight-line method over the life of the bond issue.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

Investments: It is the policy of the HardIn County Water District No. 1 to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds.

NOTE B - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 1998 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issues.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years beginning November 1, 1989, an amount equal to the average annual principal and interest requirements on the 1998 and the 2005 issues outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund.

Depreciation Fund: This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account have been placed in a money market account in order to obtain greater returns on the fund's money.

Operating and Maintenance Fund: This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

During the year ended December 31, 2005, the required deposits for bond interest redemption funds were fully funded as outlined above. The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20. For the year ended December 31, 2005, the ratio was 3.26.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE C – REVENUE BONDS PAYABLE

Some of the construction costs of the District's water facilities have been financed by issuance of revenue bonds authorized under Kentucky Revised Statutes.

Bonds payable of the Water Fund consists of the following at December 31,

	<u>2005</u>	<u>2004</u>
2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District.	\$ 6,860,000	\$ -
2002 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Fifth Third Bank.	4,470,000	4,490,000
1998 Refunding Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 3.35% to 4.2% through September 1, 2012, secured by the revenues of the District.	2,960,000	3,275,000
1991 Series B Revenue Bonds, various semi-annual principle and interest payments at 6.7% through September 1, 2005, secured by the revenues of the District.	<u>-</u>	<u>3,275,000</u>
Total debt	14,290,000	10,850,000
Less current portion	<u>680,000</u>	<u>840,000</u>
	<u>\$ 13,610,000</u>	<u>\$ 10,010,000</u>

In 1991, the District refunded its 1985 issue through the defeasance of a 1991 refunding issue. The 1985 issue was fully escrowed and was called in 1995.

Defeasance of Debt – In 1998, the District had defeased certain revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the district's financial statements.

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 refunding issue. The District also issued another bond issue in 1998 that funded the new service center and the Fort Knox interconnect project.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE C – REVENUE BONDS PAYABLE (CONTINUED)

Bond maturities and Sinking Fund requirements in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2006	\$ 680,000	\$ 600,601	\$ 1,280,601
2007	700,000	572,320	1,272,320
2008	750,000	543,733	1,293,733
2009	800,000	512,107	1,312,107
2010	800,000	477,003	1,277,003
2011-2015	3,710,000	1,869,897	5,579,897
2016-2020	3,625,000	1,117,703	4,742,703
2021-2025	<u>3,225,000</u>	<u>360,676</u>	<u>3,585,676</u>
	<u>\$ 14,290,000</u>	<u>\$ 6,054,040</u>	<u>\$ 20,344,040</u>

NOTE D - OTHER LIABILITIES

The Water Fund's other liabilities in the amount of \$196,731 and \$144,595 at December 31, 2005 and 2004, respectively, represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE F – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2005 were covered entirely by federal depository insurance or by collateral held by the custodial banks in the District's name.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge as security obligations of the United States government or its agencies.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE F – CASH AND INVESTMENTS (CONTINUED)

Cash and investments are classified as follows for the Water and Sewer Fund,

	2005	2004
Unrestricted:		
Cash & Cash Equivalents:		
Operating and maintenance fund	\$ -	\$ -
Revenue fund	520,262	129,822
Other	<u>1,700</u>	<u>1,700</u>
	521,962	131,522
Short-term investments:		
Unrestricted reserve	1,229,267	1,170,205
Certificate of deposit	<u>-</u>	<u>-</u>
	1,229,267	1,170,205
Long-term investments:		
Unrestricted reserve	<u>312,513</u>	<u>554,922</u>
Total unrestricted	<u>2,063,742</u>	<u>1,856,649</u>
Restricted:		
Short-term investments:		
1991 B&I redemption fund	4,554	105,392
1998 B&I redemption fund – variable rate	138,319	112,453
2002 B&I redemption fund – variable rate	1	-
2005 B&I redemption fund – fixed rate	86,983	-
1998 Debt service reserve	-	24,963
2002 Debt service reserve	78,635	4,969
2005 Debt service reserve	96,387	-
2005 Project fund	326,489	-
2005 Cost of issuance	9,092	-
1998 Refunding escrow	284	-
Debt service reserve	112,853	167,171
Depreciation fund	<u>117,432</u>	<u>203,527</u>
	971,029	618,475
Long-term investments:		
Debt service reserve	571,014	497,251
Depreciation fund	<u>654,961</u>	<u>546,970</u>
	1,225,975	1,044,221
Total restricted	<u>2,197,004</u>	<u>1,662,696</u>
Total Cash & Investments	<u>\$4,260,746</u>	<u>\$3,519,345</u>

NOTE G – RETIREMENT PLAN

All Hardin County Water District full-time employees participate in the Kentucky Retirement System (System), a multiple-employer public employee retirement system, through the County Employee Retirement System (CERS). The District's payroll for both the Water and Sewer Fund at December 31, 2005 and 2004 was approximately \$1,019,556 and \$929,564 of which the District paid participating wages on approximately \$1,001,080 and \$917,090, respectively.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE G – RETIREMENT PLAN-continued

All District full-time employees are eligible to participate in the System after receiving full-time status. Employees who retire at or after 27 years of service are entitled to a retirement benefit, payable monthly for life, using the formula of 2.2 percent of their final compensation times years of service. Final compensation is the average of the five fiscal years during which the member had the highest average monthly salary. Benefits fully vest on reaching 5 years of service, 2 years of which are current service. The System also provides death and disability benefits. Benefits are established by State statute.

Covered employees are required by State statute to contribute a percentage of their salary to the plan. The District is required by the same statute to contribute to the plan on behalf of the employees. Contribution rates for 2005 were 5% from employees and 8.48% (January-June) and 10.98% (July-December) from the District. The contribution requirement for the year ended December 31, 2005 and 2004 for the both the Water and Sewer Fund was \$147,737 and \$118,827 respectively. This consisted of \$97,683 from the District and \$50,054 from employees in 2005 and \$72,973 from the District and \$45,854 from employees in 2004.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among CERS and employers.

The CERS total actuarial accrued liability was \$7,180,923,840 and the net assets available for the benefits was \$6,511,561,710 as of June 30, 2005. Ten-year historical trend information, showing assets available to pay benefits when due, is presented in the System's June 30, 2005 comprehensive annual report.

NOTE H – SEWER AQUISITION

During 2005 the District acquired the Fort Knox Waste Water and Storm Drainage System for \$1 from the U.S. Government. The assets associated with the System had an original estimated cost of \$71,347,550 and accumulated depreciation of \$56,150,009 at the date of acquisition. The net book value of \$15,226,898 is reported as contributed capital to the District. The District has entered into a twenty year agreement with Veolia Water North America – South, LLC to provide operations maintenance and management of the system. During the first three years of the agreement the District will pay Veolia an annual fee of \$1,678,658 plus any additional cost as outlined in the agreement. Up to \$160,000 of the annual fee can be used by Veolia for repairs and maintenance expenses with no additional cost to the District. During 2005, \$11,981 of Veolia's expenses were capitalized.

NOTE I – RESTATEMENT OF NET ASSETS

Beginning net assets has been restated to properly reflect construction in progress as follows:

Net assets as previously reported	\$ 9,276,850
Adjustment to properly reflect CIP	<u>(49,014)</u>
Net assets, December 31, 2005	<u>\$ 9,227,836</u>

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
WATER FUND
for the year ended December 31, 2005

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
OPERATING REVENUE			
Metered water sales	\$ 2,636,307	\$ 2,738,000	\$ (101,693)
Wholesale sales	406,892	371,500	35,392
Sewer billing contract revenue	184,207	228,000	(43,793)
Penalties, service fees and miscellaneous	<u>417,193</u>	<u>414,200</u>	<u>2,993</u>
Total operating revenue	<u>3,644,599</u>	<u>3,751,700</u>	<u>(107,101)</u>
OPERATING EXPENSES			
Treatment	636,075	631,822	4,253
Distribution	440,039	597,376	(157,337)
Customer service	298,983	306,512	(7,529)
General & administrative expenses	609,673	677,457	(67,784)
Purchased water	24,638	22,000	2,638
General maintenance	56,906	59,096	(2,190)
Source of supply	<u>13,641</u>	<u>3,680</u>	<u>9,961</u>
Total operating expense	<u>2,079,955</u>	<u>2,297,943</u>	<u>(217,988)</u>
Operating income before depreciation	1,564,644	1,453,757	110,887
Depreciation & amortization expense	<u>(488,612)</u>	<u>(592,900)</u>	<u>104,288</u>
OPERATING INCOME	1,076,032	860,857	215,175
Non-operating income (expenses)			
Unrealized gain(loss)	1,104	-	1,104
Interest income	126,927	115,000	11,927
Interest expense	(452,136)	(392,880)	(59,256)
Gain on sale of equipment	<u>33,446</u>	<u>-</u>	<u>33,446</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	785,373	582,977	201,292
Capital Contributions			
Government contributions	595,000	-	595,000
Tap Fees	208,116	-	208,116
Customer Contribution	<u>274,947</u>	<u>-</u>	<u>274,947</u>
Change in net assets	<u>\$ 1,863,436</u>	<u>\$ 582,977</u>	<u>\$ 1,279,355</u>

**HARDIN COUNTY ER DISTRICT NO. 1
BOND AND INTEREST REQUIREMENTS
for the year ended December 31, 2005**

Payments due	\$3,950,000 1998 (fixed rate) Issue		\$4,510,000 2002 (variable rate) Issue		\$6,860,000 2005 (fixed rate) Issue		Total all issues	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2006	\$ 415,000	\$ 120,988	\$ 200,000	\$ 196,638	\$ 65,000	\$ 282,975	\$ 680,000	\$ 600,601
2007	430,000	104,388	200,000	187,638	70,000	280,294	700,000	572,320
2008	450,000	87,188	200,000	179,139	100,000	277,406	750,000	543,733
2009	470,000	69,188	200,000	169,638	130,000	273,281	800,000	512,107
2010	380,000	49,800	260,000	159,284	160,000	267,919	800,000	477,003
2011	400,000	34,030	260,000	147,584	200,000	261,319	860,000	442,933
2012	415,000	17,430	260,000	136,272	240,000	253,069	915,000	406,771
2013	-	-	260,000	124,184	360,000	243,169	620,000	367,353
2014	-	-	280,000	112,033	370,000	228,319	650,000	340,352
2015	-	-	280,000	99,433	385,000	213,056	665,000	312,489
2016	-	-	280,000	87,088	400,000	197,175	680,000	284,263
2017	-	-	290,000	74,121	415,000	180,675	705,000	254,796
2018	-	-	300,000	60,732	430,000	163,556	730,000	224,288
2019	-	-	300,000	47,232	445,000	145,819	745,000	193,051
2020	-	-	300,000	33,842	465,000	127,463	765,000	161,305
2021	-	-	300,000	20,231	485,000	108,281	785,000	128,512
2022	-	-	300,000	6,732	500,000	88,275	800,000	95,007
2023	-	-	-	-	525,000	67,650	525,000	67,650
2024	-	-	-	-	545,000	45,994	545,000	45,994
2025	-	-	-	-	570,000	23,513	570,000	23,513
Total	\$ 2,960,000	\$ 483,012	\$ 4,470,000	\$ 1,841,821	\$ 6,860,000	\$ 3,729,207	\$ 14,290,000	\$ 6,054,040

**HARDIN COUNTY WATER DISTRICT NO. 1
INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the financial statements of Hardin County Water District No. 1 as of and for the year ended December 31, 2005, and have issued our report thereon dated May 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hardin County Water District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hardin County Water District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

This report is intended for the information and use of the Board of Commissioners, management and the Public Service Commission of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Ray, Foley, Hensley & Company
Ray, Foley, Hensley & Company, PLLC
May 10, 2006

HARDIN COUNTY WATER DISTRICT NO. 1

ANNUAL REPORT

DECEMBER 31, 2003



Customer Service Center
Dedicated October, 1997

HARDIN COUNTY WATER DISTRICT NO. 1

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

April 26, 2004

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2003 Annual Report

This report is a joint effort of our staff and Carpenter, Mountjoy & Bressler, CPA's. This is the third year we have retained this firm to complete our annual audit I would like to recognize Ms. Karen Brown, our Accounting Specialist, for her efforts assisting the auditors in preparing this information.

► A Year of Significant Growth

In 2003, two of the District's largest water main expansion projects in its history were completed, bringing the availability of potable water to 400 homes in northwest Hardin County. The two projects added thirty-eight miles of new mains which increased our distribution system assets by 17%. A total of 217 new taps were installed as the new mains were put in service [(+197%) *All percentages in parentheses represent change from 2002 to 2003*].

The two major construction projects (Highway 920 and Highway 86) were both completed at a combined final contractor cost of \$3,625,820 which was only 2.5% more than the bids accepted in November, 2001. Most of the cost increases were related to unit and quantity adjustments. A new Equipment Building was also completed at the Service Center. This building was approved with the overall project in 1996 when designed, but the Board chose to change the design and location. This 3,000 square foot building allows us to keep our most expensive construction equipment and inventory indoors in a secure and weather proof environment.

The Board authorized the completion of final plans and submission to regulators for permitting as soon as possible of the New Salem Church Road County Expansion Project. This project includes another thirty-eight miles of new distribution mains, bringing access to water to almost 400 existing homes. The project also includes a new pressure zone and elevated storage tank. This tank will allow us to improve water pressure to all county residents south of Vine Grove, and to remove an old existing tank that provides little pressure or hydraulic benefit to our system.

► Healthy Financial Results

The District ended the year with a net operating income, net of debt interest cost, of \$431,939 (+0.5%). Operating Revenues exceeded Operating Expenditures by \$831,817 (+12%). At year-end, the combined balance of our various funds was \$3.849 million (-15%) of which 70% (+32%) was un-restricted or available for current operations or capital needs. A total of

General Managers Report
2003 Annual Report

Continued

\$1,964,050 was expended for capital equipment, construction projects and debt service principal payments (-53%).

Total Operating Expenses (less depreciation and purchased water) increased by 2.6% from 2002. Interest Income was 1.6% of total revenues (-59%). The bond coverage ratio also increased to 1.53 (+2.7%) from 1.49 in 2002. This is a key ratio as it indicates when the District must increase its water rates and income needed to pay off existing bonds. Revenues (excluding interest income) were 3.6% below our budget estimate (- \$127,795) caused mostly by a wet summer affecting retail water sales. Penalties, service charges and miscellaneous revenues were 12% more than budgeted.

► Budget Performance

As part of our audit, we ask our CPA to include a comparison of actual expenses and revenues to budget. This analysis is typical with government entities that set a specific budget amount for a fiscal year. Excluding Purchased Water, Debt Service, Debt Amortized costs and Depreciation expense, operating expenses ended up \$6,604 or 0.3% over budget.

Purchased Water expenses were \$52,294 over budget (+73%) due to large distribution leaks late in the year. Professional Services and a significant increase in liability insurance premiums caused general expenses to be over budget by \$88,355 (+46%).

► Operating Facts and Achievements

During 2003, a total of 752.3 MG (million gallons) was treated (+ 2.5%) and a total of 162.1 MG was purchased for resale (+10.2%). The maximum demand day was 3.905 MG (+32%) and occurred on April 9, which was caused by an emergency purchase need by HCWD2 for one day. The average daily demand for the year was 2.505 MG (+19%).

The Board approved the purchase of a sophisticated portable flow meter during the year, which assisted with several leak detection surveys during the year. Three large leaks were located and repaired. This new tool, and our gained knowledge of completing detailed leak surveys, will significantly decrease our unaccounted for water losses and purchased water costs in future years.

We received an Award of Excellence from the Kentucky/Tennessee Chapter of the American Water Works Association for our Safety Program. We completed another year without a lost work injury, even while our employees worked an estimated 56,000 hours.

A Clarifier Renovation Project at the Pirtle Spring Water Plant was also started. This project re-coated the two clarifier tanks, replaced catwalk and stairs with safer fiberglass decking, cleaned out both the wet and dry lagoons, added pre-filter disinfection and replaced several critical valves associated with the clarifiers. The project will improve safety, reduce chemical costs and greatly extend the life of the steel clarifier vessels.

General Managers Report
2003 Annual Report

Continued

► **Board and Staff Changes**

After twelve years on the Board, with ten consecutive years as Chairman, Mr. Ron Vasquez was not reappointed to an additional term. Mr. Vasquez led the District through some of its most significant capital improvements, as well as improvements in staff professionalism, customer service and overall District image. Ms. Portia Petties, most senior Board member, was elected Chairperson in September. Mr. Ron Hockman, a local minister and longtime Radcliff resident, was appointed to the Board to take Mr. Vasquez' seat.

Late in the year, the Board also approved a staff organizational change, the first significant change in six years. A new Customer Service Manager position was approved, as well as a reclassification of a Distribution Department position to a Distribution GIS/Planning Specialist. Three Field Service Representatives were also transferred from the Customer Service Department to the Distribution Department. The changes are directed to improve customer service, address growth and planning projects in Distribution and to allow the General Manager spend more time on long range projects, Board planning and special projects.

We look forward to continued growth, improvements in our operations, resulting in better customer service in the future year. If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Jim Bruce". The signature is written in black ink and is positioned above the typed name.

Mr. Jim Bruce, General Manager

Carpenter, Mountjoy & Bressler

Certified Public Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the accompanying balance sheets of the Hardin County Water District No. 1 as of December 31, 2003 and 2002, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the management of the Hardin County Water District No. 1. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hardin County Water District No. 1 as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2004, on our consideration of Hardin County Water District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Hardin County Water District No. 1 taken as a whole. The accompanying supplementary information shown on pages 14 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for budgetary information, has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Carpenter, Mountjoy & Bressler, PC

Louisville, Kentucky
February 5, 2004

Carpenter, Mountjoy & Bressler, PSC
2 Waterfront Plaza
325 West Main Street
Louisville, Kentucky 40202-4244
Offices in Louisville, Lexington, Covington and Frankfort

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HARDIN COUNTY WATER DISTRICT NO. 1**BALANCE SHEETS**

ASSETS	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Current Assets			
Cash			
Operating and Maintenance Fund	\$ 95,326	\$ 168,107	
Revenue Fund	135,166	203,154	
2002 Bond Proceeds	-	1,122,208	
Other	<u>205,234</u>	<u>179,396</u>	
Total cash	435,726	1,672,865	(73.95)%
Investments			
Certificates of deposit - Service Center	1,689,140	1,237,905	
Certificates of deposit - Depreciation Fund	<u>789,597</u>	<u>775,332</u>	
Total Investments	2,478,737	2,013,237	23.12%
Accounts Receivable			
Customers	432,389	365,781	
Other	12,335	5,322	
Inventory – materials and supplies	128,718	83,613	
Prepaid expenses	<u>43,567</u>	<u>45,531</u>	
Total other current assets	617,009	500,247	23.34%
Total current assets	3,531,472	4,186,349	
Restricted Assets			
1991 Bond and Interest Redemption Fund	108,627	108,348	
1992 Bond and Interest Redemption Fund	32,027	31,929	
1998 Bond and Interest Redemption Fund - Fixed Rate	28,803	30,136	
1998 Bond and Interest Redemption Fund - Variable Rate	94,826	67,674	
2002 Bond and Interest Redemption Fund - Variable Rate	6,238	7,483	
Debt Service Reserve	<u>663,798</u>	<u>660,984</u>	
Total restricted assets	934,319	906,554	3.06%
Property, Plant and Equipment			
Land	267,459	266,023	
Plant and water mains	15,011,968	14,786,552	
Buildings	1,505,401	1,502,147	
Equipment	2,117,644	2,069,534	
Construction in progress	<u>4,702,679</u>	<u>3,695,742</u>	
Total	23,605,151	22,319,998	5.76%
Less accumulated depreciation	<u>(7,451,801)</u>	<u>(6,939,919)</u>	7.38%
Total property, plant and equipment	16,153,350	15,380,079	5.03%
	<u>\$ 20,619,141</u>	<u>\$ 20,472,982</u>	0.71%

See accompanying independent auditor's report
and notes to financial statements

LIABILITIES AND EQUITY	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Current Liabilities			
Accounts payable	\$ 100,231	\$ 13,347	
Customers' deposits	134,622	132,178	
Accrued interest on deposits	1,826	1,826	
Accrued expenses	83,296	63,111	
Sewer collections payable	210,355	204,279	
State escheatment – reserve for unclaimed refunds	11,698	11,262	
Liabilities payable from restricted assets:			
Current portion of long-term debt	860,000	675,000	
Accrued interest on long-term debt	<u>50,558</u>	<u>60,091</u>	
Total current liabilities	1,452,586	1,161,094	25.10%
Long-Term Debt			
Bonds payable			
1991 refunding issue	395,000	775,000	
1992 issue	-	120,000	
1998 issue	2,690,000	2,795,000	
1998 refunding issue	3,275,000	3,510,000	
2002 issue	<u>4,490,000</u>	<u>4,510,000</u>	
Total	10,850,000	11,710,000	
Less unamortized discount and expenses	<u>623,522</u>	<u>709,086</u>	
Long-term debt net of unamortized expense	10,226,478	11,000,914	(7.04)%
Other Liabilities			
Customer advances for construction	<u>166,662</u>	<u>192,934</u>	
Total liabilities	11,845,726	12,354,942	(4.12)%
Equity			
Contributions in aid of construction	3,190,045	2,966,609	
Retained earnings	<u>5,583,370</u>	<u>5,151,431</u>	
Total equity	<u>8,773,415</u>	<u>8,118,040</u>	8.07%
	<u>\$ 20,619,141</u>	<u>\$ 20,472,982</u>	0.71%

HARDIN COUNTY WATER DISTRICT NO. 1**STATEMENTS OF INCOME AND RETAINED EARNINGS**

Years ended December 31

	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Revenue			
Metered water sales	\$ 2,538,153	\$ 2,458,915	
Wholesale sales	334,303	293,942	
Sewer billing contract revenue	186,903	175,350	
Penalties, service fees and miscellaneous	<u>281,146</u>	<u>282,270</u>	
Total revenue	3,340,505	3,210,477	4.05%
Expenditures			
Depreciation expense	511,881	520,757	
Treatment	541,919	501,542	
Distribution	401,857	423,709	
Customer service	354,216	336,905	
General expenses	280,572	275,039	
Administrative expenses	247,479	237,632	
Purchased water	124,294	124,364	
General maintenance	44,448	46,864	
Source of supply	<u>2,022</u>	<u>3,038</u>	
Total expenditures	<u>2,508,688</u>	<u>2,469,850</u>	1.57%
Operating Income	831,817	740,627	12.31%
Other Income			
Interest income	56,161	130,519	
Gain on disposal of equipment	<u>4,128</u>	<u>-</u>	
Total other income	60,289	130,519	(53.81)%
Other Expenditures			
Interest on long-term debt	374,602	358,028	
Amortization	<u>85,565</u>	<u>83,133</u>	
Total other expenditures	<u>460,167</u>	<u>441,161</u>	4.31%
Excess of revenues over expenditures	431,939	429,985	.45%
Retained Earnings, Beginning of Year	<u>5,151,431</u>	<u>4,721,446</u>	
Retained Earnings, End of Year	<u>\$ 5,583,370</u>	<u>\$ 5,151,431</u>	

See accompanying independent auditor's report
and notes to financial statements

HARDIN COUNTY WATER DISTRICT NO. 1**STATEMENTS OF CASH FLOWS**

Year ended December 31

	<u>2003</u>	<u>2002</u>
Cash Flows From Operating Activities		
Excess of revenues over expenditures	\$ 431,939	\$ 429,985
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities:		
Depreciation	511,881	520,757
Amortization	85,565	83,133
Gain on disposal of equipment	(4,128)	-
Changes in operating assets and liabilities:		
Restricted assets	(27,765)	(560,965)
Accounts receivable	(73,621)	(47,262)
Inventory	(45,105)	(12,575)
Prepaid expenses	1,964	(20,946)
Accounts payable	86,884	(3,724)
Accrued expenses	20,185	17,603
Other payables	8,956	(11,194)
Accrued interest	<u>(9,533)</u>	<u>(6,212)</u>
Total adjustments	<u>555,283</u>	<u>(41,385)</u>
Net cash provided by operating activities	987,222	388,600
Cash Flows From Investing Activities		
Proceeds from sale of equipment	8,018	-
Acquisition and construction of capital assets	(1,289,043)	(3,602,599)
Net (purchase) redemption of investments	<u>(465,500)</u>	<u>193,305</u>
Net cash used by investing activities	(1,746,525)	(3,409,294)
Cash Flows From Capital and Related Financing Activities		
Contributions in aid of construction	223,436	98,980
Principal paid on long-term debt	(675,000)	(640,000)
Proceeds from bond issue	-	4,510,000
Payments for debt issue costs	-	(194,557)
Cash (paid) received under advance construction contracts	<u>(26,272)</u>	<u>74,637</u>
Net cash (used) provided by capital and related financing activities	<u>(477,836)</u>	<u>3,849,060</u>
(Decrease) Increase in Cash and Cash Equivalents	(1,237,139)	828,366
Cash and Cash Equivalents, Beginning of Year	<u>1,672,865</u>	<u>844,499</u>
Cash and Cash Equivalents, End of Year	<u>\$ 435,726</u>	<u>\$ 1,672,865</u>
Supplemental Disclosures of Cash Flows Information:		
Cash paid during the year for:		
Interest	<u>\$ 384,134</u>	<u>\$ 364,240</u>

See accompanying independent auditor's report
and notes to financial statements

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS**

December 31, 2003

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Hardin County Water District No. 1 (the District) was organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin and Meade Counties.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Accounts Receivable: Accounts receivable is net of an allowance for uncollectible accounts of \$2,193 and \$1,765 as of December 31, 2003 and 2002, respectively. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances.

Inventory: The inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The inventory is stated at the lower of cost (first-in, first-out method) or market.

Restricted Assets: Restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market accounts, and interest-bearing accounts. The cost of the investments approximates market value.

Property and Equipment: Property and equipment are recorded at cost, or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals, or betterments are generally capitalized.

Amortization: The bond discounts and issue costs are being amortized on the straight-line method over the life of the bond issue.

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments: It is the policy of the Hardin County Water District No. 1 to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds.

Reclassification: Certain amounts for 2002 have been reclassified to conform with 2003 classifications. Such reclassifications had no effect on reported net income.

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS

Some of the construction costs of the District's water facilities have been financed by issuance of revenue bonds authorized under Kentucky Revised Statutes.

Bonds payable consists of the following at December 31:

	<u>2003</u>	<u>2002</u>
2002 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Fifth Third Bank.	\$ 4,510,000	\$ 4,510,000
1998 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2012, secured by a letter of credit issued by Fifth Third Bank.	2,795,000	2,890,000
1998 Refunding Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 3.35% to 4.2% through September 1, 2012, secured by the revenues of the District.	3,510,000	3,630,000
1992 Series A Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 6.0% to 6.1% through September 1, 2004, secured by the revenues of the District.	120,000	230,000
1991 Series B Revenue Bonds, various semi-annual principle and interest payments at 6.7% through September 1, 2005, secured by the revenues of the District.	<u>775,000</u>	<u>1,125,000</u>
Total debt	11,710,000	12,385,000
Less current portion	<u>860,000</u>	<u>675,000</u>
	<u>\$10,850,000</u>	<u>\$11,710,000</u>

Continued

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS--CONTINUED

Bond maturities and Sinking Fund requirements in each of the next 5 years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Sinking Fund Requirements</u>
2004	\$ 860,000	\$ 516,285	\$ 1,376,285
2005	840,000	468,244	1,308,244
2006	735,000	419,717	1,154,717
2007	760,000	389,115	1,149,115
2008	820,000	358,169	1,178,169
2009 - 13	3,875,000	1,255,208	5,130,208
2014 - 18	2,620,000	567,589	3,187,589
2019 - 22	<u>1,200,000</u>	<u>108,037</u>	<u>1,308,037</u>
Total	<u>\$ 11,710,000</u>	<u>\$ 4,082,364</u>	<u>\$ 15,792,364</u>

In 1991, the District refunded its 1985 issue through the issuance of a 1991 refunding issue. The 1985 issue was fully escrowed and was called in 1995.

Defeasance of Debt - In 1998, the District had defeased certain revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the district's financial statements.

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 refunding issue. The District also issued another bond issue in 1998 that funded the new service center and the Fort Knox interconnect project.

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Revenue Fund: All receipts for services are deposited into this fund and subsequently disbursed into the following required funds:

Bond and Interest Redemption Funds: There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 1991 and the two 1998 issues. These funds are used to pay maturing bond and interest coupons on the aforementioned issues.

Bond Reserve Fund: This fund shall receive, on a monthly basis, within five years beginning November 1, 1989 an amount equal to the average annual principal and interest requirements on the 1991, 1992 and the two 1998 issues outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund.

Continued
HARDIN COUNTY WATER DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS--CONTINUED

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS--CONTINUED

Depreciation Fund: This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account have been placed in a certificate of deposit and a money market account in order to obtain greater returns on the fund's money.

Operating and Maintenance Fund: This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

NOTE C--COMPLIANCE WITH BOND INDENTURE

During the year ended December 31, 2003, the required deposits for bond interest redemption funds were fully funded as outlined in Note B to the financial statements. The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20. For the year ended December 31, 2003, the ratio was 1.53.

NOTE D--OTHER LIABILITIES

Other liabilities in the amount of \$166,662 and \$192,934 at December 31, 2003 and 2002, respectively represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE E--EQUITY

A summary of equity is as follows:

	<u>2003</u>	<u>2002</u>
Unappropriated	\$ 6,969,499	\$ 6,356,154
Appropriated		
Bond and interest redemption funds	270,521	245,570
Bond reserve fund	743,799	740,984
Depreciation fund	<u>789,596</u>	<u>775,332</u>
Total appropriated	<u>1,803,916</u>	<u>1,761,886</u>
Total equity	<u>\$ 8,773,415</u>	<u>\$ 8,118,040</u>

Continued

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE E--EQUITY--CONTINUED

Included in equity are contributions in aid of construction in the amount of \$3,190,045 and \$2,966,609 at December 31, 2003 and 2002, respectively, which represents tapping and connection fees paid by customers in accordance with the rates established by the Board of Commissioners, nonrefundable payments for the extensions of water mains and reimbursement by the State of water line relocations. The costs associated with these additions are capitalized by the District in the appropriate utility plant account. Customers' contributions were \$223,436 and \$98,980 for the years ended December 31, 2003 and 2002, respectively.

NOTE F--DEFINED BENEFIT PENSION PLAN

All Hardin County Water District full-time employees participate in the Kentucky Retirement System (System), a multiple-employer public employee retirement system, through the County Employee Retirement system (CERS). The District's payroll for the year was approximately \$914,000 of which the District paid participating wages on approximately \$875,000.

All District full-time employees are eligible to participate in the System after receiving full-time status. Employees who retire at or after 27 years of service are entitled to a retirement benefit, payable monthly for life, using the formula of 2.2 percent of their final compensation times years of service. Final compensation is the average of the five fiscal years during which the member had the highest average monthly salary. Benefits fully vest on reaching 5 years of service, 2 years of which are current service. The System also provides death and disability benefits. Benefits are established by State statute.

Covered employees are required by State statute to contribute a percentage of their salary to the plan. The District is required by the same statute to contribute to the plan on behalf of the employees. Contribution rates for 2003 were 5% from employees and 6.34% (January - June) and 7.34% (July - December) from the District. The contribution requirement for the year ended December 31, 2003 was \$103,617 which consisted of \$59,867 from the District and \$43,750 from employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among CERS and employers.

The System does not make separate measurements of assets and accrued liability for individual employers. The accrued liability at June 30, 2003, for the system as a whole determined through an actuarial valuation performed as of that date was \$5.29 billion. The System's net assets at June 30, 2003, were \$4.42 billion, leaving an over-funded actuarial accrued liability of \$.87 billion.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2003 comprehensive annual financial report.

HARDIN COUNTY WATER DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS—CONTINUED

December 31, 2003

NOTE G—CONCENTRATIONS OF CREDIT RISK

The District's cash accounts and certificates of deposit at December 31, 2003 exceeded the combined Federal Deposit Insurance Corporation (FDIC) limit and the respective banks' pledged securities limit by approximately \$793,000. The District has not experienced any losses in such accounts and believes it is not exposed to significant credit risks on its cash accounts and certificates of deposit.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT NO. 1**SCHEDULE OF REVENUES AND EXPENDITURES--ACTUAL TO BUDGET**

For the year ended December 31, 2003

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
Revenues			
Metered water sales	\$ 2,538,153	\$ 2,664,500	\$ (126,347)
Wholesale sales	334,303	378,300	(43,997)
Sewer billing contract revenue	186,903	175,000	11,903
Penalties, service fees and maintenance	<u>281,146</u>	<u>250,500</u>	<u>30,646</u>
Total revenues	3,340,505	3,468,300	(127,795)
Expenditures			
Depreciation	511,881	585,000	(73,119)
Treatment	541,919	558,396	(16,477)
Distribution	401,857	410,119	(8,262)
Customer service	354,216	344,200	10,016
General expenses	280,572	192,217	88,355
Administrative expenses	247,479	307,153	(59,674)
Purchased water	124,294	72,000	52,294
General maintenance	44,448	50,924	(6,476)
Source of supply	<u>2,022</u>	<u>2,900</u>	<u>(878)</u>
Total expenditures	<u>2,508,688</u>	<u>2,522,909</u>	<u>(14,221)</u>
Other Income			
Other income	4,128	-	-
Interest income	<u>56,161</u>	<u>140,000</u>	<u>(83,839)</u>
Total other income	60,289	140,000	(83,839)
Other Expenditures			
Interest on long-term debt	374,602	427,602	(53,000)
Amortization	<u>85,565</u>	<u>112,000</u>	<u>(26,435)</u>
Total other expenditures	<u>460,167</u>	<u>539,602</u>	<u>(79,435)</u>
Excess of revenues over expenditures	<u>\$ 431,939</u>	<u>\$ 545,789</u>	<u>\$ (113,850)</u>

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE--BOND AND INTEREST REQUIREMENTS

December 31, 2003

Payments due	\$3,705,000		\$3,745,000		\$3,200,000		\$3,950,000		\$4,510,000	
	1991 Refunding Issue	Interest	1992 Issue	Interest	1998 (variable rate) Issue	Interest	1998 (fixed rate) Refunding Issue	Interest	2002 (variable rate) Issue	Interest
	Bond		Bond		Bond		Bond		Bond	
2004	\$ 380,000	\$ 51,925	\$ 120,000	\$ 7,320	\$ 105,000	\$ 110,997	\$ 235,000	\$ 142,988	\$ 20,000	\$ 203,055
2005	395,000	26,465	-	-	110,000	106,592	315,000	133,588	20,000	201,599
2006	-	-	-	-	120,000	102,091	415,000	120,988	200,000	196,638
2007	-	-	-	-	130,000	97,089	430,000	104,388	200,000	187,638
2008	-	-	-	-	170,000	91,842	450,000	87,188	200,000	179,139
2009	-	-	-	-	180,000	84,686	470,000	69,188	200,000	169,638
2010	-	-	-	-	190,000	77,184	380,000	49,800	260,000	159,284
2011	-	-	-	-	190,000	69,785	400,000	34,030	260,000	147,584
2012	-	-	-	-	200,000	62,159	415,000	17,430	260,000	136,272
2013	-	-	-	-	210,000	53,984	-	-	260,000	124,184
2014	-	-	-	-	220,000	45,382	-	-	280,000	112,033
2015	-	-	-	-	230,000	36,380	-	-	280,000	99,433
2016	-	-	-	-	240,000	27,261	-	-	280,000	87,088
2017	-	-	-	-	245,000	17,479	-	-	290,000	74,121
2018	-	-	-	-	255,000	7,680	-	-	300,000	60,732
2019	-	-	-	-	-	-	-	-	300,000	47,232
2020	-	-	-	-	-	-	-	-	300,000	33,842
2021	-	-	-	-	-	-	-	-	300,000	20,231
2022	-	-	-	-	-	-	-	-	300,000	6,732
Total	\$ 775,000	\$ 78,390	\$ 120,000	\$ 7,320	\$ 2,795,000	\$ 990,591	\$ 3,510,000	\$ 759,588	\$ 4,510,000	\$ 2,246,475

Carpenter, Mountjoy & Bressler

Certified Public Accountants and Advisors

April 29, 2004

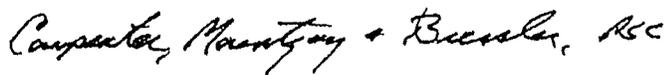
The Board of Commissioners
Hardin County Water District No. 1
Radcliff, KY

In planning and performing our audit of the financial statements of Hardin County Water District No. 1 for the year ended December 31, 2003, we considered Hardin County Water District No. 1's internal controls in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated February 5, 2004, on the financial statements of Hardin County Water District No. 1.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various members of management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



Carpenter, Mountjoy & Bressler, PSC

Carpenter, Mountjoy & Bressler, PSC
Waterfront Plaza
320 West Main Street
Louisville, Kentucky 40202-4244
Offices in Louisville, Lexington, Covington and Frankfort

Phone 502-992-2700
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mail@cmbcpa.com
www.cmbcpa.com

Accounting Policies and Procedures Manual

Hardin County Water District No. 1 does not maintain a formal, written manual detailing the various accounting policies and procedures the District follows in its daily / monthly / annual financial record keeping and financial statement preparation.

We recommend that the District prepare a written accounting policies and procedures manual.

Such a manual provides guidance for accounting personnel in determining the proper accounting treatment and coding of various transactions, the documentation required for various transactions, required authorization for various transactions, and procedures to be followed in monthly and annual closings.

Bank Deposit Courier

Hardin County Water District No. 1 currently utilizes the services of an employee to make daily bank deposits.

We recommend the District review the possibility of engaging a security firm to provide for daily pick-up of its deposits.

The utilization of such a security firm would provide for better internal controls by reducing the risk of theft and would also reduce the risk of violence against a District employee in the case of a robbery during the transfer of receipts from the District office to the bank.

Bond Accounting

Currently, Hardin County Water District No. 1 does not completely record the monthly activity related to the various bond issues. Omitted entries include the recording of bond amortization, accrued interest expense and interest income.

We recommend the District completely record the monthly bond activity per the sample entries designed by Carpenter, Mountjoy & Bressler. By doing so, the District will have more complete and accurate monthly financial statements.

Exhibit 3										
Hardin County Water District No. 1										
Schedule of Bond and Interest Requirements - 3 Year Average										
	\$3,950,000		\$4,510,000		\$6,860,000					
	1998 (fixed rate) issue		2002(variable rate) issue		2005 (fixed rate) issue					
Payments due	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest	Total	
2006	415,000	120,988	200,000	196,638	65,000	282,975	680,000	600,601	1,280,601	
2007	430,000	104,388	200,000	187,638	70,000	280,294	700,000	572,320	1,272,320	
2008	450,000	87,188	200,000	179,139	100,000	277,406	750,000	543,733	1,293,733	
2009							800,000	512,107	1,312,107	
2010							800,000	477,003	1,277,003	
2011-2015							3710000	1869897	5,579,897	
2016-2020							3,625,000	1117703	4,742,703	
2021-2025							3,225,000	360676	3,585,676	
Total	1,295,000	312,564	600,000	563,415	235,000	840,675	14,290,000	6,054,040	20,344,040	
Total debt service		1,607,564		1,163,415		1,075,675				
Multiplied by: Debt Service Coverage		1.2		1.0		1.2				
Debt Service Coverage - Parity Debt		1,929,077		1,163,415		1,290,810				
Total for 3 years						4,383,302				
3-year average						1,461,101				

FOR Entire Area Served

P.S.C. Ky. No. 1

Tariff for
HARDIN COUNTY WATER DISTRICT No. 1

of

1400 Rogersville Road, Radcliff, Kentucky, 40160

Providing Water Service For

Radcliff, Kentucky

**Portions of Hardin and Meade Counties and Surrounding Area as Recorded
on Page 19 in the Order Book of the County Court Clerk
of Hardin County dated July 15, 1952 and Amended by Additional Territory
by the Judge Executive of Hardin County in 2000**

Filed with the

PUBLIC SERVICE COMMISSION of KENTUCKY

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

DATE OF ISSUE March 13, 2002

APR 11 2002

ISSUED BY: *Jim Bruce*
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

PURSUANT TO 807 KAR 5.011,
SECTION 9.(1)
BY *Stephan D. Bell*
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 1

(Canceling: Third Revision, Sheet No. 1; Second Revision, Sheet No. 2; First Revision, Sheet No. 3; Sixth Revision, Sheet No. 4; First Revision, Sheet No. 5A; Second Revision, Sheet No. 6; First Revision, Sheet No.8 and First Printing, Sheet No. 9

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

1. **Applicability:** These rules and policies will apply to all customers of the Hardin County Water District No. 1 ("District") and will be in affect until changed and approved by the District's Board of Commissioners and the Kentucky Public Service Commission ("PSC"). There are other rules, policies and levels of service that are required by the PSC and are available from the PSC offices (phone 1-800-772-4636 or TDD at 1-800-648-6056) or may be reviewed upon request at the District offices.
2. **Basic Account Policies:** The following rules and policies apply to all District accounts; (N)(R)(T)
 - a. When any person, firm or corporation desires water service from our District, they must apply at the District offices by making an application for service which will state the purposes for which water can be used upon their premises.
 - b. To open an account, information such as valid drivers license, a social security number, date of birth, home and business telephone numbers may be required. A deposit is also required. The person (or firm) who applies for and receives water service to any property served by the District shall be liable for the water charges prescribed for their particular type of connection.
 - c. Any change in the identity of the contracting customer at premises will require a new application at the District. The District may after reasonable notice as provided in Administrative Regulation 807 KAR 5:006, Section 14, discontinue the water supply until such new application has been made. The previous applicant of water service shall remain liable for water furnished to said premises until he/she has given notice to the District to discontinue the service for this account. The new resident may avoid having service turned off if they agree to terms of establishing a new account, make payment of any required deposit and pay for any services they have received while residing at that service address.
 - d. No District customer (individual, corporate, or municipal) shall receive free water service or any water service without being charged the full rates prescribed for customers of the class in which customers fall.
 - e. Water service maybe discontinued by the District for violation of any rule, regulation or condition of service or for other actions which include;
 - i. Any person who maliciously, willfully or negligently breaks, damages, destroys, uncovers, defaces or tampers with any structure, appurtenance or equipment which is part of the District's water system will be subject to a misdemeanor or felony citation under KRS 514.060 and/or discontinuance of water service and shall pay the actual costs associated with repairing and replacing the District's facilities.
 - ii. When the District believes that a cross connection may occur because the customers service does not meet state or national plumbing codes or regulations. A cross connection exists when there is a connection between the customers plumbing and the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

APR 11 2002

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY Stephen Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 2

(Canceling: Third Revision, Sheet No. 1; Second Revision, Sheet No. 2; First Revision, Sheet No. 3; Sixth Revision, Sheet No. 4; First Revision, Sheet No. 5A; Second Revision, Sheet No. 6; First Revision, Sheet No.8 and First Printing, Sheet No. 9

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

District's public mains and where under certain conditions, contaminated water can flow backwards into the public system.

iii. Any threats of physical harm to a District employee or agent which must be reported to the local Police or law enforcement agency.

3. **Customer Rights:** As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky PSC Administrative Regulations. These include but may not be limited to; (T)(N)

- a. You have the right to inspect and review the District's rates and operating procedures approved by the PSC during the District's normal office hours.
- b. You have the right to be present at any routine utility inspection of your service conditions or during a requested meter test.
- c. You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
- d. You have the right to dispute the reasons for any announced termination of your service.
- e. You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- f. You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- g. You have the right to contact the PSC regarding any dispute that you have been unable to resolve with your utility (phone 1-800-772-4636 or TDD at 1-800-648-6056).
- h. You have the right to service, provided yourself, or a member of your household whose debt was accumulated at your address, are not indebted to the District.

4. **Buying A Tap and Installing a New Service:** Before starting service, a new Service Connection and Meter must be installed. Depending on the type of facility being served (house, school, business) and the meter size, other valves, back-flow prevention devices or devices may be required to be installed by the builder or owner. Once installed, these facilities become the property of the District who maintains, tests and replaces them for the rest of the life of that service. Meter Connection Fees must be paid before a new service can be installed. These fees and the rules and policies related to Meter Connections are on Sheet No. 7 (Fifth or latest revision) in this tariff.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE March 13, 2002

APR 11 2002

ISSUED BY: Jim Brucc
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Brucc, General Manager

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
Stephan O. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 3

(Canceling: Third Revision, Sheet No. 1; Second Revision, Sheet No. 2; First Revision, Sheet No. 3; Sixth Revision, Sheet No. 4; First Revision, Sheet No. 5A; Second Revision, Sheet No. 6; First Revision, Sheet No.8 and First Printing, Sheet No. 9

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

5. **Starting A New Account:** The following rules and policies apply to New Accounts;

- a. **DEPOSITS:** A refundable deposit will be charged to customers who do not have established good credit with the District. Deposits will earn interest at a rate no greater than the District earns on its investments and shall not exceed 6% annually on the water portion only. Interest accrued shall be credited to the customers bill on an annual basis. The deposit amount can be recalculated annually without prior customer notice, but at no point will the deposit exceed two-twelfths (2 / 12ths) of the average residential bill. The District is also under contract with the City of Radcliff to provide billings services related to the City's Wastewater Utility. Additional deposit amounts may be required by the City to establish a new sewer account.
- b. **DEPOSIT WAIVER:** New Customers will be offered an option to perform a credit check. Customers must receive a credit score of 624 or higher in which case the water deposit will be waived. Additional charges and/or fees, as set forth in the Non-Recurring Charges and Miscellaneous Fees section of this tariff, may apply when opening a new account.
- c. If you should move out of our service area, your deposit will be credited to your final bill. After deducting any outstanding charges, a check for the difference will be mailed to you. Due to the cost of postage, printing and mailing, the District reserves the right to not return any amount of \$1.00 or less to a customer for a deposit refund or overpayment refund. Any amount kept by the District will be credited against the District's uncollected payments account to help hold down operating costs for all customers.
- d. If a request is made for new service before 2 PM, the District will make an attempt to turn on service that same day. Water service is activated once applicant has completed application and any required deposits, fees, charges or previous balances are paid.
- e. Customers may make an appointment to have water service activated. However, if the customer chooses not to be at the address when service is turned on, and happens to leave a plumbing fixture open or there is a large leak, the District reserves the right not to activate service at that time to avoid damage to the customers property or incurring a large water bill. Additional service calls back to a customers address may result in additional fees as provided for under Sheet 5B (First or latest revision) of this tariff.

6. **Billing:** The following rules and policies apply to all Billing;

- a. The District will bill each customer once monthly bill for any services provided. All monthly charges for water shall be due on the final date shown on the bill plus any other obligations. If the due date falls on Saturday, Sunday or any holiday when the District is closed, the next business day following will become the due date. If remittance is made by mail, the date received will be the date of payment.
- b. There are three billing cycles and the location of your address determines your billing cycle. The District reserves the right to change billing cycles to improve efficiency of the billing process without prior approval of the PSC;

PUBLIC SERVICE COMMISSION
OF KENTUCKY

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DATE OF ISSUE March 13, 2002

FURNISHED TO 807 KAR 5.011,
SECTION 9(1)

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

BY Stephan O. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served
P.S.C. Ky. No. 1
First Revision Sheet No. 4

(Canceling: Third Revision, Sheet No. 1; Second Revision, Sheet No. 2; First Revision, Sheet No. 3; Sixth Revision, Sheet No. 4;
First Revision, Sheet No. 5A; Second Revision, Sheet No. 6; First Revision, Sheet No.8 and First Printing, Sheet No. 9

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

<u>Cycle</u>	<u>Mail Date</u>	<u>Due Date</u>
1	Twelfth	Twenty-Seventh
2	Twenty-Second	Seventh
3	First	Fifteenth

- c. Bills are due upon receipt and become past due 15 days after the statement due date. A delinquent fee (penalty) is assessed at the close of business fifteen days after the statement due date. Failure to receive a bill does not prevent service interruption or a delinquent fee from being charged so it is important for customers to remember what day of the month their bill is due on.
 - d. Service will be disconnected for failure to pay the delinquent balance in full by the disconnect date that appears on the shut-off notice. To restore service, all delinquent charges together with a reconnect fee must be paid in full.
7. **Paying Your Bill:** Once a water bill is received, you have 27 days to make payment. Fifteen (15) days until the due date, after which a 10% late penalty is added, and another twelve days before service is turned off if payment is not received before the cut off date that appears on the shut-off notice. Payments may be made in the following manner:
- a. Payments may be paid through your checking/saving account when you sign up for the Automatic Bank Draft payment option.
 - b. Payments may be mailed directly to: Hardin County Water District No. 1, P.O. Box 489, Radcliff, KY 40159 in the envelope provided with your bill.
 - c. Payments may be hand delivered to: Hardin County Water District No. 1, at 1400 Rogersville Road (at the corner of Rogersville Road and Joe Prather Highway (313).
 - d. Putting payment in one of two payment drop boxes: 409 W. Lincoln Trail Blvd and 1400 Rogersville Road. Payments may be dropped at any time but will not be processed until the next business day.
 - e. Payments may be charged by using an active Visa, MasterCard, Discover or American Express.
8. **Transferring Accounts:** The following rules and policies apply to all Transfer Accounts;
- a. If you move to a new location in our water service area, you can transfer your deposit to the new account. There will be a service charge to terminate service and a service charge to turn on water at new location. If your new location changes your billing cycle, you will need pay current bill at previous location before we can transfer your services.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

DATE OF ISSUE March 13, 2002

Pursuant to 807 KAR 5011,
SECTION 9(1)
BY Stephan D. Bell
SECRETARY OF THE COMMISSION

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 5A

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Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

9. **Stopping Service:** If you are moving and wish to discontinue service please notify our Customer Service Center and provide the requested date of disconnection. You will need to provide a forwarding address to ensure we get the final bill and/or any remaining deposit mailed to you properly. If a customer moves but does not notify the District that they are no longer at that address, they will still be required to make payment for services provided at that address until the District is notified that a new person or company has taken responsibility for payment of services at that location.

10. **Non-Payment and Service Termination:** The following rules and policies apply to Non-Payment and Service Termination;
 - a. When payment has not been received by due date, a Past Due and Shut Off notice is mailed to the customer that shows a cut-off date whereby service will be disconnected if the bill remains unpaid. The District may terminate service only after five (5) days after which a written notice of termination has been mailed and twenty (20) days have elapsed since the mailing date of the original unpaid bill.

 - b. If it has been necessary to discontinue water service to any premises because of a violation of the Rules and Policies or on account of non-payment of any bill, a charge will be made to recover the expense of turning off and then back on service as set fort on Sheet 5B (First or latest revision) of this tariff. This charge, together with any past due amounts that may be owed to the District, and any service deposit required by the District, must be paid before the water service will be turned back on.

 - c. When water service to a premises has been terminated for any reason other than temporary vacancy, it will be renewed only after conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction of the District, and upon payment of all charges due and payable by the Customer in accordance with the Rules and Policies.

 - d. The District has received approval to add other non-recurring charges which are set out on Sheet 5B (First or latest revision) of this tariff. Other fees as applicable may also be required to be paid in full before service is restored.

 - e. Tampering with a meter after it has been turned off for non-payment may result in a misdemeanor or felony citation under KRS 514.060 and the District may refuse service to that customer until all fines, charges and fees have been paid.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 5B

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE

Non-Recurring Charges and Miscellaneous Fees

Applicable: Within the service area of Hardin County Water District No. 1, 1400 Rogersville Road, Radcliff Kentucky 40160.

Availability: All Customers who request or require these services

1. **General:** These fees and charges apply whenever a customer requests the related services, or causes additional services to be provided. The fees may be combined and billed to the customers account which may increase the balance on the account. Full payment for these charges, in addition to a regular monthly bill, would need to be paid by the required due date in order to avoid service interruption or additional penalties. These charges are only for customers of the District, however additional charges for customers of the City of Radcliff, Wastewater Utility, may be imposed and added to a customers account by the City for the same services and said charges may be added under contract requirements by the District for providing billing services for the City's Wastewater Utility.

2. Specific Charges and Application:

a. **\$37.00 - Delinquent Off / Reconnect Fee** (N) (I)

This fee is added to any outstanding balance when an account is not paid by the due date or the payment extension date, and after proper notice to the customer of the amount due and due date when payment must be received, and service has been turned off. The amount must be paid in full before service will be turned back on. The fee may be added to the account where service is provided, regardless of who had been paying for services at that address in the past. Depending on past history of checks returned due to insufficient funds, the District reserves the right to require cash payment only of this fee and other outstanding charges before service is turned back on.

b. **\$25.00 - Returned Check Fee** (N) (I)

This fee is assessed for each check returned by the bank without payment, typically, the reason is insufficient funds, but may also be due to a closed account or any other reason that the customer's bank refused to transfer funds to the District. It may also be added when a customer has agreed to make payment by Automatic Bank Draft, and the customers bank does not agree to wire the funds for any reason, other than an error on the District's part. The District reserves the right to charge this fee regardless of the reason that the bank did not honor the check, which may include an error on the banks part or other reasons beyond the District's control. Depending on past history of checks returned due to insufficient funds, the District reserves the right to require cash payment only of this fee and other outstanding charges before service is turned back on.

c. **\$17.00 - New Account Activation Fee** (N) (I)

This fee is charged to an account when a person requests an account with the District which requires the District to establish a new account, perform a credit check for a possible deposit waiver when requested by the customer, calculate a deposit amount and other charges to add to the account, explain rules and

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DATE EFFECTIVE June 8, 2001 PUBLIC SERVICE COMMISSION
KENTUCKY
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ISSUED BY: Jim Bruce

Mr. Jim Bruce, General Manager, Hardin County Water District No. 1, Radcliff, Kentucky

JUN 23 2001

PURSUANT TO 807 KAR 50:11.
SECTION 9(1)

BY Stephan D. Bue
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 5B

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE

Non-Recurring Charges and Miscellaneous Fees

procedures to the customer about payment of monthly charges and send a vehicle to the address to obtain the first meter reading and turn service on. The fee is charged for each new account established, regardless of whether the customer has other service address accounts existing with the District. The charge may be billed to the customer as part of their first bill.

d. **\$5.00 - Administrative Fee** (N) (R)

This fee is charged to an account when a customer requests to change the name on an account, and transfer a balance to another account or process a Final Bill. It may also be charged for other services which require office personnel to make changes to an account which are beyond a normal bill preparation or collection. This fee does not include any costs or services requiring a Field Service Call or sending a Representative to a service location and may be in addition to other charges.

e. **\$11.00 - Field Service Call Fee** (N) (R)

This fee is added anytime a customer requests service which requires a trip to the customers service location which would be in addition to a normal monthly meter reading for routine charges. The reasons may include but are not limited to; Obtain meter reading for final bill preparation, turn on or off service when requested by the customer, making additional visits to obtain a meter reading when access to the meter was denied for reasons beyond the control of the District, replacing or correcting a meter when it has been tampered with or modified by the customer, check for leak (not charged if leak is found on the District's side of the meter), pull water meter for requested test by customer or emergency turn off of service due to leak on customers plumbing. This fee may be charged in addition to other applicable charges listed on the District's tariff.

f. **\$46.00 - After Hours Service Call Fee** (N)

This fee is added when a customer requests service after District offices are closed. The reasons may include but are not limited to; emergency valve locate and turn off, turn water on for new account, turn water on after reconnect fee and past due charges have been paid, check for plumbing leak and location of service lines or water mains for repairs or construction. The person requesting service must have an established account with the District and must be current on their payments.

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ISSUED BY: Jim Bruce

Mr. Jim Bruce, General Manager, Hardin County Water District No. 1, Radcliff, Kentucky

JUN 23 2001

PURSUANT TO 807 KAR 5011, SECTION 9 (1) BY Stephan O. Bell SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 6

(Canceling: Third Revision, Sheet No. 1; Second Revision, Sheet No. 2; First Revision, Sheet No. 3; First Revision, Sheet No. 5A; Second Revision, Sheet No. 6; First Revision, Sheet No.8 and First Printing, Sheet No. 9

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

1. **Payment Extensions Beyond of Due Date:** When a customer has a financial emergency, they may request a Payment Extension (also known as a "Payment Plan"). This is intended to postpone part or all of a due water bill, until the customer can catch up their bill and avoid service interruption. The District does provide Courtesy Payment Extension Coupons for emergency situation when a customer cannot pay their bill by the due date. In order to obtain and use these coupons, a customer will need to understand and follow these guidelines:

- i. A customer requesting an extension for the first time will need to come to the District office to receive four (4) coupons. The customer will need to sign the Payment Extension Agreement to show they have read and agree with the extension policy.
- ii. A total of four (4) extensions may be requested in any twelve (12) month period. Extensions may not be given two months in a row. An Administrative Fee will be added in accordance with Sheet 5B (First or latest revision) of this tariff.
- iii. Coupons and extensions will not be granted to balances caused by returned checks, previously charged off accounts at a different address or for a bill you still owe that is over a month past due.
- iv. All coupons must be stamped or validated by a District employee and on coupon forms provided by the District. Hand written or duplicated coupons will not be accepted.
- v. An extension coupon must be received BEFORE the final due date on the Late Notice. Coupons may be dropped off by 4:30 PM on that date. Mailed in coupons must be received at the District the day before the Late Notice due date. The District cannot be responsible for slow mail service or if a coupon was mailed but not received at the District before the final extension date.
- vi. Coupons received after these times will not be applied to the account and service may be discontinued. Again, it is up to the customer to make sure the coupon is at the District before the final due date. Using the mail does not guarantee it will arrive at the District office in time to avoid service shut off.
- vii. These coupons will allow a customer to extend a due date, but do not pay the bill or eliminate any charges.

PUBLIC SERVICE COMMISSION
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BOARD OF WATER UTILITIES
SECTION 9(1)

Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

Fifth Revision Sheet No. 7

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE

Meter Connection Fees

B. Table of Meter Connection Fees;

(I)

METER SIZE	CONNECTION FEE
5/8 x 3/4"	\$650
3/4"	\$706
1"	\$984
1.5"	\$1,555

C. Meter Connection Fees Larger than 1.5 inch shall require advance payment of actual materials cost plus the estimated required labor and equipment rates from the following table;

(N)

HOURLY RATE	ITEM
\$36.75	Backhoe (Includes Trailer, Dumptruck & Operator)
\$20.26	Dump Truck & Operator Only
\$3.78	Push Machine
\$7.95	Tapping Machine
\$19.51	Distribution Operations Manager
\$17.45	Heavy Equipment Operator
\$15.53	Distribution Operator (IV-A)
\$14.76	Distribution Operator (III-A)
\$11.93	Distribution Operator (II-A)
\$16.10	Liability Insurance & Distribution Facility
\$7.50	New Account Service Fee (As approved by PSC)

PUBLIC SERVICE COMMISSION
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OCT 01 2000

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

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DATE EFFECTIVE October 1, 2000

ISSUED BY: _____

Jim Bruce

Mr. Jim Bruce, General Manager, Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

Fifth Revision Sheet No. 7

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE

Meter Connection Fees

- A. The following rules and policies apply to all Meter Connections; (C)
1. All meters and related materials must be approved by the District and in accordance with the District Standard Construction Specifications as approved by the Kentucky Division of Water, approval dated September 12, 1994 or revised approvals of later date
 2. In accordance with Kentucky Revised Statutes chapter 318.165, a permanent water supply and meter cannot be sold or installed until the building's interior plumbing has been installed and inspected according to State Plumbing Codes. The District is required to obtain proof of plumbing permit, when required, before installing a new water connection
 3. The location of the meter will be at a location on or near the street right of way or property line most accessible to the District's water main. When selecting a location, access to and efficiency of reading of meters shall be considered before the property owners preference
 4. New water taps will be installed only for properties which adjoin an existing District water main. Taps will not be installed where the customers water service line must travel across or in front of other private property to reach the water main. Meters will not be installed on private property but must be located in a utility easement or public right of way
 5. Additional taps to the same property may require payment of additional Meter Connection Fees, depending on what materials are required
 6. For meters larger than 1.5 inch in diameter actual materials, plus any shipping or handling charges, will be charged in addition to labor and equipment rates as listed herein. The District reserves the right to estimate total costs and require full payment from an applicant prior to installing a meter
 7. Where existing vaults or other equipment can be re-used at an address, the District may choose to reduce the published Meter Connection Fees by the value of the materials that would not be needed
 8. If an applicant changes the finished grade around an already installed meter installation, that applicant will be required to pay additional labor and equipment charges if the meter must be raised or adjusted after the initial installation
 9. Meter installations must be installed individually for each dwelling unit and each ~~property~~ with a separate deed or legal parcel
 10. All costs related to installing a service line from the meter to the building shall be paid by the applicant and the service line installation must meet all applicable state and local building codes
 11. The District reserves the right to deny service or meter activation if a cross connection exists on the property between the public water supply and a suspect or untreated water source.

PUBLIC SERVICE COMMISSION OF KENTUCKY
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BY: Stephan Bue
SECRETARY OF THE COMMISSION

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ISSUED BY: _____

Jim Bruce

Mr. Jim Bruce, General Manager, Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 8

(Canceling: Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

1. **Customer Classifications and Qualification for Same;**

- a. **Residential:** This class applies to any house or address where the primary use is a living structure or residence. The normal Customer Meter Charge and Volume Rate shall apply in addition to any state required taxes or fees and any other contractual franchise fees
- b. **Commercial:** This class applies to a building which is used for business purposes and is required to obtain a business license at same address. The normal Customer Meter Charge and Volume Rate shall apply in addition to any state required taxes or fees and any other contractual franchise fees
- c. **Wholesale:** This class applies only to other water systems that have been assigned a Public Water System Identification number and operate as an independent water system purveyor and re-sell water to their own customers. The wholesale rate shall apply in addition to any state required taxes or fees and any other contractual franchise fees. In order to purchase water under the Wholesale Rate, the customer must first sign a Wholesale Customer User Agreement as set forth in this tariff and must pay any Meter Connection Fees, System Development Charges or other improvement costs as required in the User Agreement

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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Reference to 807 KAR 5:011,
SECTION 9 (1)
-v- Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 9

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Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

2. Rates and Charges;

- a. **Customer Meter Charge:** Each customer shall pay this charge monthly for each month in which part of the month the account was active. This charge applies to all customer classes including Wholesale accounts. The full charge shall apply regardless of how many days in that month the account was active. The charge is required to recover all costs associated with providing a customer meter and service connection, testing the meter periodically, obtaining a meter reading monthly, preparing a bill and presenting to the customer and collecting payment of the current bill amount. The charge recovers all costs of service including overhead amounts such as payroll taxes, personnel benefits, capital equipment, depreciation on capital equipment and debt service to finance equipment. The charge varies by the meter size and the charges per month are;

Meter Size	Monthly Charge
5/8 Inch	\$4.70
3/4 Inch	\$7.05
1.0 Inch	\$11.75
1.5 Inch	\$23.50
2.0 Inch	\$37.60
3.0 Inch	\$70.50
4.0 Inch	\$117.50
6.0 Inch	\$235.00

- i. **Customer Requested Change in Meter Size:** A customer may request a smaller or larger size meter. The customer will be required to pay any additional charges for Meter Connect Fees as shown on Sheet No. 7 (Fifth or latest revision) prior to the change in the Customer Meter Charge. The customer requesting a smaller size meter must accept the reduced flow volume at the service address and the District will not be responsible to know or calculate the impact to the customers plumbing demands or fixture flow rates.
- b. **Private Fire Line or Hydrant:** Customers who require a dedicated fire protection main or fire hydrant for their address for fire protection purposes must pay a monthly charge for this service. This charge recovers the cost to the District to pay for larger facilities than would normally be needed for potable, domestic water use and ensure that higher flow rates are available for those customers that demand stand-by fire protection. The charge also recovers

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ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

FURNISH TO 807 KAR 5.011,
SECTION 9 (1)

Stephan O. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 10

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Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

the cost for the District to maintain, test and replace any meters, valves, vaults, hydrants, back-flow prevention devices or other appurtenances which are required by District or state or national plumbing codes to provide a private fire service line or hydrant. The following rules and conditions apply;

- i. The line or hydrant must be installed in a location that only provides fire protection to a private structure or building and is not available to the general public or to the local fire department for general public use
- ii. The District may require certain valves, meters or other devices to be installed in new construction and said facilities shall be paid in entirety by the building owner. Said facilities outside of the building shall become the property of the District for maintenance, repairs, testing and replacement.
- iii. The monthly charge shall apply to each private line or hydrant and shall be charged in full for each month an account is active at that service address, regardless of how many days of the month that the service is activated. The monthly charge shall be;

Hydrant or Line Size	Monthly Charge
1.5 inch	\$0.56
2.0 inch	\$1.20
3.0 inch	\$3.50
4.0 inch	\$7.46
6.0 inch	\$21.64
8.0 inch	\$46.10

- c. **Volume Charge:** Except for Wholesale customers, a volume charge shall apply for all water used during a billing period. The rate shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The volume rate shall be a declining block rate and shall be split into two rates depending on the volume that applies. The rates are as follows;

- i. First 15,000 gallons = \$3.90 per 1,000 gallons
- ii. All above 15,000 gallons = \$2.79 per 1,000 gallons

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

FURSUANT TO 807 KAR 5011,
SECTION 9 (1)

Stephan D. Butt
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

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Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

- d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rate are as follows;
 - i. **All water used = \$1.39 per 1,000 gallons**
 - ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement which a sample of is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.

- e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten (10) percent as a late charge to the past due amounts. Said late charge shall apply to all charges and fees, excluding any previous late penalties, included in the outstanding balance on the due date. In order to avoid a late penalties being added, the payment must be received at the District office on the due date shown on the customer bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.

- 3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customers causes, the District may determine the customers water use and prepare a bill using an estimated use. The method of estimating will normally use a three (3) month average, however the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 12

(Canceling Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

(SPECIMEN AS APPROVED BY PSC)

Wholesale User Agreement

1. **Applicability:** Any customer who qualifies as a Wholesale Customer based on the approved tariff and rules and regulations of the Hardin County Water District No. 1 ("District") shall qualify as a Wholesale Customer and will be eligible for a reduced water rate.
2. **Term:** Any qualifying Wholesale Customer may continue to purchase water from the District but may be limited in volume or flow rate as agreed to herein. If a Wholesale Customer reaches the agreed upon volume or flow rate, the District shall reserve the right to limit flows into the customers system in an amount that will reduce the volume to the agreed upon amount.
3. **Metering and Service Connections:** All new metering points, interconnects or pump stations shall comply in materials and construction standards to those adopted by the District and the Kentucky Division of Water and PSC. All metering equipment, vaults, valves, piping and backflow devices shall be specified by the District and shall become the property of the District who shall maintain and replace said equipment. The customer shall be responsible to pay for all costs to connect to the District's system including all infrastructure, equipment, engineering and permit costs. Prior to beginning construction, engineering plans prepared by a Professional Engineer shall be submitted to the District for review and approval. The customer will also be responsible for obtaining other permits as required from other local, state or federal agencies.
4. **Meter Testing and Accuracy:** The District shall be responsible to test and maintain any meters in accordance with PSC regulations and standards. If a meter is found to be inaccurate, the District shall bill or credit the customers account based on the difference between the inaccurate reading(s) and the averaged monthly amount for three accurate readings, or a prior year actual amount. The customer will have the right to be present during any meter test or field maintenance. In the event a large billing error has occurred due to an inaccurate meter, the customer shall have the option to re-pay the amount owed for a period of up to six (6) months after being notified of the additional amount owed.
5. **Billing Procedures:** All approved customer billing policies of the District and those listed in the District's approved tariff shall apply to the wholesale customer with the exception of a service discontinuance by the District for non-payment by the customer or violation of any other rules. If a qualifying event or action occurs which the District believes should result in service interruption, the District shall notify the customer in writing no less than 30 days before the cut off date. The customer shall have 30 days to respond to the notice providing any reasons why the interruption should not occur. The response from the customer shall be presented to the District's Board of Commissioners who shall make a final decision on whether to proceed with the interruption, or take other action.

DATE OF ISSUE March 13, 2002

APR 11 2002

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

FURNISHED TO 807 KAR 5011.
SECTION 9 (1)
BY Stephan D. Blue
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 13

(Canceling Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

Should the Board decide to proceed with service interruption, the cut-off date shall be no less than 15 days after the Board's decision and said date shall be given to the customer.

6. **Rates and Charges:** The District shall charge the customer all rates and charges as approved by the PSC and included in the District's tariff. All changes to rates shall be based on a cost of service analysis and shall be approved by the PSC prior to implementation. Prior notice of rate changes shall follow PSC regulations and wholesale customers will be provided full rights prescribed by the PSC to object or intervene in any rate filing.
7. **System Development Charges:** The wholesale customer is advised that the District's Board of Commissioners by resolution 2000-03 dated June 1, 2000, has formally supported the use of System Development Charges (SDC's) as a method to recover capital costs for system expansion from new customers or existing customers increasing their service demand or size. While the District has not formally submitted a request and method to the PSC to begin charging SDC's, all wholesale customers are advised that a future increase in demand or requested guaranteed volume may require payment of future SDC's before the District will agree to increase capacity or volume above the amount or rate specified herein.
8. **Water Quality:** Water provided by the District shall meet all state and federal standards for water quality. The customer may request Monthly Operating Reports or any other test results which the District will provide within 15 days after a request is presented. The wholesale customer is also entitled to advance water quality data required for Consumer Confidence Reports as required under the Kentucky Natural Resources and Environmental Protection Cabinet - Division of Water, 401 KAR 8:075. The wholesale customer agrees that any new connections will require a back-flow prevention device, as specified by the District, and will be paid for by the customer.
9. **Release of Liability:** As a wholesale customer, the wholesale customers agrees to release and discharge the District from all claims or liability related to water quality or interruption of service and the customer agrees that it shall maintain its own testing, sampling, system flushing and system maintenance as required by state laws and regulations applying to public water systems. This waiver shall not be construed to release either party from any claim brought against either by a third party or to waive other legal rights or remedies allowed by state or federal laws.
10. **Volume and Quantity:** The Wholesale Customer agrees to limit their demand from the District to the following amounts which are measured by flow rate (gallons per minute) and maximum day in a calendar year. Except for the City of Vine Grove and the Meade County Water District who had previous contracts specifying a set quantity, future wholesale customers, or existing customers requesting additional taps or connecting points, may be denied a tap or limited to a specified volume by the District. The only reason the District may deny a future connection is when the District has completed a hydraulic analysis of its system capacity by a Professional Engineer, and has found that;

DATE OF ISSUE March 13, 2002

APR 11 2002

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY Stephan O. Bell
SECRETARY OF THE COMMISSION

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 14

(Canceling Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

- a. The District's existing customers will be harmed by a decrease of service levels at or below those required by the PSC or Division of Water, or
- b. The District's system capacity is not able to meet the additional demand placed on the system by the new connection without an additional and significant capital expense and investment which is deemed excessive or burdensome by the District's Board of Commissioners

The amounts agreed to be provided by the District under the terms of this agreement are;

- c. _____ Gallons per minute which amount will be determined by the District when observing the total flow rate at one or multiple connection points at any given time. The actual flow rate must continue for at least fifteen (15) minutes before that rate will qualify to be limited to this amount or rate.
- d. _____ Maximum day in a calendar year. This amount will be determined from the customers daily records which they agree to provide to the District if requested. The calculation of a maximum day amount will be determined by taking the sum of 70 percent of the highest day, plus 15 percent of the amounts delivered on the day prior to and after the maximum day of the year. If daily records are not available, the District and the customer agree to use coincidental demand factors or the District's own system demand characteristics and apply those to the customers monthly water use to estimate the maximum day demand.
- e. Certain temporary maintenance or hydraulic conditions may cause the District to decrease or increase the above committed volumes. These may include required and scheduled maintenance of District facilities, unscheduled equipment breakdowns or flows available on off-peaks periods or times of the year which may provide additional flows to the customer. The District will make every effort to give all wholesale customers as much advance notice as possible of when flows may be reduced or interrupted so they may be prepared. The District will also attempt to plan scheduled maintenance during off season and off peak periods to minimize down time impacts to wholesale customers. Special conditions which apply to this specific agreement are provided for below;

i. (LISTED SPECIAL CONDITIONS IF ANY)

APR 11 2002

DATE OF ISSUE March 13, 2002

PURSUANT TO 807 KAR 501.1,
SECTION 9 (1)

ISSUED BY: Jim Bruce
Hardin County Water District No. 1, Radcliff, Kentucky

Mr. Jim Bruce, General Manager

BY: Stephan O. Burt
SECRETARY OF THE COMMISSION

EFFECTIVE

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 15

(Canceling Sixth Revision, Sheet No. 4; Sixteenth Revision, Sheet No. 5; Second Revision, Sheet No. 6; First Revision, Sheet No. 8; First Revision, Sheet No. 5A and First Printing, Sheet No. 9)

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

- f. If the customer demand in a year reaches or exceeds the agreed maximum day demand, the District and the customer agree to meet to determine if the customer will be able to limit future demand, locate a different or additional supplier or to cooperate with the District in financing or expanding its capacity.
- g. The District reserves the right to divide the total quantity disproportionately between two connection points or taps based on the available flow at any given point. The pressure delivered to a connection point shall meet levels regulated by the PSC and Division of Water and shall be measured as static against a closed valve.
- h. During a water shortage or drought, the District may reduce deliveries or flow rate to the Wholesale Customer in an amount as directed by regulatory agencies having authority to require said reduction, or the amount may be reduced by an amount or method as prescribed in the District's Water Shortage Response Plan which has been approved by the PSC or Division of Water. The District agrees to provide a reasonable notice of any reduction required to the Wholesale Customer.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 11 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE March 13, 2002

ISSUED BY: Jim Bruce, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served

P.S.C. Ky. No. 1

First Revision Sheet No. 17

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

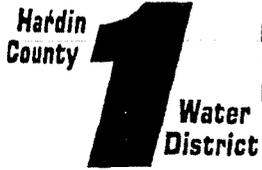
ATTACHMENT A
BILL FORMAT
REGULAR BILL
(Follows this Sheet)

DATE OF ISSUE April 1, 2005

ISSUED BY: , Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/30/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director



Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160

If Paying By Credit Card, Please Fill Out Below:

Card Number _____
 Print Name _____ Amt Paid _____
 Signature _____ Exp. Date _____

AMOUNT DUE \$93.40	TO AVOID LATE CHARGES PAY BY 2/15/2005
10% LATE CHARGE IF NOT RECEIVED \$2.83	AMOUNT DUE IF PAYING LATE \$96.23

YOUR ACCOUNT NO: **3100118201**

ADDRESSEE:

SEND PAYMENTS TO:

1855 S WILSON RD #302
 RADCLIFF KY 40160-8931

Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160-9343

To ensure proper credit, detach TOP portion and return in the enclosed envelope.

ACCOUNT NO: **3100118201**
 CUSTOMER NAME: _____
 SERVICE ADDRESS: 1855 WILSON #302

NUMBER OF UNITS BILLED: 1.00
 SERVICE DATES FROM: 12/21/2004 THRU 1/24/2005

Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160



City of Radcliff
 411 W. Lincoln Trail Blvd.
 Radcliff KY 40160



Phone: (270) 351-4714
 Hours: Mon.-Fri. 8am to 5pm

PH : (270) 351-3222
 H : Mon., Tues., Wed., & Fri. 8am to 4:30pm
 Thurs. 8am to 4pm

WATER SERVICE	AMOUNT
Water Residential	\$6.63
Customer Charge	\$4.70
Questions about your water charges? Please call (270) 351-3222	\$11.33

SEWER SERVICE	AMOUNT
Water Franchise Fee	\$0.34
Sewer-Radcliff	\$17.04
Questions about your sewer charges? Please call (270) 351-4714	\$17.38

METER READING		
Previous	Current	Gallons Used
834000	835700	1700

Previous Balance	\$27.35
School Tax	\$0.34
Other	\$37.00

Make Checks Payable To: HCWD#1

Pay This Amount **\$93.40**

Automatic Bank Draft is available--sign up today!

PUBLIC SERVICE COMMISSION
 OF KENTUCKY-28-2005
 EFFECTIVE 1/1/2005

Payment drop boxes are at our main office and the drive through at 409 W. Lincoln Trail Blvd in Radcliff (next to City Hall).

Payments must be received IN THE OFFICE before closing to avoid late charges or service interruption.

Allow 4-5 days for mail delivery. The district cannot be responsible for slow or late mail delivery or lost mail.

Failure to receive a bill does not exempt you from late or shut off charges.

For emergency, service outage or after hours call 351-3222, 877-5375 or 270-862-4340.

Executive Director

FOR Entire Area Served

P.S.C. Ky. No. 1

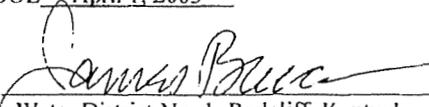
First Revision Sheet No. 18

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
RATES, SURCHARGES AND MONTHLY CHARGES

ATTACHMENT B
BILL FORMAT
PAST DUE - SHUT OFF NOTICE
(Follows this Sheet)

DATE OF ISSUE April 1, 2005

ISSUED BY: 
Hardin County Water District No. 1, Radcliff, Kentucky

, Mr. Jim Bruce, General Manager

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/30/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director



Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160

If Paying By Credit Card, Please Fill Out Below:



Card Number _____
 Print Name _____ Amt Paid _____
 Signature _____ Exp Date _____

AMOUNT DUE	\$46.83
YOUR ACCOUNT NO:	12090423

ADDRESSEE:

SEND PAYMENTS TO:

████████████████████
 857 SHELBY AVE
 RADCLIFF KY 40160-8800

Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160-9343

To ensure proper credit, detach TOP portion and return in the enclosed envelope.

PAST DUE - SHUT OFF NOTICE

YOUR ACCOUNT NO: **12090423**

We have not received your payment due of \$46.83. If we do not receive payment by 3/28/2005 your WATER SERVICE WILL BE SHUT OFF.

Additional charges will be added to your account if service is interrupted. These charges may include a \$37.00 Delinquent off/Reconnect fee.

Our phone number is 270-351-3222. Your prompt attention will be appreciated.

If you have already paid this amount, please disregard this notice.

Pay This Amount

Make Checks Payable to: HCWD#1 **\$46.83**
 PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE 1/30/2005

Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff KY 40160

Phone: (270) 351-3222
 Hours: Mon., Tues., Wed., & Fri. 8am to 4:30pm
 Thurs. 8am to 4pm

Payment drop boxes are at our main office and the drive through lane at 409 W. Lincoln Trial Blvd in Radcliff (next to City Hall) **PLEASE PAY BY 5:01 PM**
 Payments must be received IN THE OFFICE before 5:01pm to avoid late charges or service interruption.
 Allow 4-5 days for mail delivery or late mail delivery or lost mail.
 Failure to receive a bill does not make you responsible for slow or late mail delivery or lost mail.
 BY _____ Executive Director
 For emergency, service outage or after hours call 351-3222, 877-5375 or 270-862-4340.

Final Bill

Hardin County Water District # 1
 1400 Rogersville Road
 RADCLIFF, KY 40160

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

JAN 21 2000

JEREMY W CAMPBELL
 3787 DEER HAVEN DR
 E'TOWN, KY 42701

PURSUANT TO 807 KAR 5:011,
 SECTION 9 (1)
 BY: Stephan D Bell
 SECRETARY OF THE COMMISSION

Account Number	: 1230081606	Statement Date	: 12/10/99
Service Location	: 3787 DEER HAVEN		
Transfer To	:		

Group	Read Date	Previous Read	New Read	Usage
Water	11/16/99	101400	108900	7500

Income Center	Charge Amount	Adjustment Amount	Total
Sewer	36.43	0.00	36.43

Previous Balance	:	\$50.82		
Previous Balance for this Location	:	\$43.32	Deposit Refund To Check	: \$0.00
Misc. Previous Balance	:	\$7.50		
Final Charges	:	\$36.43		
Final Adjustments	:	\$0.00		
Other Adjustments	:	\$0.00		
Deposit Refund Applied	:	\$0.00		
New Balance	:	\$87.25		
Pay This Amount		:	\$87.25	by 12/27/99

Account Number	: 1230081606	Amount Due	: <input type="text" value="\$87.25"/>
JEREMY W CAMPBELL 3787 DEER HAVEN DR E'TOWN, KY 42701		Amount Paid	: <input type="text"/>

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. 1

Second Revision SHEET NO. 9

CANCELING: First Revision of Sheet 9, 10 and 11

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

2. Rates and Charges;

- a. **Customer Meter Charge;** Each customer shall pay this charge for each month in which part of the month the account was active. This charge applies to all customer classes including Wholesale accounts. The full charge shall apply regardless of how many days in that month the account was active. The charge is required to recover all costs associated with providing a customer meter and service connection, testing the meter periodically, obtaining a meter reading monthly, preparing a bill and presenting to the customer and collecting payment of the current bill amount. The charge recovers all costs of service including overhead amounts such as payroll taxes, personnel benefits, capital equipment, depreciation on capital equipment and debt service to finance equipment. The charge varies by the meter size and the charges per month are;

	Meter Size	Monthly Charge
(I)	5/8 inch	\$ 5.02
(I)	3/4 inch	\$ 7.53
(I)	1.0 inch	\$ 12.55
(I)	1.5 inch	\$ 25.10
(I)	2.0 inch	\$ 40.16
(I)	3.0 inch	\$ 75.30
(I)	4.0 inch	\$ 125.50
(I)	6.0 inch	\$ 251.00

- i. **Customer Requested Change in Meter Size;** A customer may request a smaller or larger size meter. The customer will be required to pay any additional charges for Meter Connect Fees as shown on Sheet No. 7 (fifth or latest revision) prior to the change in the Customer Meter Charge. The customer requesting a smaller size meter must accept the reduced flow volume at the service address and the District will not be responsible to know or calculate the impact to the customer's plumbing demands or fixture flow rates.
- b. **Private Fire Line or Hydrant;** Customers who require a dedicated fire protection main or fire hydrant for their address for fire protection purposes must pay a monthly charge for this service. This charge recovers the cost to the District to pay for larger facilities than would normally be needed for potable, domestic water use and ensure that higher flow rates are available for those customers that demand stand-by fire protection. The charge also recovers the cost for the District to maintain, test and replace any meters, valves, vaults, hydrants, backflow prevention devices or

DATE OF ISSUE December 1, 2006
Month / Date / Year

ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. 1

Second Revision SHEET NO. 10

CANCELING: First Revision of Sheet 9, 10 and 11

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

other appurtenances which are required by District or state or national plumbing codes to provide a private fire service line or hydrant. The following rules and conditions apply;

- i. The line or hydrant must be installed in a location that only provides fire protection to a private structure or building and is not available to the general public or to the local fire department for general use.
- ii. The District may require certain valves, meters or other devices to be installed in new construction and said facilities shall be paid in entirety by the building owner. Said facilities outside the building shall become the property of the District for maintenance, repairs, testing and replacement.
- iii. The monthly charge shall apply to each private line or hydrant and shall be charged in full for each month an account is active at that service address, regardless of how many days of the month the service is activated. The monthly charge shall be;

	Meter Size	Monthly Charge
(I)	1.5 inch	0.64
(I)	2.0 inch	1.37
(I)	3.0 inch	4.00
(I)	4.0 inch	8.51
(I)	6.0 inch	24.70
(I)	8.0 inch	52.67

c. **Volume Charge:** Except for Wholesale customers, a volume charge shall apply for all water used during a billing period. The rate shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The volume rate shall be a declining block rate and shall be split into two rates depending on the volume that applies. The rates are as follows;

- i. **First 15,000 gallons = (I) \$4.42 per 1,000 gallons**
- ii. **All above 15,000 gallons = (I) \$3.16 per 1,000 gallons**

DATE OF ISSUE December 1, 2006
Month / Date / Year

ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. 1

Second Revision SHEET NO. 11

CANCELING: First Revision of Sheet 9, 10 and 11

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

- d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rates are as follows;
 - i. All water used = (I) \$1.92 per 1,000 gallons
 - ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement a sample of which is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.

- e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten percent (10%) as a late charge to the past due amounts. Said late charge shall apply to all charges and fees, excluding any previous late penalties, included in the outstanding balance on the due date. In order to avoid late penalties being added, the payment must be received at the District office on the due date shown on the customer bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.

- 3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customer's causes, the District may determine the customer's water use and prepare a bill using an estimate use. The method of estimating will normally use a three (3) month average; however, the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill

DATE OF ISSUE December 1, 2006
Month / Date / Year

ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

HARDIN COUNTY WATER DISTRICT NO. 1
PSC CASE NO. 2006-00410
EXHIBIT NO. 6
COMPARISON OF PRESENT AND PROPOSED RATES

Customer Meter Charge

Meter Size	Existing Charge	Proposed Charge	% Change
5/8 Inch	\$4.70 /Month	\$5.02 /Month	6.9 %
3/4 Inch	\$7.05 /Month	\$7.53 /Month	6.9 %
1 Inch	\$11.75 /Month	\$12.55 /Month	6.9 %
1.5 Inch	\$23.50 /Month	\$25.10 /Month	6.9 %
2 Inch	\$37.60 /Month	\$40.16 /Month	6.9 %
3 Inch	\$70.50 /Month	\$75.30 /Month	6.9 %
4 Inch	\$117.50 /Month	\$125.50 /Month	6.9 %
6 Inch	\$235.00 /Month	\$251.00 /Month	6.9 %

Private Fire Line/Hydrant Charge

Line Size	Existing Charge	Proposed Charge	% Change
1.5 Inch	\$0.56 /Month	\$0.64 /Month	13.4 %
2 Inch	\$1.20 /Month	\$1.37 /Month	13.4 %
3 Inch	\$3.50 /Month	\$4.00 /Month	13.4 %
4 Inch	\$7.46 /Month	\$8.51 /Month	13.4 %
6 Inch	\$21.64 /Month	\$24.70 /Month	13.4%
6 Inch	\$46.10 /Month	\$52.67 /Month	13.4 %

Retail Rates

Usage	Existing Charge	Proposed Charge	% Change
First 15,000 Gallons	\$3.90 /1,000 Gal	\$4.42 /1,000 Gal	13.4 %
All Above 15,000 Gallons	\$2.79 /1,000 Gal	\$3.16 /1,000 Gal	13.4 %

Wholesale Rates

Line Size	Existing Charge	Proposed Charge	% Change
All Wholesale Sales	\$1.39 /1,000 Gal	\$1.92 /1,000 Gal	38.0 %

PUBLIC NOTICE PROPOSED INCREASE IN RATES AND TARIFF CHANGE

HARDIN COUNTY WATER DISTRICT No. 1
1400 Rogersville Road
Radcliff, KY. 40160
Phone: 270-351-3222

Notice is hereby given that the Hardin County Water District No. 1 (District) by resolution of its Board of Commissioners has filed an Application with the Kentucky Public Service Commission (PSC) seeking approval to increase rates in order to produce water revenues sufficient for the proper operation and maintenance of the water system including debt service on recent system improvement projects. This Public Notice is provided in conformance with KAR 5:001, Section 10, and comparisons of proposed changes for certain water users are provided below,

ITEM NO.	FEE/CHARGE	CURRENT BILL	PROPOSED BILL	DOLLAR & PERCENT CHANGE	ESTIMATED ACCOUNTS AFFECTED
1	Meter Charges - 5/8 Inch - 3/4 Inch - 1 Inch - 1.5 Inch - 2 Inch - 3 inch - 4 inch - 6 Inch	\$4.70/month \$7.05/month \$11.75/month \$23.50/month \$37.60/month \$70.50/month \$117.50/month \$235.00/month	\$5.02/month \$7.53/month \$12.55/month \$25.10/month \$40.16/month \$75.30/month \$125.50/month \$251.00/month	Varies between \$0.32 and \$16.00 per month depending on meter size. + 6.9%	Effects all accounts
2	Fire Service Charge - 1.5 Inch - 2 Inch - 3 Inch - 4 Inch - 6 Inch - 8 Inch	\$0.56/month \$1.20/month \$3.50/month \$7.46/month \$21.64/month \$46.10/month	\$0.64/month \$1.37/month \$4.00/month \$8.51/month \$24.70/month \$52.67/month	Varies between \$0.08 and \$4.57 per month depending on meter size + 13.4%	Effects 50 private fire service customers
3	Rate per thousand gallons for use between 1,000 and 15,000 gallons	\$3.90 / kgal (per thousand gallons of use)	\$4.42 / kgal	+ \$0.52 / kgal + 13.4%	Approximately 9,150 of the District's customers or 97.5% fall in this monthly use range
4	Rate per thousand gallons for use over 15,000 gallons	\$2.79 / kgal	\$3.16 / kgal	+ \$0.37 / kgal + 13.4%	Approximately 250 of the District's customers or 2.5% fall in this monthly use range
5	Wholesale Rate per thousand gallons (Sales to Meade Co. WD, Vine Grove, HCWD2, Hardinsburg, etc.)	\$1.39 / kgal	\$1.92 / kgal	+ \$0.53 / kgal + 38%	Effects all wholesale accounts

The proposed rates have been included in a application filed with the Public Service Commission (PSC) on September 14, 2006 and has been assigned Case No 2006-00410 by the PSC. The rates and charges contained in this Notice are those proposed by the District. However, the PSC may order rates to be charged that differ from the proposed rates. Such action by the PSC may result in rates other than those included in the Notice.

Notice of Right to Intervene: District customers are advised that any corporation, association, body politic or person may by motion within thirty (30) days after publication of this notice request leave to intervene. Motions to intervene shall be submitted to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, KY. 40602; ATTN: Ms. Beth O'Donnell, Executive Director, and set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the Application by contacting the District at the address or phone listed above and said Application shall be available for public inspection at the District offices. For any questions or additional information contact, Mr. Jim Bruce, General Manager. Submitted by: Mr. William Rissell, Chairman, on behalf of the Hardin County Water District No. 1, Board of Commissioners.

HARDIN COUNTY WATER DISTRICT NO. 1
PSC CASE NUMBER 2006-00410

EXHIBIT NO. 8
DESCRIPTION OF TEST-YEAR ADJUSTMENTS

ADJUSTMENTS TO TEST-YEAR	Amount	Description
1. Addition of Dental/Vision Insurance Jan 2006	\$ 11,792	Added Dental and Vision Coverage to Employees Benefit Packages (Details attached).
2. Increase in Wages for Employees for 2006	\$ 39,294	Wage increases that took effect in Jan 2006. - (Details Attached)
3. Addition of Staff Accountant June 2006	\$ 45,142	Hired a new staff accountant in April 2006 (Details Attached).
4. Addition of Administrative Clerk With Rate Increase	\$ 31,605	Hiring a new administrative clerk in 2006 - Position to be advertised in November.
5. Addition of Amortized Rate Study Consultation (5 YR)	\$ 7,485	Amortized costs incurred for consultant's to prepare PSC filing (incl Quest rate consultant & SBW legal amounts) .
6. Addition of Revenue from New 2006 Customers	\$ (101,640)	Increase in revenue from new customers in FY 2006 - Exhibit 18
7. Addition of Expenses for 2006 Customers	\$ 33,731	Increase in expenses for new customers in FY 2006 - Exhibit 18
8. 2006 CERS Retirement Contribution Increase	\$ 25,540	Increased contribution to CERS in FY 2006 (Details attached)
9. Deduction of Health Insurance for GM/Commissioners	\$ (8,121)	Deduction of the health care coverage for GM and board member spousal health insurance per previous rate case.
10. Deduction of Fixed Interest Payment (Acct 6427030)	\$ (227,125)	Deduction of interest incurred in test as HCWD1 uses 3 year debt service average.
11. Deduction of Variable Int Payment (Acct 6427040)	\$ (225,011)	Deduction of interest incurred in test as HCWD1 uses 3 year debt service average.
12. Addition of 3 YR AVG for Debt Serv Prin/Int/Cov	\$ 1,461,101	Determination of 3 Year Average for Debt Service payments - Exhibit 3
13. Deduction of Amort of Debt Disc. (Acct 6428000)	\$ (76,404)	Removed expense since it is non-recurring.
14. Addition of Full Year Sewer Mgmt Reimbursement	\$ (69,396)	Add reimbursement from sewer utility for management assistance (GM and other staff)
15. Deduction of Depreciation (Acct 6403000)	\$ (412,208)	Replacement of Depreciation amount from audit with depreciation schedule per auditors - Exhibit 14
16. Addition of Depreciation From Schedule Below	\$ -	Replacement of Depreciation amount from audit with depreciation schedule per auditors - Exhibit 14
303 Land & Rights	\$ -	
304 Structures & Improvements	\$ 47,017	
307 Wells & Springs	\$ 23,431	
309 Supply Mains	\$ 31,134	
311 Pumping Equipment - Booster Stations	\$ 45,221	
320 Pumping and Water Treatment Equipment	\$ 25,137	
330 Reservoirs and Storage	\$ 42,023	
331 Transmission & Distribution Mains	\$ 233,607	
333 Service Lines & Connections	\$ 50,338	
335 Hydrants	\$ 5,342	
339 Other Plant Equipment	\$ 14,221	
340 Office Furniture & Equipment	\$ 9,357	
341 Transportation Equipment	\$ 24,251	
343 Stores, Equipment, Tool, Safety Equip	\$ 3,045	
345 Power Operated Equipment	\$ 21,455	
344 Laboratory Equipment	\$ 505	
346 Communication Equipment	\$ 2,259	
348 Other Tangible Items	\$ 5,971	
Total	\$ 584,314	

Annualizing the depreciation for assets purchased in FY 2005 . Only part of 2005 included in schedule and audit.

17. Adjustments to Full Year Depreciation for 2005 Capital Purchases		
Pirtle Springs WTP Raw Water Bldg	\$	890
KY 1882 PS Improvements (NSCR Project)	\$	5,294
Brizendine Elevated Tank (NSCR Project)	\$	11,962
6-inch Mains - 31.2 Miles (NSCR Project)	\$	38,820
8-inch Mains - 5.3 Miles (NSCR Project)	\$	10,247
12-inch Mains - 1.8 Miles (NSCR Project)	\$	5,649
Capitalized Interest	\$	1,245
Meters Relocated (NSCR Project)	\$	2,368
Hydrants - 73 (NSCR Project)	\$	4,131
Chlorine Load Cells	\$	51
Clarifier Variable Speed Drives	\$	131
Misc. Main Extensions	\$	7,462
AMR Meters	\$	3,695
Meters & Services	\$	6,319
Meters Relocated (DeRoche)	\$	92
Furniture	\$	57
Software	\$	164
PCs (2)	\$	139
Security Cameras	\$	176
E-mail Server	\$	198
Chevy Colorado	\$	337
Jeep Laredo	\$	548
Case 580-M Backhoe	\$	686
Jar Tester	\$	51
Turbidimeters (2)	\$	116
AMR Communications System	\$	4,071
Radio Upgrades	\$	104
Service Center Door Openers	\$	48
Total	\$	105,051
TOTAL OF ADJUSTMENTS TO TEST-YEAR	\$	1,225,150

Brent Tippey

From: Karen Brown [KBrown@HCWD.com]
Sent: Wednesday, July 19, 2006 5:09 PM
To: Brent Tippey
Cc: Jim Bruce
Subject: Dental/Vision

PER
JIM

Brent:

Per our conversation, here are the rates and fees we are paying. All these were added expenses to the 2006 calendar year.

Dental:

$$\$ 2,208 + (3368 \times 2) = \$ 8,944$$

We pay \$5.75 Administration Fee for each employee, there are 32 employees currently on the plan, equals \$184.00 a month and \$2208.00 per year.

As I explained, we are on a Self-funded plan so there are no premiums. We pay for actual visits only. If the employee is paying say for a spouse, we do payroll deduction for \$4.00, but when the spouse goes to the dentist, we pay for the full dental visit. From January through June we have paid out \$3368.00 in dental reimbursements. You might be safe to double that amount or you might want to discuss with Jim.

We also had a one time set up fee for the Dental program of \$500.00.

Vision:

We pay \$5.91 for each employee, there are 30 employees currently on the plan, equals to \$177.30 a month and \$2128.00 per year.

$$= \$ 2,128$$

No set up fees and no administration fees.

HRA:

This is a fee that relates to the Health Insurance issue I explained. They charge \$3.00 to handle employees claims that go over the \$500.00 and the District paying the rest up to \$2000 on their portion. The Company charges us this fee per employee per month even if there are no claims. We have 20 employees participating in the Health Insurance, that makes it \$63.00 a month and \$720.00 a year.

Feel free to give me a call if something does not make sense or you have any other questions.

Thanks!
Karen

$$= \$ 720$$

$$= \underline{\underline{\$ 11,792}}$$

Brent Tippey

From: Jim Bruce [JBruce@HCWD.com]
Sent: Tuesday, October 31, 2006 9:17 AM
To: Brent Tippey
Subject: FW: 05 to 06 Wage Increases

From: VGBruces [mailto:kybruce@comcast.net]
Sent: Sunday, October 29, 2006 7:27 PM
To: btippey@questeng.com; Jim Bruce
Subject: 05 to 06 Wage Increases

Brent;

Here is ss showing wage increases from 05 to 06. These are for full time positions only.

Does not include;

New positions added in 06 (Accountant and Admin clerk)
New benefits added in 06 (Dental / Vision)
Impact of CERS pension increasing mid-2006

Also did not add or compare overtime, as that is highly variable between years and departments.

Please let me know if you have any questions.

Thanks

Jim Bruce

Annualized Wage Increases

2005 to 2006 (Current)

FST NME	LAST NME	TITLE	05 Wage	06 Wage	05 > 06	05 > 06	
			Rate	Rate	Ann \$ Chg	Ann % Chg	
Karen	Brown	Accounting Specialist	\$17.97	\$18.68	\$1,477	3.95%	
Tonia	White	Administrative Assistant	\$10.50	\$10.25	(\$520)	-2.38%	Replaced D. Bostic
John	Tindall	Commissioner	\$500.00	\$500.00	\$0	0.00%	
Bill	Gossett	Commissioner	\$516.67	\$516.67	\$0	0.00%	
Leslie	Powers	Commissioner	\$500.00	\$500.00	\$0	0.00%	
Ron	Hockman	Commissioner	\$500.00	\$500.00	\$0	0.00%	
Bill	Rissel	Commissioner	\$500.00	\$500.00	\$0	0.00%	
VACANT	VACANT	Construction Inspector	\$19.23	\$11.92	(\$15,206)	-38.02%	C Frederick retired, assume lower rate
-	Charlene	Easter	\$19.25	\$20.19	\$1,960	4.90%	
-	Charles	Williams	\$12.03	\$13.72	\$3,515	14.05%	Replaced S. Hammock
-	Lynn	King	\$10.56	\$12.16	\$3,328	15.15%	
-	Kim	Burns	\$11.93	\$12.51	\$1,206	4.86%	
	Daniel	Clifford	\$17.22	\$18.26	\$2,167	6.05%	
	Clifford (Jay)	Davis	\$10.50	\$11.98	\$3,078	14.10%	
	Howard	Greg	\$10.55	\$10.55	\$0	0.00%	Hired in 2006
	Jim	Gray	\$14.95	\$15.18	\$478	1.54%	
	Marvin	McKenzie	\$10.00	\$10.00	\$0	0.00%	Hired in 2006
	Richard	Stranahan	\$16.55	\$19.22	\$5,544	16.10%	Promoted from Hvy Eqp Oper.
	Brett	Pyles	\$21.92	\$24.78	\$5,946	13.04%	Promoted from Dist Supervisor
-	Cecil	Asberry	\$10.50	\$11.55	\$2,184	10.00%	
-	John	Mancik	\$13.24	\$13.94	\$1,456	5.29%	
VACANT	VACANT	Field Service Representative	\$10.56	\$10.56	\$0	0.00%	
	Jim	Bruce	\$5,833	\$6,667	\$10,000	14.29%	New Employ. Contract
	Jerry	McCoy	\$15.42	\$16.35	\$1,934	6.03%	
	Curt	Pickrell	\$18.68	\$18.85	\$354	0.91%	
	Moseley	Mike	\$14.77	\$11.51	(\$6,781)	-22.07%	Replaced M. McKinley
	Phil	Clark	\$21.62	\$22.63	\$2,104	4.68%	
	Charlie	Miller, C	\$14.90	\$15.63	\$1,528	4.93%	
	Linda	Thompson	\$14.51	\$15.18	\$1,394	4.62%	
	Chris	Cecil	\$11.96	\$14.13	\$4,514	18.14%	Promoted from Trainee
	John	Thomas	\$17.09	\$17.98	\$1,851	5.21%	
	Steve	Ellington	\$17.43	\$18.27	\$1,747	4.82%	
	Donnie	Underhill	\$15.84	\$16.57	\$1,518	4.61%	
	Jim	Perry	\$16.06	\$16.86	\$1,664	4.98%	
	Mike	McKinley	\$14.77	\$15.18	\$853	2.78%	Promoted from Meter Tester

\$39,294

\$957,200 < 2005 FTE Wage Budget

4.11%

CUSTOMER SERVICE / METER READING

\$ 3,640 METER READING

\$ 10,009 CSU

\$ 13,649

OTHER OPERATING AREAS

\$ 25,645

Brent Tippey

From: Karen Brown [KBrown@HCWD.com]
Sent: Thursday, October 19, 2006 10:39 AM
To: Brent Tippey
Cc: Jim Bruce
Subject: FW: Jenny Payroll

Brent,

Jenny Huff is the Accountant. Her annual salary is \$35,000.

\$35,000
+ 10,142 ²⁸
<hr/>
\$45,142 ²⁸

Her Benefits Monthly:

Retirement	\$384.75
Health Ins	\$333.53
Flex Benefit Credit	\$117.00
Dental	\$ 4.00
Vision	\$ 5.91

$\$845.19 \times 12 = \$10,142²⁸$ ANNUAL

Feel free to call if you have any questions, my extension is 212.
 Karen

From: Jim Bruce
Sent: Thursday, October 19, 2006 10:18 AM
To: Karen Brown
Subject: Jenny Payroll

Karen;

Please sent Brent Tippey a breakdown of Jenny's current monthly salary, and a lump sum amount for all other benefits on a monthly basis. He needs for rate case to prove added position costs (known and measurable).

Thanks

Jim

ADMINISTRATIVE ASS'T POSITION

- STARTING SALARY = \$24,500
- BENEFITS (29% FROM ABOVE) = \$7,105

\$31,605

Brent Tippey

From: Jim Bruce [JBruce@HCWD.com]
Sent: Wednesday, August 16, 2006 10:31 AM
To: cbush@kawc.com; Brent Tippey
Cc: Karen Brown
Subject: Pension Cost Increase

Brent / Coleman;

We have been advised by CERS / KY Retirement systems that the District's percent to the plan has increased from 10.98% to 13.19%. This is a 20% increase. At our Board meeting last night, the Board asked that this be included in our proposed rate base / rev rqmts. This will add about \$25,540 per year to our operating expenses (beginning with current 06 budgeted payroll). This should be an known and measureable increase or adjustment. You should be able to get a document, resolution or something formal from CERS to include in the application as justification. Their number is 888-696-8810 (x 8582 for Holly, our employer rep). Please call me or Karen if you need more information.

Thanks

Jim

	Quality Water Service Since 1952
Jim Bruce <i>General Manager</i>	Hardin County Water District No. 1 1400 Rogersville Road Radcliff, KY 40160 tel: 270-351-3222 tel2: 270-268-4069 fax: 270-352-3055 mobile: 270-268-4069
jbruce@hcwd.com	

Add me to your address book.

Want a signature like this?

Brent Tippey

To: Jim Bruce
Subject: RE: Wilson Invoice

SERVICES RELATED
TO PSC CASE

Thank you Jim.

• RATE CONSULTANT \$ 28,925
(QUEST)

From: Jim Bruce [mailto:JBruce@HCWD.com]
Sent: Wednesday, October 25, 2006 4:32 PM
To: Brent Tippey
Subject: FW: Wilson Invoice

• LEGAL \$ 8,500

\$ 37,425

÷ 5 YRS

= \$ 7,485/YR

Brent;

This is amount Wilson told us would charge to finish out rate case. Is an estimate.

Thanks

Jim

From: Brett Pyles
Sent: Wednesday, October 25, 2006 3:48 PM
To: Jim Bruce
Subject: RE: Wilson Invoice

\$8,500

www.hcwd.com

Brett Pyles
Operations Manager

bpyles@hcwd.com

Hardin County Water District No.1

1400 Rogersville Road
Radcliff, KY 40160

tel: 270.351.3222
fax: 270.352.3055
mobile: 270.766.9477

Add me to your address book...

Want a signature like this?

From: Jim Bruce
Sent: Wednesday, October 25, 2006 3:23 PM
To: Karen Brown; Brett Pyles
Subject: FW: Wilson Invoice

Brent;

Karen can send billed to date. Brett is going to call Wilson and try and get an estimate of future costs related to case filing and hearing. Bill R. just came back from PSC training. They were told that most basic rate cases are taking about 10 months for approval.

Jim

From: Brent Tippey [mailto:BTippey@questeng.com]

10/25/2006

Skeeters, Bennett & Wilson

P.O. Box 610
 . 550 W. Lincoln Trail Blvd.
 Radcliff, KY 40160

Ph:(270) 351-4404

Fax:(270) 352-4626

Hardin County Water District #1

October 10, 2006

1400 Rogersville Rd.
 Radcliff, KY
 40160

File #: 1355-012

Attention:

Inv #: 2694

RE: HCWD #1--PSC/Rate Increase

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Jul-17-06	Review documents and call to PSC and Jim; drafted request for additional time	1.00	150.00	DTW
Jul-24-06	Conference with client to discuss answers to interrogatories	1.75	262.50	DTW
Jul-25-06	Representation at meeting	1.50	225.00	DTW
Aug-21-06	Correspondence to PSC; call with J. Wuetcher	0.25	37.50	DTW
	Long distance telephone call		3.00	DTW
Aug-23-06	Telephone call with JB re: conference; filed document with PSC	0.40	60.00	DTW
Aug-24-06	Telephone call with Beth O'Donnell	0.15	22.50	DTW
Aug-25-06	Telephone call from PSC; Received correspondence/documents changes to PSC filing	0.20	30.00	DTW
Sep-13-06	Revised letter and call with J. B. re: meeting	0.20	30.00	DTW
Sep-14-06	Telephone call with J. B.	0.10	15.00	DTW
Sep-18-06	Telephone call with J. B.; reviewed latest version; Email to opposing counsel and Quest	0.70	105.00	DTW

06	Reviewed application; Email to Quest and J. B.	1.40	210.00	DTW
Sep-28-06	Revised petition	0.40	60.00	DTW
	Revised application	0.10	15.00	DTW
	Totals	8.15	<u>\$1,225.50</u>	

Total Fee & Disbursements \$1,225.50

Balance Now Due \$1,225.50

TAX ID Number 61-0864307

Total Previous Payments \$0.00

Total Retainers Received \$0.00

*2006
RATE
FILING
& CASE*

AGREEMENT

THIS AGREEMENT, made and entered into this 6TH day of SEPTEMBER, 2005, by and between the HARDIN COUNTY WATER DISTRICT No. 1 hereinafter referred to as the "Owner", and QUEST ENGINEERS, INC., Lexington, KY, herein after referred to as the "Consultant", WITNESSETH:

WHEREAS, the Owner plans to undertake a project entitled "*Cost of Service Study & Rate Design Study*" ("the project"), and

WHEREAS, the Owner desires to retain the services of the Consultant to assist it in providing services relative thereto and the designing thereof as set forth in this agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

- 1 The Owner hereby retains the Consultant for the project, to perform services on the terms and conditions specified herein and Consultant agrees so to serve. The parties agree that the Consultant shall be an independent contractor and shall not be an employee of the Owner.
- 2 A Proposal dated August 12, 2005, from the Consultant is attached hereto as "Exhibit A" and made a part of this contract. The Consultant agrees to perform only tasks and work as requested by the Owner in compliance with all provisions of this contract. The Consultant warrants and represents that it has the requisite authority, capacity and ability to perform all terms and conditions on the Consultant's part to be performed hereunder and that said services will be provided in accordance with generally accepted standards in utility rate design industry and applying methods that are generally accepted by Utility Regulatory Agencies and Commissions such as the Kentucky Public Service Commission.
- 3 The Owner reserves the right to monitor and evaluate the progress and performance of the Consultant to assure that the terms of this agreement are being satisfactorily met in accordance with the Owner and other applicable monitoring and evaluating criteria and standards. The consultant shall cooperate with the Owner relating to such monitoring and evaluation.
- 4 The Owner reserves the right to omit any of the tasks identified in the Scope of Services, upon notice to the Consultant.
- 5 Compensation and method of Payment: The Owner agrees to pay the Consultant for services rendered pursuant to this agreement the sums set forth and in the manner set forth in this agreement and computed as follows:
 - 5.01 The Consultant agrees that each payment request will include only those services completed and delivered. Each request for payment shall include a breakdown of services provided and unit prices for each unit of work delivered. The Consultant shall provide a request for payment no

RECEIVED

SEP 08 2005

Quest Engineers Inc.

more than once for each thirty day period and one final request.

- 5.02 The Owner agrees to pay Consultant for services rendered pursuant to this agreement, as adjusted to reflect the omission or addition of any tasks or sub-tasks set forth herein.
- 5.03 The total project cost shall not exceed \$28,925 dollars without prior approval of the Owner. The Consultant shall keep Owner apprised of the total costs incurred to date and notify Owner prior to exceeding the not to exceed amount.
- 5.04 Payment for services may be adjusted by any omissions or additions as agreed upon herein. Any modifications to the unit costs or fees listed shall be modified in writing by the Owner and shall be agreed to by both parties. The Consultant may adjust the unit costs no more than once annually and may do so only based on previous agreement with the Owner. Cost increases shall be based on actual cost increases to the Consultant or inflation increases.
- 6 Termination. This agreement may be terminated by either party after five days written notice. In the event of termination by the Owner, other than for reason of default under this contract, the Owner shall be liable to pay to the Consultant only for services and expenses incurred to date of termination.
- 7 Insurance Requirements: Policies described in this section shall be for the mutual and joint benefit and protection of the Consultant and the Owner. Such policies shall contain a provision that the Owner shall also be entitled to recover under said policies for any loss occasioned to it, its servants, agents, citizens, and employees by reason of negligence of the Consultant. All required policies shall be primary policies not contributing to, or in excess of, policies which the Owner may already carry.
- 7.01 Insurance required shall be with companies qualified to do business in the State of Kentucky with a general policyholder's financial rating of not less than A+3A as set forth in the most current edition of "Best's Insurance Reports". Deductible amounts as the Consultant may deem to be reasonable for the project, but in no event greater than \$125,000. No such policies shall be cancelable or subject to reduction in coverage limits or other modification except after thirty (30) days prior written notice to the Owner. The Consultant shall not do nor permit to be done anything which shall invalidate the insurance policies referred to in this section.
- 7.02 The Consultant will be required to provide LIABILITY INSURANCE as listed herein. A copy of the Insurance Binder, or other proof of required insurance, must be made available to the Owner at the time of execution on the contract. The minimum required coverage will be;
- 7.02.01 The Consultant shall procure and keep in force during the duration of this contract a policy of Professional Liability insurance including errors and omissions in addition to insurance to protect themselves from claims under Worker's Compensation Acts, for claims for damages because of bodily injury, including death, to their employees, and for other liability normally covered by such insurance and shall furnish evidence of such insurance to the Owner. The policy must include completed operations insurance. The

combined coverage of the insurance shall be at least \$1,000,000. The limits of said insurance shall not, however, limit the liability of the Consultant hereunder.

7.02.02 Indemnity. The Consultant agrees to indemnify and save the owner harmless from and against all claims, demands, liability, damages, suits, actions or causes of action of every kind and nature, which may be brought or asserted against the Owner arising out of the negligent acts, errors or omissions of the Consultant in the performance of this agreement. The limits of insurance set forth above shall not limit the liability of the Consultant hereunder.

8 This agreement shall be binding upon, and to the benefit of the parties hereto, their successors and assigns.

9 This Contract shall be governed by the laws of the Commonwealth of Kentucky and venue is in Hardin County, Kentucky.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

HARDIN COUNTY WATER DISTRICT NO. 1

By: James Bruce
General Manager

QUEST ENGINEERS, INC.

By: [Signature]
Consultant

Title: President

Exhibit A



August 12, 2005

Mr. Jim Bruce
General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

RE: Water Rate Study Update Proposal
Hardin County Water District No. 1 (HCWD1)

Dear Jim,

Thank you for requesting a proposal from Quest in regards to a study for the update of your water rate. Our proposal uses the scope that was in your letter as guidance. Therefore, our proposed services would include the following key components:

Quest Engineers, Inc.

Lexington:

2517 Sir Barton Way
Lexington, KY 40509
859-223-3755
859-223-3150 (Fax)

Louisville:

One Riverfront Plaza
401 West Main Street
Suite 500
Louisville, KY 40202
502-584-4118
502-589-3009 (Fax)

Cincinnati:

1251 Kemper Meadow Drive
Suite 600
Cincinnati, OH 45240
513-851-9774
513-851-9207 (Fax)

- Review of 2002 PSC Case Existing Facilities
- Attendance at HCWD1 Financial Work Session
- Development of Revenue Requirements
- Review of Rate Blocks/Billing Tabulation
- Cost of Service Analysis
- Rate Design (In accordance with AWWA M1)
- Submission of Applications and Reports to the Public Service Commission (PSC)
- Development of a Final report for HCWD1

More detail on the work required to complete each of these tasks is included in the attached spreadsheet. The spreadsheet includes Quest's estimate of the hours and engineering fee associated with the completion of each task. Based on the estimated number of hours shown in the spreadsheet, Quest proposes to complete the work shown based on hourly rate basis with a not-to-exceed amount of \$ 28,925.

Quest can meet the overall schedule established in the request for proposal for submission of the PSC application no later than April 15, 2006. This is contingent upon audited data being available by March 5, 2006. If you have any questions regarding this proposal, please don't hesitate to call me at (859) 223-3755.

Kindest Regards,

Brent A. Tippey, P.E.
Project Manager/Associate

Enclosures

Estimated Engineering Hours
 Updated Rate Study
 Hardin County Water District No. 1
 August 12, 2005



Exhibit A

Task No	Task	Engineering Hours (By Quest Personnel)				Total Hours
		BAT	KJB	JJW		
1	Review of 2002 Rate Case w/ HCWD1	4	2	2	8	
2	Attend HCWD1 Planning Session to Understand Financial Goals	6	6		12	
3	Gather and Review Available 2005 Data	4		4	8	
4	Compile Spreadsheets on Test Year Expenses - HCWD1 will provide data and trial balance - Incorporate any non-operating expenses or Pro-forma adjustments	8		16	24	
5	Analyze rate blocks and recommending changes - Summarize customers in each block	12	4	12	28	
6	Cost of Service Analysis - Allocate Revenue Req'ts per AWWA M1 - Allocate costs per Base/ Extra w/ Fire Demand - Review Private Fire formula - Identify/Discuss other rate opportunities	24	8	32	64	
7	Rate Design - Develop new rate schedule to propose to PSC - Develop test year information of recovery of COS	24	8	32	64	
8	PSC Report - PSC Application - PSC Checklist - Final Application	16	8	32	56	
9	Final Report	8	4	8	20	
10	Attendance at 2 HCWD1 Board Meetings	8	8		16	
11	Participation in 3 Hearings at PSC	18			18	
	Total Hours	132	48	138		
	Hourly Rate	\$ 110	\$ 95	\$ 65		
	Estimated Engineering Cost	\$ 14,520	\$ 4,560	\$ 8,970		
	Expenses	\$ 500	\$ 125	\$ 250		
	Total Estimated Cost By Person	\$ 15,020	\$ 4,685	\$ 9,220		
	Total Project Cost			\$ 28,925		

Brent Tippey

From: Jim Bruce [JBruce@HCWD.com]
Sent: Monday, September 18, 2006 3:20 PM
To: Brent Tippey; cbush@kawc.com
Cc: Karen Brown
Subject: Amount to Deduct from Rate Base

Brent / Coleman;

As we discussed, the PSC denied certain costs last time for health insurance provided to the GM or Board members that was not paid for other employees. After our talk with PSC last Friday, they seemed to suggest we show a deduction for same, so they do not have to withhold or calculate an amount. Here are the amounts;

Family health insurance for GM = \$5,522.74 - This is amount OVER AND ABOVE the normal amount that is paid for all other employees for health insurance. It is and has been a condition of the GM's Employment Contract with the Board that the District pay family health insurance

Spouse health insurance for one (1) Board member = \$2,598.36 - Several years ago, the Board passed motion to provide family or spouse health insurance for Board members. This is amount OVER AND ABOVE what this Board member would receive if only single coverage were provided, as it is for other employees.

The total annual amount for these two adjustments is \$8,121.10. If you have more questions or need more documentation, please contact me or Karen Brown

Thanks

Jim

EXHIBIT 9

HARDIN COUNTY WATER DISTRICT NO. 1
CASE NO. 2006-00410
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF JAMES BRUCE

Line
No.

1 QUALIFICATIONS

2 1. Q. Please state your name and business address.

3 A. Jim Bruce, 1400 Rogersville Road, Radcliff, Kentucky 40160

4 2. Q. What is your position with Hardin County Water District No. 1?

5 A. General Manager, Hardin County Water District No. 1

6 3. Q. Do you hold any other positions within the District?

7 A. No

8 4. Q. Who are the officers of Hardin County Water District No. 1?

9 A. Mr. William Rissel, Chairman

10 Mr. William Gossett, Treasurer

11 Mr. John Tindall, Secretary

12 Mr. Ron Hockman, Commissioner

13 Mr. Les Powers, Commissioner

14 5. Q. What are your responsibilities as General Manager of the Hardin County
15 Water District No. 1?

16 A. My responsibilities include all duties typically charged to a Chief Executive
17 Officer, or General Manager. I perform my duties under the general
18 policies and direction of the Board of Commissioners. As General
19 Manager, I am responsible for coordinating all facets of the District's

1 operation, including day-to-day operations, implementation of approved
2 projects, customer service, budgeting, fiscal management, employee
3 relations and long range planning.

4 6. Q. Please describe your professional education and experience.

5 A. I have included a biography as part of my written testimony.

6 7. Q. Have you previously testified before state utility regulatory bodies?

7 A. Yes, I testified before the Kentucky Public Service Commission in 2002,
8 during last general rate case filed. I have also submitted written testimony
9 to PSC on several occasions, on several filings or applications.

10 8. Q. Are you familiar with the general financial condition of Hardin County
11 Water District No. 1?

12 A. Yes

13 9. Q. Please describe the action sought by Hardin County Water District No. 1
14 in this case.

15 A. The District is requesting PSC approval for an increase in its general rates,
16 which would provide 15.4% more revenues than during the test year
17 (2005), and the typical residential customer would see an increase of \$2.92
18 per month or 12.1%. In addition, a 38.0% wholesale rate increase is being
19 sought. Our last rate increase approved was in 2002.

20 10. Q. Did you participate in the Company's decision to seek a rate adjustment?

21 A. Yes. The General Manager presents recommendations and information
22 needed for the Board to decide on a course of action. In this case, Quest
23 Engineers was retained to provide work on the Cost of Service study
24 relying on input from District staff. The findings and multiple options

1 were presented to the Board. The Board chose which option to approve,
2 and directed staff and the consultant to proceed with a filing to the PSC.

3 11. Q. What were the basic factors that caused Hardin County Water District No.
4 1 to seek a rate increase at this time?

5 A. With the last PSC order for a rate adjustment (Case 2001-00211, dated
6 March 1, 2002, the PSC ordered that “within 3 calendar years from the
7 date of this Order Hardin District shall file with its Annual Report an
8 income statement, along with any pro forma adjustments, in sufficient
9 detail to demonstrate that the rates approved herein are sufficient to meet
10 Hardin District’s operating expenses and annual debt service
11 requirements”.

12 When three full fiscal years were complete, since this order (2003,
13 2004 and 2005) the District proceeded to retain a consultant to update and
14 perform a new cost of service analysis. Also, the District had approved the
15 New Salem Church Road County Expansion Project, funded through a new
16 bond issue, which project and new debt was approved by the PSC in late,
17 2004 (Case 2004-00453). As this project added new debt service, operating
18 and depreciation expense, the District felt an updated cost of service study
19 would also be prudent to make sure future rates could support this new
20 debt and operating expenses.

21 12. Q. Does this conclude your direct testimony?

22 A. Yes.

EXHIBIT 9 ATTACHMENT**Mr. Jim Bruce - Professional Education & Work Experience;**

From 1971 until 1978, Mr. Bruce was employed by the Goodyear Tire & Rubber Company in its Retail Stores Division where he worked in Michigan and Colorado. He held several positions with Goodyear which included Service Department Manager, Credit Sales Manager and Assistant Retail Store Manager.

Mr. Bruce then became employed by M&I Consulting Engineers, Inc. in Ft. Collins, Colorado where he worked for four years as an Engineering Technician in the Land Development Division working on plans for public works projects including water and wastewater systems. In 1982, Mr. Bruce became employed by the City of Loveland, Loveland, Colorado in the Water / Wastewater Department where he worked until 1994. During his employment at the City, Mr. Bruce held seven different positions of increasing responsibility which included; Engineering Technician, Project Coordinator, Associate Engineer, Utility Rate Analyst, Utility Accountant and Business/Finance Manager.

His last position held was as Accounting/Finance Manager of the Water & Power Department which was formed in late, 1993 by the combining of the Water / Wastewater and Light & Power Departments. The new department had an annual capital and operating budget of approximately \$45 million and included the Water, Wastewater, Storm Water/Drainage and Light & Power Utilities as well as the City's Environmental Resources Department.

Mr. Bruce received a B.S. degree from Regis University in Denver, Colorado, in Business Administration: Finance with minors in Economics and Computer Science and graduated Summa Cum Laude. Mr. Bruce became the General Manager of the Hardin County Water District No. 1 in September, 1994 where he has been employed since. Mr. Bruce has served on several utility related committees and board's in Kentucky and serves on the boards of several community organizations. Mr. Bruce was also instrumental in assisting in the formation of the Lincoln Trail Regional Water Commission (LTRWC), which was created in 2003. Mr. Bruce has served as Chairman of the LTRWC since its inception.

Mr. Bruce has received specific training in Rate Design from the American Water Works Association, the American Public Power Association and the Kentucky Public Service Commission. Mr. Bruce has also authored most of the applications and tariff changes filed on behalf of the District, to the Kentucky Public Service Commission. Mr. Bruce has also served as facilitator of several Utility Management Institute annual training sessions, which organization has been formed and facilitated by Western Kentucky University and Kentucky Rural Water Association.

In 2005, the District became the owner of the Ft. Knox Sanitary and Storm Sewer systems. The District partnered with Veolia Water, North America, to submit a bid to the U. S. Government for this privatization effort. Mr. Bruce worked closely with Veolia in preparing and writing the numerous bid submittals from 2002 through 2004, as well as the application to the PSC (approved by PSC December 1, 2004 - Case 2004-00422). This enterprise and added utility increased the District's gross revenues by 133% (water, sanitary & storm water).

EXHIBIT 9

HARDIN COUNTY WATER DISTRICT NO. 1
CASE NO. 2006-00410
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF BRENT A. TIPPEY, P.E.

Line
No.

1

QUALIFICATIONS

2 1. Q. Please state your name and address.

3 A. My name is Brent A. Tippey, P.E. My business address is 2517 Sir Barton
4 Way, Lexington, Kentucky 40509.

5 2. Q. By whom are you employed?

6 A. I am employed by Quest Engineers, Inc.

7 3. Q. What is your position with Quest Engineers, Inc. and briefly state your
8 general responsibilities and duties?

9 A. I am a Vice President and part owner of Quest. I also serve as the manager
10 of the Water Department. In that role, I am directly responsible for
11 planning, design construction and administrative aspects of projects of all
12 types for public and private clients in Kentucky, West Virginia and Ohio.
13 In addition, I have experience in preparing rate studies, hydraulic models
14 and sale of asset documents.

15 4. Q. What is your educational and professional background?

16 A. I have a Bachelor of Science Degree in Civil Engineering from the
17 University of Kentucky and am a registered professional engineer in
18 Kentucky, Ohio and West Virginia . I have been a consulting engineer for
19 14 years and have worked with over 35 communities on improving their

1 water treatment and distribution systems as well as helping with various
2 operational and management issues. My experience in rate studies includes
3 evaluations for the City of Newport, the City of Elizabethtown, the City
4 of Williamstown, the City of Williamsburg and the Lincoln Trail Regional
5 Water Commission (LTRWC). Other relevant experience includes
6 valuation studies for the City of Newport and for LTRWC on the Fort Knox
7 water system.

8 5. Q. Would you please describe your professional affiliations?

9 A. I am a member of the Kentucky-Tennessee Section of the American Water
10 Works Association (AWWA) and the Kentucky Society of Professional
11 Engineers (KSPE). I have served on various committees and held
12 leadership positions for KSPE.

13 COST OF SERVICE ALLOCATION

14 6. Q. What is the purpose of your testimony in this proceeding?

15 A. My testimony is provided in support of the rate adjustment proposed by
16 Hardin County Water District No.1. I produced the cost of service study
17 which included the allocation of expenses, determination of revenue
18 requirements and proposed rate adjustment design.

19 7. Q. Have you prepared a Cost-of-Service study that was submitted as part of
20 the filing with the Kentucky Public Service Commission (PSC)?

21 A. Yes. The Cost-of-Service study is attached as Exhibit 16 to the PSC
22 Application. This study details the allocation of expenses from the
23 historical test year (2005) along with pro-forma adjustments. In addition,

1 the study identifies the utility revenue requirements and proposed rate
2 design.

3 8. Q. Briefly describe the purpose of your cost allocation study.

4 A. The purpose of the study was to identify the HCWD1 cost-of-service for
5 providing potable service to its various customer classes during the test
6 year of 2005. This would be done through proper allocation of utility
7 expenses such as operations and maintenance costs, depreciation, debt
8 service , etc., to their appropriate cost function. Once the cost-of-service
9 has been determined for each customer classification, this value would be
10 compared against the revenue generated from water sales to that customer
11 classification to identify if a rate adjustment was needed to meet the
12 revenue requirements. This comparison of cost-of-service against water
13 sales revenues is also performed for the water utility as a whole.

14 9. Q. Please describe the method of cost allocation that was used in your study.

15 A. Our cost-of-service study utilized the base-extra capacity method as
16 described in *AWWA Principles of Water Rates, Fees and Charges Manual*
17 *M1 (Fifth Edition)*. This method is recognized as an excellent way to
18 allocate the utility expenses to appropriate customer classifications in
19 proportion to the benefit derived from the expense.

20 The base-extra capacity method separates expenses into four basic
21 cost functions. These are base costs, extra capacity costs, customer costs
22 and fire protection costs. Base costs are costs which tend to vary with the
23 amount of water used as well as expenses incurred in providing water

1 service to customers during an average day loading. The extra capacity
2 costs are associated with meeting the demand of the system on days
3 greater than average use. This classification is further divided into costs
4 associate with meeting the maximum day, maximum hour and fire
5 demand.

6 Our study allocated each expense indicated in the general ledger to
7 these different classifications. A number of different allocation ratios were
8 used and each of these is described in the study. However, it should be
9 noted how the extra capacity volumes were determined. The average day
10 was determined based on annual use divided by the days producing an
11 average day value of 2.63 MGD (1,827 GPM) as detailed in Appendix C of
12 the study. The highest demand day in 2005 was 3.21 MGD (or 2,229 GPM).
13 This produced a maximum/average ratio of 1.22. The maximum hourly
14 demand was determined to be 3,654 GPM (2.0 x average rate) based on
15 typical diurnal usage patterns. The fire demand was determined to be
16 3,729 GPM reflecting a fire demand of 1,500 GPM on top of the maximum
17 day value (2,229 GPM).

18 As discussed previously, the utility expenses and their allocation
19 methods are detailed in Appendix C of the Cost of Service Study (Exhibit
20 16). These expenses are categorized as Source of Supply, Water Treatment,
21 Transmission and Distribution, Customer Service, Maintenance,
22 Administrative, Amortization/Depreciation and Miscellaneous
23 (Income)/Expenses. In addition, test year adjustments are also identified

1 in this location with further explanation provided in Exhibit 8 of the filing.
2 These adjustments are key to bringing the 2005 audit amounts in line with
3 known and measurable changes that have occurred since the close of the
4 FY 2005 fiscal year.

5 Most of the test year adjustments are common and non-descript
6 such as the addition of new employees, the increase in retirement
7 contributions and initiation of new dental/vision benefits. However, a
8 couple items merit additional discussion.

9 The addition of new customers (together with their revenues and
10 expenses) is included as an adjustment. HCWD1 has added 263 new
11 customers between January 1 and September 30 of this year. Annualizing
12 that value leads an expected increase of 350 customers in 2006. The
13 revenue associated with these customers is based on an average bill (5,000
14 gallons per month) and the expenses associated with serving these
15 customers are based on purchasing their potable water from Fort Knox.
16 The necessity to purchase from Fort Knox is due to the high percentage of
17 treatment capacity (84% on an average day) already committed to existing
18 customers. Therefore, the expenses include the Fort Knox wholesale rate
19 and some pumping costs. More details on these amounts are provided in
20 Exhibit 18.

21 The principal and interest (P&I) associated with debt service for
22 capital investments also required adjustment. HCWD1 issued new bonds
23 in 2005 to finance the New Salem Church project and also to refinance

1 some existing debt. This resulted in a substantial change to the P&I. In
2 addition, the ledger entries were only tracking the interest paid on the
3 notes. This was all adjusted by using a three-year average for the P&I
4 values as detailed in the cost-of-service study and Exhibit 8 of the filing.

5 The audit value for depreciation includes adjusted journal entries
6 made by the auditor to account for previous overstatements of
7 depreciation. This has caused the audit value for depreciation to be
8 substantially lower than the actual depreciation value detailed in the most
9 recent asset schedule. This schedule is attached as part of Exhibit 14 and
10 identifies the actual depreciation from FY 2005 to be \$584,313. An
11 amended auditors statement (also provided in Exhibit 14) reflects this fact.
12 Additionally, the assets acquired in FY 2005 only had partial year
13 depreciation recorded for them. These values were annualized as part of
14 the test year adjustments.

15 The allocation between customer classes is also detailed in Appendix
16 C of the Cost-of-Service Study. The allocation methodology for base and
17 extra capacity costs to customer classes is generally related to the usage by
18 that customer class. The meter reading and customer service costs were
19 appropriately allocated to the retail customers with very little allocation to
20 the wholesale customers. The transmission system expenses were
21 allocated to the retail and wholesale customers based on an inch-miles
22 calculation of usage in each pipe by each class. A KYPIPE model was used
23 to simulate the impact of each wholesale customer on the distribution

1 system. The results of this model are provided as part of the Cost-of-
2 Service study in Exhibit 16.

3 10. Q. Please describe the rate increase design methodology that was used.

4 A. The cost-of-service for each of the customer classification or “revenue
5 requirements” were identified in the study. As detailed in Schedule A of
6 Appendix C of the Cost-of-Service Study (Exhibit 16), the cost related to
7 wholesale service is currently twice the revenue generated from the sales
8 of water to the same entities. The HCWD1 Board was presented with the
9 options for the proposed rate adjustment. The options included an across-
10 the-board increase of equal proportion of a rate increase that would be
11 weighted to the wholesale customers in order to reduce the deficit of
12 wholesale revenues to cost-of-service. The percentage of increase on
13 wholesale sales was determined based on market conditions for wholesale
14 sales in the region. It should be noted that two out of three HCWD1
15 wholesale customers have other potable water supply options.

**Hardin County Water District No. 1
Case Number 2006-00410
Exhibit No. 10
Billing Analysis - Existing Tariff Structure**

Usage Block		Meter Size										Monthly Charge for	Calculated
FROM	TO	Average Usage	Inch 0.620	Inch 0.750	Inch 1.000	Inch 1.500	Inch 2.000	Inch 3.000	Inch 4.000	Inch 6.000	TOTAL	Avg. Usage	FY 2005 Revenue
0	0	0	99	3	0	0	0	0	0	0	102	\$0.00	\$0
0	999	500	12,564	150	128	13	16	1	0	0	12,872	\$1.95	\$25,075
1,000	1,999	1,500	16,695	171	165	9	9	3	0	0	17,052	\$5.85	\$99,721
2,000	2,999	2,500	18,115	188	138	16	10	1	0	0	18,468	\$9.75	\$180,027
3,000	3,999	3,500	16,876	148	112	12	7	1	0	0	17,156	\$13.65	\$234,146
4,000	4,999	4,500	13,805	128	105	12	7	0	0	0	14,057	\$17.55	\$246,673
5,000	5,999	5,500	10,129	137	89	7	7	4	0	1	10,374	\$21.45	\$222,502
6,000	6,999	6,500	6,910	133	81	4	14	0	0	0	7,142	\$25.35	\$181,036
7,000	7,999	7,500	4,356	66	58	3	15	1	0	0	4,499	\$29.25	\$131,587
8,000	8,999	8,500	2,821	67	34	7	12	1	0	1	2,943	\$33.15	\$97,555
9,000	9,999	9,500	1,851	37	40	9	13	2	0	0	1,952	\$37.05	\$72,318
10,000	10,999	10,500	1,179	31	23	9	18	6	0	0	1,266	\$40.95	\$51,840
11,000	11,999	11,500	842	23	19	8	10	2	0	0	904	\$44.85	\$40,543
12,000	12,999	12,500	502	19	10	8	6	2	0	0	547	\$48.75	\$26,665
13,000	13,999	13,500	398	12	22	4	4	0	0	0	440	\$52.65	\$23,165
14,000	24,999	19,500	1,209	65	143	85	42	9	3	2	1,558	\$71.05	\$110,702
25,000	34,999	30,000	220	43	109	38	42	7	1	0	460	\$100.35	\$46,160
35,000	44,999	40,000	87	27	83	29	49	6	4	0	285	\$128.25	\$36,551
45,000	54,999	50,000	36	20	54	24	31	12	4	1	182	\$156.15	\$28,419
55,000	64,999	60,000	21	9	24	22	26	2	3	0	107	\$184.05	\$19,693
65,000	74,999	70,000	23	8	16	14	9	1	2	0	73	\$211.95	\$15,472
75,000	84,999	80,000	10	0	9	14	6	10	0	0	49	\$239.85	\$11,753
85,000	94,999	90,000	6	2	4	18	5	13	0	0	48	\$267.75	\$12,852
95,000	104,999	100,000	7	2	4	12	9	7	3	0	44	\$295.65	\$13,009
105,000	114,999	110,000	3	2	2	7	6	7	1	1	29	\$323.55	\$9,383
115,000	124,999	120,000	1	0	2	2	6	3	0	0	14	\$351.45	\$4,920
125,000	134,999	130,000	2	0	0	1	13	0	2	0	18	\$379.35	\$6,828
135,000	144,999	140,000	1	0	0	6	14	1	0	0	22	\$407.25	\$8,959
145,000	154,999	150,000	0	0	1	3	5	0	1	0	10	\$435.15	\$4,351
155,000	164,999	160,000	1	0	1	0	9	3	0	0	14	\$463.05	\$6,483
165,000	174,999	170,000	1	0	0	3	4	10	0	1	19	\$490.95	\$9,328
175,000	184,999	180,000	0	0	2	2	10	4	0	1	19	\$518.85	\$9,858
185,000	194,999	190,000	1	0	1	0	5	1	1	1	10	\$546.75	\$5,467
195,000	204,999	200,000	0	0	0	0	6	2	0	0	8	\$574.65	\$4,597
205,000	214,999	210,000	0	0	0	0	3	0	1	0	4	\$602.55	\$2,410
215,000	224,999	220,000	0	0	0	1	3	2	0	0	6	\$630.45	\$3,783
225,000	234,999	230,000	0	0	0	0	1	4	1	0	6	\$658.35	\$3,950
235,000	244,999	240,000	0	0	1	0	4	5	0	1	11	\$686.25	\$7,549
245,000	254,999	250,000	0	0	0	0	1	1	1	0	3	\$714.15	\$2,142
255,000	264,999	260,000	0	0	0	0	4	3	1	0	8	\$742.05	\$5,936
265,000	274,999	270,000	0	0	0	0	0	1	2	1	4	\$769.95	\$3,080
275,000	284,999	280,000	0	0	0	0	2	1	2	0	5	\$797.85	\$3,989
285,000	294,999	290,000	0	0	0	0	0	1	1	1	3	\$825.75	\$2,477
295,000	304,999	300,000	0	0	0	0	0	1	0	0	1	\$853.65	\$854
305,000	314,999	310,000	0	0	0	0	0	2	3	0	5	\$881.55	\$4,408
315,000	324,999	320,000	0	0	0	0	2	2	0	0	4	\$909.45	\$3,638
325,000	334,999	330,000	1	0	0	0	1	0	0	1	3	\$937.35	\$2,812
335,000	344,999	340,000	0	0	0	0	0	0	1	0	1	\$965.25	\$965
345,000	354,999	350,000	0	0	0	0	0	1	0	1	2	\$993.15	\$1,986
355,000	374,999	365,000	0	0	0	0	0	1	0	0	1	\$1,035.00	\$1,035
375,000	384,999	380,000	0	0	0	0	0	0	1	0	1	\$1,076.85	\$1,077
385,000	394,999	390,000	0	0	0	0	0	0	1	0	1	\$1,104.75	\$1,105
405,000	414,999	410,000	0	0	0	0	0	0	0	1	1	\$1,160.55	\$1,161
425,000	434,999	430,000	0	0	0	0	0	1	0	0	1	\$1,216.35	\$1,216
465,000	474,999	470,000	0	0	0	0	0	1	0	0	1	\$1,327.95	\$1,328
625,000	634,999	630,000	0	0	0	0	0	1	0	1	2	\$1,774.35	\$3,549
655,000	664,999	660,000	0	0	0	0	0	1	0	0	1	\$1,858.05	\$1,858
715,000	724,999	720,000	0	0	0	0	0	0	1	0	1	\$2,025.45	\$2,025
845,000	900,000	845,000	0	0	0	0	0	0	1	0	1	\$2,374.20	\$2,374
			108,772	1,491	1,480	402	466	151	42	16	112,820		\$2,064,346
			9,064	124	123	34	39	13	4	1	9,402		

Ratio	Meter Size	# Bills	Ex. Meter Charge	Ex. Meter Revenues		
1	0.62	9,064	4.70	511,228		
1.50	0.75	124	7.05	10,512	Revenues From 2005 Audit	
2.50	1	123	11.75	17,390	- Metered Water Sales	\$2,636,307
5.00	2	34	23.50	9,447		
7.98	2	39	37.51	17,478	Revenues from Billing Analysis	
15.00	3	13	70.50	10,646	- Metered Water Sales	\$2,064,346
25.00	4	4	117.50	4,935	- Meter Charges	\$585,395
50.00	6	1	235.00	3,760	Total	\$2,649,742
Total		9,402		585,395	Error in Billing Analysis	0.5%

**Hardin County Water District No. 1
PSC Case Number 2006-00410
Exhibit No. 10
Billing Analysis - Proposed Tariff Structure**

Usage Block		Meter Size										Monthly	Proposed
FROM	TO	Average Usage	Inch 0.620	Inch 0.750	Inch 1.000	Inch 1.500	Inch 2.000	Inch 3.000	Inch 4.000	Inch 6.000	TOTAL	Charge for Avg. Usage	Revenue
0	0	0	99	3	0	0	0	0	0	0	102	\$0.00	\$0
0	999	500	12,564	150	128	13	16	1	0	0	12,872	\$2.21	\$28,419
1,000	1,999	1,500	16,695	171	165	9	9	3	0	0	17,052	\$6.63	\$113,017
2,000	2,999	2,500	18,115	188	138	16	10	1	0	0	18,468	\$11.05	\$204,031
3,000	3,999	3,500	16,876	148	112	12	7	1	0	0	17,156	\$15.47	\$265,365
4,000	4,999	4,500	13,805	128	105	12	7	0	0	0	14,057	\$19.89	\$279,563
5,000	5,999	5,500	10,129	137	89	7	7	4	0	1	10,374	\$24.31	\$252,169
6,000	6,999	6,500	6,910	133	81	4	14	0	0	0	7,142	\$28.73	\$205,174
7,000	7,999	7,500	4,356	66	58	3	15	1	0	0	4,499	\$33.15	\$149,132
8,000	8,999	8,500	2,821	67	34	7	12	1	0	1	2,943	\$37.57	\$110,562
9,000	9,999	9,500	1,851	37	40	9	13	2	0	0	1,952	\$41.99	\$81,960
10,000	10,999	10,500	1,179	31	23	9	18	6	0	0	1,266	\$46.41	\$58,752
11,000	11,999	11,500	842	23	19	8	10	2	0	0	904	\$50.83	\$45,948
12,000	12,999	12,500	502	19	10	8	6	2	0	0	547	\$55.25	\$30,221
13,000	13,999	13,500	398	12	22	4	4	0	0	0	440	\$59.67	\$26,254
14,000	24,999	19,500	1,209	65	143	85	42	9	3	2	1,556	\$80.52	\$125,448
25,000	34,999	30,000	220	43	109	38	42	7	1	0	460	\$113.70	\$52,301
35,000	44,999	40,000	87	27	83	29	49	6	4	0	285	\$145.30	\$41,410
45,000	54,999	50,000	36	20	54	24	31	12	4	1	182	\$176.90	\$32,196
55,000	64,999	60,000	21	9	24	22	26	2	3	0	107	\$208.50	\$22,309
65,000	74,999	70,000	23	8	16	14	9	1	2	0	73	\$240.10	\$17,527
75,000	84,999	80,000	10	0	9	14	6	10	0	0	49	\$271.70	\$13,313
85,000	94,999	90,000	6	2	4	18	5	13	0	0	48	\$303.30	\$14,558
95,000	104,999	100,000	7	2	4	12	9	7	3	0	44	\$334.90	\$14,736
105,000	114,999	110,000	3	2	2	7	6	7	1	1	29	\$366.50	\$10,628
115,000	124,999	120,000	1	0	2	2	6	3	0	0	14	\$398.10	\$5,573
125,000	134,999	130,000	2	0	0	1	13	0	2	0	18	\$429.70	\$7,735
135,000	144,999	140,000	1	0	0	6	14	1	0	0	22	\$461.30	\$10,149
145,000	154,999	150,000	0	0	1	3	5	0	1	0	10	\$492.90	\$4,929
155,000	164,999	160,000	1	0	1	0	9	3	0	0	14	\$524.50	\$7,343
165,000	174,999	170,000	1	0	0	3	4	10	0	1	19	\$556.10	\$10,566
175,000	184,999	180,000	0	0	2	2	10	4	0	1	19	\$587.70	\$11,166
185,000	194,999	190,000	1	0	1	0	5	1	1	1	10	\$619.30	\$6,193
195,000	204,999	200,000	0	0	0	0	6	2	0	0	8	\$650.90	\$5,207
205,000	214,999	210,000	0	0	0	0	3	0	1	0	4	\$682.50	\$2,730
215,000	224,999	220,000	0	0	0	1	3	2	0	0	6	\$714.10	\$4,285
225,000	234,999	230,000	0	0	0	0	1	4	1	0	6	\$745.70	\$4,474
235,000	244,999	240,000	0	0	1	0	4	5	0	1	11	\$777.30	\$8,550
245,000	254,999	250,000	0	0	0	0	1	1	1	0	3	\$808.90	\$2,427
255,000	264,999	260,000	0	0	0	0	4	3	1	0	8	\$840.50	\$6,724
265,000	274,999	270,000	0	0	0	0	0	1	2	1	4	\$872.10	\$3,488
275,000	284,999	280,000	0	0	0	0	2	1	2	0	5	\$903.70	\$4,518
285,000	294,999	290,000	0	0	0	0	0	1	1	1	3	\$935.30	\$2,806
295,000	304,999	300,000	0	0	0	0	0	1	0	0	1	\$966.90	\$967
305,000	314,999	310,000	0	0	0	0	0	2	3	0	5	\$998.50	\$4,992
315,000	324,999	320,000	0	0	0	0	2	2	0	0	4	\$1,030.10	\$4,120
325,000	334,999	330,000	1	0	0	0	1	0	0	1	3	\$1,061.70	\$3,185
335,000	344,999	340,000	0	0	0	0	0	0	1	0	1	\$1,093.30	\$1,093
345,000	354,999	350,000	0	0	0	0	0	1	0	1	2	\$1,124.90	\$2,250
355,000	374,999	365,000	0	0	0	0	0	1	0	0	1	\$1,172.30	\$1,172
375,000	384,999	380,000	0	0	0	0	0	0	1	0	1	\$1,219.70	\$1,220
385,000	394,999	390,000	0	0	0	0	0	0	1	0	1	\$1,251.30	\$1,251
405,000	414,999	410,000	0	0	0	0	0	0	0	1	1	\$1,314.50	\$1,314
425,000	434,999	430,000	0	0	0	0	0	1	0	0	1	\$1,377.70	\$1,378
465,000	474,999	470,000	0	0	0	0	0	1	0	0	1	\$1,504.10	\$1,504
625,000	634,999	630,000	0	0	0	0	0	1	0	1	2	\$2,009.70	\$4,019
655,000	664,999	660,000	0	0	0	0	0	1	0	0	1	\$2,104.50	\$2,104
715,000	724,999	720,000	0	0	0	0	0	0	1	0	1	\$2,294.10	\$2,294
845,000	900,000	872,500	0	0	0	0	0	0	1	0	1	\$2,776.00	\$2,776
			108,772	1,491	1,480	402	466	151	42	16	112,820		\$2,339,498
			9,064	124	123	34	39	13	4	1	9,402		

Ratio	Meter Size	# Bills	Prop Meter Charge	Prop Meter Revenues	
	0.620	9,064	\$5.08	\$552,562	
	1.50	124	\$7.62	\$11,361	
	2.50	123	\$12.70	\$18,796	
	5.00	34	\$25.40	\$10,211	
	7.98	39	\$40.54	\$18,891	
	15.00	13	\$76.20	\$11,506	
	25.00	4	\$127.00	\$5,334	
	50.00	1	\$254.00	\$4,064	
	Total	9,402		\$632,725	

Projected Retail Revenues After Adjustment	
- Meter Charges	\$632,725
- Water Sales	\$2,339,498
Total	\$2,972,223

Hardin County Water District No. 1				
PSC Case 2006-00410				
Exhibit 11 - Revenue Requirements				
Test Year ended 12/31/05				Pro forma adjustments
				Revenues from new customers:
				101,640
	Test Period Operations/3-year average debt service	Adj.	Pro Forma	
Required income available for debt service	1,461,101		1,461,101	Operating Expenses:
Add: Operating Expenses	2,079,955	117,072	2,197,027	Dental/vision insurance
Depreciation	584,313	105,051	689,364	Staff accountant with rate increase
				Wage Increases 2006
				Customer service representative with rate increase
				CERS Retirement Contribution increase
				Deduction of health care insurance for GM/Commissioners
				Purchased water cost for new customers
				Reimbursement from sewer utility for salaries
				Amortization of rate case expense (5 YR Amort)
				Subtotal Operating Expense
Total Revenue Requirement	4,125,369	222,123	4,347,492	117,072
				Adjustments to full year depreciation for 2005 additions:
Less: Interest Income			126,927	Pirtle Springs WTP Raw Water Building
Revenue Requirement from Operations			4,220,565	KY 1882 PS Improvements (NSCR Project)
				Brizendine Elevated Tank (NSCR Project)
Less: Other Operating Revenues			577,509	6-inch mains - 31.2 Miles (NSCR Project)
Revenue Requirement from Water Sales			3,643,056	8-inch mains - 5.3 miles (NSCR Project)
				12-inch mains - 1.8 miles (NSCR Project)
Revenues from Water Sales during test year	3,067,090	101,640	3,168,730	Capitalized interest
				Meters relocated (NSCR Project)
Increase needed			474,326	Hydrants - 73 (NSCR Project)
				Chlorine Load Cells
% increase			14.97%	Clarifier Variable Speed Drives
				Misc. Main Extensions
Check				AMR meters
Total Revenue Requirement			4,347,492	Meters & Services
Less: Total Test Year Revenues from Operations			3,746,239	Meters relocated (DeRoche)
Test Year Interest Income			126,927	Furniture
Increase needed			474,326	Software
				PCs (2)
Revenue Requirement Summary				Security Cameras
Debt Service Requirement			1,461,101	E-mail server
				Chevy Colorado
Less: Income Available for Debt Service				Jeep Laredo
Adjusted revenues from Water Sales during test year			3,168,730	Case 580-M Backhoe
Add: Other Operating Revenues			577,509	Jar Tester
Add: Interest Income			126,927	Turbidimeters (2)
Less: Operating Expenses			2,197,027	AMR communication system
Less: Depreciation			689,364	Radio Upgrades
Less: Amortization of Rate Case Expense			-	Service Center Door Openers
Income available for debt service			986,775	Subtotal Depreciation
				105,051
Increase Needed			474,326	
% increase			14.97%	

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Client: 03949 - Hardin County Water District
 Engagement: 2005 Audit - Hardin County Water District
 Trial Balance: TB.01 - Hardin County Water District
 Workpaper: FS Grouping

Account	Description	PP-FINAL 12/31/2004	FINAL 12/31/2005	\$ VAR	% VAR
Group : [4110] Cash & Equivalents					
Subgroup : [4111] O&M					
0.1310300	Operation & Maintenance Fund Checking.....	(218,435.54)	(368,416.00)	(149,980.46)	68.66%
Subtotal [4111] O&M		<u>(218,435.54)</u>	<u>(368,416.00)</u>	<u>(149,980.46)</u>	<u>68.66%</u>
Subgroup : [4112] Revenue					
0.1310100	Revenue Fund - Checking.....	277,031.17	514,633.00	237,601.83	85.77%
0.1310700	Revenue Fund - PNC Bank.....	71,225.77	33,316.00	(37,909.77)	(53.22%)
Subtotal [4112] Revenue		<u>348,256.94</u>	<u>547,949.00</u>	<u>199,692.06</u>	<u>57.34%</u>
Subgroup : [4113] Other					
0.1310000	Change Fund.....	1,700.00	1,700.00	0.00	0.00%
Subtotal [4113] Other		<u>1,700.00</u>	<u>1,700.00</u>	<u>0.00</u>	<u>0.00%</u>
Subgroup : [4114] Restricted					
0.1310800	02 Bond Proceeds.....	0.55	1.00	0.45	81.82%
0.1310801	2005 PROJECT FUND-US BANK.....	0.00	326,489.00	326,489.00	#DIV/0!
0.1311102	2005 SINKING FUND - US BANK.....	0.00	86,983.00	86,983.00	#DIV/0!
0.1311103	2005 COST OF ISSUSANCE-US BK.....	0.00	9,092.00	9,092.00	#DIV/0!
0.1311104	1998 REFUNDING ESCROW FD-US BK.....	0.00	284.00	284.00	#DIV/0!
0.1320300	Debt Ser. Reserve.....	664,421.69	683,867.00	19,445.31	2.93%
0.1320400	Bond Series 1998 Sinking Fund.....	112,453.18	138,319.00	25,865.82	23.00%
0.1320600	Bond Series 1991 Sinking Fund.....	105,392.29	4,554.00	(100,838.29)	(95.68%)
Subtotal [4114] Restricted		<u>882,267.71</u>	<u>1,249,589.00</u>	<u>367,321.29</u>	<u>41.63%</u>
Subgroup : [4115] Short Term Investments					
0.1310200	Depreciation Fund Checking.....	750,497.45	772,393.00	21,895.55	2.92%
Subtotal [4115] Short Term Investments		<u>750,497.45</u>	<u>772,393.00</u>	<u>21,895.55</u>	<u>2.92%</u>
Total [4110] Cash & Equivalents		<u>1,764,286.56</u>	<u>2,203,215.00</u>	<u>438,928.44</u>	<u>24.88%</u>
Group : [4115] Investments					
Subgroup : [4116] Unrestricted					
0.1310900	Un-restricted Reserve Account.....	1,725,126.84	1,541,780.00	(183,346.84)	(10.63%)
Subtotal [4116] Unrestricted		<u>1,725,126.84</u>	<u>1,541,780.00</u>	<u>(183,346.84)</u>	<u>(10.63%)</u>
Subgroup : [4117] Restricted					
0.1311000	1998 DEBT SER RESERVE.....	24,962.87	0.00	(24,962.87)	(100.00%)
0.1311100	2002 DEBT SER RESERVE.....	4,969.48	78,635.00	73,665.52	1,482.36%
0.1311101	2005 DEBT SER RESERVE.....	0.00	96,387.00	96,387.00	#DIV/0!
Subtotal [4117] Restricted		<u>29,932.35</u>	<u>175,022.00</u>	<u>145,089.65</u>	<u>484.73%</u>
Total [4115] Investments		<u>1,755,059.19</u>	<u>1,716,802.00</u>	<u>(38,257.19)</u>	<u>(2.18%)</u>
Group : [4210] Receivables					
Subgroup : [4211] Accounts Receivable					
0.1410000	A/R - Water & Sewer Bills.....	198,794.55	195,817.00	(2,977.55)	(1.50%)
0.1410050	A/R - Sewer & Stormwater.....	268,448.23	0.00	(268,448.23)	(100.00%)
0.1410500	A/R - SEWER & STORMWATER.....	0.00	248,128.00	248,128.00	#DIV/0!
0.1420300	A/R - Sewer Revenue Contract Fee.....	18,072.50	16,098.00	(1,974.50)	(10.93%)
0.1420301	A/R - Sewer Storm Water Contract Fee.....	639.94	648.00	8.06	1.26%
0.1430000	Reserve for Bad Debts.....	(2,193.00)	(2,193.00)	0.00	0.00%
Subtotal [4211] Accounts Receivable		<u>483,762.22</u>	<u>458,498.00</u>	<u>(25,264.22)</u>	<u>(5.22%)</u>
Subgroup : [4213] Other Receivables					
0.1410003	VEOLIA CONTRACT RECEIVABLE.....	0.00	34,896.00	34,896.00	#DIV/0!
0.1410100	A/R - Unapplied Cash.....	3,914.67	4,046.00	131.33	3.35%
0.1410200	A/R - Sewer Unapplied Cash.....	(31.93)	(32.00)	(0.07)	0.22%
0.1420100	A/R - Misc. Statements.....	0.00	(270.00)	(270.00)	#DIV/0!
0.1420200	A/R - Dillo Lane Project.....	5,760.61	(418.00)	(6,178.61)	(107.26%)
Subtotal [4213] Other Receivables		<u>9,643.35</u>	<u>38,222.00</u>	<u>28,578.65</u>	<u>296.36%</u>
Subgroup : [4214] Note Receivable					
0.1440000	NOTES RECEIVABLE.....	0.00	6,500.00	6,500.00	#DIV/0!
Subtotal [4214] Note Receivable		<u>0.00</u>	<u>6,500.00</u>	<u>6,500.00</u>	<u>#DIV/0!</u>
Total [4210] Receivables		<u>493,405.57</u>	<u>503,220.00</u>	<u>9,814.43</u>	<u>1.99%</u>
Group : [4220] Due to other funds					
Subgroup : None					
0.1060000	Due From Other Funds.....	0.00	38,376.00	38,376.00	#DIV/0!
Subtotal : None		<u>0.00</u>	<u>38,376.00</u>	<u>38,376.00</u>	<u>#DIV/0!</u>
Total [4220] Due to other funds		<u>0.00</u>	<u>38,376.00</u>	<u>38,376.00</u>	<u>#DIV/0!</u>
Group : [4310] Inventory					

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Client: 03949 - Hardin County Water District
Engagement: 2005 Audit - Hardin County Water District
Trial Balance: TB.01 - Hardin County Water District
Workpaper: FS Grouping

Account	Description	PP-FINAL 12/31/2004	FINAL 12/31/2005	\$ VAR	% VAR
Subgroup : None					
0.1510100	Inventory - Chemicals.....	10,952.91	15,207.00	4,254.09	38.84%
0.1510400	Inventory - Meters.....	13,417.78	85,238.00	71,820.22	535.26%
0.1510600	Distribution Materials.....	45,523.91	79,091.00	33,567.09	73.74%
Subtotal : None		69,894.60	179,536.00	109,641.40	156.87%
Total [4310] Inventory		69,894.60	179,536.00	109,641.40	156.87%
Group : [4410] Prepaid Expenses					
Subgroup : None					
0.1620000	Prepaid Insurance.....	26,147.12	5,316.00	(20,831.12)	(79.67%)
0.1620300	Prepaid Rate Case Cost 2001-211.....	1,957.80	0.00	(1,957.80)	(100.00%)
0.1620400	Prepaid LOC Fees.....	11,146.69	9,949.00	(1,197.69)	(10.74%)
0.1860200	Deferred Exp - Pirtle Clarifier.....	0.00	218,582.00	218,582.00	#DIV/0!
0.18620000	Other Deferred Expenses	239,074.52	0.00	(239,074.52)	(100.00%)
Subtotal : None		278,326.43	233,847.00	(44,479.13)	(15.98%)
Total [4410] Prepaid Expenses		278,326.43	233,847.00	(44,479.13)	(15.98%)
Group : [4610] Capital Assets					
Subgroup : [4611] Land					
0.1030000	Property Held For Future.....	7,684.67	0.00	(7,684.67)	(100.00%)
0.1830300	Land - Office Lot.....	43,334.88	0.00	(43,334.88)	(100.00%)
0.1830301	Land & Land Rights.....	215,003.00	266,023.00	51,020.00	23.73%
Subtotal [4611] Land		266,022.55	266,023.00	0.45	0.00%
Subgroup : [4612] Buildings					
0.1834800	Office Building.....	70,782.73	139,093.00	68,310.27	96.51%
0.1834801	Roadways & Parking Area.....	66,019.08	0.00	(66,019.08)	(100.00%)
0.1835000	New Service Center.....	1,540,385.86	0.00	(1,540,385.86)	(100.00%)
Subtotal [4612] Buildings		1,677,187.67	139,093.00	(1,538,094.67)	(91.71%)
Subgroup : [4613] Equipment					
0.1832000	Water Treatment Equipment.....	1,258,017.87	1,275,032.00	17,014.13	1.35%
0.1833900	Other Plant & Misc. Equipment.....	291,837.45	362,222.00	70,384.55	24.12%
0.1834000	Office Furniture & Equipment.....	118,201.53	129,926.00	11,724.47	9.92%
0.1834100	Transportation Equipment.....	357,053.15	276,344.00	(80,709.15)	(22.60%)
0.1834200	Stores Equipment.....	202.00	0.00	(202.00)	(100.00%)
0.1834300	Tool, Work, & Safety Equipment.....	124,845.98	121,079.00	(3,766.98)	(3.02%)
0.1834400	Lab Equipment.....	21,927.29	29,421.00	7,493.71	34.18%
0.1834500	Power Operated Equipment.....	67,041.29	179,391.00	112,349.71	167.58%
0.1834600	Communication Equipment.....	30,414.97	104,313.00	73,898.03	242.97%
0.1834700	Misc. Equipment.....	17,828.21	(1.00)	(17,829.21)	(100.01%)
Subtotal [4613] Equipment		2,287,369.74	2,477,727.00	190,357.26	8.32%
Subgroup : [4614] Plant & Water Mains					
0.1020300	Source of New Water.....	70,384.64	0.00	(70,384.64)	(100.00%)
0.1830400	Purification - Bldg. & Structure.....	406,873.99	1,957,639.00	1,550,765.01	381.14%
0.1830700	Wells & Springs.....	775,589.61	865,084.00	89,494.39	11.54%
0.1830900	Supply Mains.....	1,066,570.73	1,102,704.00	36,133.27	3.39%
0.1831100	Booster Stations.....	2,236,976.18	2,467,991.00	231,014.82	10.33%
0.1831200	Lagoons.....	16,877.18	0.00	(16,877.18)	(100.00%)
0.1833000	Standpipes Tanks & Foundations.....	1,708,302.88	2,360,767.00	652,464.12	38.19%
0.1833100	Transmission & Distribution Mains.....	10,489,595.00	13,932,684.00	3,443,089.00	32.82%
0.1833200	Ft Knox Serv Lines & Connections.....	36,132.97	0.00	(36,132.97)	(100.00%)
0.1833300	Services - Lines & Connections.....	1,947,261.69	2,821,967.00	874,705.31	44.92%
0.1833400	Meters.....	342,107.86	0.00	(342,107.86)	(100.00%)
0.1833402	Meter Installation.....	98,021.95	0.00	(98,021.95)	(100.00%)
0.1833500	Hydrants.....	248,322.00	431,728.00	183,406.00	73.86%
Subtotal [4614] Plant & Water Mains		19,443,016.68	25,940,564.00	6,497,547.32	33.42%
Subgroup : [4615] Accumulated Depreciation					
0.1080000	Accum. Depreciation.....	(7,916,644.42)	(8,195,708.00)	(279,063.58)	3.53%
Subtotal [4615] Accumulated Depreciation		(7,916,644.42)	(8,195,708.00)	(279,063.58)	3.53%
Total [4610] Capital Assets		15,756,952.22	20,627,699.00	4,870,746.78	30.91%
Group : [4620] Construction in Progress					
Subgroup : None					
0.1050603	CIP - Steel Tank Painting Proj.....	0.00	2,510.00	2,510.00	#DIV/0!
0.1051010	CIP - PIRTLE WTP RECON.....	0.00	1,454.00	1,454.00	#DIV/0!
0.1051020	CIP - HUNTER'S RIDGE II.....	0.00	14,434.00	14,434.00	#DIV/0!
0.1051050	CIP - MEADOWLAKE SECT. 14.....	0.00	473.00	473.00	#DIV/0!
0.1051060	CIP - MEADOWLAKE SECT. 13.....	0.00	473.00	473.00	#DIV/0!
0.1051070	CIP - SHELTON WOODS.....	0.00	33,311.00	33,311.00	#DIV/0!
0.1051090	CIP - Looping Projects.....	0.00	900.00	900.00	#DIV/0!
0.1051096	CIP - Falcon Heights.....	0.00	405.00	405.00	#DIV/0!
0.1051097	CIP - WME Tuscany Place.....	0.00	405.00	405.00	#DIV/0!

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Client: 03949 - Hardin County Water District
 Engagement: 2005 Audit - Hardin County Water District
 Trial Balance: TB.01 - Hardin County Water District
 Workpaper: FS Grouping

Account	Description	PP-FINAL	FINAL	\$ VAR	% VAR
		12/31/2004	12/31/2005		
0.1052000	CIP - Blue Ball Demo. WO #420.....	4,313.00	4,313.00	0.00	0.00%
0.1053300	CIP - Lex-a-villa #WO 9801.....	18,093.95	18,094.00	0.05	0.00%
0.1054100	CIP - Hilltop Sect. 10.....	1,135.91	1,136.00	0.09	0.01%
0.1055000	CIP - Whispering Hills Sect. 15.....	1,467.57	1,468.00	0.43	0.03%
0.1056000	CIP - Fl. Knox Wastewater Proj.....	62,439.08	0.00	(62,439.08)	(100.00%)
0.1057200	CIP - STREAMFLOW MONT. STUDY.....	19,845.00	0.00	(19,845.00)	(100.00%)
0.1057700	CIP - NEW SALEM AREA EXP.....	275,777.46	0.00	(275,777.46)	(100.00%)
0.1057701	CIP - Conslanline Road Design.....	0.00	106,925.00	106,925.00	#DIV/0!
0.1058300	CIP - GLORYLAND CHURCH.....	(1,082.59)	0.00	1,082.59	(100.00%)
0.1058600	CIP - Regional Water Commission.....	93.90	0.00	(93.90)	(100.00%)
0.1059100	CIP - MEADOWLAKE SECT. 12.....	1,730.08	0.00	(1,730.08)	(100.00%)
0.1059200	CIP - HWY 313 VINE GROVE LINE.....	1,849.11	0.00	(1,849.11)	(100.00%)
0.1059400	CIP - Padgett View.....	26,583.51	0.00	(26,583.51)	(100.00%)
0.1059600	VG-CREEKVALE WHOLESALE METER.....	(12,682.00)	0.00	12,682.00	(100.00%)
0.1059700	CIP - NOTTING HILL PHASE 2.....	500.00	0.00	(500.00)	(100.00%)
0.1059800	CIP - ASHLEY ESTATES WME.....	500.00	0.00	(500.00)	(100.00%)
0.1059900	CIP - PIRTLE RAW BLDG.....	6,236.82	(125.00)	(6,361.82)	(102.00%)
Subtotal : None		406,800.80	186,176.00	(220,624.80)	(54.23%)
Total [4620] Construction in Progress		406,800.80	186,176.00	(220,624.80)	(54.23%)
Group : [5110] Payables					
Subgroup : [5111] Accounts Payable					
0.2310000	Accounts Payable.....	(247,434.23)	(54,153.00)	193,281.23	(78.11%)
0.2310900	Accounts Payable - Credit Card.....	(17,130.80)	(21,585.00)	(4,454.20)	26.00%
Subtotal [5111] Accounts Payable		(264,565.03)	(75,738.00)	188,827.03	(71.37%)
Subgroup : [5112] Accrued Expenses					
0.2360100	Social Security Withheld (Clearing Acct).....	0.01	0.00	(0.01)	(100.00%)
0.2360500	County Utility Tax Payable.....	936.34	2,350.00	1,413.66	150.98%
0.2360600	City Tax Withheld (Clearing Account).....	109.61	110.00	0.39	0.36%
0.2380100	Accrued Compensated Absences.....	(22,255.21)	(21,907.00)	348.21	(1.56%)
0.2420100	Accrued Salaries.....	(17,818.10)	(19,041.00)	(1,222.90)	6.86%
0.2420600	Sales & Use Tax Payable.....	2,169.96	3,642.00	1,472.04	67.84%
Subtotal [5112] Accrued Expenses		(36,857.39)	(34,846.00)	2,011.39	(5.46%)
Subgroup : [5113] Accrued Interest on Deposits					
0.2370200	Accrued Interest Payable - Customer Dep.....	(1,825.53)	(1,826.00)	(0.47)	0.03%
Subtotal [5113] Accrued Interest on Deposits		(1,825.53)	(1,826.00)	(0.47)	0.03%
Subgroup : [5114] Deposits Payable					
0.1015427	CUSTOMER DEPOSIT REFUND INT. EXPENSE.....	0.00	681.00	681.00	#DIV/0!
0.1321300	Sewer Deposit Account.....	24,276.03	32,484.00	8,207.97	33.81%
0.1321400	Cert. of Dep - Sewer Deposits.....	122,719.18	124,534.00	1,814.82	1.48%
0.2350100	Customer Meter Deposit (Water & Sewer).....	(225,902.00)	(240,905.00)	(15,003.00)	6.64%
0.2350200	LAWN/POOL METER DEPOSIT.....	(600.00)	(1,900.00)	(1,300.00)	216.67%
0.2420400	Deposit Interest Payable - Sewer.....	(46,275.09)	(46,410.00)	(134.91)	0.29%
Subtotal [5114] Deposits Payable		(125,781.88)	(131,516.00)	(5,734.12)	4.56%
Subgroup : [5115] Sewer Payables					
0.2320100	Insurance Payable - Fl. Knox Sewer.....	0.00	(27,483.00)	(27,483.00)	#DIV/0!
0.2420300	Sewer Collections Payable.....	(232,009.61)	(197,070.00)	34,939.61	(15.06%)
0.2420500	Sewer Payable - Franchise Fee.....	858.37	919.00	60.63	7.06%
0.2420501	Sewer Payable - Storm Water.....	(55,577.63)	(58,289.00)	(2,711.37)	4.88%
Subtotal [5115] Sewer Payables		(286,728.87)	(281,923.00)	4,805.87	(1.68%)
Subgroup : [5116] Advances for Construction					
0.2520000	Advance For Construction-1/2 Revenue Fnd.....	(144,594.88)	(196,731.00)	(52,136.12)	36.06%
Subtotal [5116] Advances for Construction		(144,594.88)	(196,731.00)	(52,136.12)	36.06%
Subgroup : [5117] Reserve for unclaimed refunds					
0.2530000	Reserve for Uncashed Checks.....	(10,983.21)	(13,124.00)	(2,140.79)	19.49%
Subtotal [5117] Reserve for unclaimed refunds		(10,983.21)	(13,124.00)	(2,140.79)	19.49%
Subgroup : [5119] Current portion of long term debt					
0.2210000	Current Portion of Long Term Debt.....	0.00	(680,000.00)	(680,000.00)	#DIV/0!
Subtotal [5119] Current portion of long term debt		0.00	(680,000.00)	(680,000.00)	#DIV/0!
Total [5110] Payables		(871,336.79)	(1,415,704.00)	(544,367.21)	62.47%
Group : [5210] Long Term Debt					
Subgroup : [5211] Bonds Payable					
0.2211100	Bonds Payable - 1991 Issue.....	(395,000.00)	0.00	395,000.00	(100.00%)
0.2211300	Bonds Payable - 1998 Issue.....	(2,690,000.00)	0.00	2,690,000.00	(100.00%)
0.2211400	Bonds Payable - 1998 Refunding Issue.....	(3,275,000.00)	(2,545,000.00)	730,000.00	(22.29%)
0.2211600	Bonds Payable - 2002 Issue.....	(4,490,000.00)	(4,270,000.00)	220,000.00	(4.90%)

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Client: 03949 - Hardin County Water District
 Engagement: 2005 Audit - Hardin County Water District
 Trial Balance: TB.01 - Hardin County Water District
 Workpaper: FS Grouping

Account	Description	PP-FINAL	FINAL	\$ VAR	% VAR
		12/31/2004	12/31/2005		
0.2211700	BONDS PAYABLE - 2005 ISSUE	0.00	(6,795,000.00)	(6,795,000.00)	#DIV/0!
Subtotal [5211] Bonds Payable		(10,850,000.00)	(13,610,000.00)	(2,760,000.00)	25.44%
Subgroup : [5212] Deferred Bond Costs					
0.1810700	Unamortized Bond Disc. & Exp. '98 Series	105,098.09	97,447.00	(7,651.09)	(7.28%)
0.1810800	Unamortized Disc - 1998 Series 2	95,649.71	81,986.00	(13,663.71)	(14.29%)
0.1810900	Unamortized Bond - 2002	167,805.02	158,077.00	(9,728.02)	(5.80%)
0.1811000	UNAMORTIZED BOND - 2005	0.00	113,490.00	113,490.00	#DIV/0!
0.2211500	Deferred Gain on 1998 Refunding Issue	169,807.10	127,355.00	(42,452.10)	(25.00%)
0.2211701	2005 BOND PREMIUM	0.00	1.00	1.00	#DIV/0!
Subtotal [5212] Deferred Bond Costs		538,359.92	578,356.00	39,996.08	7.43%
Subgroup : [5214] Accrued Interest Payable					
0.2370100	Accrued Interest on Long-Term Debt	(64,898.31)	(150,251.00)	(85,352.69)	131.52%
Subtotal [5214] Accrued Interest Payable		(64,898.31)	(150,251.00)	(85,352.69)	131.52%
Total [5210] Long Term Debt		(10,376,538.39)	(13,181,895.00)	(2,805,356.61)	27.04%
Group : [6110] Retained Earnings					
Subgroup : [6111] Unreserved					
0.2810000	Retained Earnings	(5,583,371.59)	(6,037,792.00)	(454,420.41)	8.14%
0.3000005	Budgeted Revenues	3,575,341.00	3,866,700.00	291,359.00	8.15%
0.3000006	Appropriations	(3,148,610.00)	(3,283,244.00)	(134,634.00)	4.28%
0.3000007	Budgeted Fund Balance - PL	(426,731.00)	(583,456.00)	(156,725.00)	36.73%
0.3000008	Encumbrances	5,192.92	5,193.00	0.08	0.00%
0.3000009	Reserve For Encumbrances	(5,192.92)	(5,193.00)	(0.08)	0.00%
Subtotal [6111] Unreserved		(5,583,371.59)	(6,037,792.00)	(454,420.41)	8.14%
Subgroup : [6112] Reserved					
0.2710000	Cont. In Aid of Const (Incl Water Taps)	(3,190,044.60)	(3,190,044.00)	0.60	(0.00%)
Subtotal [6112] Reserved		(3,190,044.60)	(3,190,044.00)	0.60	(0.00%)
Total [6110] Retained Earnings		(8,773,416.19)	(9,227,836.00)	(454,419.81)	5.18%
Group : [7110] Other Revenues					
Subgroup : None					
0.4210000	Non-Utility Income	(2,597.84)	(6,419.00)	(3,821.16)	147.09%
0.4210102	Misc Revenue - Tobacco Grant	0.00	(595,000.00)	(595,000.00)	#DIV/0!
0.4610600	Water Revenue - Other	(379.82)	(389.00)	(9.18)	2.42%
0.4620200	Private Fire Protection	(19,098.60)	(23,891.00)	(4,792.40)	25.09%
0.4700000	Penalties & Misc. Fees	(252,579.84)	(276,537.00)	(23,957.16)	9.48%
0.4710500	Bad Debt Recovered	(2,577.79)	(2,734.00)	(156.21)	6.06%
0.4710600	Labor Revenue - Misc. Statements	(13,057.66)	(28,609.00)	(15,551.34)	119.10%
0.4710700	Vouchers Received	(5,789.55)	(7,128.00)	(1,338.45)	23.12%
0.4720000	Rents From Water Property	(39,117.70)	(71,486.00)	(32,368.30)	82.75%
Subtotal : None		(335,198.80)	(1,012,193.00)	(676,994.20)	201.97%
Total [7110] Other Revenues		(335,198.80)	(1,012,193.00)	(676,994.20)	201.97%
Group : [7210] Metered Water Sales					
Subgroup : None					
0.4600000	Customer Meter Charges	(573,241.97)	(572,723.00)	518.97	(0.09%)
0.4610100	Residential Sales	(1,635,087.20)	(1,681,980.00)	(46,892.80)	2.87%
0.4610200	Commercial Sales	(279,197.01)	(275,136.00)	4,061.01	(1.45%)
0.4610500	Multi-Family Sales	(106,869.59)	(106,468.00)	401.59	(0.38%)
Subtotal : None		(2,594,395.77)	(2,636,307.00)	(41,911.23)	1.62%
Total [7210] Metered Water Sales		(2,594,395.77)	(2,636,307.00)	(41,911.23)	1.62%
Group : [7220] Wholesale Water Sales					
Subgroup : None					
0.4660100	Sales For Resale Vine Grove	(154,966.93)	(148,092.00)	6,874.93	(4.44%)
0.4660300	Sales For Resale Meade County	(183,910.51)	(252,872.00)	(68,961.49)	37.50%
0.4660400	Sales For Resale Hardinsburg	(2,613.20)	(5,928.00)	(3,314.80)	126.85%
Subtotal : None		(341,490.64)	(406,892.00)	(65,401.36)	19.15%
Total [7220] Wholesale Water Sales		(341,490.64)	(406,892.00)	(65,401.36)	19.15%
Group : [7310] Sewer Contract Fees					
Subgroup : None					
0.4740000	Sewer Revenue Income - Monthly Contract	(200,328.51)	(177,105.00)	23,223.51	(11.59%)
0.4740101	Sewer Storm Water - Monthly Contract	(7,358.26)	(7,102.00)	256.26	(3.48%)
Subtotal : None		(207,686.77)	(184,207.00)	23,479.77	(11.31%)
Total [7310] Sewer Contract Fees		(207,686.77)	(184,207.00)	23,479.77	(11.31%)
Group : [7710] Interest Income					
Subgroup : None					
0.4190000	Interest & Dividend Income	(30,771.98)	(126,927.00)	(96,155.02)	312.48%

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Client: 03949 - Hardin County Water District
 Engagement: 2005 Audit - Hardin County Water District
 Trial Balance: TB.01 - Hardin County Water District
 Workpaper: FS Grouping

Account	Description	PP-FINAL 12/31/2004	FINAL 12/31/2005	\$ VAR	% VAR
Subtotal : None					
Total [7710] Interest Income		<u>(30,771.98)</u>	<u>(126,827.00)</u>	(96,155.02)	312.48%
Group : [7810] Gain/Loss on sale of assets					
Subgroup : None					
0.4210100	Gain or Loss of Sale of Fixed Assel.....	(13,557.60)	(33,446.00)	(19,888.40)	146.70%
Subtotal : None		<u>(13,557.60)</u>	<u>(33,446.00)</u>	(19,888.40)	146.70%
Total [7810] Gain/Loss on sale of assets		<u>(13,557.60)</u>	<u>(33,446.00)</u>	(19,888.40)	146.70%
Group : [7910] Capital Contributions					
Subgroup : None					
0.4220000	Tap Fees	(99,422.49)	(208,116.00)	(108,693.51)	109.32%
0.4220500	Capital Contributions	(150,586.98)	(274,947.00)	(124,358.02)	82.58%
Subtotal : None		<u>(250,011.47)</u>	<u>(483,063.00)</u>	(233,051.53)	93.22%
Total [7910] Capital Contributions		<u>(250,011.47)</u>	<u>(483,063.00)</u>	(233,051.53)	93.22%
Group : [8000] Depreciation Expense					
Subgroup : None					
19.6403000	Depreciation Expense.....	512,524.43	412,208.00	(100,316.43)	(19.57%)
Subtotal : None		<u>512,524.43</u>	<u>412,208.00</u>	(100,316.43)	(19.57%)
Total [8000] Depreciation Expense		<u>512,524.43</u>	<u>412,208.00</u>	(100,316.43)	(19.57%)
Group : [8010] Amortization					
Subgroup : None					
19.6428000	Amortization of Debt Disc. & Expense.....	85,161.93	76,404.00	(8,757.93)	(10.28%)
Subtotal : None		<u>85,161.93</u>	<u>76,404.00</u>	(8,757.93)	(10.28%)
Total [8010] Amortization		<u>85,161.93</u>	<u>76,404.00</u>	(8,757.93)	(10.28%)
Group : [8020] Interest on Long Term Debt					
Subgroup : None					
19.6427030	Fixed Rate Long Term Debt.....	221,877.95	227,125.00	5,247.05	2.36%
19.6427040	Variable Rate Long Term Debt.....	167,147.98	225,011.00	57,863.02	34.62%
Subtotal : None		<u>389,025.93</u>	<u>452,136.00</u>	63,110.07	16.22%
Total [8020] Interest on Long Term Debt		<u>389,025.93</u>	<u>452,136.00</u>	63,110.07	16.22%
Group : [8030] Treatment					
Subgroup : [8031] Personnel Expense					
11.6010000	Salary & Wages.....	207,150.10	204,930.00	(2,220.10)	(1.07%)
11.6010100	OASDI.....	15,016.47	15,470.00	453.53	3.02%
11.6010200	Pension.....	16,926.85	21,040.00	4,113.15	24.30%
11.6010300	Health & Life Insurance.....	26,011.57	21,995.00	(4,016.57)	(15.44%)
11.6010400	Overtime.....	710.94	1,775.00	1,064.06	149.67%
11.6010500	Premium Time.....	5,150.80	4,832.00	(318.80)	(6.19%)
11.6010801	FLEXIBLE BENEFITS.....	8,424.00	8,153.00	(271.00)	(3.22%)
Subtotal [8031] Personnel Expense		<u>279,390.73</u>	<u>278,195.00</u>	(1,195.73)	(0.43%)
Subgroup : None					
11.6150000	Utilities.....	29,597.25	33,130.00	3,532.75	11.94%
11.6150300	WTP Energy Expenses.....	133,502.32	154,631.00	21,128.68	15.83%
11.6180000	Chemicals.....	116,559.68	91,609.00	(24,950.68)	(21.41%)
11.6200000	Materials & Supplies/Misc.....	73.56	112.00	38.44	52.26%
11.6200300	Supplies & Expense.....	7,102.26	4,724.00	(2,378.26)	(33.49%)
11.6200400	Maintenance & Repairs.....	8,449.27	5,408.00	(3,041.27)	(35.99%)
11.6200500	Deferred 03 Clarifier Proj (Until 2016).....	6,830.68	20,492.00	13,661.32	200.00%
11.6200900	Small Tool Expense.....	638.24	1,039.00	400.76	62.79%
11.6350000	Contractual Services.....	3,566.14	2,064.00	(1,502.14)	(42.12%)
11.6350100	Professional Services/Lab.....	26,649.53	28,167.00	1,517.47	5.69%
11.6500000	Transportation Fuel & Repairs.....	2,392.31	2,888.00	495.69	20.72%
11.6580500	Workers Comp.....	14,660.76	11,365.00	(3,295.76)	(22.48%)
11.6750100	Phone Expense.....	2,059.38	2,251.00	191.62	9.30%
Subtotal : None		<u>352,081.38</u>	<u>357,880.00</u>	5,798.62	1.65%
Total [8030] Treatment		<u>631,472.11</u>	<u>636,075.00</u>	4,602.89	0.73%
Group : [8040] Distribution					
Subgroup : [8041] Personnel Expense					
14.6010000	Salary & Wages.....	286,362.48	210,766.00	(75,596.48)	(26.40%)
14.6010100	OASDI.....	23,896.18	27,286.00	3,389.82	14.19%
14.6010200	Pension.....	25,453.79	36,403.00	10,949.21	43.02%
14.6010300	Health & Life Insurance.....	41,448.57	41,814.00	365.43	0.88%
14.6010400	Overtime.....	14,651.42	16,124.00	1,472.58	10.05%
14.6010500	Premium Time.....	4,441.94	3,705.00	(736.94)	(16.59%)
14.6010600	Salary & Wages - Part Time.....	4,926.66	5,518.00	591.34	12.00%
14.6010801	FLEXIBLE BENEFITS.....	13,916.51	15,164.00	1,247.49	8.96%
Subtotal [8041] Personnel Expense		<u>415,097.55</u>	<u>356,780.00</u>	(58,317.55)	(14.05%)

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Account	Description	PP-FINAL 12/31/2004	FINAL 12/31/2005	\$ VAR	% VAR
Subgroup : None					
10.6200200	Service Line Repairs.....	27.02	0.00	(27.02)	(100.00%)
14.6150000	Utilities.....	562.44	0.00	(562.44)	(100.00%)
14.6150200	FL Knox Energy.....	7,274.16	4,482.00	(2,792.16)	(38.38%)
14.6150303	1882 Energy.....	4,880.04	1,903.00	(2,977.04)	(61.00%)
14.6150400	WHSP Hills Energy.....	2,769.18	3,713.00	943.82	34.08%
14.6150500	St. John Booster Energy.....	290.92	371.00	80.08	27.53%
14.6200000	Materials & Supplies/Misc.....	8,438.66	10,854.00	2,415.34	28.62%
14.6200100	Transmission Main Repairs.....	27,587.58	19,440.00	(8,147.58)	(29.53%)
14.6200200	Service Line Repairs.....	42,024.84	8,164.00	(33,860.84)	(80.57%)
14.6200300	Supplies & Expense.....	5,366.81	1,672.00	(3,694.81)	(68.85%)
14.6200400	Maintenance & Repairs.....	581.28	757.00	175.72	30.23%
14.6200600	Storage Maintenance.....	1,229.81	906.00	(323.81)	(26.33%)
14.6200700	Telemetry Supply & Expense.....	308.97	0.00	(308.97)	(100.00%)
14.6200701	Booster Station Supply & Expense.....	1,390.17	158.00	(1,232.17)	(88.63%)
14.6200900	Small Tool Expense.....	4,244.82	3,728.00	(516.82)	(12.18%)
14.6201000	SCADA Supplies.....	209.53	50.00	(159.53)	(76.14%)
14.6203000	Exst. Meter Repairs.....	302.00	0.00	(302.00)	(100.00%)
14.6350000	Contractual Services.....	14,780.71	7,100.00	(7,680.71)	(51.96%)
14.6500000	Transportation Fuel & Repairs.....	24,404.24	(413.00)	(24,817.24)	(101.69%)
14.6580500	Workers Comp.....	18,729.35	17,098.00	(1,631.35)	(8.71%)
14.6750100	Phone Expense.....	2,066.12	3,276.00	1,209.88	58.56%
Subtotal : None		167,468.65	83,259.00	(84,209.65)	(50.28%)
Total [8040] Distribution		582,566.20	440,039.00	(142,527.20)	(24.47%)
Group : [8050] Customer Service					
Subgroup : [8051] Personnel Expense					
15.6010000	Salary & Wages.....	152,389.83	145,543.00	(6,846.83)	(4.49%)
15.6010100	OASDI.....	10,766.07	11,209.00	442.93	4.11%
15.6010200	Pension.....	11,249.26	14,551.00	3,301.74	29.35%
15.6010300	Health & Life Insurance.....	19,556.05	15,186.00	(4,370.05)	(22.35%)
15.6010400	Overtime.....	2,554.69	3,575.00	1,020.31	39.94%
15.6010600	Salary & Wages - Part Time.....	4,949.32	2,241.00	(2,708.32)	(54.72%)
15.6010801	FLEXIBLE BENEFITS.....	6,625.83	6,950.00	324.17	4.89%
Subtotal [8051] Personnel Expense		208,091.05	199,255.00	(8,836.05)	(4.25%)
Subgroup : None					
15.6154270	Deposit Intrest Expenses.....	406.15	441.00	34.85	8.58%
15.6200000	Materials & Supplies/Misc.....	11,120.64	6,945.00	(4,175.64)	(37.55%)
15.6200101	Computer Supplies.....	2,162.91	1,008.00	(1,154.91)	(53.40%)
15.6200300	Supplies & Expense.....	27.39	231.00	203.61	743.37%
15.6200900	Small Tool Expense.....	453.52	0.00	(453.52)	(100.00%)
15.6350000	Contractual Services.....	18,975.80	21,854.00	2,878.20	15.17%
15.6350102	Bill Printing/Mailing Contract.....	68,302.28	64,112.00	(4,190.28)	(6.13%)
15.6350200	Contracted Security Services.....	0.00	4,528.00	4,528.00	#DIV/0!
15.6500000	Transportation Fuel & Repairs.....	7,492.46	39.00	(7,453.46)	(99.48%)
15.6580500	Workers Comp.....	3,129.24	323.00	(2,806.24)	(89.66%)
15.6750000	Miscellaneous Expense.....	14.00	0.00	(14.00)	(100.00%)
15.6750400	Postage & Mailing.....	1,281.77	0.00	(1,281.77)	(100.00%)
15.6750500	Cash Over & Short.....	573.95	247.00	(326.95)	(56.96%)
Subtotal : None		113,940.11	99,728.00	(14,212.11)	(12.47%)
Total [8050] Customer Service		322,031.16	298,983.00	(23,048.16)	(7.16%)
Group : [8070] Administrative Expenses					
Subgroup : [8071] Personnel Expense					
19.6010000	Salary & Wages.....	166,563.91	167,144.00 ✓	580.09	0.35%
19.6010100	OASDI.....	11,463.17	13,223.00 ✓	1,759.83	15.35%
19.6010200	Pension.....	12,683.28	17,719.00 ✓	5,035.72	39.70%
19.6010300	Health & Life Insurance.....	14,753.11	9,290.00 ✓	(5,463.11)	(37.03%)
19.6010801	FLEXIBLE BENEFITS.....	4,957.13	5,507.00 ✓	549.87	11.09%
19.6030000	Comm/Salary & Wages.....	30,200.04	30,200.00 ✓	(0.04)	(0.00%)
19.6030100	Comm/Oasdi.....	2,105.66	2,156.00 ✓	50.34	2.39%
19.6030200	Comm/Pension.....	2,388.81	6,687.00 ✓	4,298.19	179.93%
19.6030300	Comm/Health Insurance.....	20,012.56	14,746.00 ✓	(5,266.56)	(26.32%)
19.6030400	Legal/Wages.....	12,225.64	12,329.00 ✓	103.36	0.85%
19.6030500	Legal/Pension.....	967.24	1,200.00 ✓	232.76	24.06%
19.6030600	Legal/OASDI.....	268.97	224.00 ✓	(44.97)	(16.72%)
Subtotal [8071] Personnel Expense		278,589.52	280,425.00 ✓	1,835.48	0.66%
Subgroup : None					
0.6750100	Phone Expense.....	(103.50)	(535.00)	(431.50)	416.91%
19.6150000	Utilities.....	16,628.33	22,898.00 ✓	6,269.67	37.70%
19.6200000	Materials & Supplies/Misc.....	17,222.07	9,497.00 ✓	(7,725.07)	(44.86%)
19.6200101	Computer Supplies.....	4,828.65	7,705.00 ✓	2,876.35	59.57%
19.6200800	Structures Maint & Repair.....	101.37	0.00	(101.37)	(100.00%)
19.6200900	Small Tool Expense.....	0.00	56.00 ✓	56.00	#DIV/0!

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Client: 03949 - Hardin County Water District
Engagement: 2005 Audit - Hardin County Water District
Trial Balance: TB.01 - Hardin County Water District
Workpaper: FS Grouping

Account	Description	PP-FINAL	FINAL	\$ VAR	% VAR
		12/31/2004	12/31/2005		
19.6310000	Professional Services - Engineering.....	22,265.40	8,189.00 ✓	(14,076.40)	(63.22%)
19.6320000	Professional Services - Accounting.....	21,822.05	15,676.00 ✓	(6,146.05)	(28.16%)
19.6330000	Professional Services - Legal.....	976.96	906.00 ✓	(70.96)	(7.26%)
19.6350000	Contractual Services.....	49,008.85	43,416.00 ✓	(5,592.85)	(11.41%)
19.6350101	Uniform Expense.....	10,513.18	14,636.00 ✓	4,122.82	39.22%
19.6350300	INVESTMENT FEES.....	0.00	5,566.00 ✓	5,566.00	#DIV/0!
19.6408100	Utility Regulatory Assesment Fees.....	5,765.71	5,810.00 ✓	44.29	0.77%
19.6408200	Amorlized 2001-211 Rate Case Exp.....	5,872.20	1,958.00 ✓	(3,914.20)	(66.66%)
19.6427020	Interest on Short Term Debl.....	0.00	13,854.00 ✓	13,854.00	#DIV/0!
19.6500000	Transportation Fuel & Repairs.....	2,096.27	2,956.00 ✓	859.73	41.01%
19.6570000	Fleet Insurance.....	63,933.27	71,291.00 ✓	7,357.73	11.51%
19.6570100	Insurance Deductible Payments.....	1,800.00	557.00 ✓	(1,243.00)	(69.06%)
19.6580500	Workers Comp.....	561.56	601.00 ✓	39.44	7.02%
19.6590000	Unemployment Insurance.....	604.98	578.00 ✓	(26.98)	(4.46%)
19.6590100	Payroll Deductions - Clearing Account.....	0.00	(65.00) ✓	(65.00)	#DIV/0!
19.6600000	Advertising Expense.....	10,649.15	11,932.00 ✓	1,282.85	12.05%
19.6670000	Regulatory Commission Expense.....	27,516.77	0.00 ✓	(27,516.77)	(100.00%)
19.6700000	Bad Debl Write Off.....	37,359.12	26,061.00 ✓	(11,298.12)	(30.24%)
19.6750000	Miscellaneous Expense.....	32,985.71	17,486.00 ✓	(15,499.71)	(46.99%)
19.6750100	Phone Expense.....	9,876.00	10,499.00 ✓	623.00	6.31%
19.6750300	Dues & Subscriptions.....	3,592.00	5,936.00 ✓	2,344.00	65.26%
19.6750400	Postage & Mailing.....	2,824.93	2,675.00 ✓	(149.93)	(5.31%)
19.6750501	Safety Committee.....	3,406.26	4,052.00 ✓	645.74	18.96%
19.6750600	Commission Expense.....	3,695.53	5,165.00 ✓	1,469.47	39.76%
19.6750700	Certification Training.....	4,988.39	3,036.00 ✓	(1,952.39)	(39.14%)
19.6750800	Travel & Lodging.....	57.60	3,587.00 ✓	3,529.40	6,127.43%
19.6750900	Education & Conferences.....	4,295.05	13,265.00 ✓	8,969.95	208.84%
19.6751000	Prepaid Collection Expense.....	373.33	0.00 ✓	(373.33)	(100.00%)
19.9999999	Out-of-Balance.....	0.00	4.00 ✓	4.00	#DIV/0!
Subtotal : None		365,517.19	329,248.00	(36,269.19)	(9.92%)
Total [8070] Administrative Expenses		644,106.71	609,673.00	(34,433.71)	(5.35%)
Group : [8080] Purchased Water					
Subgroup : None					
19.6100000	Purchased Water.....	44,882.71	24,638.00 ✓	(20,244.71)	(45.11%)
Subtotal : None		44,882.71	24,638.00	(20,244.71)	(45.11%)
Total [8080] Purchased Water		44,882.71	24,638.00	(20,244.71)	(45.11%)
Group : [8090] General Maintenance					
Subgroup : [8091] Personnel Expense					
16.6010000	Salary & Wages.....	21,359.26	26,201.00 ✓	4,841.74	22.67%
16.6010100	OASDI.....	2,727.76	2,609.00 ✓	(118.76)	(4.35%)
16.6010200	Pension.....	3,304.14	3,831.00 ✓	526.86	15.95%
16.6010300	Health & Life Insurance.....	4,646.88	8,414.00 ✓	3,767.12	81.07%
16.6010400	Overtime.....	584.70	266.00 ✓	(318.70)	(54.51%)
16.6010500	Premium Time.....	10.00	0.00 ✓	(10.00)	(100.00%)
16.6010601	Distribution Maint Labor.....	8,271.70	2,219.00 ✓	(6,052.70)	(73.17%)
16.6010701	C/S Maint. Labor.....	1,445.77	1,683.00 ✓	237.23	16.41%
16.6010800	Pirtle Plant - Maint. Labor.....	5,614.57	3,988.00 ✓	(1,626.57)	(28.97%)
16.6010801	FLEXIBLE BENEFITS.....	1,420.97	1,404.00 ✓	(16.97)	(1.19%)
Subtotal [8091] Personnel Expense		49,385.75	50,615.00	1,229.25	2.49%
Subgroup : None					
16.6200000	Materials & Supplies/Misc.....	99.27	294.00 ✓	194.73	196.16%
16.6200900	Small Tool Expense.....	619.52	194.00 ✓	(425.52)	(68.69%)
16.6350000	Contractual Services.....	0.00	39.00 ✓	39.00	#DIV/0!
16.6500000	Transportation Fuel & Repairs.....	2,529.53	3,209.00 ✓	679.47	26.86%
16.6580500	Workers Comp.....	2,211.54	1,921.00 ✓	(290.54)	(13.14%)
16.6750100	Phone Expense.....	494.83	634.00 ✓	139.17	28.12%
Subtotal : None		5,954.69	6,291.00	336.31	5.65%
Total [8090] General Maintenance		55,340.44	56,906.00	1,565.56	2.83%
Group : [8100] Source of Supply					
Subgroup : None					
10.6150100	Power Purchased/Well (Gray Ln).....	2,567.71	3,336.00 ✓	768.29	29.92%
10.6200400	Maintenance & Repairs.....	0.00	10,305.00 ✓	10,305.00	#DIV/0!
Subtotal : None		2,567.71	13,641.00	11,073.29	431.25%
Total [8100] Source of Supply		2,567.71	13,641.00	11,073.29	431.25%
Group : [8200] Unrealized Gain/Loss					
Subgroup : None					
0.1320800	Unrealized Gain/Loss Depreciation.....	0.00	(8,308.00) ✓	(8,308.00)	#DIV/0!
0.1320801	Unrealized Gain/Loss Debl Ser Res.....	0.00	(6,772.00) ✓	(6,772.00)	#DIV/0!
0.1320804	Unrealized Gain/Loss PNC Main.....	0.00	(4,771.00) ✓	(4,771.00)	#DIV/0!
0.2810200	Net Unrealized Gains/Losses.....	0.00	18,747.00 ✓	18,747.00	#DIV/0!
Subtotal : None		0.00	(1,104.00)	(1,104.00)	#DIV/0!

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Client: 03949 - Hardin County Water District
 Engagement: 2005 Audit - Hardin County Water District
 Trial Balance: TB.01 - Hardin County Water District
 Workpaper: FS Grouping

Account	Description	PP-FINAL	FINAL	\$ VAR	% VAR
		12/31/2004	12/31/2005		
Total [8200] Unrealized Gain/Loss		<u>0.00</u>	<u>(1,104.00)</u>	(1,104.00)	#DIV/0!
	Sum of Account Groups	(10,545,238.88)	(12,447,763.00)	(1,902,524.12)	18.04%
	Net (Income) Loss	(2,278,989.36)	(3,201,256.00)	(922,266.64)	40.47%

Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA
Jerry W. Hensley, CPA
Chris A. Humphrey, CPA
J. Carroll Luby, CPA
Marc T. Ray, CPA-ABV

INDEPENDENT AUDITORS' REPORT

David L. Lowe, CPA

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the accompanying balance sheet of Hardin County Water District No. 1 as of December 31, 2005 and 2004, and the related statements of revenues, expenses and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The management's discussion and analysis and budgetary comparison information on pages 1 through 4 and page 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hardin County Water District No. 1 as of December 31, 2005 and 2004 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, we have also issued a report dated May 10, 2006 on our consideration of Hardin County Water District No. 1's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audit.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
May 10, 2006

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HARDIN COUNTY WATER DISTRICT NO. 1
INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the financial statements of Hardin County Water District No. 1 as of and for the year ended December 31, 2005, and have issued our report thereon dated May 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

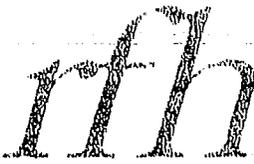
In planning and performing our audit, we considered the Hardin County Water District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hardin County Water District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

This report is intended for the information and use of the Board of Commissioners, management and the Public Service Commission of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Ray, Foley, Hensley & Company
Ray, Foley, Hensley & Company, PLLC
May 10, 2006



Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA
Jerry W. Hensley, CPA
Chris A. Humphrey, CPA
J. Carroll Luby, CPA
Marc T. Ray, CPA-ABV

October 30, 2006

Jim Bruce, Chairman
Hardin County Water District No.1
1400 Rogersville Road
Radcliff, Kentucky 40160

David L. Lowe, CPA

We are providing you with a reconciliation of depreciation expense, accumulated depreciation, and fixed assets as they relate to each other and a detailed depreciation schedule. All beginning balances on the reconciliation were obtained from the 2004 audited financial statements. Reconciling items on the schedule include current year additions, current year disposals, and audit adjustments.

Current year additions include \$5,062,333 of assets that were acquired through current year purchases or addition of projects that were completed during the year and \$510,400 in estimated current year depreciation expense.

Current year disposals include \$133,144 in assets that were removed from the books during the year.

A net audit adjustment of \$98,192 was made to the book amounts for depreciation and accumulated depreciation to agree the accumulated depreciation to actual per the schedule. This amount is the combination of two separate amounts as shown on the explanatory schedule attached. An amount of \$73,913 was added to depreciation expense to adjust the estimated \$510,400 recorded depreciation expense to the actual depreciation expense of \$584,313 as detailed in the accompanying depreciation schedule. The second amount of \$172,105 reduced depreciation expense and accumulated depreciation to actual accumulated depreciation of \$8,195,708 as detailed in the accompanying depreciation schedule. The second amount was the cumulative effect of prior year errors in the depreciation schedule. The accompanying depreciation schedule shows the individual items that generated the prior year errors. The net amount of \$98,192 was adjusted through current operations because depreciation expense is an estimate and as such does not require a restatement of prior reported amounts.

Please let us know if we can provide any additional information or assistance concerning this matter.

Sincerely,

Ray, Foley, Hensley & Company

Ray, Foley, Hensley & Company, PLLC

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**Hardin County Water District No.1
Analysis of Depreciation Expense
December 31, 2005**

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>	
Balances per 2004 audited financial statements	\$ 24,080,398	\$ (7,916,644)	<u>\$ 512,524</u>	
Assets acquired during 2005	5,062,333			
Assets disposed of during 2005	(133,144)	133,144		
Recorded 2005 depreciation expense		(510,400)	\$ 510,400	} 584,313
Adjustment for additional depreciation per schedule		(73,913)	73,913	
Adjustment for prior period errors		<u>172,105</u>	<u>(172,105)</u>	
Net adjustment		<u>98,192</u>	<u>(98,192)</u>	
 Balances per 2005 audited financial statements	 <u>\$ 29,009,587</u>	 <u>\$ (8,195,708)</u>	 <u>\$ 412,208</u>	

Hardin County Water District
 Depreciation Schedule
 As of = December 31, 2005

										2004	2004	Difference between
										Acc. Depr.	Acc. Depr.	2004 schedule and
										per '05 schedule	per '04 schedule	2005 schedule
										B	11	12
										Prior		
										Depreciation		
1	2	3	4	5	6	7	8	9	10	11	12	
Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	In Service	Annual Depreciation				
										\$1,162,246		
303 Land & Land Rights												
Land Office Lot	G LAND	9/1/85	1986	303	\$43,334.00	0	20.0	\$0	\$0	\$0	\$0	
Land Standpipe Site	D MAIN	9/1/85	1986	303	\$1,974.00	0	20.0	\$0	\$0	\$0	\$0	
Land Water Source	S LAND	9/1/85	1986	303	\$11,725.00	0	20.0	\$0	\$0	\$0	\$0	
Land Watershed	S LAND	9/1/85	1986	303	\$50,636.00	0	20.0	\$0	\$0	\$0	\$0	
Pintle Spring	T EQUIP	8/31/88	1988	303	\$1,250.00	0	19.0	\$0	\$0	\$0	\$0	
Pintle Springs	T STRU	1/1/89	1989	303	\$54,436.00	0	16.0	\$0	\$0	\$0	\$0	
10 Acres - Service Center	G LAND	10/31/03	1993	303	\$80,084.00	0	12.0	\$0	\$0	\$0	\$0	
ED FROM Property held for Future	G LAND	9/1/07	1997	303	\$7,884.67	0	18.0	\$0	\$0	\$0	\$0	
					\$268,021.67	F-1		\$0	\$0	\$0	\$0	
304 Structures & Improvements												
.103500C Improvements	U	9/1/85	1986	304	\$900.00	33	20.0	\$27	\$540	\$540	\$0	
.183040C Equipment	U	9/1/85	1986	304	\$3,084.00	60	20.0	\$51	\$1,226	\$1,226	-\$1	
Purification Bldg	T STRU	9/1/88	1988	304	\$806.00	60	19.0	\$16	\$307	\$307	\$0	
Purification	T EQUIP	1/1/89	1989	304	\$40,000.00	50	16.0	\$800	\$12,800	\$12,800	\$0	
Purification	T STRU	1/1/89	1989	304	\$22,468.00	50	16.0	\$6,449	\$103,189	\$102,091	-\$208	
Vinyl Sliding	T STRU	1/1/82	1982	304	\$3,958.00	60	13.0	\$79	\$1,029	\$1,029	\$0	
Int Cap	U	1/1/82	1982	304	\$886.00	50	13.0	\$14	\$178	\$178	\$0	
Chemical Building	T STRU	4/1/82	1982	304	\$16,778.00	50	13.0	\$316	\$4,102	\$4,102	\$0	
Transformer	T EQUIP	11/15/93	1993	304	\$903.00	60	12.0	\$18	\$193	\$193	\$0	
Heartland Industries	D MAIN	1/1/94	1994	304	\$1,289.00	50	11.0	\$26	\$286	\$286	\$0	
Lightning Arrestors	T EQUIP	1/1/94	1994	304	\$1,776.00	50	11.0	\$38	\$391	\$391	\$0	
Roof-Pirtle	T STRU	6/30/95	1995	304	\$1,770.00	50	10.0	\$36	\$354	\$354	\$0	
Roof-Pirtle	T STRU	9/30/98	1998	304	\$11,898.00	20	7.0	\$800	\$4,199	\$4,329	\$130	
Audit Adjustment 2002		12/31/02	2002	304	\$850.00	20	3.0	\$33	\$98	\$98	\$1	
Equipment Building - 3 Bay	G STRU	12/30/04	2004	304	\$188,265.02	40	1.0	\$4,157	\$4,157	\$0	-\$4,157	
Service Center	T STRU	10/31/97	1997	304	\$1,374,120.84	40	8.0	\$34,353	\$274,824	\$299,873	\$25,049	
Capitalized Interest		12/1/05	2005	304	\$11,297.34		0.0	\$0	\$0	\$0	\$0	
					\$1,967,840.20	F-1		\$47,017	\$407,873	\$428,888	\$20,813	
307 Wells & Springs												
.183070C Well Supply	S WELL	9/1/85	1986	307	\$9,237.00	50	20.0	\$185	\$3,885	\$3,885	\$0	
Well Field West Pt	S WELL	8/31/88	1988	307	\$247,958.00	33	17.0	\$7,439	\$126,470	\$186,211	\$59,741	
Pintle Well	S WELL	1/1/89	1989	307	\$167,000.00	50	16.0	\$3,340	\$53,440	\$53,440	\$0	
Muldraugh Well	S WELL	1/1/89	1989	307	\$180,000.00	50	16.0	\$3,200	\$51,200	\$51,200	\$0	
Equipment	T EQUIP	11/15/89	1989	307	\$781.00	50	16.0	\$18	\$260	\$260	\$0	
Test Well	S WELL	1/1/90	1990	307	\$6,880.00	50	15.0	\$134	\$2,004	\$2,004	\$0	
Test Well Gray Ln	S WELL	1/1/90	1990	307	\$6,186.00	50	15.0	\$184	\$2,458	\$2,458	\$1	
Installation	U	1/1/90	1990	307	\$12,376.00	50	15.0	\$248	\$3,713	\$3,713	\$1	
Gray Lane Well	S WELL	1/1/92	1992	307	\$85,293.00	50	13.0	\$1,708	\$22,178	\$22,178	\$0	
Int Cap	U	1/1/92	1992	307	\$3,722.00	50	13.0	\$74	\$988	\$987	-\$1	
Pump Well #6	S WELL	8/14/92	1992	307	\$6,783.00	50	13.0	\$178	\$2,284	\$2,284	\$0	
Well Motor	S WELL	1/1/94	1994	307	\$1,790.00	50	11.0	\$38	\$394	\$394	\$0	
A/P 1894	U	12/31/94	1994	307	\$18,654.00	50	11.0	\$391	\$4,302	\$4,302	\$0	
West Point Well CIP 1995	S WELL	8/16/95	1995	307	\$44,233.61	33	10.0	\$1,327	\$13,271	\$13,271	\$0	
CIP - Streamflow Study Project (2003-04)		8/16/03	2003	307	\$19,846.00	5	2.0	\$3,989	\$7,938	\$0	-\$7,938	
CIP - Streamflow Study Project 2005		8/16/03	2003	307	\$2,911.28	5	2.0	\$582	\$1,185	\$0	-\$1,185	
					\$665,083.89	F-1		\$23,431	\$296,724	\$346,393	\$50,639	
309 Supply Mains												
.183090C Water Sys Imp Cip	U	1/1/89	1989	309	\$119,369.00	40	16.0	\$2,984	\$47,748	\$47,748	\$0	
.183320C Valves	D MAIN	1/1/90	1990	309	\$2,888.00	50	15.0	\$57	\$880	\$880	\$0	
Cont 2 Capital Int	D TRANS	1/1/92	1992	309	\$36,808.00	33	13.0	\$1,088	\$14,279	\$14,279	\$0	
Cont 2 Water Main	D MAIN	3/13/92	1992	309	\$791,708.00	33	13.0	\$23,764	\$308,797	\$311,048	\$2,251	
Cont 2 Water Main	D MAIN	1/1/93	1993	309	\$68,721.76	60	12.0	\$1,774	\$21,293	\$21,293	\$0	
Capitalized Intere	G	11/15/83	1983	309	\$28,123.00	50	12.0	\$522	\$8,270	\$8,270	\$0	
Meter Manhole	D SERV	1/19/00	1990	309	\$712.00	50	15.0	\$14	\$214	\$214	-\$142	
Audit Adjustment 2003	U	12/31/02	2002	309	\$480.97	20	3.0	\$23	\$89	\$89	\$0	
Pipe	D MAIN	9/1/87	1987	309	\$2,530.00	40	18.0	\$83	\$1,139	\$1,139	\$1	
Capitalized Intere	U	9/1/87	1987	309	\$2,778.00	40	18.0	\$89	\$1,260	\$1,260	\$0	
Gate Valves	D MAIN	12/31/87	1987	309	\$1,180.00	40	18.0	\$29	\$522	\$522	\$0	
Pumping Station	D TRANS	12/31/87	1987	309	\$8,026.00	40	18.0	\$201	\$3,811	\$3,811	\$0	
T. Knox Line	D MAIN	1/31/88	1988	309	\$1,020.00	40	17.0	\$28	\$434	\$434	\$1	
Pipe	D MAIN	1/31/88	1988	309	\$1,026.00	40	17.0	\$28	\$436	\$436	\$0	
Booster Structure	D TRANS	1/31/88	1988	309	\$1,138.00	40	17.0	\$28	\$484	\$484	\$0	
Pipe	D MAIN	2/23/88	1988	309	\$6,540.00	40	17.0	\$184	\$2,780	\$2,780	\$1	
Pipe	D MAIN	2/23/88	1988	309	\$3,016.00	40	17.0	\$76	\$1,281	\$1,281	\$0	
Pipe	D MAIN	2/23/88	1988	309	\$2,585.00	40	17.0	\$85	\$1,103	\$1,103	\$0	
Pipe	D MAIN	2/23/88	1988	309	\$940.00	40	17.0	\$24	\$400	\$400	\$1	
Booster Pump	D MAIN	2/24/88	1988	309	\$3,499.00	40	17.0	\$87	\$1,407	\$1,407	\$0	
Turbo Meter	T EQUIP	4/18/88	1988	309	\$1,320.00	40	17.0	\$33	\$581	\$581	\$0	
Fort Knox Motor	D PURC	1/1/01	1999	309	\$647.87	33	6.0	\$17	\$100	\$98	-\$34	
					\$1,102,703.70	F-1		\$31,134	\$416,115	\$417,193	\$2,070	
311 Pumping Equipment - Booster Stations												
.103110C Chlorination	T EQUIP	6/17/88	1988	311	\$2,380.00	60	18.0	\$48	\$908	\$908	\$0	
Pumps	D TRANS	9/1/88	1988	311	\$9,311.00	60	19.0	\$186	\$3,538	\$3,538	\$0	
Overhaul Pump	D MAIN	12/1/88	1988	311	\$9,888.00	60	19.0	\$186	\$3,760	\$3,760	\$0	
Safety Guards	T EQUIP	3/3/88	1988	311	\$1,037.00	50	17.0	\$21	\$353	\$353	\$0	
Utility Plant	U	1/1/89	1989	311	\$357,000.00	60	16.0	\$7,140	\$114,240	\$114,240	\$0	
Utility Plant	U	1/1/89	1989	311	\$87,000.00	60	16.0	\$1,740	\$27,840	\$27,840	\$0	
Labor SVC Pump	T EQUIP	1/1/90	1990	311	\$3,888.72	60	15.0	\$77	\$1,181	\$1,181	\$0	
Fort Knox Interconnect		1/1/00	2000	311	\$1,719,329.41	60	5.0	\$34,387	\$171,933	\$237,048	\$65,115	
Engineering Fees	U	4/20/03	2003	311	\$2,788.52	60	2.0	\$55	\$111	\$111	\$0	
Whispering Hills Pumps Replaced		12/30/04	2004	311	\$44,375.63	60	1.0	\$888	\$888	\$0	-\$888	
					\$2,467,991.18	F-1		\$46,221	\$324,731	\$398,969	\$64,228	
Pumping & Water Treatment Equip.												
.183200C Pirtle	T EQUIP	1/1/89	1989	320	\$3,114.00	10	18.0	\$0	\$3,114	\$3,114	\$0	
.183120C Lagoon	T STRU	1/1/89	1989	320	\$4,855.00	10	18.0	\$0	\$4,855	\$5,855	\$1,000	
Pirtle	T STRU	1/1/89	1989	320	\$7,562.00	10	18.0	\$0	\$7,562	\$7,562	\$0	
Pirtle Lagoon	T STRU	1/1/90	1990	320	\$1,546.18	33	15.0	\$46	\$886	\$886	\$0	
Sight Glass-Tanks	T EQUIP	6/17/88	1988	320	\$2,111.00	50	10.0	\$42	\$422	\$802	\$380	

Account	Code	Asset	Acq. Date	Yr	QTY	Unit Cost	QTY	Unit Cost	2005	2004	2003	2002	2001
\$276,343.85 F-1													
\$24,261													
\$234,079													
\$216,634													
-\$16,345													
Store Equipment & Tool, Work & Safety Equipment													
.00 Tools & Equipment	U		3/1/81	1981	343	\$61,885.00	5	24.0	\$0	\$81,885	\$80,718		-\$100
.183430C Lawn Mower W/ir Fil	T EQUIP		10/8/1985	1985	343	\$1,450.00	5	29.0	\$0	\$1,450	\$1,450		\$0
Radio Communicator	U		6/16/86	1986	343	\$790.00	5	19.0	\$0	\$790	\$790		\$0
Equipment	T EQUIP		8/30/86	1986	343	\$580.00	5	18.0	\$0	\$580	\$580		\$0
Tools	U		9/1/86	1986	343	\$1,090.00	5	19.0	\$0	\$1,090	\$1,090		\$0
Barricades	D MAIN		8/31/88	1988	343	\$940.00	5	17.0	\$0	\$940	\$940		\$0
Tools	U		8/31/88	1988	343	\$937.00	5	17.0	\$0	\$937	\$937		\$0
Riding Lawn Mower	D EQUIP		1/1/89	1989	343	\$3,760.00	5	16.0	\$0	\$3,760	\$3,760		\$0
tools	U		1/1/89	1989	343	\$16,576.00	5	16.0	\$0	\$16,576	\$16,576		\$0
Tools	U		1/1/89	1989	343	\$3,176.00	5	16.0	\$0	\$3,176	\$3,176		\$0
CSI Space Kit	D SERV		1/1/90	1990	343	\$2,532.00	5	15.0	\$0	\$2,532	\$2,532		\$0
Tools	U		1/1/90	1990	343	\$4,122.00	5	15.0	\$0	\$4,122	\$4,122		\$0
Tools	U		1/1/90	1990	343	\$1,291.00	5	15.0	\$0	\$1,291	\$1,291		\$0
Hunt Tractor	D MAIN		1/1/93	1993	343	\$822.00	5	12.0	\$0	\$822	\$822		\$0
Misc. Tools	U		6/30/95	1995	343	\$698.00	5	10.0	\$0	\$698	\$698		\$0
Air Monitor Confined Space Et	D MAIN		4/28/97	1995	343	\$2,438.00	5	10.0	\$0	\$2,438	\$2,438		\$0
Air Pack/Case/Spare Bottle	v		7/31/97	1995	343	\$2,328.12	5	10.0	\$0	\$2,328	\$2,328		\$0
Hoprich Company, Inc.	U		1/31/98	1995	343	\$1,481.48	5	10.0	\$0	\$1,481	\$1,481		\$0
2003 Audil adjustments	U		12/31/03	2003	343	\$11,376.40	5	2.0	\$2,275	\$4,550	\$4,550		\$0
Radio Frequency Lno Locator	TOOL		8/30/04	2004	343	\$2,400.00	5	1.0	\$480	\$480	\$0		-\$480
Road Traffic Plates	S EQUIP		2/29/04	2004	343	\$1,450.00	5	1.0	\$290	\$290	\$0		-\$290
\$121,078.98 F-1													
\$3,045													
\$111,174													
\$108,437													
-\$1,737													
345 Power Operated Equipment													
.183450C Accuators	T EQUIP		1/1/90	1990	345	\$2,273.00	10	15.0	\$0	\$2,273	\$2,273		\$0
Equipment	T EQUIP		1/1/90	1990	345	\$1,550.00	10	15.0	\$0	\$1,550	\$1,550		\$0
John Deere Co.	D MAIN		6/30/99	1990	345	\$2,308.28	10	16.0	\$0	\$2,308	\$2,308		\$0
John Deere Backhoe (2WD)	U		4/14/00	2000	345	\$43,760.00	10	5.0	\$4,376	\$21,880	\$20,812		-\$968
PUSH Machine	U		4/14/00	2000	345	\$7,174.21	10	5.0	\$717	\$3,587	\$3,587		\$0
Hydraulic Tool & Power Unit	U		9/13/04	2004	345	\$9,976.75	10	1.0	\$998	\$998	\$0		-\$998
\$179,391.29 F-1													
\$21,456													
\$32,688													
\$30,630													
-\$1,968													
344 Laboratory Equipment													
.183440C Laboratory Equipment	T EQUIP		8/1/81	1981	344	\$4,699.00	10	24.0	\$0	\$4,699	\$4,699		\$0
Floc Tester	T EQUIP		11/1/85	1985	344	\$535.00	10	20.0	\$0	\$535	\$535		\$0
Lab Turb	T EQUIP		4/17/86	1986	344	\$1,008.00	10	19.0	\$0	\$1,008	\$1,008		\$0
Turbidimeter	T EQUIP		4/17/86	1986	344	\$935.00	10	19.0	\$0	\$935	\$935		\$0
Misc. Lab Equip	T EQUIP		5/15/86	1986	344	\$1,416.00	10	19.0	\$0	\$1,416	\$1,416		\$0
Meter Test Bench	D SERV		8/1/87	1987	344	\$3,828.00	15	18.0	\$0	\$3,828	\$3,828		\$0
Colormetric Analyz	T EQUIP		2/23/88	1988	344	\$795.00	10	17.0	\$0	\$795	\$795		\$0
Equipment	U		1/1/89	1989	344	\$795.00	10	16.0	\$0	\$795	\$795		\$0
Lab Equipment	T EQUIP		1/1/90	1990	344	\$884.00	10	15.0	\$0	\$884	\$884		\$0
Work Order 580&581	D MAIN		11/1/92	1992	344	\$5,718.00	10	13.0	\$0	\$5,718	\$5,718		\$0
AJP Hach	T EQUIP		4/30/99	1999	344	\$1,047.20	10	6.0	\$105	\$828	\$828		\$0
Desktop PH Meter	L EQUIP		6/30/04	2004	344	\$671.09	10	1.0	\$67	\$67	\$0		-\$67
\$29,421.29 F-1													
\$505													
\$20,904													
\$20,837													
-\$67													
346 Communication Equipment													
Radios	G EQUIP		1/1/80	1990	346	\$7,432.00	10	15.0	\$0	\$7,432	\$7,432		\$0
New DSL	U		11/30/00	2000	346	\$785.23	10	5.0	\$79	\$393	\$393		\$0
Concess Phones	G EQUIP		10/30/02	2002	346	\$521.50	3	3.0	\$0	\$522	\$522		\$1
\$72,278.73 F-1													
\$2,289													
\$8,340													
\$8,347													
\$1													
348 Other Tangible													
.183480C Test	U		1/1/80	1980	348	\$1,901.00	10	15.0	\$0	\$1,901	\$1,901		\$0
.183480I Gold Remote	U		1/1/80	1980	348	\$755.00	10	15.0	\$0	\$755	\$755		\$0
.183480C Metal Tech Lin	U		8/31/82	1982	348	\$1,950.00	10	13.0	\$0	\$1,950	\$1,950		\$0
.183470C KBC Toolsply	U		1/1/83	1983	348	\$1,055.00	10	12.0	\$0	\$1,055	\$1,055		\$0
G&C Supply	U		1/1/83	1983	348	\$1,886.00	10	12.0	\$0	\$1,886	\$1,886		\$0
Pitile Well	S EQUIP		1/1/84	1984	348	\$2,008.00	10	11.0	\$0	\$2,008	\$2,008		\$200
Office Buildings	G STRU		11/1/85	1985	348	\$42,449.00	50	40.0	\$849	\$33,959	\$33,959		\$0
Office Improvement	U		9/1/87	1987	348	\$7,900.00	50	18.0	\$168	\$2,844	\$2,844		\$0
Improvements	U		1/1/89	1989	348	\$6,099.00	50	16.0	\$122	\$1,952	\$1,952		\$0
Air Temp	U		1/1/83	1983	348	\$1,675.00	50	12.0	\$34	\$402	\$402		\$0
Drive Thru Improve	G BILL		1/1/84	1984	348	\$836.70	50	11.0	\$17	\$184	\$184		\$0
Improvements	U		6/30/00	2000	348	\$302.79	50	5.0	\$8	\$30	\$30		\$0
FlagPole	U		12/31/00	2000	348	\$1,501.65	50	5.0	\$30	\$150	\$150		\$0
Heat Detectors	U		3/27/01	2001	348	\$1,243.31	50	4.0	\$25	\$99	\$99		\$0
Road & Parking Area	U		5/1/76	1976	348	\$48,786.57	25	30.0	\$0	\$49,797	\$77,484		-\$27,687
Road Improvements	D MAIN		9/1/87	1987	348	\$1,200.00	25	18.0	\$48	\$864	\$864		\$0
New Concrete Pitile Lot	U		7/13/00	2000	348	\$16,022.51	25	5.0	\$801	\$3,005	\$2,404		-\$601
Metershop doors	G STRU		4/29/03	2003	348	\$3,253.13	40	2.0	\$81	\$163	\$163		\$0
Upgrade Scade HMI Software	U		12/30/04	2004	348	\$16,020.99	10	1.0	\$1,602	\$1,602	\$0		-\$1,602
Server Sltwr, Lap top & PC's(csr, fcr&dlst)	U		7/31/04	2004	348	\$8,493.15	5	1.0	\$1,699	\$1,699	\$0		-\$1,699
Re-do Restroom floors	U		7/29/04	2004	348	\$2,401.45	10	1.0	\$240	\$240	\$0		-\$240
Meter Shop Air Conditioner	U		11/23/04	2004	348	\$1,476.00	5	1.0	\$295	\$295	\$0		-\$295
Ice Blockers for Service Center Roof	U		11/30/04	2004	348	\$1,045.70	10	1.0	\$105	\$105	\$0		-\$105
\$171,136.37 F-1													
\$6,971													
\$108,784													
\$130,070													
\$23,288													
TOTALS													
\$28,823,416.11													
\$684,313													
\$7,611,384													
\$ 7,841,684													
\$ 230,280													
Cummulative difference due to prior period errors													
Add: assets written off in 2005													
133,144													
Net difference of other miscellaneous errors													
(10,498)													
Accumulated depreciation per 2004 depreciation schedule													
7,884,332													
Error corrected in 2004													
(47,888)													
Accumulated depreciation per 2004 audited financials													
<u>\$ 7,916,644</u>													
Total adjustment affecting current year depreciation													
<u>\$ 172,106</u>													

Hardin County Water District
Depreciation Schedule
 As of = December 31, 2005

												\$1,152,246					
												7	8	9	10	11	12
												Years	Prior	Accumulated	Full Year Adj	FY 2005 Adj	
												In Service	Depreciation	Depreciation	Depreciation	Depreciation	Amount
Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	2005 In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount					
303	Land & Land Rights																
	Land Office Lot	G LAND	9/1/85	1985	303		\$43,334.00	0	20.0	\$0	\$0	\$0					
	Land Standpipe Site	D MAIN	9/1/85	1985	303		\$1,074.00	0	20.0	\$0	\$0	\$0					
	Land Water Source	S LAND	9/1/85	1985	303		\$11,725.00	0	20.0	\$0	\$0	\$0					
	Land Watershad	S LAND	9/1/85	1985	303		\$50,535.00	0	20.0	\$0	\$0	\$0					
	Pittle Spring	T EQUIP	8/31/86	1986	303		\$16,250.00	0	19.0	\$0	\$0	\$0					
	Pittle Springs	T STRU	1/1/89	1989	303		\$54,435.00	0	16.0	\$0	\$0	\$0					
	10 Acres - Service Center	G LAND	10/31/93	1993	303		\$80,084.00	0	12.0	\$0	\$0	\$0					
	MOVED FROM 103 Property held for Future	G LAND	9/1/87	1987	303		\$7,584.67	0	16.0	\$0	\$0	\$0					
				64229			\$266,021.67	F-1		\$0	\$0	\$0					
304	Structures & Improvements																
1835000	Improvements	U	9/1/85	1985	304		\$900.00	33	20.0	\$27	\$540	\$567					
1830400	Equipment	U	9/1/85	1985	304		\$3,064.00	50	20.0	\$61	\$1,226	\$1,287					
	Purification Bldg	T STRU	9/1/86	1986	304		\$808.00	50	19.0	\$16	\$307	\$323					
	Purification	T EQUIP	1/1/89	1989	304		\$40,000.00	50	16.0	\$800	\$12,800	\$13,600					
	Purification	T STRU	1/1/89	1989	304		\$322,466.00	50	16.0	\$6,449	\$103,189	\$109,638					
	Vinyl Sliding	T STRU	1/1/92	1992	304		\$3,959.00	50	13.0	\$79	\$1,029	\$1,109					
	Int Cap	U	1/1/92	1992	304		\$686.00	50	13.0	\$14	\$176	\$192					
	Chemical Building	T STRU	4/1/92	1992	304		\$15,778.00	50	13.0	\$316	\$4,102	\$4,418					
	Transformer	T EQUIP	11/15/93	1993	304		\$603.00	50	12.0	\$16	\$193	\$209					
	Hearland Industries	D MAIN	1/1/94	1994	304		\$1,299.00	50	11.0	\$26	\$286	\$312					
	Lightning Arrestors	T EQUIP	1/1/94	1994	304		\$1,776.00	50	11.0	\$36	\$391	\$426					
	Roof-Pittle	T STRU	6/30/95	1995	304		\$1,770.00	50	10.0	\$35	\$354	\$389					
	Roof-Pittle	T STRU	9/30/98	1998	304		\$11,998.00	20	7.0	\$600	\$4,199	\$4,799					
	Audit Adjustment 2002		12/31/02	2002	304		\$650.00	20	3.0	\$33	\$98	\$130					
	Equipment Building - 3 Bay	G STRU	12/30/04	2004	304		\$166,265.02	40	1.0	\$4,157	\$4,157	\$8,313					
	Service Center	T STRU	10/31/97	1997	304		\$1,374,120.84	40	8.0	\$34,353	\$274,824	\$309,177					
	Capitalized Interest		12/1/05	2005	304		\$11,297.34	40	0.0	\$0	\$0	\$0					
							\$1,857,640.20	F-1		\$47,017	\$407,873	\$454,890					
307	Wells & Springs																
1830700	Well Supply	S WELL	9/1/85	1985	307		\$9,237.00	50	20.0	\$185	\$3,695	\$3,880					
	Well Field West Pt	S WELL	8/31/88	1988	307		\$247,956.00	33	17.0	\$7,439	\$126,470	\$133,910					
	Pittle Well	S WELL	1/1/89	1989	307		\$167,000.00	50	16.0	\$3,340	\$53,440	\$56,780					
	Muldrough Well	S WELL	1/1/89	1989	307		\$150,000.00	50	16.0	\$3,200	\$51,200	\$54,400					
	Equipment	T EQUIP	11/15/89	1989	307		\$781.00	50	16.0	\$16	\$250	\$266					
	Test Well	S WELL	1/1/90	1990	307		\$6,680.00	50	15.0	\$134	\$2,004	\$2,138					
	Test Well Gray Ln	S WELL	1/1/90	1990	307		\$8,185.00	50	15.0	\$164	\$2,456	\$2,619					
	Installation	U	1/1/90	1990	307		\$12,375.00	50	15.0	\$248	\$3,713	\$3,960					
	Gray Lane Well	S WELL	1/1/92	1992	307		\$85,293.00	50	13.0	\$1,706	\$22,176	\$23,882					
	Int Cap	U	1/1/92	1992	307		\$3,722.00	50	13.0	\$74	\$968	\$1,042					
	Pump Well #5	S WELL	8/14/92	1992	307		\$8,783.00	50	13.0	\$176	\$2,284	\$2,459					
	Well Motor	S WELL	1/1/94	1994	307		\$1,790.00	50	11.0	\$36	\$394	\$430					
	A/P 1994	U	12/31/94	1994	307		\$19,554.00	50	11.0	\$391	\$4,302	\$4,693					
	West Point Well CIP 1995	S WELL	6/15/95	1995	307		\$44,233.61	33	10.0	\$1,327	\$13,271	\$14,599					
	CIP - Streamflow Study Project 2003-04		6/15/03	2003	307		\$19,845.00	5	2.0	\$3,969	\$7,938	\$11,907					
	CIP - Streamflow Study Project 2005		6/15/03	2003	307		\$2,911.28	5	2.0	\$562	\$1,165	\$1,747					
	Pittle Rebuild Raw Building (CIP)		9/15/05	2005	307		\$66,738.00	50	0.3	\$445	\$0	\$445					
							\$86,093.89	F-1		\$23,431	\$295,724	\$319,155					
309	Supply Mains																
1830900	Water Sys Imp CIP	U	1/1/89	1989	309		\$119,369.00	40	16.0	\$2,984	\$47,748	\$50,732					
1833200	Valves	D MAIN	1/1/90	1990	309		\$2,868.00	50	15.0	\$57	\$860	\$918					
	Cont 2 Capital Int	D TRANS	1/1/92	1992	309		\$36,608.00	33	13.0	\$1,098	\$14,279	\$15,377					
	Cont 2 Water Main	D MAIN	3/13/92	1992	309		\$791,708.00	33	13.0	\$23,754	\$308,797	\$332,551					
	Cont 2 Water Main	D MAIN	1/1/93	1993	309		\$88,721.76	50	12.0	\$1,774	\$21,293	\$23,068					
	Capitalized Intere	G	11/15/93	1993	309		\$26,123.00	50	12.0	\$522	\$6,270	\$6,792					
	Meter Manhole	D SERV	1/19/00	1990	309		\$712.00	50	15.0	\$14	\$214	\$228					
	Audit Adjustment 2003	U	12/31/02	2002	309		\$460.97	20	3.0	\$23	\$69	\$92					
	Pipe	D MAIN	9/1/87	1987	309		\$2,530.00	40	18.0	\$63	\$1,139	\$1,202					
	Capitalized Intere	U	9/1/87	1987	309		\$2,778.00	40	18.0	\$69	\$1,250	\$1,320					
	Gate Valves	D MAIN	12/31/87	1987	309		\$1,160.00	40	18.0	\$29	\$522	\$551					
	Pumping Station	D TRANS	12/31/87	1987	309		\$8,025.00	40	18.0	\$201	\$3,611	\$3,812					
	T. Knox Line	D MAIN	1/31/88	1988	309		\$1,020.00	40	17.0	\$26	\$434	\$459					
	Pipe	D MAIN	1/31/88	1988	309		\$1,025.00	40	17.0	\$26	\$436	\$461					
	Booster Structure	D TRANS	1/31/88	1988	309		\$1,138.00	40	17.0	\$28	\$484	\$512					
	Pipe	D MAIN	2/23/88	1988	309		\$6,540.00	40	17.0	\$164	\$2,780	\$2,943					
	Pipe	D MAIN	2/23/88	1988	309		\$3,015.00	40	17.0	\$75	\$1,281	\$1,357					
	Pipe	D MAIN	2/23/88	1988	309		\$2,595.00	40	17.0	\$65	\$1,103	\$1,168					
	Pipe	D MAIN	2/23/88	1988	309		\$940.00	40	17.0	\$24	\$400	\$423					
	Booster Pump	D MAIN	2/24/88	1988	309		\$3,499.00	40	17.0	\$87	\$1,487	\$1,575					
	Turbo Motor	T EQUIP	4/19/88	1988	309		\$1,320.00	40	17.0	\$33	\$561	\$594					
	Fort Knox Meter	D PURC	1/1/01	1999	309		\$547.97	33	6.0	\$17	\$100	\$116					
							\$1,102,703.70	F-1		\$31,134	\$415,115	\$446,249					
311	Pumping Equipment - Booster Stations																
1831100	Chlorination	T EQUIP	6/17/86	1986	311		\$2,390.00	50	19.0	\$48	\$908	\$956					
	Pumps	D TRANS	9/1/86	1986	311		\$9,311.00	50	19.0	\$186	\$3,538	\$3,724					
	Overhaul Pump	D MAIN	12/1/86	1986	311		\$9,896.00	50	19.0	\$198	\$3,760	\$3,958					
	Safety Guards	T EQUIP	3/3/88	1988	311		\$1,037.00	50	17.0	\$21	\$353	\$373					
	Utility Plant	U	1/1/89	1989	311		\$357,000.00	50	16.0	\$7,140	\$114,240	\$121,380					
	Utility Plant	U	1/1/89	1989	311		\$87,000.00	50	16.0	\$1,740	\$27,640	\$29,580					
	Labor SVC Pump	T EQUIP	1/1/90	1990	311		\$3,868.72	50	15.0	\$77	\$1,161	\$1,238					
	Fort Knox Interconnect		1/1/00	2000	311		\$1,719,329.41	50	5.0	\$34,387	\$171,933	\$206,320					
	Engineering Fees	U	4/29/03	2003	311		\$2,768.52	50	2.0	\$55	\$111	\$166					
	Whispering Hills Pumps Replaced		12/30/04	2004	311		\$44,375.53	50	1.0	\$888	\$888	\$1,775					
	Re-Build 1982 Pump Station (NSCR Proj)		12/1/05	2005	311		\$21,016.00	40	0.0	\$0	\$0	\$481					
							\$2,467,981.18	F-1		\$45,221	\$324,731	\$369,952					
320	Pumping & Water Treatment Equip.																
1832000	Pittle	T EQUIP	1/1/89	1989	320		\$3,114.00	10	16.0	\$0	\$3,114	\$3,114					
1831200	Lagoon	T STRU	1/1/89	1989	320		\$4,655.00	10	16.0	\$0	\$4,655	\$4,655					
	Pittle	T STRU	1/1/89	1989	320		\$7,562.00	10	16.0	\$0	\$7,562	\$7,562					
	Pittle Lagoon	T STRU	1/1/90	1990	320		\$1,546.18	33	15.0	\$46	\$696	\$742					
	Sight Glass-Tanks	T EQUIP	6/17/86	1986	320		\$2,111.00	50	10.0	\$42	\$422	\$464					
	Water Plant Supply	S EQUIP	6/17/86	1986	320		\$4,546.00	50	19.0	\$91	\$1,727	\$1,818					
	Pumps	D MAIN	8/1/87	1987	320		\$1,709.00	50	18.0	\$34	\$615	\$649					
	Cylinder Kit	U	8/1/87	1987	320		\$1,763.00	50	18.0	\$35	\$635	\$670					
	Chlorinator	T EQUIP	2/23/88	1988	320		\$780.00	50	17.0	\$16	\$265	\$281					

	1	2	3	4	5	6	7	8	9	10	11	12
Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount
Lebor	U	2/25/88	1988	320	\$3,294.00	50	17.0	\$66	\$1,120	\$1,186		
Ullility Plant	U	1/1/89	1989	320	\$285,697.00	50	16.0	\$5,314	\$85,023	\$90,337		
Ullility Plant	U	1/1/89	1989	320	\$798,000.00	50	16.0	\$16,960	\$255,360	\$271,320		
Flash Mixer	T EQUIP	1/1/80	1980	320	\$2,812.00	50	16.0	\$66	\$844	\$900		
Pump	T EQUIP	1/1/80	1980	320	\$803.00	50	16.0	\$16	\$241	\$257		
Equipment	U	1/1/80	1980	320	\$592.00	50	16.0	\$12	\$178	\$189		
Chlorinators	T EQUIP	5/31/92	1992	320	\$4,538.00	50	13.0	\$91	\$1,180	\$1,271		
Work Order 202	D MAIN	6/18/92	1992	320	\$548.00	50	13.0	\$11	\$142	\$153		
Raw Meter Head	T EQUIP	11/24/92	1992	320	\$1,347.00	50	13.0	\$27	\$350	\$377		
Water Treatment	T EQUIP	1/1/93	1993	320	\$2,995.00	50	12.0	\$60	\$710	\$779		
Water Treatment	T EQUIP	1/1/93	1993	320	\$2,995.00	50	12.0	\$60	\$710	\$779		
Water Treatment	T EQUIP	1/1/93	1993	320	\$910.00	50	12.0	\$18	\$221	\$239		
Water Treatment	T EQUIP	1/1/93	1993	320	\$1,926.00	50	12.0	\$39	\$462	\$501		
Water Treatment	T EQUIP	1/1/93	1993	320	\$919.00	50	12.0	\$18	\$221	\$239		
Water Treatment	T STRU	1/1/93	1993	320	\$575.00	50	12.0	\$12	\$138	\$150		
Water Treatment	T STRU	1/1/93	1993	320	\$584.00	50	12.0	\$12	\$140	\$152		
Water Treatment	T STRU	1/1/93	1993	320	\$1,478.00	50	12.0	\$30	\$355	\$384		
PS Mainline Propel	T EQUIP	1/1/84	1984	320	\$3,507.00	50	11.0	\$70	\$772	\$842		
Equip Water Treat	T EQUIP	1/1/84	1984	320	\$7,477.00	50	11.0	\$160	\$1,646	\$1,794		
Water Treatment	T EQUIP	1/1/84	1984	320	\$1,068.00	50	11.0	\$21	\$235	\$256		
(NO DESC)	T EQUIP	5/10/85	1985	320	\$1,530.00	50	10.0	\$31	\$306	\$337		
(NO DESC)	U	2/24/97	1995	320	\$13,230.66	50	10.0	\$265	\$2,646	\$2,911		
Prtile	T EQUIP	1/31/89	1989	320	\$4,734.52	50	10.0	\$95	\$947	\$1,042		
1998 Additions	U	6/30/98	1998	320	\$8,017.26	50	7.0	\$160	\$1,122	\$1,283		
Carbon Feed	T EQUIP	12/16/98	1995	320	\$74,222.57	50	10.0	\$1,484	\$14,845	\$16,329		
Water Equipment		12/31/00	2000	320	\$1,810.94	50	5.0	\$36	\$181	\$217		
New Mag Meter		4/11/00	2000	320	\$3,246.81	50	5.0	\$65	\$325	\$390		
Turbidity Meter	TEQUIP	4/24/01	2001	320	\$2,437.57	50	4.0	\$40	\$195	\$244		
Chlorinators	TEQUIP	7/29/02	2002	320	\$6,779.50	50	3.0	\$135	\$407	\$542		
Chemical Feed Pump	T EQUIP	9/28/02	2002	320	\$4,459.64	50	3.0	\$89	\$268	\$357		
Chlorine Gas Detector	T EQUIP	2/28/03	2003	320	\$3,729.00	50	2.0	\$75	\$149	\$224		
Raw Pump Rebuilt @ Prtile		3/25/04	2004	320	\$9,865.57	50	1.0	\$197	\$197	\$395		
10" Finish Mag Meter		12/30/04	2004	320	\$7,461.93	50	1.0	\$149	\$149	\$298		
Chlorinator Control Valve (2)		12/30/05	2005	320	\$1,028.00	50	0.0	\$0	\$0	\$0	\$51	\$51
Chlorinator Control Valve (2)		12/30/05	2005	320	\$1,028.00	50	0.0	\$0	\$0	\$0	\$131	\$131
Chlorinator Control Valve (2)		12/30/05	2005	320	\$1,028.00	50	0.0	\$0	\$0	\$0	\$182	\$182
					\$1,275,033.05	F-1		\$25,137	\$391,491	\$416,628		
330	Distribution,Reservoirs,Standpipes											
1833000	Standpipe	D MAIN	1/1/89	1989	330	\$2,700.00	50	16.0	\$54	\$864	\$918	
	Water Sys Impr Cip	D MAIN	1/1/89	1989	330	\$19,829.09	40	16.0	\$496	\$7,932	\$8,427	
	Longview Tank	D STOR	1/1/89	1989	330	\$293,213.00	50	16.0	\$5,884	\$93,828	\$99,692	
	Ullility Plant	U	1/1/89	1989	330	\$190,000.00	50	16.0	\$3,800	\$60,800	\$64,600	
	Equipment	U	1/1/89	1989	330	\$7,205.00	50	16.0	\$144	\$2,306	\$2,450	
	Cont 3 Int Cap	D TRANS	1/1/92	1992	330	\$36,350.00	33	13.0	\$1,091	\$14,178	\$15,269	
	Cont 3 Tanks	D STOR	3/31/92	1992	330	\$756,173.00	33	13.0	\$22,687	\$294,937	\$317,624	
	Cont 3 Tanks	D STOR	1/1/93	1993	330	\$273,235.00	50	12.0	\$5,465	\$65,576	\$71,041	
	Capitalize Intere	U	1/1/93	1993	330	\$36,387.00	50	12.0	\$728	\$8,733	\$9,461	
	Fisher Tank	D STOR	1/19/93	1993	330	\$22,000.00	50	12.0	\$440	\$5,280	\$5,720	
	Tanks-New Paint	D STOR	6/30/98	1998	330	\$70,039.75	7	1.0	\$0	\$70,040	\$70,040	
	Tank Level Transmitter		9/27/04	2004	330	\$1,171.04	7	1.0	\$167	\$167	\$335	
	Benz Tank (220 Gall) @ Control Valvls		12/1/05	2005	330	\$862,264.00	50	0.0	\$1,087	\$0	\$1,087	\$13,049
					\$2,366,766.88	F-1		\$42,023	\$624,641	\$666,663	\$13,049	\$11,962
331	Transmission & Distribution Mains											
1833100	Water Mains	D MAIN	6/1/70	1970	331	\$1,947,912.00	50	35.0	\$38,958	\$1,363,538	\$1,402,497	
	1/2 Rev Water Line	D MAIN	9/1/85	1985	331	\$12,443.00	50	20.0	\$249	\$4,977	\$5,226	
	Waterline	D MAIN	9/1/85	1985	331	\$11,800.00	50	20.0	\$236	\$4,720	\$4,956	
	GWC Enterprise	U	9/1/85	1985	331	\$4,541.00	50	20.0	\$91	\$1,816	\$1,907	
	1/2 Rev Water Line	D MAIN	10/16/85	1985	331	\$1,991.00	50	20.0	\$40	\$796	\$836	
	Meadow Lane Sect 4	D MAIN	11/11/85	1985	331	\$5,688.00	50	20.0	\$114	\$2,275	\$2,389	
	Country Meadow Est	D MAIN	11/30/85	1985	331	\$4,384.00	50	20.0	\$88	\$1,764	\$1,841	
	GWC Enterprise	U	12/31/85	1985	331	\$7,357.00	50	20.0	\$147	\$2,943	\$3,090	
	GWC Enterprise	U	1/31/86	1986	331	\$890.00	50	19.0	\$18	\$338	\$356	
	Hill St Estate	D MAIN	3/31/86	1986	331	\$2,369.00	50	19.0	\$47	\$900	\$948	
	Oscar Willdon Main Ext.	D MAIN	3/31/86	1986	331	\$4,449.00	50	19.0	\$89	\$1,691	\$1,780	
	Meadow Lake Sect 4	D MAIN	6/17/86	1986	331	\$7,028.00	50	19.0	\$141	\$2,671	\$2,811	
	Meadow Lake Sect 5	D MAIN	6/30/86	1986	331	\$4,736.00	50	19.0	\$95	\$1,800	\$1,894	
	1/2 Rev Water Line	D MAIN	6/30/86	1986	331	\$4,895.00	50	19.0	\$98	\$1,860	\$1,958	
	1/2 Rev Water Line	D MAIN	7/31/86	1986	331	\$7,000.00	50	19.0	\$140	\$2,660	\$2,800	
	1/2 Rev Water Line	D MAIN	7/31/86	1986	331	\$4,057.00	50	19.0	\$81	\$1,542	\$1,623	
	Waterlines	D MAIN	9/1/86	1986	331	\$862.00	50	19.0	\$17	\$328	\$345	
	1/2 Rev Contract	D MAIN	9/1/87	1987	331	\$95,587.00	50	18.0	\$1,912	\$34,411	\$36,323	
	Equipment	T EQUIP	9/1/87	1987	331	\$1,942.00	50	16.0	\$39	\$699	\$738	
	Gate Valves Gasket	D MAIN	2/1/88	1988	331	\$4,270.00	50	17.0	\$85	\$1,452	\$1,537	
	Waterline	D MAIN	2/1/88	1988	331	\$2,326.00	50	17.0	\$47	\$792	\$838	
	Payroll	U	9/1/88	1988	331	\$5,626.00	50	17.0	\$113	\$1,913	\$2,025	
	Water Line	D MAIN	1/1/89	1989	331	\$41,880.00	50	16.0	\$837	\$13,395	\$14,232	
	Clip Water Sys Impr	D MAIN	1/1/89	1989	331	\$2,330.00	40	16.0	\$58	\$932	\$990	
	Water Sys Impr cip	D MAIN	1/1/89	1989	331	\$14,064.00	40	16.0	\$352	\$5,626	\$5,977	
	HWY 144 Relocation	D TRANS	1/1/89	1989	331	\$96,835.00	50	16.0	\$1,937	\$30,987	\$32,924	
	Equipment	U	1/1/89	1989	331	\$13,861.00	50	16.0	\$277	\$4,436	\$4,713	
	Ullility Plant	U	1/1/89	1989	331	\$1,356,000.00	50	16.0	\$27,120	\$433,920	\$461,040	
	Transmission Supplies	D EQUIP	1/1/90	1990	331	\$20,494.00	50	15.0	\$410	\$6,146	\$6,558	
	Water Sys Impr Cip	D MAIN	1/1/90	1990	331	\$17,222.00	33	15.0	\$517	\$7,751	\$8,267	
	Valves	D MAIN	1/1/90	1990	331	\$6,563.00	50	15.0	\$131	\$1,969	\$2,100	
	Valves & Lids	D SERV	1/1/90	1990	331	\$6,799.00	50	15.0	\$136	\$2,040	\$2,176	
	Supplies	U	1/1/90	1990	331	\$2,082.00	50	15.0	\$42	\$625	\$666	
	Pipe	D MAIN	1/1/92	1992	331	\$16,665.00	50	13.0	\$333	\$4,333	\$4,666	
	Metro Tech Line LO	U	1/1/92	1992	331	\$1,950.00	50	13.0	\$39	\$507	\$546	
	Cont 4 Int Cap	U	1/1/92	1992	331	\$44,556.00	33	13.0	\$1,337	\$17,379	\$18,715	
	Labor	U	1/31/92	1992	331	\$3,009.00	50	13.0	\$76	\$990	\$1,067	
	Cont 4 Booster St	D PUMP	2/21/92	1992	331	\$959,637.00	33	13.0	\$28,792	\$374,296	\$403,088	
	Work Order 403	D MAIN	7/24/92	1992	331	\$1,196.00	50	13.0	\$24	\$311	\$335	
	Work Order 402	D MAIN	7/24/92	1992	331	\$1,964.00	50	13.0	\$39	\$511	\$550	
	1630 Water Main RE	D MAIN	7/24/92	1992	331	\$515.00	50	13.0	\$10	\$134	\$144	
	Work Order 405	D MAIN	11/12/92	1992	331	\$7,399.00	50	13.0	\$148	\$1,924	\$2,072	
	Main Supply	D MAIN	1/1/93	1993								

	1	2	3	4	5	6	7	8	9	10	11	12
Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	Years In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount
Capitalized Inter	D PUMP	1/1/93	1993	331	\$60,682.00	60	12.0	\$1,214	\$14,564	\$15,777		
Cont 4 Booster	D PUMP	1/1/93	1993	331	\$217,448.00	60	12.0	\$4,349	\$52,188	\$56,536		
Capitalized Payroll	U	1/1/93	1993	331	\$4,699.00	60	12.0	\$94	\$1,128	\$1,222		
Small Item<1000	U	1/1/93	1993	331	\$6,897.00	60	12.0	\$134	\$1,607	\$1,741		
Labor Phillips WME	D MAIN	1/1/94	1994	331	\$4,849.00	60	11.0	\$97	\$1,067	\$1,164		
Trans & Distribution	D MAIN	1/1/94	1994	331	\$5,293.00	60	11.0	\$106	\$1,164	\$1,270		
Heatherfield Mat	D MAIN	1/1/94	1994	331	\$10,840.00	60	11.0	\$217	\$2,385	\$2,602		
Rolling Hills Mate	D MAIN	1/1/94	1994	331	\$11,699.00	60	11.0	\$232	\$2,652	\$2,784		
Easement Settlement	D MAIN	6/1/95	1995	331	\$17,700.00	60	10.0	\$354	\$3,540	\$3,894		
T&D Mains	D MAIN	6/30/95	1995	331	\$20,377.00	60	10.0	\$408	\$4,075	\$4,483		
Contributed Capital	U	6/30/95	1995	331	\$17,034.00	60	10.0	\$359	\$3,587	\$3,945		
1995 FINISHED CIP	G	12/31/95	1995	331	\$23,427.27	60	10.0	\$469	\$4,685	\$5,154		
MEADE CO. EXTENSION	D MAIN	11/30/96	1996	331	\$27,212.35	60	9.0	\$544	\$4,898	\$5,442		
Rolling Hills Extension	D MAIN	11/30/96	1996	331	\$27,609.29	60	9.0	\$550	\$4,952	\$5,502		
CIP Work Order D14	D MAIN	12/31/96	1996	331	\$39,231.72	60	9.0	\$785	\$7,062	\$7,846		
Wood Lane	D MAIN	7/31/97	1997	331	\$3,244.33	60	8.0	\$65	\$519	\$584		
Credit on WME #9702	D MAIN	7/31/97	1997	331	\$2,000.00	60	8.0	\$40	\$320	\$360		
Squaw Valley	D MAIN	12/31/97	1997	331	\$6,338.00	60	8.0	\$127	\$1,014	\$1,141		
Main	D MAIN	12/31/97	1997	331	\$15,163.00	60	8.0	\$303	\$2,426	\$2,729		
W.M. Dillo Lane	D MAIN	12/31/97	1997	331	\$19,640.00	60	8.0	\$393	\$3,142	\$3,535		
Rainbow Village	D MAIN	12/31/97	1997	331	\$9,094.00	60	8.0	\$182	\$1,455	\$1,637		
Hill Top Sect 7 #024	D MAIN	2/28/98	1998	331	\$8,628.89	60	7.0	\$173	\$1,208	\$1,381		
Hill Top Terrace Sect 9	D MAIN	10/28/98	1998	331	\$17,116.62	60	7.0	\$342	\$2,396	\$2,739		
WME 97.04	D MAIN	12/31/98	1998	331	\$7,700.00	60	7.0	\$164	\$1,078	\$1,232		
Wiseman Engineering & Land	D MAIN	12/31/98	1998	331	\$1,500.00	60	7.0	\$30	\$210	\$240		
WME 97.01	D MAIN	12/31/98	1998	331	\$7,230.00	60	7.0	\$145	\$1,012	\$1,157		
Whispering Hills	D STOR	12/31/98	1998	331	\$110,237.35	60	7.0	\$2,205	\$15,433	\$17,638		
WME 97.03	G	12/31/98	1998	331	\$27,150.00	60	7.0	\$543	\$3,801	\$4,344		
CIP Bondview Heights	D MAIN	1/31/99	1999	331	\$6,095.39	60	7.0	\$122	\$853	\$975		
WME 9802	D MAIN	6/30/99	1999	331	\$2,450.00	60	7.0	\$49	\$343	\$392		
WME County Expansion WO #016		6/30/00	2000	331	\$152,888.49	60	5.0	\$3,058	\$15,289	\$18,347		
Extension 1/2 Revenue		6/30/00	2000	331	\$13,828.72	60	5.0	\$277	\$1,383	\$1,659		
Challenger On Site		9/13/00	2000	331	\$6,864.87	60	5.0	\$137	\$686	\$824		
Heatherfield CIP		6/30/00	2000	331	\$22,018.33	60	5.0	\$440	\$2,202	\$2,642		
Whispering Hills CIP		6/30/00	2000	331	\$21,886.74	60	5.0	\$438	\$2,189	\$2,626		
Meredith Road CIP		9/30/00	2000	331	\$15,948.55	60	5.0	\$319	\$1,595	\$1,914		
Nighthawk CIP		11/30/00	2000	331	\$8,091.27	60	5.0	\$162	\$809	\$971		
Illinois Road (Our Exp)	D MAIN	1/1/01	2001	331	\$9,135.40	33	4.0	\$277	\$1,107	\$1,384		
University Dr. WO #036	D MAIN	1/1/01	2001	331	\$2,218.13	33	4.0	\$67	\$269	\$336		
Jim Dandy Est. WO#037	D MAIN	1/1/01	2001	331	\$3,258.56	33	4.0	\$99	\$395	\$494		
Wingard	U	1/1/01	2001	331	\$1,393.73	33	4.0	\$42	\$169	\$211		
Richard Nail Road	D MAIN	1/1/01	2001	331	\$4,697.91	33	4.0	\$142	\$569	\$712		
Clearwell Project	T STRU	1/1/01	2001	331	\$304,612.63	33	4.0	\$9,231	\$36,923	\$46,153		
Relocation of line @ 86 & Howe		9/5/01	2001	331	\$56,871.75	60	4.0	\$1,137	\$4,550	\$5,687		
Water Main Extensions	D MAIN	12/31/03	2003	331	\$95,960.55	33	2.0	\$2,908	\$5,816	\$8,724		
Water Main Extensions	D MAIN	12/31/04	2004	331	\$342,091.99	33	1.0	\$10,366	\$10,366	\$20,733		
920/86 County Expansion Pro	D MAIN	8/19/04	2004	331	\$3,898,507.07	60	1.0	\$77,970	\$77,970	\$155,940		
Main Extensions (Cont'd) Capital 2005		12/1/05	2005	331	\$406,987.00	60	0.0	\$678	\$0	\$678	\$8,140	\$7,462
31/2 Miles 6 inch Mains (NSCR Pro)		12/1/05	2005	331	\$2,117,467.00	60	0.0	\$3,829	\$0	\$3,829	\$42,349	\$38,820
15.3 Miles 8 inch Mains (NSCR Pro)		12/1/05	2005	331	\$568,878.00	60	0.0	\$931	\$0	\$931	\$11,178	\$10,247
1/8 Miles 12 inch Mains (NSCR Pro)		12/1/05	2005	331	\$308,092.00	60	0.0	\$513	\$0	\$513	\$6,162	\$5,649
Capitalized Interests		12/1/05	2005	331	\$51,875.00	60	0.0	\$0	\$0	\$0	\$1,034	\$1,034
					\$13,932,684.00	F-1		\$233,607	\$2,658,786	\$2,892,393	\$68,862	\$63,211
333	Service Lines & Connections											
1833300	Service Lines	D SERV	6/1/75	1975	\$931,876.00	30	30.0	\$0	\$931,876	\$931,876		
1833400	Service Lines	D SERV	9/1/85	1985	\$11,629.00	30	20.0	\$388	\$7,753	\$8,140		
1833402	Service Lines	D SERV	9/1/85	1985	\$2,405.00	30	20.0	\$80	\$1,603	\$1,684		
	Service Lines	D SERV	9/1/85	1985	\$5,234.00	30	20.0	\$174	\$3,489	\$3,664		
	Payroll	U	9/30/85	1985	\$17,961.00	30	20.0	\$599	\$11,974	\$12,573		
	Service Lines	D SERV	10/1/85	1985	\$6,446.00	30	20.0	\$215	\$4,297	\$4,512		
	Service Lines	D SERV	11/1/85	1985	\$6,341.00	30	20.0	\$211	\$4,227	\$4,439		
	Service Lines	D SERV	12/13/85	1985	\$4,212.00	30	20.0	\$140	\$2,808	\$2,948		
	Service Lines	D SERV	1/13/86	1986	\$1,762.00	30	19.0	\$59	\$1,116	\$1,175		
	Service Lines	D SERV	2/19/86	1986	\$6,454.00	30	19.0	\$215	\$4,088	\$4,303		
	Service Lines	D SERV	3/31/86	1986	\$1,948.00	30	19.0	\$35	\$664	\$699		
	Service Lines	D SERV	4/17/86	1986	\$7,329.00	30	19.0	\$244	\$4,642	\$4,886		
	Service Lines	D SERV	5/15/86	1986	\$4,667.00	30	19.0	\$156	\$2,956	\$3,111		
	Service Lines	D SERV	6/17/86	1986	\$10,103.00	30	19.0	\$337	\$6,399	\$6,735		
	Service Lines	D SERV	7/10/86	1986	\$6,893.00	30	19.0	\$230	\$4,366	\$4,595		
	Service Lines	D SERV	7/31/86	1986	\$9,690.00	30	19.0	\$323	\$6,137	\$6,460		
	Service Lines	D SERV	9/1/86	1986	\$4,532.00	30	19.0	\$151	\$2,870	\$3,021		
	Service Lines	D SERV	9/1/86	1986	\$10,669.00	30	19.0	\$356	\$6,757	\$7,113		
	Capitalized Labor	U	9/1/86	1986	\$34,618.00	30	19.0	\$1,164	\$21,925	\$23,079		
	Service Lines	D SERV	10/1/86	1986	\$11,675.00	30	19.0	\$389	\$7,394	\$7,783		
	Installation Line	D SERV	11/1/86	1986	\$2,380.00	30	19.0	\$79	\$1,507	\$1,587		
	Service Lines	D SERV	12/1/86	1986	\$6,447.00	30	19.0	\$215	\$4,083	\$4,298		
	Meters	D SERV	1/1/87	1987	\$15,882.00	30	18.0	\$529	\$9,529	\$10,059		
	Service Lines	D SERV	1/1/87	1987	\$6,756.00	30	18.0	\$225	\$4,054	\$4,279		
	Service Lines	D SERV	3/1/87	1987	\$3,345.00	30	18.0	\$112	\$2,007	\$2,119		
	Service Lines	D SERV	6/1/87	1987	\$5,231.00	30	18.0	\$174	\$3,139	\$3,313		
	Service Lines	D SERV	8/1/87	1987	\$106,051.00	30	18.0	\$3,535	\$63,631	\$67,166		
	Meters	D SERV	8/1/87	1987	\$9,494.00	30	18.0	\$316	\$5,690	\$6,007		
	Service Lines	D SERV	8/1/87	1987	\$2,938.00	33	18.0	\$98	\$1,587	\$1,675		
	Service Lines	D SERV	9/1/87	1987	\$2,938.00	30	18.0	\$98	\$1,763	\$1,861		
	Service Lines	D SERV	9/1/87	1987	\$4,825.00	30	18.0	\$161	\$2,895	\$3,056		
	Meter Sellers	D SERV	9/1/87	1987	\$3,501.00	30	18.0	\$117	\$2,101	\$2,217		
	Equipment	G EQUIP	9/1/87	1987	\$5,987.00	30	18.0	\$200	\$3,592	\$3,792		
	Capitalized Payroll	U	9/1/87	1987	\$20,121.00	30	18.0	\$671	\$12,073	\$12,743		
	Capitalized Payroll	U	9/1/87	1987	\$7,590.00	30	18.0	\$253	\$4,554	\$4,807		
	Sillar & Saddles	D SERV	11/1/87	1987	\$8,555.00	30	18.0	\$285	\$5,133	\$5,418		
	Service Lines	D SERV	11/1/87	1987	\$1,628.00	30	18.0	\$51	\$917	\$968		
	Service Lines	D SERV	11/1/87	1987	\$1,106.00	30	18.0	\$37	\$664	\$700		
	Meter Sellers	D SERV	11/1/87	1987	\$3,120.00	30	18.0	\$104	\$1,872	\$1,976		
	Service Lines	D SERV	11/1/87	1987	\$3,196.00	30	18.0	\$107	\$1,910	\$2,024		
	Service Lines	D SERV	11/1/87	1987	\$2,210.00	30	18.0	\$74				

	1	2	3	4	5	6	7	9	8	10	11	12
Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	Years In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount
Labor	U	1/1/89	1989	333	\$15,050.00	30	16.0	\$502	\$8,031	\$8,533		
Valves Rings Lids	D SERV	1/1/80	1980	333	\$13,482.00	30	15.0	\$449	\$6,741	\$7,190		
Meters	D SERV	1/1/80	1980	333	\$8,163.00	30	15.0	\$272	\$4,077	\$4,348		
Meters	D SERV	1/1/80	1980	333	\$2,537.00	30	15.0	\$85	\$1,269	\$1,353		
Capitalized Labor	U	1/1/80	1980	333	\$2,264.00	30	15.0	\$75	\$1,132	\$1,207		
Capitalized Labor	U	1/1/82	1982	333	\$9,995.00	30	13.0	\$333	\$4,331	\$4,664		
Work Order 465	D MAIN	3/31/92	1992	333	\$5,942.00	30	13.0	\$198	\$2,675	\$2,773		
Meter Lids & Rings	D SERV	6/30/92	1992	333	\$2,727.00	30	13.0	\$91	\$1,182	\$1,273		
1600 K-Cooper	D SERV	8/31/92	1992	333	\$2,234.00	30	13.0	\$74	\$968	\$1,043		
Service Lines	D SERV	1/1/93	1993	333	\$13,945.00	30	12.0	\$465	\$5,578	\$6,043		
Curbs/stop-Meadowlark	D SERV	1/1/93	1993	333	\$7,569.00	30	12.0	\$252	\$3,028	\$3,280		
Small Items<1000	U	1/1/93	1993	333	\$7,148.00	30	12.0	\$238	\$2,859	\$3,097		
Capitalized Payroll	U	1/1/93	1993	333	\$10,594.00	30	12.0	\$353	\$4,234	\$4,586		
WM Relocation Ctp	D MAIN	1/1/94	1994	333	\$9,746.00	33	11.0	\$292	\$3,217	\$3,509		
Service Lines	D SERV	1/1/94	1994	333	\$16,064.00	30	11.0	\$535	\$5,890	\$6,426		
Service Lines	D SERV	6/30/95	1995	333	\$6,805.00	30	10.0	\$227	\$2,268	\$2,495		
HWY 313 Additions	D TRANS	6/30/95	1995	333	\$131,394.00	30	10.0	\$4,380	\$43,798	\$48,178		
Capitalized Labor	U	6/30/95	1995	333	\$5,208.00	30	10.0	\$174	\$1,736	\$1,910		
Inventory-1996	U	12/31/96	1996	333	\$8,803.03	30	9.0	\$297	\$2,671	\$2,968		
Inventory-1997	D MAIN	12/31/97	1997	333	\$9,661.31	30	8.0	\$319	\$2,650	\$2,969		
Inventory-1998	D MAIN	12/31/98	1998	333	\$6,577.78	30	7.0	\$219	\$1,635	\$1,764		
Inventory-1999	D SERV	12/31/99	1999	333	\$11,845.99	30	6.0	\$395	\$2,389	\$2,764		
Manual Entries	U	12/31/99	1999	333	\$1,096.36	30	6.0	\$37	\$219	\$256		
Entries	U	12/31/00	2000	333	\$34,739.06	30	5.0	\$1,168	\$5,790	\$6,948		
2001 Capitalized Labor	U	12/19/01	2001	333	\$5,671.87	30	4.0	\$189	\$756	\$945		
2002 Capitalized Labor	U	12/1/02	2002	333	\$3,834.89	30	3.0	\$128	\$383	\$511		
2003 Capitalized Labor	U	12/1/03	2003	333	\$7,493.86	30	2.0	\$250	\$500	\$749		
Inventory	U	12/1/03	2003	333	\$16,591.37	30	2.0	\$553	\$1,106	\$1,659		
Service Lines	D SERV	12/1/03	2003	333	\$97,279.60	30	2.0	\$3,243	\$6,485	\$9,728		
Service Line - Hardinsburg Rd	U	12/8/04	2004	333	\$30,227.88	30	1.0	\$1,008	\$1,008	\$2,015		
Service Line - Slaughter Rd	U	7/29/04	2004	333	\$2,600.00	30	1.0	\$83	\$83	\$167		
2004 Capitalized Labor	U	12/31/04	2004	333	\$12,325.17	30	1.0	\$411	\$411	\$822		
AMR Meters Installed 2005 (1009#)	U	3/1/05	2005	333	\$166,248.80	30	0.3	\$1,847	\$1,847	\$1,847	\$5,542	\$3,695
Meters & Services Installed 2005 (276#)	U	12/31/05	2005	333	\$199,670.00	30	0.0	\$0	\$0	\$0	\$6,319	\$6,319
Meters Moved from NSGRR	U	12/31/05	2005	333	\$71,089.00	30	0.0	\$0	\$0	\$0	\$2,368	\$2,368
Relocate DR/Rochie Service (616 meter)	U	10/9/05	2005	333	\$3,701.00	30	0.2	\$11	\$11	\$11	\$123	\$92
Capitalized Interest	U	12/31/05	2005	333	\$4,000.00	30	0.0	\$0	\$0	\$0	\$133	\$133
					\$2,381,837.09	F-1		\$35,682	\$1,359,166	\$1,384,848	\$14,486	\$12,608
333 Service Lines & Connections												
Meter Installation	D SERV	9/1/87	1987	333	\$2,665.00	30	18.0	\$89	\$1,599	\$1,688		
Meters	D SERV	9/1/87	1987	333	\$45,445.00	30	18.0	\$1,515	\$27,267	\$28,782		
Meters	D SERV	10/31/87	1987	333	\$1,909.00	30	18.0	\$64	\$1,145	\$1,209		
Meters	D SERV	10/31/87	1987	333	\$1,046.00	30	18.0	\$62	\$1,109	\$1,170		
Meter Installation	D SERV	11/1/87	1987	333	\$3,150.00	30	18.0	\$105	\$1,890	\$1,995		
Meters	D SERV	12/15/87	1987	333	\$1,557.00	30	18.0	\$52	\$934	\$986		
Meters	D SERV	2/23/88	1988	333	\$1,092.00	30	17.0	\$36	\$619	\$655		
Meters	D SERV	2/23/88	1988	333	\$2,280.00	30	17.0	\$76	\$1,292	\$1,368		
Meters	D SERV	2/25/88	1988	333	\$1,654.00	30	17.0	\$55	\$937	\$992		
Meters	D SERV	3/3/88	1988	333	\$1,017.00	30	17.0	\$34	\$576	\$610		
Meters	D SERV	3/24/88	1988	333	\$1,384.00	30	17.0	\$46	\$784	\$830		
Meters	D SERV	3/29/88	1988	333	\$2,458.00	30	17.0	\$82	\$1,393	\$1,475		
Meters	D SERV	3/29/88	1988	333	\$1,721.00	30	17.0	\$57	\$975	\$1,033		
Meter Installation	D SERV	5/9/88	1988	333	\$1,111.00	30	17.0	\$37	\$630	\$667		
Meters	D SERV	6/15/88	1988	333	\$923.00	30	17.0	\$31	\$523	\$554		
Meters	D SERV	10/28/88	1988	333	\$3,398.00	30	17.0	\$113	\$1,826	\$2,039		
Meters	D SERV	10/28/88	1988	333	\$930.00	30	17.0	\$31	\$527	\$558		
Meters	D SERV	1/1/89	1989	333	\$12,896.00	30	16.0	\$430	\$6,878	\$7,308		
Labor	U	1/1/89	1989	333	\$5,044.00	30	16.0	\$168	\$2,690	\$2,858		
Meters	D SERV	1/1/90	1990	333	\$38,836.00	30	15.0	\$1,295	\$19,418	\$20,713		
Meters	D SERV	1/1/90	1990	333	\$41,778.00	30	15.0	\$1,393	\$20,889	\$22,282		
Meter Inv Change	D SERV	1/1/90	1990	333	\$4,173.00	30	15.0	\$139	\$2,087	\$2,226		
Meters	D SERV	1/1/90	1990	333	\$7,817.00	30	15.0	\$261	\$3,809	\$4,169		
Meters	D SERV	1/1/92	1992	333	\$3,393.00	30	13.0	\$113	\$1,470	\$1,583		
Labor	U	1/1/92	1992	333	\$1,254.00	30	13.0	\$42	\$543	\$585		
Work Order 601	D TRANS	4/30/92	1992	333	\$17,275.00	30	13.0	\$576	\$7,486	\$8,062		
Meters	D SERV	1/1/93	1993	333	\$1,619.00	30	12.0	\$54	\$646	\$702		
Meters	D SERV	1/1/93	1993	333	\$3,954.00	30	12.0	\$132	\$1,582	\$1,713		
Meter Installation	D SERV	1/1/93	1993	333	\$5,281.00	30	12.0	\$176	\$2,112	\$2,288		
Small Items<1000	U	1/1/93	1993	333	\$2,368.00	30	12.0	\$79	\$947	\$1,026		
Capitalized Payroll	U	1/1/93	1993	333	\$813.00	30	12.0	\$27	\$325	\$352		
Small Items<1000	U	1/1/93	1993	333	\$654.00	30	12.0	\$22	\$262	\$283		
Meters	D SERV	1/1/94	1994	333	\$4,206.00	30	11.0	\$140	\$1,542	\$1,682		
Meter Inventory	D SERV	1/1/94	1994	333	\$2,227.00	30	11.0	\$74	\$817	\$891		
Meters Installation	D SERV	1/1/94	1994	333	\$14,052.00	30	11.0	\$489	\$5,482	\$5,981		
Meters & Labor	D SERV	6/30/95	1995	333	\$15,654.00	30	10.0	\$510	\$5,185	\$5,703		
Inventory-1996	D MAIN	12/31/96	1996	333	\$6,650.72	30	9.0	\$222	\$1,995	\$2,217		
Inventory Installation-1996	D SERV	12/31/96	1996	333	\$14,327.15	30	9.0	\$478	\$4,290	\$4,776		
Inventory-1997	U	12/31/97	1997	333	\$16,368.21	30	8.0	\$546	\$4,365	\$4,910		
Inventory Installation-1998	D SERV	12/31/98	1998	333	\$2,033.98	30	7.0	\$68	\$475	\$542		
Inventory-1998	U	12/31/98	1998	333	\$15,206.49	30	7.0	\$507	\$3,546	\$4,055		
Inventory-1999	U	12/31/99	1999	333	\$12,449.05	30	6.0	\$415	\$2,490	\$2,905		
Confined Space Meters # 603	D SERV	6/15/97	1997	333	\$3,302.86	33	0.0	\$100	\$801	\$901		
Inventory	U	12/31/00	2000	333	\$1,567.62	33	5.0	\$48	\$238	\$285		
2002 Audit Adjustments	U	12/31/02	2002	333	\$404.35	30	3.0	\$13	\$40	\$54		
Meters	D SERV	12/31/02	2002	333	\$5,795.00	30	3.0	\$193	\$580	\$773		
Ultrasonic Flow Meter	D SERV	4/29/03	2003	333	\$5,160.85	30	2.0	\$172	\$344	\$516		
Meters	U	12/31/04	2004	333	\$98,227.53	30	1.0	\$3,274	\$3,274	\$6,549		
					\$440,129.81	F-1		\$14,656	\$150,844	\$165,501		
335 Hydrants												
Hydrants	D HYDR	4/1/76	1976	335	\$170,564.00	50	29.0	\$3,411	\$98,027	\$102,338		
Hill Street	D MAIN	9/1/85	1985	335	\$1,000.00	50	20.0	\$20	\$400	\$420		
Hill St Estates	D MAIN	8/1/85	1985	335	\$950.00	50	20.0	\$19	\$380	\$399		
Meadowlake #3	D MAIN	10/16/85	1985	335	\$1,100.00	50	20.0	\$22	\$440	\$462		
Meadowlake #4	D MAIN	11/11/85	1985	335	\$1,250.00	50	20.0	\$25	\$500	\$525		
Country Meadow Est	D MAIN	11/30/85	1985	335	\$875.00	50	20.0	\$18	\$350	\$368		
Country Meadow Est	D MAIN	12/31/85	1985	335	\$1,8							

		1	2	3	4	5	6	7	9	8	10	11	12
	Description	Category	Date Acquired	Year	PSC Accl	Orig Cost	Life YRS	In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount
	1/2 Revenue Hydrant Hill Street	D HYDR	6/30/86	1986	335	\$950.00	60	19.0	\$19	\$361	\$380		
	1/2 Rev Hydrants	D HYDR	7/31/86	1986	335	\$1,043.00	60	19.0	\$21	\$396	\$417		
	Hydrants	D HYDR	9/1/86	1986	335	\$1,750.00	60	19.0	\$35	\$665	\$700		
	Hydrants 1/2 Rev	D MAIN	9/1/86	1986	335	\$4,573.00	60	19.0	\$91	\$1,738	\$1,829		
	Hydrant	D HYDR	11/30/87	1987	335	\$36,510.00	60	18.0	\$730	\$13,144	\$13,874		
	Hydrant	D HYDR	4/30/88	1988	335	\$596.00	60	17.0	\$12	\$203	\$215		
	Hydrant	D HYDR	1/1/89	1989	335	\$950.00	60	16.0	\$19	\$307	\$326		
	Hydrant & Labor	D HYDR	1/1/90	1990	335	\$1,779.00	60	15.0	\$36	\$534	\$569		
	Hydrant 1/2 Rev NSOR Project	D HYDR	12/1/05	2005	335	\$160,280.00	60	0.0	\$378	\$0	\$378	\$4,507	\$4,131
	Capitalized Interest		12/1/05	2005	335	\$9,112.82	40	0.0	\$0	\$0	\$0	\$78	\$78
						\$431,728.62	F-1		\$5,342	\$127,681	\$133,003	\$4,585	\$4,209
339	Other Plant & Equipment												
.1020300	Lagoon Return Pump	T EQIP	1/1/90	1990	339	\$2,199.00	10	15.0	\$0	\$2,198	\$2,198		
.1833900	Misc. Equipment	U	1/1/90	1990	339	\$925.00	10	15.0	\$0	\$925	\$925		
	Work Order 300	D MAIN	11/24/92	1992	339	\$1,255.00	10	13.0	\$0	\$1,255	\$1,255		
	Moterhead Assembly	T EQIP	6/30/95	1995	339	\$1,812.31	10	10.0	\$0	\$1,812	\$1,812		
	WO 030 V.F.D.'s	T EQIP	12/16/99	1999	339	\$18,807.34	10	7.0	\$1,881	\$13,165	\$15,046		
	True Value Hardware	U	9/29/99	1999	339	\$1,169.96	10	7.0	\$117	\$819	\$936		
	Equipment		12/31/00	2000	339	\$1,273.74	10	5.0	\$127	\$637	\$764		
	Mag Moler		1/31/00	2000	339	\$7,364.26	10	5.0	\$736	\$3,682	\$4,419		
	Network		1/1/00	2000	339	\$16,051.22	5	5.0	\$0	\$16,051	\$16,051		
	Server		1/31/00	2000	339	\$3,095.10	5	5.0	\$0	\$3,095	\$3,095		
	Information System		1/1/00	2000	339	\$124,288.26	5	5.0	\$0	\$124,288	\$124,288		
	Source of New Water	S WELL	9/1/87	1987	339	\$40,000.00	10	18.0	\$0	\$40,000	\$40,000		
	Source of New Water	S WELL	1/1/89	1989	339	\$29,316.00	10	16.0	\$0	\$29,316	\$29,316		
	Source of New Water	S STRU	1/1/90	1990	339	\$1,069.00	10	15.0	\$0	\$1,069	\$1,069		
	GIS Mapping		12/8/04	2004	339	\$105,100.07	10	1.0	\$10,510	\$10,510	\$21,020		
	Chlorine Analyzer	T EQIP	9/27/04	2004	339	\$8,497.19	10	1.0	\$850	\$850	\$1,699		
						\$362,222.45	F-1		\$14,221	\$249,673	\$263,894		
340	Office Furniture & Equipment												
.1834000	Power Failure Prof	G EQIP	7/18/86	1986	340	\$648.00	10	19.0	\$0	\$648	\$648		
	Office Equipment	G EQIP	1/1/89	1989	340	\$1,200.00	10	16.0	\$0	\$1,200	\$1,200		
	Cannon Printer	G EQIP	1/1/90	1990	340	\$695.00	10	15.0	\$0	\$695	\$695		
	Office Equipment	U	1/1/90	1990	340	\$913.00	10	15.0	\$0	\$913	\$913		
	Office Equipment	G EQIP	1/1/92	1992	340	\$3,078.00	10	13.0	\$0	\$3,078	\$3,078		
	Tab Products	U	1/1/93	1993	340	\$4,900.00	10	12.0	\$0	\$4,900	\$4,900		
	Small Items <1000	U	1/1/93	1993	340	\$1,308.00	10	12.0	\$0	\$1,308	\$1,308		
	Office Equipment	U	1/1/94	1994	340	\$4,087.00	10	11.0	\$0	\$4,087	\$4,087		
	Wordperfect Software	G EQIP	6/30/95	1995	340	\$629.00	10	10.0	\$0	\$629	\$629		
	Computer Peripheral	G EQIP	6/30/95	1995	340	\$1,801.00	10	10.0	\$0	\$1,801	\$1,801		
	Office Furniture	G EQIP	6/30/96	1996	340	\$2,435.77	10	9.0	\$244	\$2,192	\$2,436		
	Computer Upgrade	T EQIP	2/24/97	1997	340	\$1,571.00	5	8.0	\$0	\$1,571	\$1,571		
	Desktop Copier	G EQIP	5/31/97	1997	340	\$750.00	5	8.0	\$0	\$750	\$750		
	Computer	U	7/31/97	1997	340	\$1,545.00	5	8.0	\$0	\$1,545	\$1,545		
	New Equipment-Service Cent	G EQIP	10/31/97	1997	340	\$1,825.07	5	8.0	\$0	\$1,825	\$1,825		
	Stack Chairs	G BILL	11/30/97	1997	340	\$1,116.00	5	8.0	\$0	\$1,116	\$1,116		
	Desk, Crdz, bookcase	G EQIP	11/30/97	1997	340	\$887.80	5	8.0	\$0	\$887	\$887		
	Side Chairs	G EQIP	11/30/97	1997	340	\$6,720.00	5	8.0	\$0	\$6,720	\$6,720		
	10 Chairs	G EQIP	11/30/97	1997	340	\$4,320.00	5	8.0	\$0	\$4,320	\$4,320		
	File Cabinet	G EQIP	11/30/97	1997	340	\$523.00	5	8.0	\$0	\$523	\$523		
	Round Table	G EQIP	11/30/97	1997	340	\$630.00	5	8.0	\$0	\$630	\$630		
	File Cabinets	G EQIP	11/30/97	1997	340	\$4,805.60	5	8.0	\$0	\$4,805	\$4,805		
	Lounge Chairs	G EQIP	11/30/97	1997	340	\$2,744.00	5	8.0	\$0	\$2,744	\$2,744		
	Litter Receptacles	G EQIP	11/30/97	1997	340	\$594.00	5	8.0	\$0	\$594	\$594		
	Task Chairs	T EQIP	11/30/97	1997	340	\$2,997.00	5	8.0	\$0	\$2,997	\$2,997		
	Stool	U	11/30/97	1997	340	\$764.00	5	8.0	\$0	\$764	\$764		
	Desk	U	11/30/97	1997	340	\$1,455.00	5	8.0	\$0	\$1,455	\$1,455		
	Fax Machine	G EQIP	3/19/98	1998	340	\$500.00	5	7.0	\$0	\$500	\$500		
	Xerox Copier	G EQIP	3/19/98	1998	340	\$1,740.00	5	7.0	\$0	\$1,740	\$1,740		
	T & W Office Products	U	3/31/98	1998	340	\$1,615.49	5	7.0	\$0	\$1,615	\$1,615		
	VISA Payable	U	7/31/99	1999	340	\$2,500.00	5	6.0	\$0	\$2,500	\$2,500		
	VISA Payable	U	7/31/99	1999	340	\$892.64	5	6.0	\$0	\$892	\$892		
	Port Channels & Daughterboard voice		2/29/00	2000	340	\$990.00	5	5.0	\$0	\$990	\$990		
	(2) Dell Computers		3/30/01	2001	340	\$3,812.35	5	4.0	\$762	\$3,050	\$3,812	\$340	\$57
	Computer Harddrives - Old Cc	G EQIP	2/26/02	2002	340	\$6,158.48	5	3.0	\$1,232	\$3,695	\$4,927	\$246	\$164
	Toshiba copier	G EQIP	10/30/02	2002	340	\$11,853.00	5	3.0	\$2,371	\$7,112	\$9,482	\$335	\$139
	Main Server - Dell	G EQIP	4/29/03	2003	340	\$7,166.00	5	2.0	\$1,433	\$2,866	\$4,300	\$424	\$0
	Furniture for C/S Manager's O	G EQIP	4/29/04	2004	340	\$6,248.53	5	1.0	\$1,260	\$1,260	\$2,499	\$54	\$0
	Opal Mgr Office Furniture (75% Water)		8/1/05	2005	340	\$8,796.78	20	0.8	\$283	\$0	\$283	\$211	\$176
	Credit Card Svcs/Software		8/31/05	2005	340	\$1,220.00	5	0.8	\$82	\$0	\$82	\$109	\$190
	Dell PC & PWP & FSR's (2)		8/18/05	2005	340	\$1,677.00	5	0.6	\$106	\$0	\$106	\$211	\$176
	GIS Workstation 1 Rep/PC		1/15/05	2005	340	\$2,118.81	5	0.9	\$424	\$0	\$424	\$54	\$0
	FSR Office Doors		1/27/05	2005	340	\$1,632.00	30	0.0	\$64	\$0	\$64	\$211	\$176
	New Security Camera System		10/31/05	2005	340	\$2,111.94	10	0.2	\$36	\$0	\$36	\$109	\$190
	Dell E-mail Server & Software		3/1/05	2005	340	\$5,946.00	5	0.8	\$991	\$0	\$991	\$2,799	\$734
						\$129,926.26	F-1		\$9,357	\$90,907	\$100,263	\$2,799	\$734
341	Transportation Equipment												
.1834100	Transport Equipment	D EQIP	10/1/80	1980	341	\$64,886.00	5	25.0	\$0	\$64,886	\$64,886		
	Buyers Fee	U	6/17/80	1980	341	\$770.00	5	17.0	\$0	\$770	\$770		
	Misc Auto	U	6/30/95	1995	341	\$1,410.00	5	10.0	\$0	\$1,410	\$1,410		
	1-Ton Herb Jones Chevy	D EQIP	11/30/97	1997	341	\$27,571.61	5	8.0	\$0	\$27,572	\$27,572		
	3/4 Ton 4X4 Chevrolet	D EQIP	4/30/98	1998	341	\$19,269.00	5	7.0	\$0	\$19,269	\$19,269		
	Hardin Count Truck Tops	D EQIP	4/30/98	1998	341	\$740.00	5	7.0	\$0	\$740	\$740		
	Backhoe Tractor Inc	D EQIP	6/17/98	1998	341	\$7,356.85	5	7.0	\$0	\$7,357	\$7,357		
	PWP Dodge Dakota 1/2T	T EQIP	6/30/99	1999	341	\$15,104.00	5	6.0	\$0	\$15,104	\$15,104		
	1999 Additions	U	6/30/99	1999	341	\$1,601.51	5	6.0	\$0	\$1,601	\$1,601		
	Distribution 3/4T 4x4	D EQIP	9/29/99	1999	341	\$20,557.00	5	6.0	\$0	\$20,557	\$20,557		
	2000 Dodge Dakota	D EQIP	2/29/00	2000	341	\$15,255.00	5	5.0	\$0	\$15,255	\$15,255		
	3/4 Ton Truck	D EQIP	5/16/00	2000	341	\$19,253.29	5	5.0	\$0	\$19,253	\$19,253		
	1/2 Ton Dodge Truck	D EQIP	6/23/01	2001	341	\$15,696.00	5	4.0	\$3,139	\$12,557	\$15,696		
	Accessories for Dodge Truck	D EQIP	8/31/01	2001	341	\$1,017.88	5	4.0	\$204	\$814	\$1,018		
	2002 Ford F-150 Truck	T EQIP	6/30/02	2002	341	\$16,968.13	5	3.0	\$3,394	\$10,161	\$13,575		
	2003 Ford F-150 Truck	T EQIP	10/30/03	2003	341</								

		1	2	3	4	5	6	7	9	8	10	11	12
	Description	Category	Date Acquired	Year	PSC Acct	Orig Cost	Life YRS	In Service	FY 2005 Depreciation	Prior Depreciation	Accumulated Depreciation	Full Year Adj Depreciation	FY 2005 Adj Amount
	2004 Jeep Laredo (76% W/dep)		4/12/05	2005	341	\$16,387.50	7	0.7	\$1,647	\$0	\$1,647	\$2,195	\$548
						\$276,343.85	F-1		\$24,251	\$234,079	\$259,230	\$4,215	\$885
343	Stores Equipment & Tool, Work & Safety Equipment		2/1/95	1995	343	\$202.00	5	10.0	\$0	\$202	\$202		
1834200	Tools & Equipment	U	3/1/81	1981	343	\$61,685.00	5	24.0	\$0	\$61,685	\$61,685		
1834300	Lawn Mower W/ir Pll	T EQIP	10/31/85	1985	343	\$1,450.00	5	20.0	\$0	\$1,450	\$1,450		
	Radio Communicator	U	5/15/86	1986	343	\$790.00	5	19.0	\$0	\$790	\$790		
	Equipment	T EQIP	6/30/86	1986	343	\$850.00	5	19.0	\$0	\$850	\$850		
	Tools	U	9/1/86	1986	343	\$1,098.00	5	19.0	\$0	\$1,098	\$1,098		
	Barricades	D MAIN	8/31/88	1988	343	\$940.00	5	17.0	\$0	\$940	\$940		
	Tools	U	8/31/88	1988	343	\$937.00	5	17.0	\$0	\$937	\$937		
	Riding Lawn Mower	D EQIP	1/1/89	1989	343	\$3,750.00	5	16.0	\$0	\$3,750	\$3,750		
	tools	U	1/1/89	1989	343	\$15,575.00	5	16.0	\$0	\$15,575	\$15,575		
	Tools	U	1/1/89	1989	343	\$3,176.00	5	16.0	\$0	\$3,176	\$3,176		
	CSI Spaca Kit	D SERV	1/1/90	1990	343	\$2,632.00	5	15.0	\$0	\$2,632	\$2,632		
	Tools	U	1/1/90	1990	343	\$4,122.00	5	15.0	\$0	\$4,122	\$4,122		
	Tools	U	1/1/90	1990	343	\$1,291.00	5	15.0	\$0	\$1,291	\$1,291		
	Hunt Tractor	D MAIN	1/1/93	1993	343	\$822.00	5	12.0	\$0	\$822	\$822		
	Misc. Tools	U	6/30/95	1995	343	\$698.00	5	10.0	\$0	\$698	\$698		
	Air Monitor Confined Space E	D MAIN	4/28/97	1995	343	\$2,438.00	5	10.0	\$0	\$2,438	\$2,438		
	Air Pack/Case/Spare Bottle	v	7/31/97	1995	343	\$2,328.12	5	10.0	\$0	\$2,328	\$2,328		
	Hoprich Company, Inc	U	1/31/88	1985	343	\$1,461.46	5	10.0	\$0	\$1,461	\$1,461		
	2003 Audt adjustments	U	12/31/03	2003	343	\$11,375.40	5	2.0	\$2,275	\$4,550	\$6,025		
	Radio Frequency Line Locator	TOOL	6/30/04	2004	343	\$2,400.00	5	1.0	\$480	\$480	\$960		
	Road Traffic Plates	S EQIP	2/29/04	2004	343	\$1,450.00	5	1.0	\$290	\$290	\$580		
						\$121,078.98	F-1		\$3,045	\$111,174	\$114,219		
345	Power Operated Equipment												
1834500	Acculators	T EQIP	1/1/90	1990	345	\$2,273.00	10	15.0	\$0	\$2,273	\$2,273		
	Equipment	T EQIP	1/1/90	1990	345	\$1,550.05	10	15.0	\$0	\$1,550	\$1,550		
	John Deere Co	D MAIN	6/30/99	1990	345	\$2,308.28	10	15.0	\$0	\$2,308	\$2,308		
	John Deere Backhoe (2WD)		4/14/00	2000	345	\$43,760.00	10	5.0	\$4,376	\$21,880	\$26,256		
	PUSH Machine		4/14/00	2000	345	\$7,174.21	10	5.0	\$717	\$3,687	\$4,305		
	Hydraulic Tool & Power Unit		9/13/04	2004	345	\$9,975.75	10	1.0	\$998	\$998	\$1,995		
	2005 John Deere (590) Backhoe		2/2/05	2005	345	\$7,661.00	10	0.8	\$764	\$0	\$7,640	\$8,226	\$686
	PS One/7/1/05/2/1/05/3/1/05		1/5/05	2005	345	\$54,759.00	7	0.9	\$7,824	\$10	\$7,824	\$7,824	\$0
						\$179,391.29	F-1		\$21,455	\$32,595	\$64,051	\$16,050	\$686
344	Laboratory Equipment												
1834400	Laboratory Equipment	T EQIP	8/1/81	1981	344	\$4,699.00	10	24.0	\$0	\$4,699	\$4,699		
	Floc Tester	T EQIP	11/1/85	1985	344	\$535.00	10	20.0	\$0	\$535	\$535		
	Lab Turb	T EQIP	4/17/86	1986	344	\$1,006.00	10	19.0	\$0	\$1,006	\$1,006		
	Turbidimeter	T EQIP	4/17/86	1986	344	\$935.00	10	19.0	\$0	\$935	\$935		
	Misc. Lab Equip	T EQIP	5/15/86	1986	344	\$1,416.00	10	19.0	\$0	\$1,416	\$1,416		
	Meter Test Bench	D SERV	9/1/87	1987	344	\$3,626.00	15	18.0	\$0	\$3,626	\$3,626		
	Colormetric Analyz	T EQIP	2/23/88	1988	344	\$795.00	10	17.0	\$0	\$795	\$795		
	Equipment	U	1/1/89	1989	344	\$795.00	10	16.0	\$0	\$795	\$795		
	Lab Equipment	T EQIP	1/1/90	1990	344	\$684.00	10	15.0	\$0	\$684	\$684		
	Work Order 5805581	D MAIN	11/11/92	1992	344	\$5,718.00	10	13.0	\$0	\$5,718	\$5,718		
	A/P Hach	T EQIP	4/30/99	1999	344	\$1,047.20	10	6.0	\$105	\$628	\$733		
	Desktop PH Meter	L EQUIP	6/30/04	2004	344	\$671.09	10	1.0	\$67	\$67	\$134		
	Programmable Jar Tester		4/26/05	2005	344	\$2,281.00	15	0.7	\$102	\$0	\$1,102	\$153	\$51
	2 Hach In-line Turbidimeter (Hach)		4/26/05	2005	344	\$5,203.00	15	0.7	\$231	\$0	\$231	\$347	\$116
						\$29,421.29	F-1		\$505	\$20,904	\$21,409	\$500	\$167
346	Communication Equipment												
	Radios	G EQIP	1/1/90	1990	346	\$7,432.00	10	15.0	\$0	\$7,432	\$7,432		
	New DSL		11/30/00	2000	346	\$785.23	10	5.0	\$79	\$393	\$471		
	cordless Phones	G EQIP	10/30/02	2002	346	\$521.50	3	3.0	\$0	\$522	\$522		
	AMR System purchased in 2005		9/1/05	2005	346	\$61,065.00	10	0.3	\$2,036	\$0	\$2,036	\$6,107	\$4,071
	Upgrades/Add Base Radios (6)		5/16/05	2005	346	\$2,475.00	10	0.6	\$144	\$0	\$144	\$248	\$104
						\$72,278.73	F-1		\$2,259	\$8,346	\$10,605	\$6,354	\$4,174
348	Other Tangible												
1834800	Test	U	1/1/90	1990	348	\$1,901.00	10	15.0	\$0	\$1,901	\$1,901		
1834801	Gold Remotes	U	1/1/90	1990	348	\$755.00	10	15.0	\$0	\$755	\$755		
1834800	Metrol Tech Lin	U	8/31/92	1992	348	\$1,950.00	10	13.0	\$0	\$1,950	\$1,950		
1834700	KBC Toolsply	U	1/1/93	1993	348	\$1,055.00	10	12.0	\$0	\$1,055	\$1,055		
	G&C Supply	U	1/1/93	1993	348	\$1,666.00	10	12.0	\$0	\$1,666	\$1,666		
	Pintle Well	S EQIP	1/1/94	1994	348	\$2,008.06	10	11.0	\$0	\$2,008	\$2,008		
	Office Buildings	G STRU	11/1/85	1985	348	\$42,449.00	50	40.0	\$949	\$33,959	\$34,808		
	Office Improvement	U	9/1/87	1987	348	\$7,800.00	50	18.0	\$158	\$2,844	\$3,002		
	Improvements	U	1/1/89	1989	348	\$6,099.00	50	16.0	\$122	\$1,952	\$2,074		
	Air Temp	U	1/1/93	1993	348	\$1,675.00	50	12.0	\$34	\$402	\$436		
	Drive Thru Improve	G BILL	1/1/94	1994	348	\$836.70	50	11.0	\$17	\$184	\$201		
	Improvements		6/30/00	2000	348	\$302.79	50	5.0	\$6	\$30	\$36		
	FlagPole		12/31/00	2000	348	\$1,501.65	50	5.0	\$30	\$150	\$160		
	Heat Detectors		3/27/01	2001	348	\$1,243.31	50	4.0	\$25	\$99	\$124		
	Road & Parking Area	U	5/1/75	1975	348	\$49,796.57	25	30.0	\$0	\$49,797	\$49,797		
	Road Improvements	D MAIN	9/1/87	1987	348	\$1,200.00	25	18.0	\$48	\$864	\$912		
	New Concrete Pittle Lot		7/13/00	2000	348	\$15,022.51	25	5.0	\$601	\$3,005	\$3,605		
	Moteshop doors	G STRU	4/29/03	2003	348	\$3,253.13	40	2.0	\$81	\$163	\$244		
	Upgrade Scada HMI Software		12/30/04	2004	348	\$16,020.96	10	1.0	\$1,602	\$1,602	\$3,204		
	Server Sltwr,Lap top & PC's(csr,lsr&dist)		7/31/04	2004	348	\$8,493.15	5	1.0	\$1,699	\$1,699	\$3,397		
	Re-do Restroom floors		7/29/04	2004	348	\$2,401.45	10	1.0	\$240	\$240	\$480		
	Meter Shop Air Conditioner		11/23/04	2004	348	\$1,475.00	5	1.0	\$295	\$295	\$590		
	Ice Blockers for Service Center Roof		11/30/04	2004	348	\$1,645.70	10	1.0	\$165	\$165	\$329		
	Door Openers & Svc Contlr		12/15/05	2005	348	\$84.39	10	0.0	\$0	\$0	\$0	\$48	\$48
						\$171,135.37	F-1		\$5,971	\$105,784	\$112,755	\$48	\$48
TOTALS						\$28,823,418.11			\$584,313	\$7,611,394	\$8,195,707		\$105,051

Abbreviated Monthly Financial Statement

Month Ending: January, 2005

Revenues:

\$177,434 Water Sales - Retail (billed to receivables)
 \$30,552 Water Sales - Wholesale
 \$20,714 Fees & Charges
 \$3,608 Interest Income (accrued based on monthly stmts, not just cash rec'd)
 \$640 Radcliff Storm Water Billing
 \$18,073 Radcliff Sewer Billing
 \$47,910 Customer Meter Charges
 \$20,157 Misc revenues (calc'd based on diff between total and above)

\$319,087 TOTAL REVENUES

Operating Expenses:

\$173,352 Operating Expenses
 \$42,500 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$13,237 Debt Interest - Fixed Rate
 \$16,193 Debt Interest - Variable Rate

\$245,919 TOTAL OPERATING EXPENSES

\$73,168 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$57,162	\$34	\$286,753	Revenue Fund
\$71,226	\$71,226	\$73	\$83,056	ACH Payments
\$750,497	\$750,497	\$62	\$750,560	Dep. Fund
\$1,728,477	\$1,728,477	\$4,164	\$1,544,860	Investment Account
\$2,607,362	\$2,607,362	\$4,334	\$2,675,228	< TOTAL Unrestricted Funds
\$664,422	\$664,422	\$285	\$664,706	Debt Reserve Fund
\$105,392	\$105,392	-\$309	\$140,147	91 Sinking Fund
\$25,029	\$25,029	\$0	\$33,353	98 Sinking Fund (FR)
\$112,453	\$112,453	-\$702	\$149,091	98 Sinking Fund (VR)
\$907,296	\$907,296	-\$726	\$987,297	< TOTAL Restricted Funds
\$3,514,658	\$3,514,658	\$3,608	\$3,662,526	< TOTAL All Funds

\$73,168 < Added From Oper Income
\$43,138 < Added From Depr + Amortized Exp (Non Cash)
\$31,562 < Other Capital Payments, Transfers, Prior Month Items

\$147,868 < TOTAL Change Cash & Restricted Funds

\$2,901 < New Salem Church Expansion
 \$1,129 < Fort Knox Wastewater Project
 \$151,897 < Net Change Cash excluding Capital Uses

NOTES: 1. O&M local account now ZBA account. carries no balance at any time. No longer shown.
 2. Still need to correct investment int. earned - Accrued earnings in Jan = \$6,561.89
 3. Moved \$100k from investments to Rev Fund in Jan to reimb for Dump Truck, Backhoe and annual franchise fee payment to Radcliff (\$60k)

Abbreviated Monthly Financial Statement

Month Ending: February, 2005

Revenues:

\$163,690 Water Sales - Retail (billed to receivables)
 \$30,208 Water Sales - Wholesale
 \$17,671 Fees & Charges
 \$2,448 Interest Income (accrued based on monthly stmts, not just cash recv'd)
 \$640 Radcliff Storm Water Billing
 \$15,973 Radcliff Sewer Billing
 \$47,883 Customer Meter Charges
 \$5,751 Misc revenues (calc'd based on diff between total and above)

\$284,265 TOTAL REVENUES

Operating Expenses:

\$159,615 Operating Expenses
 \$42,500 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$13,237 Debt Interest - Fixed Rate
 \$19,389 Debt Interest - Variable Rate

\$235,379 TOTAL OPERATING EXPENSES

\$48,886 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$296,753	\$68	\$320,209	Revenue Fund
\$71,226	\$83,056	\$66	\$74,467	ACH Payments
\$1,728,477	\$1,544,860	\$3,634	\$1,544,860	Investment Account
\$750,497	\$750,560	-\$2,196	\$748,364	Dep. Fund MM
\$2,607,362	\$2,675,228	\$1,573	\$2,687,900	< TOTAL Unrestricted Funds

\$664,422	\$664,705	-\$1,896	\$662,811	Debt Reserve Fund
\$105,392	\$140,147	\$1,377	\$176,587	91 Sinking Fund
\$25,029	\$33,353	\$0	\$41,676	98 Sinking Fund (FR)
\$112,453	\$149,091	\$1,394	\$187,826	98 Sinking Fund (VR)

\$907,296 **\$987,297** **\$875** **\$1,068,900** < TOTAL Restricted Funds

\$3,514,658 **\$3,662,526** **\$2,448** **\$3,756,800** < TOTAL All Funds

\$48,886 < Added From Oper Income
\$43,138 < Added From Depr + Amortized Exp (Non Cash)
\$2,251 < Other Capital Payments, Transfers, Prior Month items

\$94,275 < TOTAL Change Cash & Restricted Funds

\$8,555 < Fort Knox Waste Water
 \$5,375 < NSCR Expansion
 \$17,531 < Purchased Backhoe
 \$1,112 < Other
 \$158,178 < Net Change Cash excluding Capital Uses

Abbreviated Monthly Financial Statement

Month Ending: March, 2005

Revenues:

- \$166,681 Water Sales - Retail (billed to receivables)
- \$30,376 Water Sales - Wholesale
- \$22,416 Fees & Charges
- \$6,462 Interest Income (accrued based on monthly stmts, not just cash rcv'd)
- \$641 Radcliff Storm Water Billing
- \$16,048 Radcliff Sewer Billing
- \$48,142 Customer Meter Charges
- \$6,765 Misc revenues (calc'd based on diff between total and above)

\$287,562 TOTAL REVENUES

Operating Expenses:

- \$164,746 Operating Expenses
- \$42,500 Depreciation Expense (ann budget / 12 months)
- \$638 Amortized Debt Expense (ann budget / 12 months)
- \$13,237 Debt Interest - Fixed Rate
- \$22,258 Debt Interest - Variable Rate

\$243,378 TOTAL OPERATING EXPENSES

\$44,183 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$320,209	\$105	\$215,669	Revenue Fund
\$71,226	\$74,467	\$96	\$139,843	ACH Payments
\$1,728,477	\$1,544,860	\$4,528	\$1,712,770	Investment Account
\$750,000	\$748,364	\$1,567	\$749,931	Dep. Fund MM
\$0	\$1,500,000	\$166	\$317,889	Cecilian Bank - Loan Proceeds Account

\$2,606,865 **\$4,187,900** **\$6,462** **\$3,136,103** < TOTAL Unrestricted Funds

\$664,422	\$662,811	\$0	\$662,811	Debt Reserve Fund
\$105,392	\$176,587	\$0	\$198,418	91 Sinking Fund
\$25,029	\$41,676	\$0	\$0	98 Sinking Fund (FR)
\$112,453	\$187,826	\$0	\$158,372	98 Sinking Fund (VR)

\$907,296 **\$1,068,900** **\$0** **\$1,019,601** < TOTAL Restricted Funds

\$3,514,161 **\$5,256,800** **\$6,462** **\$4,155,704** < TOTAL All Funds

\$44,183 < Added From Oper Income
\$43,138 < Added From Depr + Amortized Exp (Non Cash)
-\$1,188,417 < Other Capital Payments, Transfers, Prior Month Items

-\$1,101,096 < TOTAL Change Cash & Restricted Funds

- \$1,011 < Fl. Knox Wastewater Project
- \$14,141 < Chevy Colorado
- \$10,890 < Oper. Mgr office furniture & Email Server
- \$12,123 < New Salem Church Rd Project
- \$1,114 < Other Capital Expenses
- \$97,626 < Net Change Cash excluding Capital Uses

Note: Change in cash looks like an increase, but the increase was due to the loan proceeds

Abbreviated Monthly Financial Statement

Month Ending: April, 2005

Revenues:

\$156,898 Water Sales - Retail (billed to receivables)
 \$32,169 Water Sales - Wholesale
 \$21,885 Fees & Charges
 \$3,472 Interest Income (accrued based on monthly stmts, not just cash recv'd)
 \$643 Radcliff Storm Water Billing
 \$16,089 Radcliff Sewer Billing
 \$48,137 Customer Meter Charges
 \$633,404 Misc revenues (calc'd based on diff between total and above)

\$912,076 TOTAL REVENUES

Operating Expenses:

\$164,677 Operating Expenses
 \$42,900 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$13,237 Debt Interest - Fixed Rate
 \$20,654 Debt Interest - Variable Rate

\$242,105 TOTAL OPERATING EXPENSES

\$670,571 NET OPERATING INCOME / (LOSS) FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$215,669	\$295	\$881,591	Revenue Fund
\$71,226	\$139,843	\$95	\$83,169	ACH Payments
\$1,728,477	\$1,712,770	\$1,855	\$1,712,770	Investment Account
\$750,000	\$749,931	\$1,059	\$757,074	Dep. Fund MM
	\$317,889	\$127	\$20,644	Ceclian Bank - Loan Proceeds Account

\$2,606,865 **\$3,136,103** **\$3,430** **\$3,455,248** < TOTAL Unrestricted Funds

\$684,422	\$662,011	\$42	\$669,532	Debt Reserve Fund
\$105,392	\$106,418	\$0	\$233,601	91 Sinking Fund
\$25,029	\$0	\$0	\$0	98 Sinking Fund (VR)
\$112,453	\$158,372	\$0	\$195,627	98 Sinking Fund (FR)

\$907,296 **\$1,019,601** **\$42** **\$1,098,759** < TOTAL Restricted Funds

\$3,514,161 **\$4,155,704** **\$3,472** **\$4,554,007** < TOTAL All Funds

\$670,571 < Added From Oper Income (Loss)
\$43,538 < Added From Depr + Amortized Exp (Non Cash)
-\$315,805 < Other Capital Payments, Transfers, Prior Month items
\$398,303 < TOTAL Change Cash & Restricted Funds

\$301,338 < New Salem Church Road Project

\$2,700 < Other Capital Expenses

<

\$702,341 < Net Change Cash excluding Capital Uses

Note: Under Revenues: We received the Tobacco Grant money in the amount of \$595,000 and we sold the Backhoe and Dump Truck/Trailer

Abbreviated Monthly Financial Statement

Month Ending; May, 2005

Revenues:

- \$123,988 Water Sales - Retail (billed to receivables)
- \$30,436 Water Sales - Wholesale
- \$22,001 Fees & Charges
- \$6,626 Interest Income (accrued based on monthly stmts, not just cash recv'd)
- \$641 Radcliff Storm Water Billing
- \$16,082 Radcliff Sewer Billing
- \$38,161 Customer Meter Charges
- \$9,863 Misc revenues (calc'd based on diff between total and above)

\$247,899 TOTAL REVENUES

Operating Expenses:

- \$107,471 Operating Expenses
- \$42,500 Depreciation Expense (ann budget / 12 months)
- \$838 Amortized Debt Expense (ann budget / 12 months)
- \$13,237 Debt Interest - Fixed Rate
- \$21,357 Debt Interest - Variable Rate

\$245,202 TOTAL OPERATING EXPENSES

\$2,697 NET OPERATING INCOME / (LOSS) FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$881,591	\$611	\$353,326	Revenue Fund
\$71,226	\$83,169	\$135	\$155,580	ACH Payments
\$1,728,477	\$1,712,770	\$2,013	\$1,541,508	Investment Account
\$750,000	\$757,074	\$1,834	\$758,902	Dep. Fund
	\$20,644	\$0	\$0	Cecilian Bank - Loan Proceeds Account

\$2,606,865 **\$3,455,248** **\$4,593** **\$2,809,316** < TOTAL Unrestricted Funds

\$664,422	\$669,532	\$2,033.28	\$671,557.77	Debt Reserve Fund
\$105,392	\$233,601	\$0.00	\$267,478.07	91 Sinking Fund
\$25,029	\$0	\$0.00	\$30,000.00	98 Sinking Fund (VR)
\$112,453	\$195,627	\$0.00	\$233,135.79	98 Sinking Fund (FR)

\$907,296 **\$1,098,759** **\$2,033** **\$1,202,172** < TOTAL Restricted Funds

\$3,514,161 **\$4,554,007** **\$6,626** **\$4,011,487** < TOTAL All Funds

- \$2,697** < Added From Oper Income (Loss)
- \$43,138** < Added From Depr + Amortized Exp (Non Cash)
- \$588,355** < Other Capital Payments, Transfers, Prior Month items

-\$542,520 < TOTAL Change Cash & Restricted Funds

- \$461,441 < New Salem Church Road Project
- \$15,104 < Pirtle Water Treatment Plant - Raw Bldg

-\$65,975 < Net Change Cash excluding Capital Uses

Note: Misc Revenues is higher due to the Benefit Credit received back from Tim Davis & Assoc

Abbreviated Monthly Financial Statement

Month Ending: June, 2005 (Revised)

Revenues:

\$217,121 Water Sales - Retail (billed to receivables)
 \$31,408 Water Sales - Wholesale
 \$27,320 Fees & Charges
 \$6,941 Interest Income (accrued based on monthly stmts, not just cash recv'd)
 \$646 Radcliff Storm Water Billing
 \$16,112 Radcliff Sewer Billing
 \$58,288 Customer Meter Charges
 \$8,333 Misc revenues (calc'd based on diff between total and above)

\$366,170 TOTAL REVENUES

Operating Expenses:

\$207,739 Operating Expenses
 \$42,500 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$27,091 Debt Interest - Fixed Rate
 \$30,420 Debt Interest - Variable Rate

\$308,387 TOTAL OPERATING EXPENSES

\$57,782 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$353,326	\$616	\$171,058	Revenue Fund
\$71,226	\$155,580	\$204	\$227,637	ACH Payments
\$1,728,477	\$1,541,508	\$4,062	\$1,541,508	Investment Account
\$750,000	\$758,902	\$968	\$759,834	Depreciation Fund
\$2,606,865	\$2,809,316	\$5,850	\$2,700,037	TOTAL Unrestricted Funds

\$664,422	\$671,558	\$1,090	\$767,625	Debt Reserve Funds
\$105,392	\$267,478	\$0	\$302,542	91 Sinking Fund
\$25,029	\$30,000	\$0	\$2,670,000	98 Sinking Fund (VR)
\$112,453	\$233,136	\$0	\$270,476	98 Sinking Fund (FR)
\$0	\$0	\$0	\$1,977,535	05 Bond Proceeds
\$0	\$0	\$0	\$91,364	05 Sinking Fund (FR)
\$907,296	\$1,202,172	\$1,090	\$6,079,542	< TOTAL Restricted Funds

\$3,514,161 \$4,011,487 \$6,941 \$8,779,579 < TOTAL All Funds

\$57,782 < Added From Oper Income (Loss)
\$43,138 < Added From Depr + Amortized Exp (Non Cash)
\$4,667,171 < Other Capital Payments, Transfers, Prior Month items

\$4,768,091 < TOTAL Change Cash & Restricted Funds

\$479,918 < New Salem Church Road
 \$106,925 < Constantine Road Design
 \$6,416.02 < Pirtle Water Treatment Plant - Raw Building
 \$125,292 < Cost of Issuance Fees
 \$1,111,544 < Payoff Cecilia Bank
 \$7,000,520 < Net Change Cash excluding Capital Uses

Abbreviated Monthly Financial Statement

Month Ending: July, 2005

Revenues:

- \$183,922.59 Water Sales - Retail (billed to receivables)
- \$27,251.92 Water Sales - Wholesale
- \$21,666.76 Fees & Charges
- \$10,993.08 Interest Income (accrued based on monthly stmts, not just cash rcv'd)
- \$647.14 Radcliff Storm Water Billing
- \$16,104.39 Radcliff Sewer Billing
- \$48,258.66 Customer Meter Charges
- \$7,403.61 Misc revenues (calc'd based on diff between total and above)

\$316,248.15 TOTAL REVENUES

Operating Expenses:

- \$205,518.69 Operating Expenses
- \$42,500.00 Depreciation Expense (ann budget / 12 months)
- \$638.00 Amortized Debt Expense (ann budget / 12 months)
- \$13,236.84 Debt Interest - Fixed Rate
- \$24,385.64 Debt Interest - Variable Rate

\$286,279.17 TOTAL OPERATING EXPENSES

\$29,969 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$171,058	147.56	\$337,673	Revenue Fund
\$71,226	\$227,637	212.59	\$7,717	ACH Payments
\$1,728,477	\$1,541,508	2067.64	\$1,541,508	Investment Account
\$750,000	\$759,834	1584.29	\$761,416	Depreciation Fund
\$2,606,865	\$2,700,037	\$4,012	\$2,648,313	< TOTAL Unrestricted Funds
\$664,422	\$767,625	\$1,689	\$769,302	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$302,542	\$0	\$337,605	91 Sinking Fund
\$25,029	\$2,670,000	\$2,874	\$2,672,874	98 Sinking Fund (VR)
\$112,453	\$270,476	\$0	\$307,816	98 Sinking Fund (FR)
\$0	\$1,977,535	\$2,319	\$1,574,664	05 Bond Proceeds
\$0	\$91,364	\$99	\$91,463	05 Sinking Fund (FR)
\$907,296	\$6,079,542	\$6,981	\$5,753,723	< TOTAL Restricted Funds
\$3,514,161	\$8,779,579	\$10,993	\$8,402,036	< TOTAL All Funds
		\$29,969		< Added From Oper Income (Loss)
		\$43,138		< Added From Depr + Amortized Exp (Non Cash)
		-\$450,649		< Other Capital Payments, Transfers, Prior Month items
		-\$377,542		< TOTAL Change Cash & Restricted Funds
		\$368,797		< New Salem Church Road
		\$5,451		< Fort Knox Wastewater Project
		\$0,807		< Pirtle Water Treatment Plant - Raw Building
		\$6,532		< Net Change Cash excluding Capital Uses

Abbreviated Monthly Financial Statement

Month Ending: August, 2005

Revenues:

- \$188,839 Water Sales - Retail (billed to receivables)
- \$73,950 Water Sales - Wholesale
- \$26,326 Fees & Charges
- \$9,809 Interest Income (accrued based on monthly stmts, not just cash rec'd)
- \$650 Radcliff Storm Water Billing
- \$16,204 Radcliff Sewer Billing
- \$48,859 Customer Meter Charges
- \$9,661 Misc revenues (calc'd based on diff between total and above)

\$374,099 TOTAL REVENUES

Operating Expenses:

- \$180,920 Operating Expenses
- \$42,500 Depreciation Expense (ann budget / 12 months)
- \$638 Amortized Debt Expense (ann budget / 12 months)
- \$13,237 Debt Interest - Fixed Rate
- \$14,180 Debt Interest - Variable Rate

\$251,474 TOTAL OPERATING EXPENSES

\$122,625 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$337,673	\$435.66	\$374,829.06	Revenue Fund
\$7,122	\$7,717	\$78.06	\$21,196.40	ACH Payments
\$1,728,477	\$1,541,508	\$3,730.99	\$1,541,508.00	Investment Account
\$750,000	\$761,416	\$19.35	\$761,432.58	Depreciation Fund
\$2,606,865	\$2,648,313	\$4,264	\$2,698,966	< TOTAL Unrestricted Funds
\$664,422	\$769,302	\$249.52	\$769,540	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$337,605	\$0.00	\$372,669	91 Sinking Fund
\$25,029	\$2,672,874	\$0.00	\$0	98 Sinking Fund (VR)
\$112,453	\$307,816	\$0.00	\$345,155	98 Sinking Fund (FR)
	\$1,574,684	\$4,876.26	\$1,009,273	05 Bond Proceeds
	\$91,463	\$219.23	\$91,683	05 Sinking Fund (FR)
\$907,296	\$5,753,723	\$5,345	\$2,588,320	< TOTAL Restricted Funds
\$3,514,161	\$8,402,036	\$9,609	\$5,287,286	< TOTAL All Funds
		\$122,625		< Added From Oper Income (Loss)
		\$43,138		< Added From Depr + Amortized Exp (Non Cash)
		-\$3,280,513		< Other Capital Payments, Transfers, Prior Month Items
		-\$3,114,750		< TOTAL Change Cash & Restricted Funds

- \$384,625 < New Salem Church Road
- \$1,620 < Pirtle Water Treatment Plant - Raw Building
- \$15,532 < Water Main Extensions
- \$199,827 < AMR Project
- \$2,513,097 < Net Change Cash excluding Capital Uses

NOTE: The 98 Variable rate bond was paid off

Abbreviated Monthly Financial Statement

Month Ending: September, 2005

Revenues:

\$215,315 Water Sales - Retail (billed to receivables)
 \$20,046 Water Sales - Wholesale
 \$25,758 Fees & Charges
 \$22,667 Interest Income (accrued based on monthly stmts, not just cash rcv'd)
 \$649 Radcliff Storm Water Billing
 \$16,155 Radcliff Sewer Billing
 \$49,123 Customer Meter Charges
 \$16,992 Misc revenues (calc'd based on diff between total and above)

\$366,705 TOTAL REVENUES

Operating Expenses:

\$201,370 Operating Expenses
 \$42,500 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$13,237 Debt Interest - Fixed Rate
 \$13,463 Debt Interest - Variable Rate

\$271,207 TOTAL OPERATING EXPENSES

\$95,498 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,182	\$374,829	\$751	\$514,373	Revenue Fund
\$71,226	\$21,196	\$83	\$107,558	ACH Payments
\$1,728,477	\$1,541,508	\$4,409	\$1,541,508	Investment Account
\$750,000	\$761,433	\$7,146	\$768,576	Depreciation Fund
\$2,606,865	\$2,698,966	\$12,388	\$2,932,015	< TOTAL Unrestricted Funds
\$664,422	\$769,540	\$6,234	\$776,017	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$372,689	\$0	\$0	91 Sinking Fund
\$112,453	\$345,155	\$0	\$756	98 Sinking Fund (FR)
	\$1,009,273	\$3,800	\$827,585	05 Bond Proceeds
	\$91,683	\$245	\$32,179	05 Sinking Fund (FR)
\$882,267	\$1,487,364	\$10,279	\$776,773	< TOTAL Restricted Funds
\$3,489,132	\$4,186,330	\$22,667	\$3,708,788	< TOTAL All Funds
		\$95,498		< Added From Oper Income
		\$43,188		< Added From Depr + Amortized Exp (Non Cash)
		-\$616,177		< Other Capital Payments, Transfers, Prior Month Items
			-\$477,542	< TOTAL Change Cash & Restricted Funds
			\$216,613	< New Salem Church Road
			\$4,228	< Pirtle Water Treatment Plant - Raw Building
			-\$256,701	< Net Change Cash excluding Capital Uses

Note: 1991 was paid off. The 1998 and 2005 had Semi-annual bond interest due

Abbreviated Monthly Financial Statement

Month Ending: October, 2005

Revenues:

\$173,359 Water Sales - Retail (billed to receivables)
 \$46,257 Water Sales - Wholesale
 \$26,603 Fees & Charges
 \$4,255 Interest Income (accrued based on monthly stmts, not just cash recv'd)
 \$649 Radcliff Storm Water Billing
 \$16,114 Radcliff Sewer Billing
 \$49,051 Customer Meter Charges
 \$7,778 Misc revenues (calc'd based on diff between total and above)

\$324,065 TOTAL REVENUES

Operating Expenses:

\$177,603 Operating Expenses
 \$42,500 Depreciation Expense (ann budget / 12 months)
 \$638 Amortized Debt Expense (ann budget / 12 months)
 \$10,082 Debt Interest - Fixed Rate
 \$12,983 Debt Interest - Variable Rate

\$243,806 TOTAL OPERATING EXPENSES

\$80,259 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$514,373	\$521	\$394,385	Revenue Fund
\$71,226	\$107,558	\$191	\$199,739	ACH Payments
\$1,728,477	\$1,541,508	\$2,369	\$1,541,508	Investment Account
\$750,000	\$768,576	\$65	\$768,633	Depreciation Fund
\$2,606,865	\$2,932,015	\$3,147	\$2,904,265	< TOTAL Unrestricted Funds

\$664,422	\$776,017	\$306	\$776,316	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$0	\$0	\$0	91 Sinking Fund
\$112,453	\$756	\$0	\$45,367	98 Sinking Fund (FR)
	\$827,585	\$694	\$621,608	05 Bond Proceeds
	\$32,179	\$108	\$32,264	05 Sinking Fund (FR)
\$882,267	\$1,636,537	\$1,108	\$1,443,292	< TOTAL Restricted Funds

\$3,489,132 **\$4,568,552** **\$4,255** **\$4,347,557** < TOTAL All Funds

\$80,259 < Added From Oper Income
\$43,138 < Added From Depr + Amortized Exp (Non Cash)
-\$344,392 < Other Capital Payments, Transfers, Prior Month Items

-\$220,995 < TOTAL Change Cash & Restricted Funds

\$15,711 < Fort Knox CIP
 \$199,679 < New Salem Church Road
 \$419,64 < Pirtle Water Treatment Plant - Raw Building
 \$21,84 < Other Capital Expenses
 \$4,595 < Net Change Cash excluding Capital Uses

Abbreviated Monthly Financial Statement

Month Ending: November, 2005

Revenues:

\$167,121	Water Sales - Retail (billed to receivables)
\$22,129	Water Sales - Wholesale
\$21,097	Fees & Charges
\$15,032	Interest Income (accrued based on monthly stmts, not just cash recv'd)
\$648	Radcliff Storm Water Billing
\$16,125	Radcliff Sewer Billing
\$48,890	Customer Meter Charges
\$11,399	Misc revenues (calc'd based on diff between total and above)
\$302,441.79	TOTAL REVENUES

Operating Expenses:

\$186,523	Operating Expenses
\$42,500	Depreciation Expense (ann budget / 12 months)
\$638	Amortized Debt Expense (ann budget / 12 months)
\$10,082	Debt Interest - Fixed Rate
\$15,534	Debt Interest - Variable Rate

\$255,277 TOTAL OPERATING EXPENSES

\$47,165 NET OPERATING INCOME FOR MONTH

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$394,385	\$615	\$498,522	Revenue Fund
\$71,226	\$199,739	\$211	\$92,898	ACH Payments
\$1,728,477	\$1,541,508	\$6,054	\$1,541,508	Investment Account
\$750,000	\$768,633	\$2,117	\$770,715	Depreciation Fund
\$2,606,865	\$2,904,265	\$8,997	\$2,903,642	< TOTAL Unrestricted Funds
\$664,422	\$776,316	\$2,022	\$778,305	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$0	\$0	\$0	91 Sinking Fund (Now paid off)
\$112,453	\$45,367	\$0	\$89,397	98 Sinking Fund (FR)
	\$621,608	\$3,894	\$350,990	05 Bond Proceeds
	\$32,264	\$119	\$32,357	05 Sinking Fund (FR)
\$882,267	\$1,443,292	\$6,035	\$1,251,049	< TOTAL Restricted Funds
\$3,489,132	\$4,347,557	\$15,032	\$4,154,691	< TOTAL All Funds

\$47,165	< Added From Oper Income
\$43,138	< Added From Depr + Amortized Exp (Non Cash)
\$283,168	< Other Capital Payments, Transfers, Prior Month items

\$192,866 < TOTAL Change Cash & Restricted Funds

\$263,132 <New Salem Church Road
 \$5,015 < Pirtle Water Treatment Plant - Raw Building
 \$75,281 < Net Change Cash excluding Capital Uses

Abbreviated Monthly Financial Statement

Month Ending: December, 2005 (FINAL)

Revenues:

- \$159,017 Water Sales - Retail (billed to receivables)
- \$30,606 Water Sales - Wholesale
- \$23,101 Fees & Charges
- \$22,264 Interest Income (accrued based on monthly stmts, not just cash recv'd)
- \$648 Radcliff Storm Water Billing
- \$16,098 Radcliff Sewer Billing
- \$49,019 Customer Meter Charges
- \$11,514 Misc revenues (calc'd based on diff between total and above)

\$312,267 TOTAL REVENUES

Operating Expenses:

- \$283,989 Operating Expenses
- \$42,500 Depreciation Expense (ann budget / 12 months)
- \$16,493 Amortized Debt Expense (ann budget / 12 months)
- \$64,613 Debt Interest - Fixed Rate
- \$18,839 Debt Interest - Variable Rate

\$426,435 TOTAL OPERATING EXPENSES

\$114,167 NET OPERATING LOSS FOR MONTH (Incl expensing 97 Unamortized Bond Exp)

Cash & Investment Change:

Beg Year Balance	Beg Mnth Balance	Interest Earned	End Mnth Balance	
\$57,162	\$498,522	\$581	\$137,838	Revenue Fund
\$71,226	\$92,898	\$136	\$33,316	ACH Payments
\$1,728,477	\$1,541,508	\$4,931	\$1,620,415	Investment Accounts @ PNC
\$750,000	\$770,715	\$1,713	\$772,393	Depreciation Fund
\$2,606,865	\$2,903,642	\$7,361	\$2,563,962	< TOTAL Unrestricted Funds
\$664,422	\$778,305	\$1,983	\$780,255	Debt Reserve Fund (includes '05 Bond issue)
\$105,392	\$0	\$0	\$4,554	91 Sinking Fund
\$112,453	\$89,397	\$3,927	\$138,319	98 Sinking Fund (FR)
	\$350,990	\$8,994	\$335,580	05 Bond Proceeds (Incl Cost of Issuance Unpaid)
	\$32,357	\$0	\$86,983	05 Sinking Fund (FR)
\$882,267	\$1,251,049	\$14,904	\$1,345,692	< TOTAL Restricted Funds

\$3,489,132 **\$4,154,691** **\$22,264** **\$3,909,655** < TOTAL All Funds

- \$114,167** < Added From Oper Income (Loss)
- \$58,993 < Added From Depr + Amortized Exp (Non Cash)
- \$189,862 < Other Capital Payments, Transfers, Prior Month items

-\$245,037 < TOTAL Change Cash & Restricted Funds

- \$4,185 < Pirtle Water Treatment Plant - Raw Bldg
- \$91,349 < New Salam Church Area Expansion
- \$146,503 < Net Change Cash excluding Capital Uses

NOTES: 1. The following items created a large change in cash: 3 Payrolls (+ \$42,000), \$84,000 for WME reimbursements
 2. Captured interest for 2005 expense on 2005 Bond Issue and started amortizing 2005 Bond Premium
 3. Larger changes in cash accounts, due to adjustments to Bond Issue accounts (+ \$25,532), not previously reconciled in May, 05

Cost of Service Study
Hardin County Water District No. 1

October 2006

Prepared by:

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Cost of Service Study

Hardin County Water District No. 1

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Cost of Service Study

Hardin County Water District No. 1

Section 1 - Background/2005 Utility Data

Introduction

Hardin County Water District No.1 (HCWD1) currently produces and purchases water for distribution to approximately 9,500 retail customers as well as 3 wholesale customers. HCWD1's active wholesale customers are Meade County Water District (MCWD), the City of Vine Grove (Vine Grove) and the city of Hardinsburg (Hardinsburg). HCWD1's Pirtle Springs Water Treatment Plant (PWP) is the primary production facility for all the customers previously identified. PWP has a rated capacity of 3.1 million gallons per day (MGD). In addition to PWP, HCWD1 can purchase water from Fort Knox on a wholesale basis. The interconnection point between Fort Knox and HCWD1 is the booster pump station and ground storage tank facility in the Pritchard area. Fort Knox presently has approximately 5.0 MGD in excess capacity available. However, the Fort Knox facilities are increasingly in need of repair and their reliability is becoming an issue.

PWP draws raw water from Pirtle Spring (Head of Rough River) and Grey Lane (wellfield). These two sources have a combined permitted withdrawal of 3.0 MGD between the October-May period and 3.6 MGD between June-September. PWP utilizes conventional treatment techniques including chemical coagulation, gravity settling, granular media filtration and gaseous chlorine disinfection. The WTP was originally built in 1982 and has had upgrades in 1999 and 2004. However, PWP still has some treatment deficiencies, including its filter layout. Many of these are expected to be addressed in a modernization project which will begin in 2007.

HCWD1 has been closely monitoring its production levels, operations/maintenance costs, debt service and its revenues over the last two years. HCWD1's last rate increase was instituted in 2002. It became apparent during 2005 that the present revenue stream was not keeping up with expenses. This was confirmed in the 2005 audit which confirmed the need for a rate increase. Based on this information, HCWD1 commissioned a cost-of-service study to be performed in accordance with Kentucky Public Service Commission requirements and would cover both retail and wholesale water rates. This evaluation will also utilize methods consistent with American Water Works Association (AWWA) M1 guidance for the development of water rates.

Study Data

HCWD1 is regulated by the PSC and files annual reports which provide substantial financial data about the utility. In addition, HCWD1's financial reports are audited on an annual basis by Ray, Foley and Hensley of Lexington. A copy of the last three years audits are attached to this document in Appendix A. The Cost-of-Service study will focus on utilizing historical test year data with known revenue adjustments to illustrate the need for a rate increase. The information utilized in this study was taken from the 2005 audit or other documented sources.

PWP Production/Fort Knox Wholesale Purchases (2005)

Table 1-1 provides a summary of the water production at PWP and the wholesale purchases from Fort Knox in 2005. This information will establish the total volume of water treated and purchased for an average day and a maximum flow day in 2005. More detail on this can be found in Appendix B.

Table 1-1
Total Water Produced/Purchased 2005
Hardin County Water District No. 1

<i>Month (2005)</i>	<i>Average Day¹</i>			<i>Maximum Day¹</i>		
	<i>Daily Prod.</i>	<i>Daily Purch.</i>	<i>Total</i>	<i>Daily Prod.</i>	<i>Daily Purch.</i>	<i>Total</i>
January	2.52	0.03	2.55	2.82	0.03	2.85
February	2.41	0.06	2.47	2.67	0.07	2.74
March	2.31	0.08	2.39	2.65	0.10	2.75
April	2.50	0.03	2.53	2.79	0.04	2.83
May	2.67	0.03	2.70	2.87	0.04	2.91
June	2.66	0.07	2.73	2.96	0.08	3.04
July	2.63	0.11	2.74	3.08	0.13	3.21
August	2.70	0.15	2.85	2.90	0.18	3.08
September	2.76	0.04	2.80	2.95	0.05	3.00
October	2.61	0.16	2.77	2.79	0.02	2.81
November	2.46	0.06	2.52	2.76	0.07	2.83
December	2.59	0.07	2.66	2.74	0.08	2.82
Annual Avg./ Max. Day	2.57	0.07	2.64	N/A	N/A	3.21

Note: ¹All volume in millions of gallons per day (MGD)

As detailed above, the total average daily volume of water purchased and produced in 2005 by the HCWD1 is 2.57 MGD with a maximum day of 3.21 MGD. This yields a maximum/average ratio of 1.22. In addition to the data presented above, Appendix B provides details on the wholesale sales for the 2005 fiscal year. Table 1-2 provides details on these volumes which will be utilized later as part of the cost allocation of expenses.

Table 1-2
Wholesale Purchases 2005
Hardin County Water District No. 1

<i>Utility</i>	<i>2005 Total Purchased (MG)</i>	<i>2005 Average Daily Amount (GPD)</i>	<i>% of HCWD1 Produced/ Purchased Volume</i>
MCWD	182,667,400	500,459	19.0%
Vine Grove	107,041,000	293,263	11.1%
Hardinsburg	3,033,000	8,310	0.3%
Total of Wholesale Utilities	292,743,405	804,036	30.5%

Water System Expenses (2005)

Operations and Maintenance

As part of this cost-of-service study, all expenses incurred by the water utility will be classified in its appropriate service category according to conventional accounting methods consistent with PSC requirements and AWWA M1 guidance. Therefore, operations and maintenance expenses will be classified into the following categories:

- Source of Supply
- Water Treatment
- Transmission and Distribution
- Customer Service
- Maintenance
- Administrative

The fiscal year 2005 (FY 2005) amount for each of these classifications of expenses is summarized in Table 1-3. More detail for each of these expenses is provided in Appendix C.

Table 1-3
FY 2005 Operations and Maintenance Expenses
Hardin County Water District No. 1

<i>Expense Item</i>	<i>FY 2005 Amount</i>
Source of Supply	13,641
Water Treatment	636,075
Transmission and Distribution	440,038
Customer Service	298,983
Maintenance	56,906
Administrative	634,306
Total of Operations and Maintenance	2,079,949

Depreciation and Amortization

In addition to operations and maintenance costs, a utility will also incur cost for the loss of value on an asset that has been in service. This depreciation expenses is determined based on the sum of all lost value on assets across the entire water system during a fiscal year. This value is included in the revenue requirements in order to provide for the renewal and replacement of aging equipment. The annual depreciation of an asset is determined by dividing the initial cost of the item (less any salvage value) by its expected service life. The depreciation value found in the FY 2005 audit is shown in Table 1-4 along with an amortization on debt discount from FY 2005. The depreciation shown below was determined based on previous year values.

Table 1-4
FY 2005 Depreciation/ Amortization Expenses (From Audit)
Hardin County Water District No. 1

<i>Expense Item</i>	<i>FY 2005 Amount</i>
Depreciation	412,208
Amortization of Debt Discount & Expense	76,404
Total of Depreciation Expenses	488,612

As detailed previously, the depreciation value found in Table 1-4 reflects an estimation derived from previous annual values. However, HCWD1 has developed an inventory of materials, equipment and facilities presently in service. This has enabled HCWD1 to produce a more accurate depreciation value which is summarized in Table 1-5. A pro-forma adjustment will be made to use this schedule in lieu of the value shown in Table 1-4. Appendix D provides additional details including the depreciation of each asset owned by HCWD1. In addition, a pro-forma adjustment will be made to remove the amortization of debt discount shown in Table 1-4.

Table 1-5
FY 2005 Depreciation Expenses (From Inventory Review)
Hardin County Water District No. 1

<i>Expense Item</i>	<i>FY 2005 Amount</i>
Land and Rights	0
Structures & Improvements	47,017
Wells and Springs	23,431
Supply Mains	31,134
Pumping Equipment - Booster Stations	45,221
Pumping and Water Treatment Equipment	25,137
Reservoirs and Storage	42,023
Transmission & Distribution Mains	233,607
Service Lines & Connections	50,338
Hydrants	5,342
Other Plant Equipment	14,221
Office Furniture & Equipment	9,357
Transportation Equipment	24,251
Stores, Equipment, Tool, Safety Equipment	3,045
Power Operated Equipment	21,455
Laboratory Equipment	505
Communication Equipment	2,259
Other Tangible Items	5,971
Total of Depreciation Expenses	584,314

Water System Revenues

Revenues from Water Sales

The revenues generated in FY 2005 from the sale of potable water to retail, wholesale and private fire service customers is summarized in Table 1-6.

Table 1-6
FY 2005 Water System Revenues
Hardin County Water District No. 1

<i>Expense Item</i>	<i>FY 2005 Amount</i>
Retail Sales	
- Meter Charges	\$572,723
- Residential Sales	\$1,684,990
- Commercial Sales	\$275,136
- Multi-Family Sales	\$103,458
Total	\$2,636,307
Wholesale	
- Vine Grove	\$148,092
- MCWD	\$252,872
- Hardinsburg	\$5,920
Total	\$406,884
Fire Protection	
- Private	\$23,891
- Public	
Total	\$23,891
Total FY 2005 Revenues	\$3,067,082

Other Miscellaneous Income/Expenses

Other miscellaneous income and expenses (such as interest income, interest expenses, penalties and fees as well as the sewer billing contract, etc.) were incurred or generated by HCWD1 during FY 2005. The result of all of these items was a net revenue of \$252,300 into the utility. Some of the income included in this item is not fixed nor reliable for the purposes of rate-making. In addition, any change in the rate structure would not result in a change in this amount as most of these income items are independent of the rates. Therefore, this income has been included in the cost of service as an offset to the expenses generated in FY 2005. More details of the miscellaneous income is provided in Appendix C as part of the expenses allocation.

Cost of Service Study

Hardin County Water District No. 1

Section 2 - Allocation of Utility Expenses

Background

Section 1 provided a summary of the FY 2005 revenues and expenses of HCWD1. This section will focus on evaluating the expenses and allocating them to their appropriate cost component. This allocation can be done in any of several manners. This cost-of-service study will utilize a “base/extra capacity” method. This method breaks down each expense incurred by a utility into one of the five components identified below:

- Base costs
- Extra capacity costs
- Meters and services
- Customer costs
- Fire protection costs

Base costs are costs that vary with the total quantity of volume used plus costs associated with service to customers under average day conditions. These costs would include salaries, insurance, power, chemical, etc. Extra capacity costs are associated with meeting water usage requirements above the average day condition. This includes determinations of the impact of maximum hour and maximum day requirements. Examples of this expense would include overtime salaries, extra chemical, extended operation of facilities, etc. Meters and services is related directly to expenses incurred in the operation and maintenance of these items. Customer costs are those which are directly related with serving the customers such as billing or meter reading. The final cost component is fire protection costs. These costs are directly related to public or private fire suppression requirements and can impact storage or distribution facilities in addition to fire hydrants, etc.

Schedule C in Appendix C provides a detailed allocation of all FY 2005 expenses recorded by HCWD1. Each expense allocation methodology is also listed in this Schedule. This section will provide a summary of the information found in Schedule C of Appendix C and a discussion of the allocation methodology.

Once the costs are allocated to their appropriate cost component, they can be assigned to the proper customer classification. The customer classifications identified in Section 1 were retail, wholesale and private fire protection. This allocation is performed to identify the revenue requirements of each class in order to be self-sustaining. Details of this allocation are found in Schedule B of Appendix C and this section will provide a summary of that information along with discussions on the methodologies used.

Base/Extra Capacity Allocation of FY 2005 Expenses

Table 2-1 provides a summary of the expense allocation information provided in Schedule C of Appendix C.

Table 2-1
Base/Extra Capacity Allocation by Component
Hardin County Water District No. 1

<i>Component</i>	<i>Total</i>	<i>Base</i>	<i>Extra Capacity</i>		<i>Meter/ Serv</i>	<i>Customer Service</i>		<i>Fire Protection</i>	
			<i>Max. Day</i>	<i>Max. Hour</i>		<i>Billing</i>	<i>Meter Read</i>	<i>Public</i>	<i>Priv.</i>
Source of Supply	\$13,641	\$13,641	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Treatment	\$636,075	\$521,582	\$114,494	\$0	\$0	\$0	\$0	\$0	\$0
Transmission & Distribution	\$440,038	\$152,930	\$32,650	\$113,180	\$9,836	\$0	\$125,378	\$5,640	\$424
Customer Service	\$298,983	\$0	\$0	\$0	\$0	\$298,983	\$0	\$0	\$0
Maintenance	\$56,907	\$40,607	\$8,683	\$6,679	\$580	\$0	\$0	\$333	\$25
Administrative	\$634,306	\$315,989	\$67,876	\$61,793	\$5,093	\$125,695	\$54,957	\$2,706	\$197
O&M Total	\$2,079,950	\$1,044,749	\$223,703	\$181,652	\$15,509	\$424,678	\$180,335	\$8,679	\$646
Depreciation/Amortization	\$488,612	\$234,534	\$58,633	\$141,697	\$29,317	\$9,772	\$4,886	\$9,284	\$489
Total FY 2005 Expenses	\$2,568,562	\$1,279,283	\$282,336	\$323,349	\$44,826	\$434,450	\$185,221	\$17,963	\$1,135
Less Misc Income	(\$252,300)	(\$133,590)	(\$5,428)	\$85,211	\$23,138	(\$217,832)	(\$10,382)	\$6,303	\$280
Total FY 2005 Cost of Service	\$2,316,262	\$1,145,693	\$276,908	\$408,560	\$67,964	\$216,618	\$174,839	\$24,266	\$1,415

Test Year Adjustments

In addition to the test year cost of service, the PSC will allow for the inclusion in the revenue requirements of known expenses that are absent or can be documented to be higher than the test year value. Seven adjustments have been identified based on the review of the FY 2005 audit data. These adjustments are identified in detail below and allocated to their cost component in Table 2-2. Additional data on each of these is provided in Schedule C of Appendix C.

Addition of Dental/Vision Insurance - This benefit was added for HCWD1 personnel in January 2006. The dental plan is a self funded plan that pays for dental visits for employees. The expected expense in FY 2006 for this item is \$8,944. This is based on known annual administrative fees (\$ 2,208) along with actual program expenses between January 1, 2006 and June 30, 2006 of \$3,368. This amount is doubled and added to the administrative fee to arrive at the expected total identified above. In addition, HCWD1 added a vision plan on January 1, 2006 as well which is presently costing \$177.30 per month. This works out to an additional expense of \$2,128 for FY 2006. Also, HCWD1 will incur additional administrative costs in the amount of \$720 during FY 2006. The total adjustment to the test year expenses for this item is \$11,792.

Increase in Wages for Employees - HCWD1's board passed wage increases in December 2005 that took effect in January 2006. These raises amounted to a total increase of \$39,294 for FY 2006.

Addition of Staff Accountant - HCWD1's board approved the hiring of a new staff accountant (Jenny Huff) during the first quarter of FY 2006. This position was filled in the second quarter with a salary of \$35,000 and benefits of \$10,142 for a total of \$45,142.

Addition of Administrative Clerk - HCWD1's board approved the hiring of a new staff administrative clerk and the position will be advertised during the fourth quarter of FY 2006. This position was filled in the second quarter with a salary of \$24,500 and benefits of \$7,105 for a total of \$31,605.

Addition of Amortized Rate Study Expenses - HCWD1 has incurred or estimates it will incur \$ 37,425 associated with consultants and attorney's for the rate filing. This expenses will be amortized over 5 years.

Addition of New 2006 Customer Revenue. - HCWD1 customer base has increased by 263 customers during the period of January 1 - September 30, 2006. When this value is annualized for F 2006, it reveals an increase of 350 customers during FY 2006. This results in a revenue increase of \$101,640 to HCWD1 based on an average bill.

Addition of New 2006 Customer Expenses - Similar to the previous item, HCWD1 will incur additional expenses in order to provide water to the new customers. Since the Pirtle Water Plant is operating at greater than 80% of capacity, it is assumed that the additional water will need to be purchased from Fort Knox. The present wholesale purchase rate is \$1.29/1,000 gallons. In addition, pumping costs will also need to be accounted for. Schedule C reveals the pumping expense for FY 2005 at the Fort Knox interconnect. The incremental power expense is calculated to be \$0.20/1,000 gallons based on the FY 2005 flow. The total increase in expenses associated with new customers is \$33,731.

FY 2006 CERS Payment Increases - HCWD1 was notified in the first quarter of 2006 that its contribution to the County Employees Retirement System would be increased. This amounts to a \$25,540 increase to the test-year expenses.

Deduction of Health Insurance for Commissioners/GM - HCWD1 was denied this expense during the last rate case. Therefore, it is being removed from this filing. This amounts to a \$8,121 reduction to the test-year expenses.

Deduction of Interest Payments for Fixed and Variable Debt - HCWD1 will use a three year average for its debt service calculations. These values were for the test and will be modified by a later adjustment. The result is a \$452,136 reduction in test year expenses.

Addition of Three Year Averages for Debt Service - As detailed previously, HCWD1 will submit three year averages for debt service values. This results in the addition of \$1,461,101.

Deduction of Amortization of Debt Discount - Removed per earlier discussion. This results in a reduction of \$76,404.

Addition of Full Year of Sewer Management Reimbursement - HCWD1 is reimbursed from its sewer utility for time spent by the HCWD1 General Manager and other staff on sewer business. The sewer utility reimbursement for FY 2005 was for 6 months and amounted to \$34,698 but the amount was placed in a capital fund in the audit. . The result is an additional \$69,396 in revenue into the utility.

Deduction of FY 2005 Depreciation Values - As discussed earlier, HCWD has developed a schedule which provides a detailed accounting of the depreciated assets in the water utility. The value entered in the audit was based on previous values instead of an annual asset evaluation. This results in an expense reduction of \$412,208.

Addition of FY 2006 Depreciation Values - As discussed previously, the depreciation values from the schedule result in a \$689,364 increase in test-year expenses. This amount includes the additional \$105,051 that was not included in the FY 2005 audit because the asset was purchased during the year and the annual depreciation was pro-rated for that item. The revised depreciation schedule is provided in Appendix D.

Table 2-2
Base/Extra Capacity Allocation of Test Year Adjustments
Hardin County Water District No. 1

<i>Item</i>	<i>Total</i>	<i>Base</i>	<i>Extra Capacity</i>		<i>Meter/ Serv</i>	<i>Customer Service</i>		<i>Fire Protection</i>	
			<i>Max. Day</i>	<i>Max. Hour</i>		<i>Billing</i>	<i>Meter Read</i>	<i>Public</i>	<i>Priv.</i>
Total FY 2005 Cost of Service (Table 2-1)	\$2,316,262	\$1,145,693	\$276,908	\$408,560	\$67,964	\$216,618	\$174,839	\$24,266	\$1,415
Test Year Adjustments	\$1,225,150	\$568,178	\$125,815	\$318,669	\$93,990	\$83,089	\$7,013	\$26,978	\$1,419
Total Adjusted FY 2005 Cost of Service	\$3,541,412	\$1,713,871	\$402,723	\$727,229	\$161,954	\$299,707	\$181,852	\$51,244	\$2,834

Distribution of Costs to Customer Classification

The third key element in rate making is the distribution of costs to customer classifications. Since costs can't be accurately identified and distributed down to individuals customers, it is beneficial to group customers into classifications which have similar patterns of usage. HCWD1 presently has three customer classes including retail, wholesale and fire protection. The retail customers are broken out into subcategories such as residential, commercial,

multi-family for the purposes of tracking but all retail customers pay the same rate. In a likewise manner, HCWD1 has a single wholesale rate for MCWD, Vine Grove and Hardinsburg. A detailed evaluation of each of these wholesale customers might reveal some minor cost-service differences due to the proximity of the interconnection points. However, the HCWD1 board firmly believes a single wholesale rate is in their best interest.

The distribution of costs to customer classes is performed in a manner similar to that done for the base/extra capacity allocation. The key distribution factor is the determination of which customer classification derives the benefit from the expense. This is generally related in some measure to the water used by each classification. More details on the allocation methodology is provided below and in Schedule B of Appendix C. Table 2-3 summarizes the distribution of costs to the customer classes.

Table 2-3
Total Revenue Requirements By Classification
Hardin County Water District No. 1

<i>Component</i>	<i>Total</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Fire Protection</i>	
				<i>Public</i>	<i>Private</i>
Operations and Maintenance					
Source of Supply	\$13,641	\$9,549	\$4,092	\$0	\$0
Water Treatment	\$636,076	\$437,239	\$198,837	\$0	\$0
Transmission & Distribution	\$440,038	\$383,361	\$49,282	\$5,640	\$1,755
Customer Service	\$298,983	\$297,339	\$90	\$0	\$1,555
Maintenance	\$56,905	\$38,633	\$17,873	\$334	\$65
Administrative	\$634,304	\$487,125	\$142,973	\$2,719	\$1,487
O&M Sub-Total	\$2,079,947	\$1,653,246	\$413,147	\$8,693	\$4,862
Depreciation & Amortization	\$488,612	\$331,960	\$144,780	\$9,284	\$2,588
Misc. (Income)/Expenses	(\$252,300)	(\$248,854)	(\$10,429)	\$6,292	\$691
Test-Year Adjustments	\$1,225,150	\$853,921	\$335,879	\$26,978	\$8,373
Total Distributed and Adjusted Test-Year Cost of Service or "Revenue Required"	\$3,541,409	\$2,590,273	\$883,377	\$51,247	\$16,514

Allocation Methodology

The allocation of expenses between base, extra capacity and other components summarized in Tables 2-1 and 2-2 is detailed in Appendix C. Some of the key allocation elements are summarized below for each expense category.

Source of Supply - All expenses associated with the source of supply were allocated to the base component since the source of supply was related to amount of water used.

Water Treatment - These expenses were allocated to the base and maximum day components since the production facilities are capable of producing the both the average and maximum day. The proportion of expenses is based upon the ratio between average and maximum day.

Transmission and Distribution - Five different allocation methods are present in this element. The most common method includes allocation of expenses across base, average day, maximum day, maximum hour and fire protection components. In addition, the allocation to each customer classification is based on an inch-miles calculation of the impact of each wholesale customer on the system. This was determined using HCWD1's hydraulic model to identify the impact of each customer. This information is provided in Appendix E of this study. Other costs for non-flow based expenses are allocated directly to that cost function.

Customer Service - These expenses are directly related to billing and are entirely allocated to this component.

Maintenance - These expenses are from maintenance work spread across the treatment and distribution costs. Therefore, the allocation of these expenses was performed based on the percentages associated with the total of the source of supply, water treatment and transmission/distribution components.

Administrative - These expenses reflect utility-wide expenditures and are allocated based on the percentages associated with the total of all other utility expenses (excluding depreciation and miscellaneous income).

Depreciation & Amortization - These expenses were allocated based on a review of the assets of HCWD1 and a determination of remaining asset value. A schedule for this allocation is provided in Schedule C of Appendix C.

Miscellaneous Income - Expenses under this item are allocated by three different methods. The most common is the allocation method used for administrative expenses which is previously detailed.

Test Year Adjustments - Adjustments under this item were allocated by eight different methods based on the most applicable method for that specific item.

Cost of Service Study

Hardin County Water District No. 1

Section 3 - Rate Adjustment Options

Background

The previous sections in this study provide the information associated with the utility data from a historical test-year (FY 2005) as well as a summarized breakdown of the expense allocation to cost components and distribution of those same expenses to customer classes. In doing so, the costs incurred by HCWD1 during the normal course of operation have been allocated to those customers who derive the benefit from the personnel, facilities and equipment necessary to provide them service. The purpose of this section is to identify if the present tariff structure will generate sufficient revenue to cover all the utility requirements.

Sufficiency of Existing Revenues

Table 2-3 summarizes all of the costs and provides the “revenue requirements” of HCWD1 for the historical test period. An analysis of those revenue requirements against the present revenue generated from water sales and is provided in Table 3-1.

Table 3-1
Comparison of Revenue Requirements vs. Water Sales Revenues
Hardin County Water District No. 1

<i>Item</i>	<i>Total</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Fire Service- Public</i>	<i>Fire Service- Private</i>
Adjusted FY 2005 Revenue Requirements (Table 2-3)	\$3,541,410	\$2,590,273	\$883,378	\$51,247	\$16,513
FY 2005 Water Sales Revenue Generated (FY 2005) Audit	\$3,067,082	\$2,636,307	\$406,884	\$0	\$23,891
Total Adjusted FY 2005 Revenue Surplus/(Deficit)	(\$474,328)	\$46,034	(\$476,494)	(\$51,247)	\$7,378

One item that should be noted is that the miscellaneous revenues generated by methods other than direct water sales were included in the revenue requirements as adjustments. This includes items such as interest income, tap fees, late penalties, contracts for services provided to others, etc. Therefore, the revenue deficit illustrated in Table 3-1 is against all sources of revenue generated in FY 2005. Details of this are provided in Appendix C, Schedule A of this study.

Rate Adjustment Options

As detailed in Table 3-1, HCWD1 presently has a significant revenue shortfall when compared against the adjusted historical test year. As such, HCWD1 should adjust the rates for both it wholesale and retail customers in order to bring the revenues in line with expenses. Two options for this adjustment were offered with a description of each provided below.

Option No. 1 - Across the Board Adjustment - This option would simply increase all customer charges at the same percentage rate in order to meet the revenue requirements. In this case, all tariffs and charges would have increased by 15.4% regardless of cost-of-service by classification to generate the revenue needed.

Option No. 2 - Adjustment Weighted to Cost-of-Service - A review of Table 3-1 reveals that the wholesale rates charge by HCWD1 are substantially lower than the cost-of-service to provide water to those customers. Therefore, this option will increase the wholesale rates at a higher percentage rate (38.0%) than the retail rates (13.4%) in order to bring the wholesale revenues closer to their cost-of-service. In addition, the meter charge would be increased by 6.9% based on increased costs for meter servicing, reading along with preparing and delivering the bill.

HCWD1's Board of Commissioners was presented both option for the design of their rate increase. They decided that Option No. 2 was the preferred method of adjustment. Table 3-2 provides details on the anticipated revenue generated by the adjustment of the rates.

Table 3-2
Proposed Rate Adjustment/ Revenue Generation
Hardin County Water District No. 1

<i>Item</i>	<i>Total</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Fire Service- Public</i>	<i>Fire Service - Private</i>
Total Adjusted FY 2005 Revenue Surplus /Deficit Requirements (Table 3-1)	(\$474,328)	\$46,034	(\$476,494)	(\$51,247)	\$7,378
Revenue Generated From Proposed Rate Adjustment	\$473,855	\$316,038	\$154,616	\$0	\$3,201
Total Adjusted FY 2005 Revenue Surplus/(Deficit) Including Rate Adjustment	(\$473)	\$362,072	(\$321,878)	(\$51,247)	\$10,579

It should be noted that the proposed adjustment did not cover the meter charge established by HCWD1 in the last rate case. A separate determination on the proposed adjustment to this charge is provided in Table 3-3.

Table 3-3
Determination of Meter Charge
Hardin County Water District No. 1

Item	Cost
Meters/Service Expense Item(Appendix C, Sch C)	\$161,954
Billing Expense Item (Appendix C, Sch C)	\$299,707
Meter Reading Expense Item (Appendix C, Sch C)	\$181,851
Total Meter Charge Expense	\$643,512
Number of Meters (Including New 2006 Customers)	10,675
Monthly Meter Charge	\$5.02

Appendix C provides supporting details for all the information which has been summarized in this study report.

Cost of Service Study
Hardin County Water District No. 1

Appendix A

Audits (2003 - 2005)

**HARDIN COUNTY WATER DISTRICT NO.1
RADCLIFF, KENTUCKY**

**AUDITED FINANCIAL STATEMENTS
for the years ended
December 31, 2005 and 2004**

rfh

Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

May 22, 2006

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2005 Annual Report & Managements's Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the second year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report and the basic financial statements of the District.

I would like to recognize Ms. Karen Brown, our Accounting Specialist, for her efforts assisting the auditors in preparing this information. Ms. Lindsey Kline was the lead auditor for the firm and also spent many hours performing the audit and field work required to complete the audit and understand our operations.

New Sewer Enterprise

In reviewing the audit report, the reader will notice the addition of "Sewer" as a separate column. The Sewer amounts are also included in the 2005 Total columns, however the 2004 Total column only includes Water operations. The District began operations of the Ft. Knox Sanitary and Storm Sewer utilities in July, 2005 (See Note H - Sewer Acquisition). These systems are operated by Veolia Water North America, South LLC., with whom the District entered into a 20 year operations contract in June, 2005. The District and Veolia also executed a partnership agreement in 2002.

The assets of the systems were transferred to the District in 2005 (for \$1 each), with a depreciated plant value at year end of \$14,535,314. The District's fixed monthly sewer rates are regulated by the Public Service Commission (PSC). A two-year, monthly capital surcharge is also paid by the Government to the District, by which the District will finance numerous required capital improvement projects and studies during the first two years of operations.

Financial Performance & Highlights

Water Utility: The District ended the year with a net operating income, net of debt interest cost, of \$785,373 (+184% [all percentages in parentheses represent change from 2004]). Operating Revenues exceeded Operating Expenditures by \$1,564,644 (+36.4%). At year-end, the combined balance of our various funds was \$3.920 million (+11.4%) of which 44% (-20%) was un-restricted or available for current operations or capital needs. A total of \$5,805,674 (+196%) was expended for non-operating expenses which included capital equipment, construction projects and debt service principal payments. Much of the significant increase from 2004 was due to the capital construction costs of the New Salem Church Road (NSCR) county expansion project.

Continued

Total liabilities increased by 29.7% (+\$3,349,724). Total net assets increased by 25.5% during the year or \$521,316. Plant assets increased by \$4,699,134 (+29%) which was due mostly to the construction of the NSCR Project.

Total Operating Expenses (less depreciation and interest expense) *decreased* by \$252,026 (-1.1%) from 2004. This decrease was mostly due to some salaries being capitalized to the NSCR Project for construction inspection, and a portion of managers salaries charged to the new sewer utility, instead of all to water. Interest Income was 3.4% of total revenues (+278%). Net income for the year was 21.5% of total revenues compared to 5.9% in 2004 (+264%).

On page 8, the Statement of Cash flow shows where operating cash was received from, and used for. Net cash provided by operations increased by 14.1% (+ \$156,634) over 2004. Much of this increase was due to increased tap sales, increased interest income and the allocation of some salaries to sewer which in 2004 were all charged to water.

The bond coverage ratio was 3.26 (+131%) which is 172% higher than the 1.20 required ratio (See Note B - Compliance with Bond Indenture). This is a key ratio as it indicates when the District must increase its water rates and income needed to pay off existing bonds. Revenues (excluding interest income) were 2.8% below our budget estimate (- \$107,101) due largely to a mild and cool summer. Wholesale sales were 9.5% more than budgeted (+ \$35,392).

As part of our audit, we ask our CPA to include a comparison of actual expenses and revenues to budget. This analysis is typical with government entities that set a specific budget amount for a fiscal year. Excluding Purchased Water, Debt Service, Debt Amortized costs and Depreciation expense, operating expenses ended up \$220,626 or 9.7% under budget. Actual net income was \$215,175 more than projected or budgeted (125% of budgeted amount).

In late 2005, the District engaged an engineering company to complete a cost of service rate study, to be completed and submitted to the PSC by mid, 2006. This required rate analysis was part of the 2002 order from the PSC after the last rate case was filed (filed in 2001, based on 2000 expenses), which required that the District update its rates after 2005 was closed out. Because of the latest bond issue debt service, new positions added, new benefits provided and increased depreciation expense, and other increased expenses since 2001, the District does anticipate a moderate rate adjustment will be requested.

Sewer Utilities: Due to the uncertainty of the sewer start-up date set by the Government, there was no pre-approved 2005 Budget for the Sewer Utilities. Total revenues from July through December were \$1,954,134. Expenses were \$959,488 with net operating income for the year of \$303,061. Cash increased for the sewer fund to \$340,729 at year end. The District engaged its sewer engineer (MetroplexCore, Inc.) for the completion of numerous studies and design of capital projects, most of which will be completed or started during 2006, and will require using a significant portion sewer fund cash reserves.

2005 Annual Report & Managements's Discussion and Analysis
May 22, 2006

Continued

During 2006, the District will also accept the Town of Muldraugh as its second sewer customer, in addition to the U.S. Government (Ft. Knox). A new wholesale sewer treatment rate for the town will be designed based on cost of service, which will need to be reviewed and approved by the PSC.

Significant Progress / New Projects

In 2005, the NSCR project was substantially completed, which included almost 40 miles of new water mains. The project was substantially complete within the contract time, and the final cost will be about three percent less than the bid and contract amounts. This project brings potable water to almost 400 homes and businesses in northwest, Hardin and Breckinridge counties. The project also included the first elevated, glass lined, concrete composite storage tank in Kentucky. A new pressure zone was also created which improved water pressure to all the District's customers in the county, rural areas.

In May, a new fixed rate bond sale was also completed. This \$6.860 million fixed rate issue was sold using on-line, internet bidding, obtaining a very competitive interest rate of 4.125 percent. The proceeds were used to construct the NSCR expansion project, \$1 million for the automated meter reading project and \$2.64 million to call and pay off the 1998 variable rate bond issue. The Board of Commissioners made a decision to reduce its ratio of variable rate debt, converting a higher portion of its debt portfolio to fixed rate.

In early 2006, the District also received an additional \$3 million in water project grant funding from the legislature. Of this amount, \$1 million was designated for the Constantine County Expansion Project. That \$4 million project, which plans have already been completed, will complete water service to all public county roads in the District's service area.

Operational Changes & Statistics

During 2005, a total of 906.9 MG (million gallons) was treated (+ 0.04%) and a total of 23.1 MG was purchased for resale (-37%). Total water delivered to the system was 930 MG which was about the same as 2004. The maximum demand day was 3.316 MG (-10%) and occurred on March 30th. The average daily demand for the year was 2.548 MG (+1%). A total of 274 new services were installed during the year (+ 94%) which was a strong growth year; a result of the sections of the new county expansion project being put into service and customers purchasing new taps in rural areas.

During 2005, a new position of Operations Manager was filled by Mr. Brett Pyles. Mr. Pyles was previously the District's Distribution / Operations Manager. His previous experience includes 18 years with a municipal water & sewer department, and included positions as Operations Manager and acting General Manager. This new management position oversees daily operations of both water and sewer, including oversight of the Veolia's Ft. Knox sewer operating contract.

Looking Forward

The District also continues its participation in the Lincoln Trail Regional Water Commission (LTRWC). The District's General Manager was re-elected as Chairman of the five member LTRWC.

2005 Annual Report & Managements's Discussion and Analysis
May 22, 2006

Continued

Studies and meetings continue to move toward the planned acquisition of the Ft. Knox Water Utility by the LTRWC, which is anticipated to occur in 2007. The District can purchase all of its treated water needs from Ft. Knox if needed, and in 2005, purchased 2.5% of its treated water from Ft. Knox (-36%).

A total of \$4 million in state grants have now been approved for the Pirtle Spring Water Treatment Plant Reconstruction Project. Legislation in 2006 was also approved to allow all water districts to use Design-Build (DB) as a delivery method for capital projects. The District is moving forward with selecting a DB team and hopes to complete this project by the end of 2007. This would be the first water plant project built in Kentucky using the DB method.

Finally, the District's Board has also authorized staff to proceed with working with other state and county agencies to explore operating and managing alternate septic and on-site wastewater systems in Hardin County. The District has participated in several meetings with the county Planning Commission, county Health District, State Division of Water, Fiscal Court and Hardin County Water District No. 2 to explore how both Hardin County Water District's could manage and oversee the construction and operation of alternative on-site systems in the county.

Overall, 2005 was a very positive growth year, and the beginning of sewer operations was a milestone in the history of the District. As with the most recent history, the District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and other capital projects.

Sincerely,



Mr. Jim Bruce, General Manager

Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

Dennis H. England, CPA
 Michael D. Foley, CPA
 Lyman Hager, Jr., CPA
 Jerry W. Hensley, CPA
 Chris A. Humphrey, CPA
 J. Carroll Luby, CPA
 Marc T. Ray, CPA-ABV

INDEPENDENT AUDITORS' REPORT

David L. Lowe, CPA

Board of Commissioners
 Hardin County Water District No. 1
 Radcliff, Kentucky

We have audited the accompanying balance sheet of Hardin County Water District No. 1 as of December 31, 2005 and 2004, and the related statements of revenues, expenses and changes in retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The management's discussion and analysis and budgetary comparison information on pages 1 through 4 and page 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hardin County Water District No. 1 as of December 31, 2005 and 2004 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with **Government Auditing Standards**, we have also issued a report dated May 10, 2006 on our consideration of Hardin County Water District No. 1's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audit.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
 May 10, 2006

HARDIN COUNTY WATER DISTRICT NO. 1
BALANCE SHEETS
December 31,

ASSETS	Water	Sewer	2005 Total	2004 Total
Current Assets				
Cash	\$ 181,233	\$ 340,729	\$ 521,962	\$ 131,522
Investments	1,229,267	-	1,229,267	1,170,205
Accounts receivable, net	503,220	325,635	828,855	493,406
Due from other funds	38,376	-	38,376	-
Inventory - materials and supplies	179,536	-	179,536	69,895
Prepaid expenses	233,847	27,483	261,330	278,325
Total current assets	<u>2,365,479</u>	<u>693,847</u>	<u>3,059,326</u>	<u>2,143,353</u>
Long-term Investments				
Unrestricted reserve	312,513	-	312,513	554,922
Restricted assets-reserve funds	2,197,004	-	2,197,004	1,662,696
	<u>2,509,517</u>	<u>-</u>	<u>2,509,517</u>	<u>2,217,618</u>
Property, plant and equipment				
Land	266,023	-	266,023	266,023
Plant and lines	25,940,564	71,104,349	97,044,913	19,443,017
Buildings	139,093	-	139,093	1,677,188
Equipment	2,477,727	272,558	2,750,285	2,287,370
Construction in progress	186,178	309,817	495,993	357,787
Total	<u>29,009,583</u>	<u>71,686,724</u>	<u>100,696,307</u>	<u>24,031,385</u>
Less accumulated depreciation	<u>(8,195,708)</u>	<u>(56,841,593)</u>	<u>(65,037,301)</u>	<u>(7,916,644)</u>
Total property, plant, and equipment	<u>20,813,875</u>	<u>14,845,131</u>	<u>35,659,006</u>	<u>16,114,741</u>
TOTAL ASSETS	<u>\$ 25,688,871</u>	<u>\$ 15,538,978</u>	<u>\$ 41,227,849</u>	<u>\$ 20,475,712</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 75,738	\$ -	\$ 75,738	\$ 264,565
Due to other funds	-	38,376	38,376	-
Customers' deposits	131,516	-	131,516	125,782
Accrued expenses	36,672	-	36,672	38,683
Sewer collections payable	281,923	-	281,923	286,729
State escheatment - reserve for unclaimed funds	13,124	-	13,124	10,983
Liabilities payable from restricted assets:				
Current portion of long-term debt	680,000	-	680,000	840,000
Accrued interest on long-term debt	150,251	-	150,251	64,898
Total current liabilities	<u>1,369,224</u>	<u>38,376</u>	<u>1,407,600</u>	<u>1,631,640</u>
Long-Term Debt				
Bonds payable	13,610,000	-	13,610,000	10,010,000
Less unamortized discount and expenses	<u>(578,356)</u>	<u>-</u>	<u>(578,356)</u>	<u>(538,360)</u>
Long-term debt net	<u>13,031,644</u>	<u>-</u>	<u>13,031,644</u>	<u>9,471,640</u>
Other Liabilities				
Customer advances for construction	196,731	-	196,731	144,595
Total liabilities	<u>14,597,599</u>	<u>38,376</u>	<u>14,635,975</u>	<u>11,247,875</u>
Net Assets				
Invested in capital assets	7,102,231	14,845,131	21,947,362	5,803,101
Restricted	1,424,611	-	1,424,611	912,199
Unrestricted	2,564,430	655,471	3,219,901	2,512,537
Total net assets	<u>11,091,272</u>	<u>15,500,602</u>	<u>26,591,874</u>	<u>9,227,837</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 25,688,871</u>	<u>\$ 15,538,978</u>	<u>\$ 41,227,849</u>	<u>\$ 20,475,712</u>

HARDIN COUNTY WATER DISTRICT NO. 1
STATEMENTS OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
for the years ended December 31,

	Water	Sewer	2005 Total	2004 Total
OPERATING REVENUE				
Metered water sales	\$ 2,636,307	\$ -	\$ 2,636,307	\$ 2,594,396
Wholesale sales	406,892	-	406,892	341,491
Sewer billing contract revenue	184,207	-	184,207	207,687
Sewer service revenue	-	1,953,808	1,953,808	-
Penalties, service fees and miscellaneous	417,193	326	417,519	335,199
Total operating revenue	<u>3,644,599</u>	<u>1,954,134</u>	<u>5,598,733</u>	<u>3,478,773</u>
OPERATING EXPENSES				
Treatment	636,075 ✓	-	636,075	631,472
Distribution 442,039	440,039 -	-	440,039	582,566
Customer service	298,983 ✓	-	298,983	322,031
General & administrative expenses	609,673	-	609,673	693,121
Purchased water	24,638 ✓	-	24,638	44,883
General maintenance	56,906 ✓	-	56,906	55,340
Source of supply	13,641 ✓	-	13,641	2,568
Sewer	-	959,488	959,488	-
Total operating expense	<u>2,079,955</u>	<u>959,488</u>	<u>3,039,443</u>	<u>2,331,981</u>
Operating income before depreciation	1,564,644	994,646	2,559,290	1,146,792
Depreciation & amortization expense	(488,612)	(691,585)	(1,180,197)	(597,686)
OPERATING INCOME	1,076,032	303,061	1,379,093	549,106
Non-operating Income (expenses)				
Interest income	126,927 ✓	-	126,927	30,772
Interest expense	(452,136) ✓	-	(452,136)	(389,026)
Net unrealized gain (loss)	1,104	-	1,104	-
Gain on sale of equipment	33,446	-	33,446	13,558
INCOME BEFORE CAPITAL CONTRIBUTIONS	785,373	303,061	1,088,434	204,410
Capital Contributions				
Government contributions	595,000	15,197,541	15,792,541	-
Tap fees	208,116	-	208,116	99,422
Customer contributions	274,947	-	274,947	150,589
Change in net assets	1,863,436	15,500,602	17,364,038	454,421
Net assets, as restated, beginning of year	9,227,836	-	9,227,836	8,773,416
NET ASSETS END OF YEAR	<u>\$ 11,091,272</u>	<u>\$ 15,500,602</u>	<u>\$ 26,591,874</u>	<u>\$ 9,227,837</u>

The accompanying notes are an integral part of these financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
STATEMENTS OF CASH FLOWS
for the years ended December 31,

	Water	Sewer	2005 Total	2004 Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,634,785	\$ 1,628,499	\$ 5,263,284	\$ 3,440,473
Payments to suppliers	(1,125,605)	(959,488)	(2,085,093)	(1,114,745)
Payments for employee services and benefits	(1,207,281)	-	(1,207,281)	(1,218,839)
Other receipts (payments)	(38,376)	10,893	(27,483)	-
Net cash provided by operating activities	<u>1,263,523</u>	<u>679,904</u>	<u>1,943,427</u>	<u>1,106,889</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions in aid of construction	1,078,063	-	1,078,063	250,011
Proceeds from sale of equipment	37,930	-	37,930	17,420
Proceeds from issuance of long-term debt	6,860,000	-	6,860,000	-
Acquisition and construction of capital assets	(5,025,674)	(339,175)	(5,364,849)	(426,233)
Principal paid on long-term debt	(3,420,000)	-	(3,420,000)	(860,000)
Interest paid on long-term debt	(452,136)	-	(452,136)	(374,716)
Cash (paid) received under advance construction contracts	52,136	-	52,136	(22,067)
Net cash(used) by capital and related financing activities	<u>(869,681)</u>	<u>(339,175)</u>	<u>(1,208,856)</u>	<u>(1,415,585)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	126,927	-	126,927	30,772
Redemption of investments	999,233	-	999,233	1,728,779
Purchase of investments	(1,470,291)	-	(1,470,291)	(1,755,059)
Net cash provided (used) by investing activities	<u>(344,131)</u>	<u>-</u>	<u>(344,131)</u>	<u>4,492</u>
NET INCREASE (DECREASE) IN CASH	<u>49,711</u>	<u>340,729</u>	<u>390,440</u>	<u>(304,204)</u>
Cash at beginning of year	131,522	-	131,522	435,726
CASH AT END OF YEAR	<u>\$ 181,233</u>	<u>\$ 340,729</u>	<u>\$ 521,962</u>	<u>\$ 131,522</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,076,032	\$ 303,061	\$ 1,379,093	\$ 549,106
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	488,612	691,585	1,180,197	597,686
Change In assets and liabilities:				
Accounts receivable	(9,814)	(325,635)	(335,449)	(48,682)
Due from other funds	(38,376)	-	-	-
Inventory	(109,641)	-	(109,641)	58,823
Prepaid expenses	44,479	(27,483)	16,996	(234,759)
Accounts payable	(188,827)	-	(188,827)	164,334
Due to other funds	-	38,376	38,376	-
Accrued expenses	(2,011)	-	(2,011)	(46,439)
Other payables	3,069	-	3,069	66,820
Net cash provided by operating activities	<u>\$ 1,263,523</u>	<u>\$ 679,904</u>	<u>\$ 1,943,427</u>	<u>\$ 1,106,889</u>

The accompanying notes are an integral part of these financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Hardin County Water District No. 1 (the District) organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin and Meade Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity: The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The entities included in the financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

As of January 1, 2004 the District implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement established a new financial reporting model for state and local governments that included the addition of Management's Discussion and Analysis and certain other required supplementary information. In addition, this Statement required certain reclassifications of fund balance (net assets) and the recognition of grants as revenue rather than direct entries to fund balance (net assets). Prior year amounts have been reclassified to confirm to this presentation.

The District applies all applicable FASB pronouncements in accounting and reporting for its operations.

Accounts Receivable: The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2005 and 2004. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The Sewer Fund has no allowance for uncollectible accounts because all receivables are believed to be collectible.

Inventory: The Water Fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The inventory is stated at the lower of cost (first-in, first-out method) or market.

Restricted Assets: The Water Fund's Restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market accounts, and interest-bearing accounts. The cost of the investments approximates market value.

Property and Equipment: The Water and Sewer Fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Amortization: The Water Fund's bond discounts and issue costs are being amortized on the straight-line method over the life of the bond issue.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

Investments: It is the policy of the Hardin County Water District No. 1 to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds.

NOTE B - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 1998 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issues.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years beginning November 1, 1989, an amount equal to the average annual principal and interest requirements on the 1998 and the 2005 issues outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund.

Depreciation Fund: This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account have been placed in a money market account in order to obtain greater returns on the fund's money.

Operating and Maintenance Fund: This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

During the year ended December 31, 2005, the required deposits for bond interest redemption funds were fully funded as outlined above. The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20. For the year ended December 31, 2005, the ratio was 3.26.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE C – REVENUE BONDS PAYABLE

Some of the construction costs of the District's water facilities have been financed by issuance of revenue bonds authorized under Kentucky Revised Statutes.

Bonds payable of the Water Fund consists of the following at December 31,

	<u>2005</u>	<u>2004</u>
2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District.	\$ 6,860,000	\$ -
2002 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Fifth Third Bank.	4,470,000	4,490,000
1998 Refunding Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 3.35% to 4.2% through September 1, 2012, secured by the revenues of the District.	2,960,000	3,275,000
1991 Series B Revenue Bonds, various semi-annual principle and interest payments at 6.7% through September 1, 2005, secured by the revenues of the District.	<u>-</u>	<u>3,275,000</u>
Total debt	14,290,000	10,850,000
Less current portion	<u>680,000</u>	<u>840,000</u>
	<u>\$ 13,610,000</u>	<u>\$ 10,010,000</u>

In 1991, the District refunded its 1985 issue through the defeasance of a 1991 refunding issue. The 1985 issue was fully escrowed and was called in 1995.

Defeasance of Debt – In 1998, the District had defeased certain revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the district's financial statements.

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 refunding issue. The District also issued another bond issue in 1998 that funded the new service center and the Fort Knox interconnect project.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE C – REVENUE BONDS PAYABLE (CONTINUED)

Bond maturities and Sinking Fund requirements in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2006	\$ 680,000	\$ 600,601	\$ 1,280,601
2007	700,000	572,320	1,272,320
2008	750,000	543,733	1,293,733
2009	800,000	512,107	1,312,107
2010	800,000	477,003	1,277,003
2011-2015	3,710,000	1,869,897	5,579,897
2016-2020	3,625,000	1,117,703	4,742,703
2021-2025	<u>3,225,000</u>	<u>360,676</u>	<u>3,585,676</u>
	<u>\$ 14,290,000</u>	<u>\$ 6,054,040</u>	<u>\$ 20,344,040</u>

NOTE D - OTHER LIABILITIES

The Water Fund's other liabilities in the amount of \$196,731 and \$144,595 at December 31, 2005 and 2004, respectively, represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE E - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE F – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2005 were covered entirely by federal depository insurance or by collateral held by the custodial banks in the District's name.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge as security obligations of the United States government or its agencies.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE F – CASH AND INVESTMENTS (CONTINUED)

Cash and investments are classified as follows for the Water and Sewer Fund,

	2005	2004
Unrestricted:		
Cash & Cash Equivalents:		
Operating and maintenance fund	\$ -	\$ -
Revenue fund	520,262	129,822
Other	<u>1,700</u>	<u>1,700</u>
	521,962	131,522
Short-term investments:		
Unrestricted reserve	1,229,267	1,170,205
Certificate of deposit	<u>-</u>	<u>-</u>
	1,229,267	1,170,205
Long-term investments:		
Unrestricted reserve	<u>312,513</u>	<u>554,922</u>
Total unrestricted	<u>2,063,742</u>	<u>1,856,649</u>
Restricted:		
Short-term investments:		
1991 B&I redemption fund	4,554	105,392
1998 B&I redemption fund – variable rate	138,319	112,453
2002 B&I redemption fund – variable rate	1	-
2005 B&I redemption fund – fixed rate	86,983	-
1998 Debt service reserve	-	24,963
2002 Debt service reserve	78,635	4,969
2005 Debt service reserve	96,387	-
2005 Project fund	326,489	-
2005 Cost of issuance	9,092	-
1998 Refunding escrow	284	-
Debt service reserve	112,853	167,171
Depreciation fund	<u>117,432</u>	<u>203,527</u>
	971,029	618,475
Long-term investments:		
Debt service reserve	571,014	497,251
Depreciation fund	<u>654,961</u>	<u>546,970</u>
	1,225,975	1,044,221
Total restricted	<u>2,197,004</u>	<u>1,662,696</u>
Total Cash & Investments	<u>\$4,260,746</u>	<u>\$3,519,345</u>

NOTE G – RETIREMENT PLAN

All Hardin County Water District full-time employees participate in the Kentucky Retirement System (System), a multiple-employer public employee retirement system, through the County Employee Retirement System (CERS). The District's payroll for both the Water and Sewer Fund at December 31, 2005 and 2004 was approximately \$1,019,556 and \$929,564 of which the District paid participating wages on approximately \$1,001,080 and \$917,090, respectively.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
for the years ended December 31, 2005 and 2004

NOTE G – RETIREMENT PLAN-continued

All District full-time employees are eligible to participate in the System after receiving full-time status. Employees who retire at or after 27 years of service are entitled to a retirement benefit, payable monthly for life, using the formula of 2.2 percent of their final compensation times years of service. Final compensation is the average of the five fiscal years during which the member had the highest average monthly salary. Benefits fully vest on reaching 5 years of service, 2 years of which are current service. The System also provides death and disability benefits. Benefits are established by State statute.

Covered employees are required by State statute to contribute a percentage of their salary to the plan. The District is required by the same statute to contribute to the plan on behalf of the employees. Contribution rates for 2005 were 5% from employees and 8.48% (January-June) and 10.98% (July-December) from the District. The contribution requirement for the year ended December 31, 2005 and 2004 for the both the Water and Sewer Fund was \$147,737 and \$118,827 respectively. This consisted of \$97,683 from the District and \$50,054 from employees in 2005 and \$72,973 from the District and \$45,854 from employees in 2004.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among CERS and employers.

The CERS total actuarial accrued liability was \$7,180,923,840 and the net assets available for the benefits was \$6,511,561,710 as of June 30, 2005. Ten-year historical trend information, showing assets available to pay benefits when due, is presented in the System's June 30, 2005 comprehensive annual report.

NOTE H – SEWER AQUISITION

During 2005 the District acquired the Fort Knox Waste Water and Storm Drainage System for \$1 from the U.S. Government. The assets associated with the System had an original estimated cost of \$71,347,550 and accumulated depreciation of \$56,150,009 at the date of acquisition. The net book value of \$15,226,898 is reported as contributed capital to the District. The District has entered into a twenty year agreement with Veolia Water North America – South, LLC to provide operations maintenance and management of the system. During the first three years of the agreement the District will pay Veolia an annual fee of \$1,678,658 plus any additional cost as outlined in the agreement. Up to \$160,000 of the annual fee can be used by Veolia for repairs and maintenance expenses with no additional cost to the District. During 2005, \$11,981 of Veolia's expenses were capitalized.

NOTE I – RESTATEMENT OF NET ASSETS

Beginning net assets has been restated to properly reflect construction in progress as follows:

Net assets as previously reported	\$ 9,276,850
Adjustment to properly reflect CIP	<u>(49,014)</u>
Net assets, December 31, 2005	\$ 9,227,836

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
WATER FUND
for the year ended December 31, 2005

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
OPERATING REVENUE			
Metered water sales	\$ 2,636,307	\$ 2,738,000	\$ (101,693)
Wholesale sales	406,892	371,500	35,392
Sewer billing contract revenue	184,207	228,000	(43,793)
Penalties, service fees and miscellaneous	417,193	414,200	2,993
	<u>3,644,599</u>	<u>3,751,700</u>	<u>(107,101)</u>
OPERATING EXPENSES			
Treatment	636,075	631,822	4,253
Distribution	440,039	597,376	(157,337)
Customer service	298,983	305,512	(7,529)
General & administrative expenses	609,673	677,457	(67,784)
Purchased water	24,638	22,000	2,638
General maintenance	56,906	59,096	(2,190)
Source of supply	13,641	3,680	9,961
	<u>2,079,955</u>	<u>2,297,943</u>	<u>(217,988)</u>
Total operating expense	<u>2,079,955</u>	<u>2,297,943</u>	<u>(217,988)</u>
Operating income before depreciation	1,564,644	1,453,757	110,887
Depreciation & amortization expense	<u>(488,612)</u>	<u>(592,900)</u>	<u>104,288</u>
OPERATING INCOME	1,076,032	860,857	215,175
Non-operating income (expenses)			
Unrealized gain(loss)	1,104	-	1,104
Interest income	126,927	115,000	11,927
Interest expense	(452,136)	(392,880)	(59,256)
Gain on sale of equipment	33,446	-	33,446
	<u>33,446</u>	<u>-</u>	<u>33,446</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	785,373	582,977	201,292
Capital Contributions			
Government contributions	595,000	-	595,000
Tap Fees	208,116	-	208,116
Customer Contribution	274,947	-	274,947
	<u>274,947</u>	<u>-</u>	<u>274,947</u>
Change in net assets	<u>\$ 1,863,436</u>	<u>\$ 582,977</u>	<u>\$ 1,279,355</u>

**HARDIN COUNTY ER DISTRICT NO. 1
BOND AND INTEREST REQUIREMENTS
for the year ended December 31, 2005**

Payments due	\$3,950,000 1998 (fixed rate) Issue		\$4,510,000 2002 (variable rate) Issue		\$6,860,000 2005 (fixed rate) Issue		Total all issues	
	Bond	Interest	Bond	Interest	Bond	Interest	Bond	Interest
2006	\$ 415,000	\$ 120,988	\$ 200,000	\$ 196,638	\$ 65,000	\$ 282,975	\$ 680,000	\$ 600,601
2007	430,000	104,388	200,000	187,638	70,000	280,294	700,000	572,320
2008	450,000	87,188	200,000	179,139	100,000	277,406	750,000	543,733
2009	470,000	69,188	200,000	169,638	130,000	273,281	800,000	512,107
2010	380,000	49,800	260,000	159,284	160,000	267,919	800,000	477,003
2011	400,000	34,030	260,000	147,584	200,000	261,319	860,000	442,933
2012	415,000	17,430	260,000	136,272	240,000	253,069	915,000	406,771
2013	-	-	260,000	124,184	360,000	243,169	620,000	367,353
2014	-	-	280,000	112,033	370,000	228,319	650,000	340,352
2015	-	-	280,000	99,433	385,000	213,056	665,000	312,489
2016	-	-	280,000	87,088	400,000	197,175	680,000	284,263
2017	-	-	290,000	74,121	415,000	180,675	705,000	254,796
2018	-	-	300,000	60,732	430,000	163,556	730,000	224,288
2019	-	-	300,000	47,232	445,000	145,819	745,000	193,051
2020	-	-	300,000	33,842	465,000	127,463	765,000	161,305
2021	-	-	300,000	20,231	485,000	108,281	785,000	128,512
2022	-	-	300,000	6,732	500,000	88,275	800,000	95,007
2023	-	-	-	-	525,000	67,650	525,000	67,650
2024	-	-	-	-	545,000	45,994	545,000	45,994
2025	-	-	-	-	570,000	23,513	570,000	23,513
Total	\$ 2,960,000	\$ 483,012	\$ 4,470,000	\$ 1,841,821	\$ 6,860,000	\$ 3,729,207	\$ 14,290,000	\$ 6,054,040

**HARDIN COUNTY WATER DISTRICT NO. 1
INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the financial statements of Hardin County Water District No. 1 as of and for the year ended December 31, 2005, and have issued our report thereon dated May 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Hardin County Water District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operations that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hardin County Water District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

This report is intended for the information and use of the Board of Commissioners, management and the Public Service Commission of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

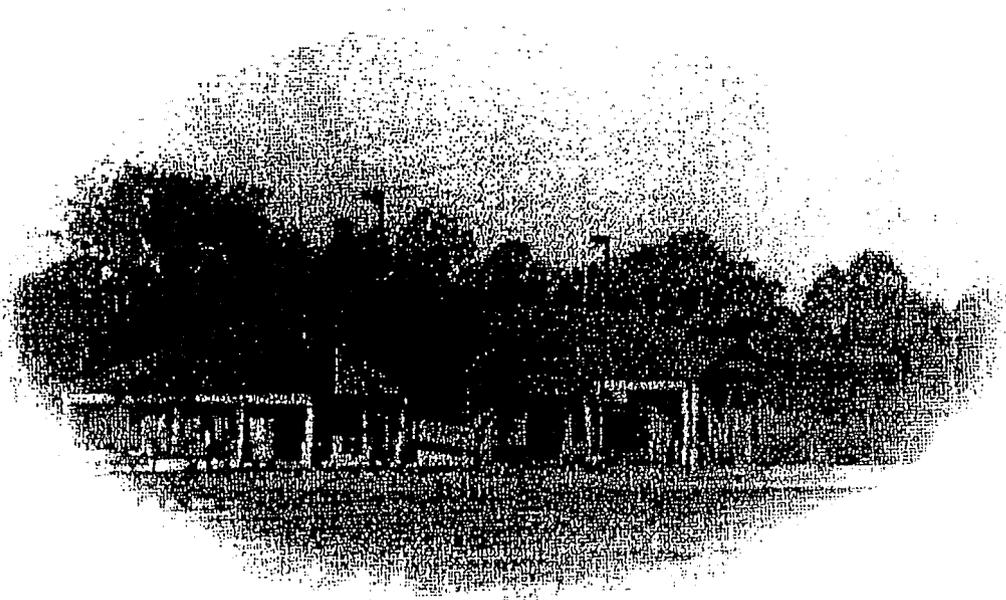
Ray, Foley, Hensley & Company

Ray, Foley, Hensley & Company, PLLC
May 10, 2006

HARDIN COUNTY WATER DISTRICT NO. 1

ANNUAL REPORT

DECEMBER 31, 2003



Customer Service Center

Dedicated October, 1997

HARDIN COUNTY WATER DISTRICT NO. 1

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

April 26, 2004

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2003 Annual Report

This report is a joint effort of our staff and Carpenter, Mountjoy & Bressler, CPA's. This is the third year we have retained this firm to complete our annual audit I would like to recognize Ms. Karen Brown, our Accounting Specialist, for her efforts assisting the auditors in preparing this information.

► A Year of Significant Growth

In 2003, two of the District's largest water main expansion projects in its history were completed, bringing the availability of potable water to 400 homes in northwest Hardin County. The two projects added thirty-eight miles of new mains which increased our distribution system assets by 17%. A total of 217 new taps were installed as the new mains were put in service [(+197%) *All percentages in parentheses represent change from 2002 to 2003*].

The two major construction projects (Highway 920 and Highway 86) were both completed at a combined final contractor cost of \$3,625,820 which was only 2.5% more than the bids accepted in November, 2001. Most of the cost increases were related to unit and quantity adjustments. A new Equipment Building was also completed at the Service Center. This building was approved with the overall project in 1996 when designed, but the Board chose to change the design and location. This 3,000 square foot building allows us to keep our most expensive construction equipment and inventory indoors in a secure and weather proof environment.

The Board authorized the completion of final plans and submission to regulators for permitting as soon as possible of the New Salem Church Road County Expansion Project. This project includes another thirty-eight miles of new distribution mains, bringing access to water to almost 400 existing homes. The project also includes a new pressure zone and elevated storage tank. This tank will allow us to improve water pressure to all county residents south of Vine Grove, and to remove an old existing tank that provides little pressure or hydraulic benefit to our system.

► Healthy Financial Results

The District ended the year with a net operating income, net of debt interest cost, of \$431,939 (+0.5%). Operating Revenues exceeded Operating Expenditures by \$831,817 (+12%). At year-end, the combined balance of our various funds was \$3.849 million (-15%) of which 70% (+32%) was un-restricted or available for current operations or capital needs. A total of

General Managers Report
2003 Annual Report

Continued

\$1,964,050 was expended for capital equipment, construction projects and debt service principal payments (-53%).

Total Operating Expenses (less depreciation and purchased water) increased by 2.6% from 2002. Interest Income was 1.6% of total revenues (-59%). The bond coverage ratio also increased to 1.53 (+2.7%) from 1.49 in 2002. This is a key ratio as it indicates when the District must increase its water rates and income needed to pay off existing bonds. Revenues (excluding interest income) were 3.6% below our budget estimate (- \$127,795) caused mostly by a wet summer affecting retail water sales. Penalties, service charges and miscellaneous revenues were 12% more than budgeted.

► Budget Performance

As part of our audit, we ask our CPA to include a comparison of actual expenses and revenues to budget. This analysis is typical with government entities that set a specific budget amount for a fiscal year. Excluding Purchased Water, Debt Service, Debt Amortized costs and Depreciation expense, operating expenses ended up \$6,604 or 0.3% over budget.

Purchased Water expenses were \$52,294 over budget (+73%) due to large distribution leaks late in the year. Professional Services and a significant increase in liability insurance premiums caused general expenses to be over budget by \$88,355 (+46%).

► Operating Facts and Achievements

During 2003, a total of 752.3 MG (million gallons) was treated (+ 2.5%) and a total of 162.1 MG was purchased for resale (+10.2%). The maximum demand day was 3.905 MG (+32%) and occurred on April 9, which was caused by an emergency purchase need by HCWD2 for one day. The average daily demand for the year was 2.505 MG (+19%).

The Board approved the purchase of a sophisticated portable flow meter during the year, which assisted with several leak detection surveys during the year. Three large leaks were located and repaired. This new tool, and our gained knowledge of completing detailed leak surveys, will significantly decrease our unaccounted for water losses and purchased water costs in future years.

We received an Award of Excellence from the Kentucky/Tennessee Chapter of the American Water Works Association for our Safety Program. We completed another year without a lost work injury, even while our employees worked an estimated 56,000 hours.

A Clarifier Renovation Project at the Pirtle Spring Water Plant was also started. This project re-coated the two clarifier tanks, replaced catwalk and stairs with safer fiberglass decking, cleaned out both the wet and dry lagoons, added pre-filter disinfection and replaced several critical valves associated with the clarifiers. The project will improve safety, reduce chemical costs and greatly extend the life of the steel clarifier vessels.

General Managers Report
2003 Annual Report

Continued

► **Board and Staff Changes**

After twelve years on the Board, with ten consecutive years as Chairman, Mr. Ron Vasquez was not reappointed to an additional term. Mr. Vasquez led the District through some of its most significant capital improvements, as well as improvements in staff professionalism, customer service and overall District image. Ms. Portia Petties, most senior Board member, was elected Chairperson in September. Mr. Ron Hockman, a local minister and longtime Radcliff resident, was appointed to the Board to take Mr. Vasquez' seat.

Late in the year, the Board also approved a staff organizational change, the first significant change in six years. A new Customer Service Manager position was approved, as well as a reclassification of a Distribution Department position to a Distribution GIS/Planning Specialist. Three Field Service Representatives were also transferred from the Customer Service Department to the Distribution Department. The changes are directed to improve customer service, address growth and planning projects in Distribution and to allow the General Manager spend more time on long range projects, Board planning and special projects.

We look forward to continued growth, improvements in our operations, resulting in better customer service in the future year. If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Jim Bruce". The signature is written in black ink and is positioned above the typed name of the General Manager.

Mr. Jim Bruce, General Manager

Carpenter, Mountjoy & Bressler

Certified Public Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited the accompanying balance sheets of the Hardin County Water District No. 1 as of December 31, 2003 and 2002, and the related statements of income and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the management of the Hardin County Water District No. 1. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hardin County Water District No. 1 as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2004, on our consideration of Hardin County Water District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Hardin County Water District No. 1 taken as a whole. The accompanying supplementary information shown on pages 14 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for budgetary information, has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Carpenter, Mountjoy & Bressler, PC

Louisville, Kentucky
February 5, 2004

HARDIN COUNTY WATER DISTRICT NO. 1

BALANCE SHEETS

ASSETS	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Current Assets			
Cash			
Operating and Maintenance Fund	\$ 95,326	\$ 168,107	
Revenue Fund	135,166	203,154	
2002 Bond Proceeds	-	1,122,208	
Other	<u>205,234</u>	<u>179,396</u>	
Total cash	435,726	1,672,865	(73.95)%
Investments			
Certificates of deposit - Service Center	1,689,140	1,237,905	
Certificates of deposit - Depreciation Fund	<u>789,597</u>	<u>775,332</u>	
Total Investments	2,478,737	2,013,237	23.12%
Accounts Receivable			
Customers	432,389	365,781	
Other	12,335	5,322	
Inventory – materials and supplies	128,718	83,613	
Prepaid expenses	<u>43,567</u>	<u>45,531</u>	
Total other current assets	<u>617,009</u>	<u>500,247</u>	23.34%
Total current assets	3,531,472	4,186,349	
Restricted Assets			
1991 Bond and Interest Redemption Fund	108,627	108,348	
1992 Bond and Interest Redemption Fund	32,027	31,929	
1998 Bond and Interest Redemption Fund - Fixed Rate	28,803	30,136	
1998 Bond and Interest Redemption Fund - Variable Rate	94,826	67,674	
2002 Bond and Interest Redemption Fund - Variable Rate	6,238	7,483	
Debt Service Reserve	<u>663,798</u>	<u>660,984</u>	
Total restricted assets	934,319	906,554	3.06%
Property, Plant and Equipment			
Land	267,459	266,023	
Plant and water mains	15,011,968	14,786,552	
Buildings	1,505,401	1,502,147	
Equipment	2,117,644	2,069,534	
Construction in progress	<u>4,702,679</u>	<u>3,695,742</u>	
Total	23,605,151	22,319,998	5.76%
Less accumulated depreciation	<u>(7,451,801)</u>	<u>(6,939,919)</u>	7.38%
Total property, plant and equipment	<u>16,153,350</u>	<u>15,380,079</u>	5.03%
	<u>\$ 20,619,141</u>	<u>\$ 20,472,982</u>	0.71%

See accompanying independent auditor's report
and notes to financial statements

LIABILITIES AND EQUITY	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Current Liabilities			
Accounts payable	\$ 100,231	\$ 13,347	
Customers' deposits	134,622	132,178	
Accrued interest on deposits	1,826	1,826	
Accrued expenses	83,296	63,111	
Sewer collections payable	210,355	204,279	
State escheatment – reserve for unclaimed refunds	11,698	11,262	
Liabilities payable from restricted assets:			
Current portion of long-term debt	860,000	675,000	
Accrued interest on long-term debt	<u>50,558</u>	<u>60,091</u>	
Total current liabilities	1,452,586	1,161,094	25.10%
Long-Term Debt			
Bonds payable			
1991 refunding issue	395,000	775,000	
1992 issue	-	120,000	
1998 issue	2,690,000	2,795,000	
1998 refunding issue	3,275,000	3,510,000	
2002 issue	<u>4,490,000</u>	<u>4,510,000</u>	
Total	10,850,000	11,710,000	
Less unamortized discount and expenses	<u>623,522</u>	<u>709,086</u>	
Long-term debt net of unamortized expense	10,226,478	11,000,914	(7.04)%
Other Liabilities			
Customer advances for construction	<u>166,662</u>	<u>192,934</u>	
Total liabilities	11,845,726	12,354,942	(4.12)%
Equity			
Contributions in aid of construction	3,190,045	2,966,609	
Retained earnings	<u>5,583,370</u>	<u>5,151,431</u>	
Total equity	<u>8,773,415</u>	<u>8,118,040</u>	8.07%
	<u>\$ 20,619,141</u>	<u>\$ 20,472,982</u>	0.71%

HARDIN COUNTY WATER DISTRICT NO. 1**STATEMENTS OF INCOME AND RETAINED EARNINGS**

Years ended December 31

	<u>2003</u>	<u>2002</u>	<u>Percent Change</u>
Revenue			
Metered water sales	\$ 2,538,153	\$ 2,458,915	
Wholesale sales	334,303	293,942	
Sewer billing contract revenue	186,903	175,350	
Penalties, service fees and miscellaneous	<u>281,146</u>	<u>282,270</u>	
Total revenue	3,340,505	3,210,477	4.05%
Expenditures			
Depreciation expense	511,881	520,757	
Treatment	541,919	501,542	
Distribution	401,857	423,709	
Customer service	354,216	336,905	
General expenses	280,572	275,039	
Administrative expenses	247,479	237,632	
Purchased water	124,294	124,364	
General maintenance	44,448	46,864	
Source of supply	<u>2,022</u>	<u>3,038</u>	
Total expenditures	<u>2,508,688</u>	<u>2,469,850</u>	1.57%
Operating Income	831,817	740,627	12.31%
Other Income			
Interest income	56,161	130,519	
Gain on disposal of equipment	<u>4,128</u>	<u>-</u>	
Total other income	60,289	130,519	(53.81)%
Other Expenditures			
Interest on long-term debt	374,602	358,028	
Amortization	<u>85,565</u>	<u>83,133</u>	
Total other expenditures	<u>460,167</u>	<u>441,161</u>	4.31%
Excess of revenues over expenditures	431,939	429,985	.45%
Retained Earnings, Beginning of Year	<u>5,151,431</u>	<u>4,721,446</u>	
Retained Earnings, End of Year	<u>\$ 5,583,370</u>	<u>\$ 5,151,431</u>	

See accompanying independent auditor's report
and notes to financial statements

HARDIN COUNTY WATER DISTRICT NO. 1**STATEMENTS OF CASH FLOWS**

Year ended December 31

	<u>2003</u>	<u>2002</u>
Cash Flows From Operating Activities		
Excess of revenues over expenditures	\$ 431,939	\$ 429,985
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities:		
Depreciation	511,881	520,757
Amortization	85,565	83,133
Gain on disposal of equipment	(4,128)	-
Changes in operating assets and liabilities:		
Restricted assets	(27,765)	(560,965)
Accounts receivable	(73,621)	(47,262)
Inventory	(45,105)	(12,575)
Prepaid expenses	1,964	(20,946)
Accounts payable	86,884	(3,724)
Accrued expenses	20,185	17,603
Other payables	8,956	(11,194)
Accrued interest	<u>(9,533)</u>	<u>(6,212)</u>
Total adjustments	<u>555,283</u>	<u>(41,385)</u>
Net cash provided by operating activities	987,222	388,600
Cash Flows From Investing Activities		
Proceeds from sale of equipment	8,018	-
Acquisition and construction of capital assets	(1,289,043)	(3,602,599)
Net (purchase) redemption of investments	<u>(465,500)</u>	<u>193,305</u>
Net cash used by investing activities	(1,746,525)	(3,409,294)
Cash Flows From Capital and Related Financing Activities		
Contributions in aid of construction	223,436	98,980
Principal paid on long-term debt	(675,000)	(640,000)
Proceeds from bond issue	-	4,510,000
Payments for debt issue costs	-	(194,557)
Cash (paid) received under advance construction contracts	<u>(26,272)</u>	<u>74,637</u>
Net cash (used) provided by capital and related financing activities	<u>(477,836)</u>	<u>3,849,060</u>
(Decrease) Increase in Cash and Cash Equivalents	(1,237,139)	828,366
Cash and Cash Equivalents, Beginning of Year	<u>1,672,865</u>	<u>844,499</u>
Cash and Cash Equivalents, End of Year	<u>\$ 435,726</u>	<u>\$ 1,672,865</u>
Supplemental Disclosures of Cash Flows Information:		
Cash paid during the year for:		
Interest	<u>\$ 384,134</u>	<u>\$ 364,240</u>

See accompanying independent auditor's report
and notes to financial statements

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS**

December 31, 2003

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities: Hardin County Water District No. 1 (the District) was organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin and Meade Counties.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Accounts Receivable: Accounts receivable is net of an allowance for uncollectible accounts of \$2,193 and \$1,765 as of December 31, 2003 and 2002, respectively. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances.

Inventory: The inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The inventory is stated at the lower of cost (first-in, first-out method) or market.

Restricted Assets: Restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market accounts, and interest-bearing accounts. The cost of the investments approximates market value.

Property and Equipment: Property and equipment are recorded at cost, or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals, or betterments are generally capitalized.

Amortization: The bond discounts and issue costs are being amortized on the straight-line method over the life of the bond issue.

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments: It is the policy of the Hardin County Water District No. 1 to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds.

Reclassification: Certain amounts for 2002 have been reclassified to conform with 2003 classifications. Such reclassifications had no effect on reported net income.

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS

Some of the construction costs of the District's water facilities have been financed by issuance of revenue bonds authorized under Kentucky Revised Statutes.

Bonds payable consists of the following at December 31:

	<u>2003</u>	<u>2002</u>
2002 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Fifth Third Bank.	\$ 4,510,000	\$ 4,510,000
1998 Revenue Bonds, various semi-annual principle payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2012, secured by a letter of credit issued by Fifth Third Bank.	2,795,000	2,890,000
1998 Refunding Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 3.35% to 4.2% through September 1, 2012, secured by the revenues of the District.	3,510,000	3,630,000
1992 Series A Revenue Bonds, various semi-annual principle and interest payments at rates ranging from 6.0% to 6.1% through September 1, 2004, secured by the revenues of the District.	120,000	230,000
1991 Series B Revenue Bonds, various semi-annual principle and interest payments at 6.7% through September 1, 2005, secured by the revenues of the District.	<u>775,000</u>	<u>1,125,000</u>
Total debt	11,710,000	12,385,000
Less current portion	<u>860,000</u>	<u>675,000</u>
	<u>\$10,850,000</u>	<u>\$11,710,000</u>

Continued

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS--CONTINUED

Bond maturities and Sinking Fund requirements in each of the next 5 years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Sinking Fund Requirements</u>
2004	\$ 860,000	\$ 516,285	\$ 1,376,285
2005	840,000	468,244	1,308,244
2006	735,000	419,717	1,154,717
2007	760,000	389,115	1,149,115
2008	820,000	358,169	1,178,169
2009 - 13	3,875,000	1,255,208	5,130,208
2014 - 18	2,620,000	567,589	3,187,589
2019 - 22	<u>1,200,000</u>	<u>108,037</u>	<u>1,308,037</u>
Total	<u>\$ 11,710,000</u>	<u>\$ 4,082,364</u>	<u>\$ 15,792,364</u>

In 1991, the District refunded its 1985 issue through the issuance of a 1991 refunding issue. The 1985 issue was fully escrowed and was called in 1995.

Defeasance of Debt - In 1998, the District had defeased certain revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the district's financial statements.

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 refunding issue. The District also issued another bond issue in 1998 that funded the new service center and the Fort Knox interconnect project.

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Revenue Fund: All receipts for services are deposited into this fund and subsequently disbursed into the following required funds:

Bond and Interest Redemption Funds: There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 1991 and the two 1998 issues. These funds are used to pay maturing bond and interest coupons on the aforementioned issues.

Bond Reserve Fund: This fund shall receive, on a monthly basis, within five years beginning November 1, 1989 an amount equal to the average annual principal and interest requirements on the 1991, 1992 and the two 1998 issues outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund.

Continued
HARDIN COUNTY WATER DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS--CONTINUED

December 31, 2003

NOTE B--REVENUE BONDS PAYABLE AND FUND REQUIREMENTS--CONTINUED

Depreciation Fund: This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account have been placed in a certificate of deposit and a money market account in order to obtain greater returns on the fund's money.

Operating and Maintenance Fund: This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

NOTE C--COMPLIANCE WITH BOND INDENTURE

During the year ended December 31, 2003, the required deposits for bond interest redemption funds were fully funded as outlined in Note B to the financial statements. The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20. For the year ended December 31, 2003, the ratio was 1.53.

NOTE D--OTHER LIABILITIES

Other liabilities in the amount of \$166,662 and \$192,934 at December 31, 2003 and 2002, respectively represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE E--EQUITY

A summary of equity is as follows:

	<u>2003</u>	<u>2002</u>
Unappropriated	\$ 6,969,499	\$ 6,356,154
Appropriated		
Bond and interest redemption funds	270,521	245,570
Bond reserve fund	743,799	740,984
Depreciation fund	<u>789,596</u>	<u>775,332</u>
Total appropriated	<u>1,803,916</u>	<u>1,761,886</u>
Total equity	<u>\$ 8,773,415</u>	<u>\$ 8,118,040</u>

Continued

HARDIN COUNTY WATER DISTRICT NO. 1**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

December 31, 2003

NOTE E--EQUITY--CONTINUED

Included in equity are contributions in aid of construction in the amount of \$3,190,045 and \$2,966,609 at December 31, 2003 and 2002, respectively, which represents tapping and connection fees paid by customers in accordance with the rates established by the Board of Commissioners, nonrefundable payments for the extensions of water mains and reimbursement by the State of water line relocations. The costs associated with these additions are capitalized by the District in the appropriate utility plant account. Customers' contributions were \$223,436 and \$98,980 for the years ended December 31, 2003 and 2002, respectively.

NOTE F--DEFINED BENEFIT PENSION PLAN

All Hardin County Water District full-time employees participate in the Kentucky Retirement System (System), a multiple-employer public employee retirement system, through the County Employee Retirement system (CERS). The District's payroll for the year was approximately \$914,000 of which the District paid participating wages on approximately \$875,000.

All District full-time employees are eligible to participate in the System after receiving full-time status. Employees who retire at or after 27 years of service are entitled to a retirement benefit, payable monthly for life, using the formula of 2.2 percent of their final compensation times years of service. Final compensation is the average of the five fiscal years during which the member had the highest average monthly salary. Benefits fully vest on reaching 5 years of service, 2 years of which are current service. The System also provides death and disability benefits. Benefits are established by State statute.

Covered employees are required by State statute to contribute a percentage of their salary to the plan. The District is required by the same statute to contribute to the plan on behalf of the employees. Contribution rates for 2003 were 5% from employees and 6.34% (January - June) and 7.34% (July - December) from the District. The contribution requirement for the year ended December 31, 2003 was \$103,617 which consisted of \$59,867 from the District and \$43,750 from employees.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among CERS and employers.

The System does not make separate measurements of assets and accrued liability for individual employers. The accrued liability at June 30, 2003, for the system as a whole determined through an actuarial valuation performed as of that date was \$5.29 billion. The System's net assets at June 30, 2003, were \$4.42 billion, leaving an over-funded actuarial accrued liability of \$.87 billion.

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2003 comprehensive annual financial report.

HARDIN COUNTY WATER DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS—CONTINUED

December 31, 2003

NOTE G—CONCENTRATIONS OF CREDIT RISK

The District's cash accounts and certificates of deposit at December 31, 2003 exceeded the combined Federal Deposit Insurance Corporation (FDIC) limit and the respective banks' pledged securities limit by approximately \$793,000. The District has not experienced any losses in such accounts and believes it is not exposed to significant credit risks on its cash accounts and certificates of deposit.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT NO. 1**SCHEDULE OF REVENUES AND EXPENDITURES--ACTUAL TO BUDGET**

For the year ended December 31, 2003

	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
Revenues			
Metered water sales	\$ 2,538,153	\$ 2,664,500	\$ (126,347)
Wholesale sales	334,303	378,300	(43,997)
Sewer billing contract revenue	186,903	175,000	11,903
Penalties, service fees and maintenance	<u>281,146</u>	<u>250,500</u>	<u>30,646</u>
Total revenues	3,340,505	3,468,300	(127,795)
Expenditures			
Depreciation	511,881	585,000	(73,119)
Treatment	541,919	558,396	(16,477)
Distribution	401,857	410,119	(8,262)
Customer service	354,216	344,200	10,016
General expenses	280,572	192,217	88,355
Administrative expenses	247,479	307,153	(59,674)
Purchased water	124,294	72,000	52,294
General maintenance	44,448	50,924	(6,476)
Source of supply	<u>2,022</u>	<u>2,900</u>	<u>(878)</u>
Total expenditures	<u>2,508,688</u>	<u>2,522,909</u>	<u>(14,221)</u>
Other Income			
Other income	4,128	-	-
Interest income	<u>56,161</u>	<u>140,000</u>	<u>(83,839)</u>
Total other income	60,289	140,000	(83,839)
Other Expenditures			
Interest on long-term debt	374,602	427,602	(53,000)
Amortization	<u>85,565</u>	<u>112,000</u>	<u>(26,435)</u>
Total other expenditures	<u>460,167</u>	<u>539,602</u>	<u>(79,435)</u>
Excess of revenues over expenditures	<u>\$ 431,939</u>	<u>\$ 545,789</u>	<u>\$ (113,850)</u>

HARDIN COUNTY WATER DISTRICT NO. 1

SCHEDULE--BOND AND INTEREST REQUIREMENTS

December 31, 2003

Payments due	\$3,705,000		\$3,745,000		\$3,200,000		\$3,950,000		\$4,510,000	
	1991 Refunding Issue	1992 Issue	1998 (variable rate) Issue	1998 (fixed rate) Refunding Issue	2002 (variable rate) Issue	Bond	Interest	Bond	Interest	Bond
2004	\$ 380,000	\$ 51,925	\$ 120,000	\$ 7,320	\$ 105,000	\$ 110,997	\$ 235,000	\$ 142,988	\$ 20,000	\$ 203,055
2005	395,000	26,465	-	-	110,000	106,592	315,000	133,588	20,000	201,599
2006	-	-	-	-	120,000	102,091	415,000	120,988	200,000	196,638
2007	-	-	-	-	130,000	97,089	430,000	104,388	200,000	187,638
2008	-	-	-	-	170,000	91,842	450,000	87,188	200,000	179,139
2009	-	-	-	-	180,000	84,686	470,000	69,188	200,000	169,638
2010	-	-	-	-	190,000	77,184	380,000	49,800	260,000	159,284
2011	-	-	-	-	190,000	69,785	400,000	34,030	260,000	147,584
2012	-	-	-	-	200,000	62,159	415,000	17,430	260,000	136,272
2013	-	-	-	-	210,000	53,984	-	-	260,000	124,184
2014	-	-	-	-	220,000	45,382	-	-	280,000	112,033
2015	-	-	-	-	230,000	36,380	-	-	280,000	99,433
2016	-	-	-	-	240,000	27,261	-	-	280,000	87,088
2017	-	-	-	-	245,000	17,479	-	-	290,000	74,121
2018	-	-	-	-	255,000	7,680	-	-	300,000	60,732
2019	-	-	-	-	-	-	-	-	300,000	47,232
2020	-	-	-	-	-	-	-	-	300,000	33,842
2021	-	-	-	-	-	-	-	-	300,000	20,231
2022	-	-	-	-	-	-	-	-	300,000	6,732
Total	\$ 775,000	\$ 78,390	\$ 120,000	\$ 7,320	\$ 2,795,000	\$ 990,691	\$ 3,510,000	\$ 759,588	\$ 4,510,000	\$ 2,245,475

Carpenter, Mountjoy & Bressler

Certified Public Accountants and Advisors

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Board of the
Hardin County Water District No. 1

We have audited the financial statements of Hardin County Water District No. 1 as of and for the year ended December 31, 2003, and have issued our report thereon dated February 5, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Hardin County Water District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hardin County Water District No. 1's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal controls over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over the financial reporting that we have reported to the management of Hardin County Water District No. 1 in a separate letter dated February 5, 2004.

This report is intended for the information and use of management and the members of the Board of Hardin County Water District No. 1 and is not intended to be and should not be used by anyone other than these specified parties.

Carpenter, Mountjoy & Bressler, PSC
Louisville, Kentucky
February 5, 2004

Cost of Service Study
Hardin County Water District No. 1

Appendix B

Water Production Data

HARDIN COUNTY WATER DISTRICT NO. 1
SUPPORT DATA FOR SCHEDULE C

Average Daily Demand/Max Day Demand/Wholesale Sales 2005

Month	ADF	Treated Max Day	Wholesale Sales			Purchased FTK	Daily Average Purchase	Treated Max/Avg Ratio	Calculated Purchased Max Day	Total Max Day
			Vine Grove	MCWD	Hardinsburg					
J	2,528,645	2,829,000	9,355,000	11,060,200	720,000	784,000	25,290	1.20	30,348	2,859,348
F	2,411,250	2,668,000	9,885,000	11,127,000	380,000	1,628,000	58,143	1.20	69,771	2,737,771
M	2,310,968	2,645,000	8,607,000	12,866,500	-	2,578,000	83,161	1.20	99,794	2,744,794
A	2,503,867	2,790,000	9,555,000	14,880,000	-	892,000	29,733	1.20	35,680	2,825,680
M	2,675,452	2,870,000	8,926,000	12,970,000	-	981,000	31,645	1.20	37,974	2,907,974
J	2,655,129	2,964,000	9,698,000	12,897,900	-	1,955,000	65,167	1.20	78,200	3,042,200
J	2,630,710	3,075,000	9,737,000	9,868,700	850,000	3,475,000	112,097	1.20	134,516	3,209,516
A	2,699,968	2,898,000	9,403,000	43,798,400	230,000	4,538,000	146,387	1.20	175,665	3,073,665
S	2,757,367	2,952,000	9,138,000	5,238,000	138,000	1,259,000	41,967	1.20	50,360	3,002,360
O	2,609,710	2,794,000	7,870,000	25,278,300	185,000	511,000	16,484	1.20	19,781	2,813,781
N	2,464,900	2,760,000	7,216,000	8,519,500	205,000	1,874,000	62,467	1.20	74,960	2,834,960
D	2,581,742	2,736,000	7,651,000	14,162,900	325,000	2,053,000	66,226	1.20	79,471	2,815,471
Total	30,829,708		107,041,000	182,667,400	3,033,000	22,528,000				
Avg	2,569,142		293,263	500,459	8,310	61,721				
Max/Avg Ratio										

Average Daily Flow (Adjusted for Purchased Water) = **2,630,863**
 Maximum Daily Flow (Adjusted for Purchased Water) = **3,209,516**
 Max/Avg Ratio = **1.22**

Cost of Service Study
Hardin County Water District No. 1

Appendix C

Cost of Service Calculations

HARDIN COUNTY WATER DISTRICT NO. 1

SCHEDULE A
 COST OF SERVICE COMPARISON WITH EXISTING AND PROPOSED REVENUES/RATES
 FOR TWELVE MONTH PERIOD ENDING DECEMBER 31, 2005

Customer Classification (1)	Cost of Service (2)		Existing Revenues (4)		Option No. 1 Increase (6)		Proposed Revenues (8)	
	Amount	Percent (3)	Amount	Percent (5)	Amount	Percent (7)	Amount	Percent (9)
Retail (Total)	\$ 2,590,273	73.1%	\$ 2,636,307	86.0%	\$ 316,038	12.0%	\$ 2,952,345	83.4%
- Meter Charges			\$ 572,723	18.7%	\$ 39,518	6.9%		
- Residential Sales			\$ 1,684,990	54.9%	\$ 225,789	13.4%		
- Commercial Sales			\$ 275,136	9.0%	\$ 36,868	13.4%		
- Multi-Family Sales			\$ 103,458	3.4%	\$ 13,863	13.4%		
Wholesale	\$ 883,378	24.9%	\$ 406,884	13.3%	\$ 154,616	38.0%	\$ 561,500	15.9%
- Vine Grove			\$ 148,092	4.8%	\$ 56,275	38.0%		
- MCWD			\$ 252,872	8.2%	\$ 96,091	38.0%		
- Hardinsburg			\$ 5,920	0.2%	\$ 2,250	38.0%		
Fire Protection								
- Private	\$ 16,513	0.5%	\$ 23,891	0.8%	\$ 3,201	13.4%	\$ 27,092	0.8%
- Public	\$ 51,247	1.4%	-	0.0%				
TOTALS	\$ 3,541,411	100%	\$ 3,067,082	100.0%	\$ 473,855	15.4%	\$ 3,540,937	100%

METER CHARGE COSTS

ITEM	AMOUNT	Number of Meters (Sch B, Incl New)
Meters/Services Billing	\$ 161,954	10,675
Meter Reading	\$ 299,707	\$ 5.02
Total	\$ 181,851	6.9%
	\$ 643,512	

HARDIN COUNTY WATER DISTRICT NO. 1

SCHEDULE B
SCHEDULE B - ALLOCATION OF COST-OF-SERVICE BY FUNCTION TO CUSTOMER CLASSIFICATIONS

<u>Account/Cost Function</u> (1)	<u>Ref Item</u> (2)	<u>Cost of Service (Sch C)</u> (3)	<u>Retail</u> (4)	<u>Wholesale</u> (5)	<u>Public</u> (6)	<u>Private</u> (7)
OPERATIONS AND MAINTENANCE EXPENSE						
SOURCE OF SUPPLY						
- Base	B1	\$ 13,641	\$ 9,549	\$ 4,092	\$ -	\$ -
TOTAL SOURCE OF SUPPLY						
		\$ 13,641	\$ 9,549	\$ 4,092	\$ -	\$ -
WATER TREATMENT						
- Base	B1	\$ 521,582	\$ 365,107	\$ 156,475	\$ -	\$ -
- Extra Capacity - Max Day	B2	\$ 114,494	\$ 72,131	\$ 42,363	\$ -	\$ -
TOTAL WATER TREATMENT						
		\$ 636,076	\$ 437,239	\$ 198,837	\$ -	\$ -
TRANSMISSION & DISTRIBUTION						
- Base	B9	\$ 152,930	\$ 127,773	\$ 25,157	\$ -	\$ -
- Extra Capacity - Max Day	B9	\$ 32,650	\$ 27,279	\$ 5,371	\$ -	\$ -
- Extra Capacity - Max Hour	B9	\$ 113,180	\$ 94,562	\$ 18,618	\$ -	\$ -
- Meters & Services	B4	\$ 9,836	\$ 9,059	\$ 98	\$ -	\$ 679
- CSV - Billing and Collecting	B5	\$ -	\$ -	\$ -	\$ -	\$ -
- CSV - Meter Reading	B6	\$ 125,378	\$ 124,688	\$ 38	\$ -	\$ 652
- Fire Service - Public	B7	\$ 5,640	\$ -	\$ -	\$ 5,640	\$ -
- Fire Service - Private	B8	\$ 424	\$ -	\$ -	\$ -	\$ 424
TOTAL TRANSMISSION & DISTRIBUTION						
		\$ 440,038	\$ 383,361	\$ 49,282	\$ 5,640	\$ 1,755
CUSTOMER SERVICE						
- CSV - Billing and Collecting	B5	\$ 298,983	\$ 297,339	\$ 90	\$ -	\$ 1,555
TOTAL CUSTOMER SERVICE						
		\$ 298,983	\$ 297,339	\$ 90	\$ -	\$ 1,555

Quest Engineers, Inc

Account/Cost Function (1)	Ref Item (2)	Service (Sch C) (3)	Fire Protection			
			Retail (4)	Wholesale (5)	Public (6)	Private (7)
MAINTENANCE						
- Base	B1	\$ 40,580	\$ 28,406	\$ 12,174	\$ -	\$ -
- Extra Capacity - Max Day	B2	\$ 8,678	\$ 5,467	\$ 3,211	\$ -	\$ -
- Extra Capacity - Max Hour	B3	\$ 6,709	\$ 4,227	\$ 2,482	\$ -	\$ -
- Meters and Service	B4	\$ 579	\$ 533	\$ 6	\$ -	\$ 40
- Fire Service - Public	B7	\$ 334	\$ -	\$ -	\$ 334	\$ -
- Fire Service - Private	B8	\$ 25	\$ -	\$ -	\$ -	\$ 25
TOTAL MAINTENANCE			\$ 38,633	\$ 17,873	\$ 334	\$ 65
ADMINISTRATIVE						
- Base	B1	\$ 315,980	\$ 221,186	\$ 94,794	\$ -	\$ -
- Extra Capacity - Max Day	B2	\$ 67,878	\$ 42,763	\$ 25,115	\$ -	\$ -
- Extra Capacity - Max Hour	B3	\$ 62,051	\$ 39,092	\$ 22,959	\$ -	\$ -
- Meters and Services	B4	\$ 5,086	\$ 4,684	\$ 51	\$ -	\$ 351
- CSV Billing and Collecting	B5	\$ 125,514	\$ 124,824	\$ 38	\$ -	\$ 653
- CSV Meter Reading	B6	\$ 54,878	\$ 54,576	\$ 16	\$ -	\$ 285
- Fire Service - Public	B7	\$ 2,719	\$ -	\$ -	\$ 2,719	\$ -
- Fire Service - Private	B8	\$ 198	\$ -	\$ -	\$ -	\$ 198
TOTAL ADMINISTRATIVE			\$ 487,125	\$ 142,973	\$ 2,719	\$ 1,487
OPERATION & MAINTENANCE EXPENSE TOTAL			\$ 2,079,947	\$ 413,147	\$ 8,693	\$ 4,861
AMORTIZATION & DEPRECIATION EXPENSE						
- Base	B1	\$ 234,534	\$ 164,174	\$ 70,360	\$ -	\$ -
- Extra Capacity - Max Day	B2	\$ 58,633	\$ 36,939	\$ 21,694	\$ -	\$ -
- Extra Capacity - Max Hour	B3	\$ 141,697	\$ 89,269	\$ 52,428	\$ -	\$ -
- Meters and Services	B4	\$ 29,317	\$ 27,001	\$ 293	\$ -	\$ 2,023
- CSV Billing and Collecting	B5	\$ 9,772	\$ 9,718	\$ 3	\$ -	\$ 51
- CSV Meter Reading	B6	\$ 4,886	\$ 4,859	\$ 1	\$ -	\$ 25
- Fire Service - Public	B7	\$ 9,284	\$ -	\$ -	\$ 9,284	\$ -
- Fire Service - Private	B8	\$ 489	\$ -	\$ -	\$ -	\$ 489
DEPRECIATION EXPENSE TOTAL			\$ 331,960	\$ 144,780	\$ 9,284	\$ 2,588
TOTAL TEST-YEAR COST OF SERVICE			\$ 1,985,206	\$ 557,927	\$ 17,977	\$ 7,449

Quest Engineers, Inc

11/1/2006

Account/Cost Function (1)	Ref Item (2)	Service (Sch C) (3)	Retail (4)	Fire Protection	
				Wholesale (5)	Private (7)
MISC (INCOME)/EXPENSES					
- Base	B1	\$ (133,461) \$	(93,423) \$	(40,038) \$	- \$
- Extra Capacity - Max Day	B2	\$ (5,405) \$	(3,405) \$	(2,000) \$	- \$
- Extra Capacity - Max Hour	B3	\$ 84,990 \$	53,544 \$	31,446 \$	- \$
- Meters and Services	B4	\$ 23,146 \$	21,317 \$	231 \$	1,597
- CSV Billing and Collecting	B5	\$ (217,781) \$	(216,583) \$	(65) \$	(1,132)
- CSV Meter Reading	B6	\$ (10,361) \$	(10,304) \$	(3) \$	(54)
- Fire Service - Public	B7	\$ 6,292	-	6,292	-
- Fire Service - Private	B8	\$ 280	-	-	280
TOTAL MISC INCOME		\$ (252,300) \$	(248,854) \$	(10,429) \$	6,292 \$
ADJUSTMENTS TO TEST-YEAR (FROM SCH C)					
- Base	B1	568,178	397,725	170,453	-
- Extra Capacity - Max Day	B2	125,815	79,263	46,552	-
- Extra Capacity - Max Hour	B3	318,669	200,761	117,908	-
- Meters and Services	B4	93,990	86,565	940	6,485
- CSV Billing and Collecting	B5	83,089	82,632	25	432
- CSV Meter Reading	B6	7,013	6,974	2	36
- Fire Service - Public	B7	26,978	-	-	26,978
- Fire Service - Private	B8	1,419	-	-	1,419
ADJUSTMENTS TOTAL		1,225,151	853,921	335,879	26,978
TOTAL ADJUSTED TEST-YEAR COST-OF-SERVICE		\$ 3,541,410 \$	2,590,273 \$	883,378 \$	51,247 \$
					16,513

HARDIN COUNTY WATER DISTRICT NO. 1

SCHEDULE B - SUPPORT INFORMATION
METHODS FOR ALLOCATING COSTS BY FUNCTION TO CUSTOMER CLASSIFICATIONS

ITEM B1 - Allocation of Base Costs

Allocation factors are based on the test year average daily water demand for each customer classification

<u>Customer Classification</u> (1)	Average Daily Demand (GPD) (2)	Allocation Factor (3)
Retail	1,828,831	0.70
Wholesale	802,032	0.30
- MCWD	500,459	
- Vine Grove	293,263	
- Hardinsburg	8,310	
	<hr/>	
Totals	<u><u>2,630,863</u></u>	<u><u>1.00</u></u>

ITEM B2 - Allocation of Maximum Day Extra Capacity Costs

Allocation factors are based on the test year (2005) maximum day water demand for each customer classification.

<u>Customer Classification</u> (1)	Maximum Daily Demand (MGD) (2)	Allocation Factor (3)
Retail	2,013,633	0.63
Wholesale	1,195,883	0.37
- MCWD	815,429	
- Vine Grove	353,035	
- Hardinsburg	27,419	
	<hr/>	
Totals	<u><u>3,209,516</u></u>	<u><u>1.00</u></u>

ITEM B3 - Allocation of Maximum Hour Extra Capacity Costs

Allocation factors are based on the test year (2005) maximum day water demand for each customer classification.

<u>Customer Classification</u> (1)	<u>Average Daily Demand (GPM)</u> (2)	<u>Max Demand Hour Factor</u> (3)	<u>Max Demand Flow (GPH)</u> (4)	<u>Allocation Factor</u> (5)
Retail	1,270.0	2.0	152,400	0.70
Wholesale	556.9	2.0	66,828	0.30
- MCWD	347.5			
- Vine Grove	203.6			
- Hardinsburg	5.8			
Totals			<u>219,228</u>	<u>1.00</u>

ITEM B4 - Allocation of Meter/Service Costs

Allocation factors are based on costs associated with meters/services and are detailed on Table B-1

<u>Customer Classification</u> (1)	<u>5/8" Service Cost Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Retail	9,509	0.921
Wholesale	102	0.010
- MCWD	53	
- Vine Grove	35	
- Hardinsburg	14	
Fire Service - Private	714	0.069
Totals	<u>10,325</u>	<u>1.0000</u>

ITEM B5 - Allocation of Billing and Collection Costs

Allocation factors are based on total number of customers.

<u>Customer Classification</u> (1)	<u>Total Customers</u> (2)	<u>Allocation Factor</u> (3)
Retail	9509	0.9945
Wholesale	3	0.0003
Fire Service - Private	50	0.0052
Totals	<u>9562</u>	<u>1.00</u>

ITEM B6 - Allocation of Meter Reading Costs

Allocation factors are based on total number of meters.

<u>Customer Classification</u> (1)	<u>Total Customers</u> (2)	<u>Allocation Factor</u> (3)
Retail	9509	0.9945
Wholesale	3	0.0003
Fire Service - Private	50	0.0052
Totals	<u>9562</u>	<u>1.00</u>

ITEM B7 - Allocation of Public Fire Service Costs

Costs are assigned directly to the Public Fire Service Cost Function

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Public Fire Service	<u>1.00</u>

ITEM B8 - Allocation of Private Fire Service Costs

Costs are assigned directly to the Private Fire Service Cost Function

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Private Fire Service	<u><u>1.00</u></u>

ITEM B9 - Allocation of Transmission/Distribution Costs

Allocation factors are based on inch-miles calculations provided in Appendix __. The inch-mile allocations were determined based on flow distribution for each customer classification found in HCWD1's computer hydraulic model .

<u>Customer Classification</u> (1)	<u>Total Inch-Miles</u> (2)	<u>Allocation Factor</u> (3)
Retail	1285	0.8355
Wholesale	253	0.1645
- MCWD	183	
- Vine Grove	69	
- Hardinsburg	1	
Totals	<u><u>1538</u></u>	<u><u>1.00</u></u>

HARDIN COUNTY WATER DISTRICT NO. 1

TABLE B-1 - ALLOCATION METER AND SERVICE COSTS TO CUSTOMER CLASSES

Meter Size	5/8" Meter/ Service Line Capacity Equiv	Retail		MCWD		Wholesale Vine Grove		Hardinsburg		Fire Service		Total	
		Meters	Weight	Meters	Weight	Meters	Weight	Meters	Weight	Meters	Weight	Meters	Weight
5/8	1	9509	9509									9,509	9,509
	1.4											-	-
1 1/2	1.8											-	-
2	2.9											-	-
3	11			1	11							-	-
4	14			2	42	1	14	1	14	50	700	51	714
6	21					1	21					-	-
8	29											-	-
Totals		9,509	9,509	3	53	2	35	1	14	50	700	9,560	10,223

Notes:

- 1 Capacity Equivalent included as a check on the Cost Equivalent value
- 2 Weight determined by multiplying number of meters x meter cost equivalent

HARDIN COUNTY WATER DISTRICT NO. 1

SCHEDULE C - COST OF SERVICE BY FUNCTION
FOR THE TWELVE MONTH PERIOD ENDING DECEMBER 31, 2006

Account (1)	Allocation Item (2)	Cost of Service (3)	Base (4)	Extra Capacity Max Day (5)	Max Hour (6)	Meters/ Services (7)	Customer Service Billing (8)	Meter Reading (9)	Fire Service Public (10)	Private (11)
OPERATIONS AND MAINTENANCE EXPENSES										
SOURCE OF SUPPLY EXPENSES										
10.10.6150100	Power Purchased/Well (Gray Ln)	\$3,336	\$ 3,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.10.6200400	Maintenance & Repairs	\$10,305	\$ 10,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL SOURCE OF SUPPLY	\$13,641	\$ 13,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WATER TREATMENT EXPENSES										
10.11.6010000	Salary & Wages	\$204,930	\$ 168,043	\$ 36,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010100	OASDI	\$15,470	\$ 12,685	\$ 2,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010200	Pension	\$21,040	\$ 17,253	\$ 3,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010300	Health & Life Insurance	\$21,995	\$ 18,036	\$ 3,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010400	Overtime	\$1,775	\$ 1,456	\$ 320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010500	Premium Time	\$4,832	\$ 3,962	\$ 870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6010801	Flexible Benefits	\$8,153	\$ 6,685	\$ 1,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6150000	Utilities	\$33,130	\$ 27,167	\$ 5,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6150300	WTP Energy Expenses	\$154,631	\$ 126,797	\$ 27,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6180000	Chemicals	\$91,609	\$ 75,119	\$ 16,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6200000	Materials & Supplies Misc	\$112	\$ 92	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6200300	Supplies & Expense	\$4,724	\$ 3,874	\$ 850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6200400	Maintenance & Repairs	\$5,408	\$ 4,435	\$ 973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6200500	Deferred 03 Clarifier Proj	\$20,492	\$ 16,803	\$ 3,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6200900	Small Tool Expense	\$1,039	\$ 852	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6350000	Contractual Services	\$2,064	\$ 1,692	\$ 372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6350100	Professional Services/Lab	\$28,167	\$ 23,097	\$ 5,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6500000	Transportation Fuel & Repairs	\$2,888	\$ 2,368	\$ 520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6580500	Workers Comp	\$11,365	\$ 9,319	\$ 2,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.11.6750100	Phone Expense	\$2,251	\$ 1,846	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL WATER TREATMENT	\$636,075	\$ 521,582	\$ 114,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Quest Engineers, Inc.

Allocation Item (2)	Account (1)	Cost of Service (3)	Base (4)	Extra Capacity (6)		Meters/ Services (7)	Customer Service (9)		Fire Service (10)		Private (11)	
				Max Day (5)	Max Hour (6)		Billing (8)	Meter Reading (9)	Public (10)	Private (11)		
TRANSMISSION & DISTRIBUTION												
10.14.6010000	Salary & Wages	\$210,766	\$ 61,825	\$ 13,879	\$ 47,946	\$ -	\$ -	\$ 84,593	\$ 2,397	\$ -	\$ 126	
10.14.6010100	OASDI	\$27,285	\$ 8,850	\$ 1,987	\$ 6,864	\$ -	\$ -	\$ 9,223	\$ 343	\$ -	\$ 18	
10.14.6010200	Pension	\$36,403	\$ 11,809	\$ 2,651	\$ 9,158	\$ -	\$ -	\$ 12,304	\$ 458	\$ -	\$ 24	
10.14.6010300	Health & Life Insurance	\$41,814	\$ 13,564	\$ 3,045	\$ 10,519	\$ -	\$ -	\$ 14,133	\$ 526	\$ -	\$ 28	
10.14.6010400	Overtime	\$16,124	\$ 7,901	\$ 1,774	\$ 6,127	\$ -	\$ -	\$ -	\$ 306	\$ -	\$ 16	
10.14.6010500	Premium Time	\$3,705	\$ 1,815	\$ 408	\$ 1,408	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ 4	
10.14.6010600	Salary & Wages - Part Time	\$5,518	\$ 2,704	\$ 607	\$ 2,097	\$ -	\$ -	\$ -	\$ 105	\$ -	\$ 6	
10.14.6010801	Flexible Benefits	\$15,164	\$ 4,919	\$ 1,104	\$ 3,815	\$ -	\$ -	\$ 5,125	\$ 191	\$ -	\$ 10	
10.14.6150200	Ft. Knox Energy	\$4,482	\$ 2,196	\$ 493	\$ 1,703	\$ -	\$ -	\$ -	\$ 85	\$ -	\$ 4	
10.14.6150303	1882 Energy	\$1,903	\$ 932	\$ 209	\$ 723	\$ -	\$ -	\$ -	\$ 36	\$ -	\$ 2	
10.14.6150400	WHSP Hills Energy	\$3,713	\$ 1,819	\$ 408	\$ 1,411	\$ -	\$ -	\$ -	\$ 71	\$ -	\$ 4	
10.14.6150500	St. Johns PS Power	\$371	\$ 182	\$ 41	\$ 141	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ 0	
10.14.6200000	Materials & Supplies/Misc	\$10,854	\$ 5,318	\$ 1,194	\$ 4,125	\$ -	\$ -	\$ -	\$ 206	\$ -	\$ 11	
10.14.6200100	Transmission Main Repairs	\$19,440	\$ 9,526	\$ 2,138	\$ 7,387	\$ -	\$ -	\$ -	\$ 369	\$ -	\$ 19	
10.14.6200200	Service Line Repairs	\$8,164	\$ -	\$ -	\$ -	\$ 8,164	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6200300	Supplies and Expenses	\$1,672	\$ -	\$ -	\$ -	\$ 1,672	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6200400	Maintenance & Repair	\$757	\$ 371	\$ 83	\$ 288	\$ -	\$ -	\$ -	\$ 14	\$ -	\$ 1	
10.14.6200600	Storage Maintenance	\$906	\$ 390	\$ -	\$ 390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127	
10.14.6200701	Booster Station Supply & Expense	\$158	\$ 77	\$ 17	\$ 60	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 0	
10.14.6200900	Small Tool Expense	\$3,728	\$ 1,827	\$ 410	\$ 1,417	\$ -	\$ -	\$ -	\$ 71	\$ -	\$ 4	
10.14.6201000	SCADA Supplies	\$50	\$ 25	\$ 6	\$ 19	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 0	
10.14.6203000	Ext. Meter Repairs	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6204000	Fire Hydrant Repairs	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6350000	Contractual Services	\$7,100	\$ 7,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6500000	Transportation Fuel & Repairs	(\$413)	\$ (202)	\$ (45)	\$ (157)	\$ -	\$ -	\$ -	\$ (8)	\$ -	\$ (0)	
10.14.6560500	Workers Comp	\$17,098	\$ 8,378	\$ 1,881	\$ 6,497	\$ -	\$ -	\$ -	\$ 325	\$ -	\$ 17	
10.14.6750000	Misc Expense	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
10.14.6750100	Phone Expense	\$3,276	\$ 1,605	\$ 360	\$ 1,245	\$ -	\$ -	\$ -	\$ 62	\$ -	\$ 3	
TOTAL TRANSMISSION AND DISTRIBUTION		\$440,038	\$152,930	\$32,650	\$113,180	\$9,836	\$0	\$125,378	\$ 5,640	\$424		

Quest Engineers, Inc.

Account (1)	Allocation Item (2)	Cost of Service (3)	Base (4)	Extra Capacity (5)		Meters/ Services (7)	Customer Service Billing (8)	Meter Reading (9)	Fire Service (10)		Private (11)
				Max Day	Max Hour				Public	Private	
CUSTOMER SERVICE											
10.15.6010000	Salary & Wages	\$145,543					145,543				
10.15.6010100	OASDI	\$11,209					11,209				
10.15.6010200	Pension	\$14,551					14,551				
10.15.6010300	Health & Life Insurance	\$15,186					15,186				
10.15.6010400	Overtime	\$3,575					3,575				
10.15.6010500	Premium Time	\$0					-				
10.15.6010600	Salary & Wages - Part Time	\$2,241					2,241				
10.15.6010801	Flexible Benefits	\$6,950					6,950				
10.15.6154270	Deposit Interest Expenses	\$441					441				
10.15.6200000	Materials & Supplies/Misc	\$6,945					6,945				
10.15.6200101	Computer Supplies	\$1,008					1,008				
10.15.6200801	Supplies & Expense	\$231					231				
10.15.6200900	Small Tool Expense	\$0					-				
10.15.6350000	Contractual Services	\$21,854					21,854				
10.15.6350102	Bill Printing/Mailing Contract	\$64,112					64,112				
10.15.6350200	Contracted Security Services	\$4,528					4,528				
10.15.6500000	Transportation Fuel & Repairs	\$39					39				
10.15.6580500	Workers Comp	\$323					323				
10.15.6750400	Postage & Mailing	\$0					-				
10.15.6750500	Cash Over & Short	\$247					247				
TOTAL CUSTOMER SERVICE		\$298,983					\$ 298,983				
MAINTENANCE											
SUBTOTAL		\$1,388,737	\$688,153	\$147,143	\$113,180	\$9,836	\$298,983	\$125,378	\$5,640	\$424	\$25
			49.55%	10.60%	8.15%	0.71%	21.53%	9.03%	0.41%	0.03%	
			71.36%	15.26%	11.74%	1.02%	0.00%	0.00%	0.58%	0.04%	
All Accounts Less Customer Service											
10.16.6010000	Salary & Wages	\$26,201	\$18,696	\$3,998	\$3,075	\$267	-	-	\$153	\$12	
10.16.6010100	OASDI	\$2,609	\$1,862	\$398	\$306	\$27	-	-	\$15	\$1	
10.16.6010200	Pension	\$3,831	\$2,734	\$585	\$450	\$39	-	-	\$22	\$2	
10.16.6010300	Health & Life Insurance	\$8,414	\$6,004	\$1,284	\$987	\$86	-	-	\$49	\$4	
10.16.6010400	Overtime	\$266	\$190	\$41	\$31	\$3	-	-	\$2	\$0	
10.16.6010500	Premium Time	\$0	\$0	\$0	\$0	\$0	-	-	\$0	\$0	
10.16.6010601	Distribution Maintenance Labor	\$2,219	\$1,583	\$339	\$260	\$23	-	-	\$13	\$1	
	C/S Maintenance Labor	\$1,683	\$1,201	\$257	\$198	\$17	-	-	\$10	\$1	
	Pirtle Plant Maintenance Labor	\$3,988	\$2,846	\$608	\$468	\$41	-	-	\$23	\$2	
	Flexible Benefits	\$1,404	\$1,002	\$214	\$165	\$14	-	-	\$8	\$1	
10.16.6200000	Materials & Supplies/Misc	\$294	\$210	\$45	\$35	\$3	-	-	\$2	\$0	
10.16.6200900	Small Tool Expense	\$194	\$138	\$30	\$23	\$2	-	-	\$1	\$0	
10.16.6350000	Contractual Services	\$39	\$28	\$6	\$5	\$0	-	-	\$0	\$0	
10.16.6500000	Transportation Fuel & Repairs	\$3,209	\$2,290	\$490	\$377	\$33	-	-	\$19	\$1	
10.16.6580500	Workers Comp	\$1,921	\$1,371	\$293	\$225	\$20	-	-	\$11	\$1	
10.16.6750100	Phone Expense	\$634	\$452	\$97	\$74	\$6	-	-	\$4	\$0	
TOTAL MAINTENANCE		\$56,906	\$40,607	\$8,683	\$6,679	\$580	\$0	\$0	\$333	\$25	

Allocation Item	Account	Cost of Service	Base	Extra Capacity		Meters/Services	Customer Service		Fire Service		Private
				Max Day	Max Hour		Billing	Meter Reading	Public	Public	
(2)	(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
ADMINISTRATIVE											
10.19.6010000	Salary & Wages	\$167,144	\$2,824	\$17,710	\$13,622	1,184	\$35,985	\$15,090	\$679	\$	51
10.19.6010100	OASDI	\$13,223	6,552	1,401	1,078	94	2,847	1,194	\$54	\$	4
10.19.6010200	Pension	\$17,719	8,780	1,877	1,444	125	3,815	1,600	\$72	\$	5
10.19.6010300	Health & Life Insurance	\$9,290	4,603	984	757	66	2,000	839	\$38	\$	3
10.19.6010801	Flexible Benefits	\$5,507	2,729	583	449	39	1,186	497	\$22	\$	2
10.19.6030000	Comm/Salary & Wages	\$30,200	14,965	3,200	2,461	214	6,502	2,727	\$123	\$	9
10.19.6030100	Comm/Oasdi	\$2,156	1,068	228	176	15	464	195	\$9	\$	1
10.19.6030200	Comm/Pension	\$6,687	3,314	709	545	47	1,440	604	\$27	\$	2
10.19.6030300	Comm/Health Insurance	\$14,746	7,307	1,562	1,202	104	3,175	1,331	\$60	\$	4
10.19.6030400	Legal/Wages	\$12,329	6,109	1,306	1,005	87	2,654	1,113	\$50	\$	4
10.19.6030500	Legal/Pension	\$1,200	595	127	98	8	258	108	\$5	\$	0
10.19.6030600	Legal/OASDI	\$224	111	24	18	2	48	20	\$1	\$	0
10.19.6100000	Purchased Water	\$24,638	11,207	2,465	8,741	-	-	2,224	\$-	\$	-
0.67501	Phone Expense	(535)	(265)	(57)	(44)	(4)	(115)	(48)	(2)	(2)	(0)
10.19.6150000	Utilities	\$22,898	11,347	2,426	1,866	162	4,930	2,067	\$93	\$	7
10.19.6200000	Materials & Supplies/Misc	\$9,497	4,706	1,006	774	67	2,045	857	\$39	\$	3
10.19.6200101	Computer Supplies	\$7,705	3,818	816	628	55	1,659	696	\$31	\$	2
10.19.6200900	Small Tool Expense	\$56	28	6	5	0	12	5	\$0	\$	0
10.19.6310000	Professional Services - Engineering	\$8,189	4,058	868	667	58	1,763	739	\$33	\$	2
10.19.6320000	Professional Services - Accounting	\$15,676	7,768	1,661	1,278	111	3,375	1,415	\$64	\$	5
10.19.6330000	Professional Services - Legal	\$906	449	96	74	6	195	82	\$4	\$	0
10.19.6350000	Contractual Services	\$43,416	21,514	4,600	3,538	308	9,347	3,920	\$176	\$	13
10.19.6350101	Uniform Expense	\$14,636	7,252	1,551	1,193	104	3,151	1,321	\$59	\$	4
10.19.6350300	Investment Fees	\$5,566	2,758	590	454	39	1,198	503	\$23	\$	2
10.19.6408100	Utility Regulatory Assessment Fees	\$5,810	2,879	616	474	41	1,251	525	\$24	\$	2
10.19.6408200	Amortized 2001-211 Rate Case	\$1,958	970	207	160	14	422	177	\$8	\$	1
10.19.6427020	Interest on Short-Term Debt	\$13,854	6,650	1,662	4,018	831	277	139	\$263	\$	14
10.19.6500000	Transportation Fuel & Repairs	\$2,956	1,465	313	241	21	636	267	\$12	\$	1
10.19.6570000	Fleet Insurance	\$71,291	35,326	7,554	5,810	505	15,348	6,436	\$290	\$	22
10.19.6570100	Insurance Deductible Payments	\$57	276	59	45	4	120	50	\$2	\$	0
10.19.6580500	Workers Comp	\$601	298	64	49	4	129	54	\$2	\$	0
10.19.6590000	Unemployment Insurance	\$578	286	61	47	4	124	52	\$2	\$	0
10.19.6590100	Payroll Deductions - Clearing	(665)	(32)	(7)	(5)	(0)	(14)	(6)	(0)	(0)	(0)
10.19.6600000	Advertising Expense	\$11,932	5,913	1,264	972	85	2,569	1,077	\$48	\$	4
10.19.6700000	Bad Debt Write Off	\$26,061	12,914	2,761	2,124	185	5,611	2,353	\$106	\$	8
10.19.6750000	Miscellaneous Expense	\$17,485	8,664	1,853	1,425	124	3,764	1,579	\$71	\$	5
10.19.6750100	Phone Expense	\$10,499	5,203	1,112	856	74	2,260	948	\$43	\$	3
10.19.6750300	Dues & Subscriptions	\$5,936	2,941	629	484	42	1,278	536	\$24	\$	2
10.19.6750400	Postage & Mailing	\$2,675	1,326	283	218	19	576	242	\$11	\$	1
10.19.6750501	Safety Committee	\$4,052	2,008	429	330	29	872	366	\$16	\$	1

Quest Engineers, Inc.

Account (1)	Allocation Item (2)	Cost of Service (3)	Base (4)	Extra Capacity		Meters/ Services (7)	Customer Service		Fire Service		Private (11)	
				Max Day (5)	Max Hour (6)		Billing (8)	Meter Reading (9)	Public (10)			
10.19.6750600 Commission Expense	C10	\$5,165	\$ 2,559	\$ 547	\$ 421	\$ 37	\$ 1,112	\$ 466	\$ 21	\$ 2		
10.19.6750700 Certification Training	C10	\$3,036	\$ 1,504	\$ 322	\$ 247	\$ 22	\$ 654	\$ 274	\$ 12	\$ 1		
10.19.6750800 Travel & Lodging	C10	\$3,687	\$ 1,777	\$ 380	\$ 292	\$ 25	\$ 772	\$ 324	\$ 15	\$ 1		
10.19.6750900 Education & Conferences	C9	\$13,265	\$ 9,466	\$ 2,024	\$ 1,557	\$ 135	\$ -	\$ -	\$ 78	\$ 6		
TOTAL ADMINISTRATIVE		\$634,306	\$315,989	\$67,876	\$61,793	\$5,093	\$125,695	\$54,957	\$2,706	\$197		
TOTAL OPERATIONS AND MAINTENANCE EXPENSE		\$2,079,949	\$1,044,749	\$223,702	\$181,652	\$15,509	\$424,678	\$180,335	\$8,679	\$646		
AMORTIZATION AND DEPRECIATION EXPENSE												
10.19.6428000 Amortization of Debt Disc. & Expense	C13	\$76,404	\$ 36,674	\$ 9,168	\$ 22,157	\$ 4,584	\$ 1,528	\$ 764	\$ 1,452	\$ 76		
10.19.6403000 Depreciation	C13	\$412,208	\$ 197,860	\$ 49,465	\$ 119,540	\$ 24,732	\$ 8,244	\$ 4,122	\$ 7,832	\$ 412		
TOTAL AMORT AND DEPRECIATION EXPENSE		\$ 488,612	\$ 234,534	\$ 58,633	\$ 141,697	\$ 29,317	\$ 9,772	\$ 4,886	\$ 9,284	\$ 489		
TOTAL TEST-YEAR COST OF SERVICE		\$ 2,568,561	\$ 1,279,283	\$ 282,335	\$ 323,349	\$ 44,826	\$ 434,450	\$ 185,221	\$ 17,962	\$ 1,135		
LESS MISC (INCOME)/EXPENSES												
1. Other Revenue	C10	\$(389)	\$(193)	\$(41)	\$(32)	\$(3)	\$(84)	\$(35)	\$(2)	\$(0)		
2. Interest & Dividend Income	C10	\$(126,927)	\$(62,895)	\$(13,449)	\$(10,344)	\$(899)	\$(27,326)	\$(11,459)	\$(515)	\$(39)		
3. Interest Expenses	C13	\$452,136	\$ 217,025	\$ 54,256	\$ 131,119	\$ 27,128	\$ 9,043	\$ 4,521	\$ 8,591	\$ 452		
3. Non-Utility Income	C10	\$(6,419)	\$(3,181)	\$(680)	\$(523)	\$(45)	\$(1,382)	\$(580)	\$(26)	\$(2)		
4. Penalties & Fees	C9	\$(276,537)	\$(197,329)	\$(42,194)	\$(32,455)	\$(2,820)	\$ -	\$ -	\$(1,617)	\$(121)		
5. Bad Debt Recovered	C10	\$(2,734)	\$(1,355)	\$(290)	\$(223)	\$(19)	\$(589)	\$(247)	\$(11)	\$(1)		
6. Labor Revenue	C10	\$(28,609)	\$(14,176)	\$(3,031)	\$(2,332)	\$(203)	\$(6,159)	\$(2,583)	\$(116)	\$(9)		
7. Vouchers received	C7	\$(7,128)	\$ -	\$ -	\$ -	\$ -	\$(7,128)	\$ -	\$ -	\$ -		
8. Rents for Water Property	C1	\$(71,486)	\$(71,486)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
9. Transfer from Sewer for Services	C7	\$(177,105)	\$ -	\$ -	\$ -	\$ -	\$(177,105)	\$ -	\$ -	\$ -		
10. Stormwater Contract	C7	\$(7,102)	\$ -	\$ -	\$ -	\$ -	\$(7,102)	\$ -	\$ -	\$ -		
TOTAL MISC INCOME		\$(252,300)	\$(133,590)	\$(5,428)	\$ 85,211	\$ 23,138	\$(217,832)	\$(10,382)	\$ 6,303	\$ 280		

	Allocation Item (2)	Cost of Service (3)	Base (4)	Extra Capacity (6)		Meters/Services (7)	Customer Service (9)		Fire Service (10)		Private (11)
				Max Day (5)	Max Hour (6)		Billing (8)	Meter Reading (9)	Public (10)	Private (11)	
1.	Addition of Dental/Vision Insurance Jan 2006	11,792 \$	5,843 \$	1,249 \$	961 \$	84	2,539 \$	1,065 \$	48 \$	4	
2.	Increase in Wages for Employees for 2006	39,294 \$	12,566 \$	2,821 \$	9,745 \$	-	10,009 \$	3,640 \$	487 \$	26	
3.	Addition of Staff Accountant June 2006	45,142 \$	-	-	-	-	45,142 \$	-	-	-	
4.	Addition of Administrative Assistant - Nov 2006	31,605 \$	-	-	-	-	31,605 \$	-	-	-	
5.	Addition of Amortized Rate Study Consultation (5 YR)	7,485 \$	7,485 \$	-	-	-	-	-	-	-	
6.	Addition of Revenue from New 2006 Customers	(101,640) \$	(50,365) \$	(10,769) \$	(8,284) \$	(720)	(21,882) \$	(9,176) \$	(413) \$	(31)	
7.	Addition of Expenses for 2006 Customers	33,731 \$	16,715 \$	3,574 \$	2,749 \$	239	7,262 \$	3,045 \$	137 \$	10	
8.	2006 CERS Retirement Contribution Increase	25,540 \$	12,656 \$	2,706 \$	2,081 \$	181	5,499 \$	2,306 \$	104 \$	8	
9.	Deduction of Health Insurance for GM/Commissioners	(8,121) \$	(4,024) \$	(860) \$	(662) \$	(58)	(1,748) \$	(733) \$	(33) \$	(2)	
10.	Deduction of Fixed Interest Payment (Acct 6427030)	(227,125) \$	(109,020) \$	(27,255) \$	(65,866) \$	(13,628)	(4,543) \$	(2,271) \$	(4,315) \$	(227)	
11.	Deduction of Variable Int Payment (Acct 6427040)	(225,011) \$	(108,005) \$	(27,001) \$	(65,253) \$	(13,501)	(4,500) \$	(2,250) \$	(4,275) \$	(225)	
12.	Addition of 3 YR AVG for Debt Serv Prnt/Int/Cov	1,461,101 \$	701,328 \$	175,332 \$	423,719 \$	87,666	29,222 \$	14,611 \$	27,761 \$	1,461	
13.	Deduction of Amort of Debt Disc. (Acct 6428000)	(76,404) \$	(36,674) \$	(9,168) \$	(22,157) \$	(4,584)	(1,528) \$	(764) \$	(1,452) \$	(76)	
14.	Addition of Full Year Sewer Mgmt Reimbursement	(69,396) \$	(34,387) \$	(7,353) \$	(5,656) \$	(492)	(14,940) \$	(6,265) \$	(282) \$	(21)	
15.	Deduction of Depreciation (Acct 6403000)	(412,208) \$	(197,860) \$	(49,465) \$	(119,540) \$	(24,732)	(8,244) \$	(4,122) \$	(7,832) \$	(412)	
16.	Addition of Depreciation From Schedule Below										
303	Land & Rights	\$									
304	Structures & Improvements	47,017 \$	38,554 \$	8,463 \$	-	-	-	-	-	-	
307	Wells & Springs	23,431 \$	19,213 \$	4,218 \$	-	-	-	-	-	-	
309	Supply Mains	31,134 \$	25,530 \$	5,604 \$	-	-	-	-	-	-	
311	Pumping Equipment - Booster Stations	45,221 \$	22,158 \$	4,974 \$	17,184 \$	-	-	-	859 \$	45	
320	Pumping and Water Treatment Equipment	25,137 \$	20,612 \$	4,525 \$	-	-	-	-	-	-	
330	Reservoirs and Storage	42,023 \$	20,591 \$	-	20,591 \$	-	-	-	798 \$	42	
331	Transmission & Distribution Mains	233,607 \$	114,467 \$	25,697 \$	88,771 \$	-	-	-	4,439 \$	234	
333	Service Lines & Connections	50,338 \$	-	-	-	50,338	-	-	-	-	
335	Hydrants	5,342 \$	-	-	-	-	-	-	5,075 \$	267	
339	Other Plant Equipment	14,221 \$	10,148 \$	2,170 \$	1,669 \$	145	-	-	83 \$	6	
340	Office Furniture & Equipment	9,357 \$	4,637 \$	991 \$	763 \$	66	2,014 \$	845 \$	38 \$	3	
341	Transportation Equipment	24,251 \$	12,017 \$	2,570 \$	1,976 \$	172	5,221 \$	2,189 \$	98 \$	7	
343	Stores, Equipment, Tool, Safety Equip	3,045 \$	2,173 \$	465 \$	357 \$	31	-	-	18 \$	1	
345	Power Operated Equipment	21,455 \$	15,310 \$	3,274 \$	2,518 \$	219	-	-	125 \$	9	
344	Laboratory Equipment	505 \$	360 \$	77 \$	59 \$	5	-	-	3 \$	0	
346	Communication Equipment	2,259 \$	1,119 \$	239 \$	184 \$	16	486 \$	204 \$	9 \$	1	
348	Other Tangible Items	5,971 \$	2,959 \$	633 \$	487 \$	42	1,286 \$	539 \$	24 \$	2	

ADJUSTMENTS TO TEST-YEAR

Allocation Item (2)	Account (1)	Cost of Service (3)	Base (4)	Extra Capacity		Meters/ Services (7)	Customer Service		Fire Service		Private (11)	
				Max Day (5)	Max Hour (6)		Billing (8)	Meter Reading (9)	Public (10)			
17. Adjustments to Full Year Depreciation for 2005 Capital Purchases												
Pirtle Springs WTP Raw Water Bldg	C2	\$ 890	\$ 730	\$ 160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
KY 1862 PS Improvements (NSCR Project)	C5	\$ 5,294	\$ 2,594	\$ 582	\$ 2,012	\$ -	\$ -	\$ -	\$ -	\$ 101	\$ -	12
Brizentine Elevated Tank (NSCR Project)	C4	\$ 11,962	\$ 5,861	\$ -	\$ 5,861	\$ -	\$ -	\$ -	\$ -	\$ 227	\$ -	39
6-inch Mains - 31.2 Miles (NSCR Project)	C5	\$ 38,820	\$ 19,022	\$ 4,270	\$ 14,752	\$ -	\$ -	\$ -	\$ -	\$ 738	\$ -	10
8-inch Mains - 5.3 Miles (NSCR Project)	C5	\$ 10,247	\$ 5,021	\$ 1,127	\$ 3,894	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ -	6
12-inch Mains - 1.8 Miles (NSCR Project)	C5	\$ 5,649	\$ 2,768	\$ 621	\$ 2,147	\$ -	\$ -	\$ -	\$ -	\$ 107	\$ -	1
Capitalized interest	C5	\$ 1,245	\$ 610	\$ 137	\$ 473	\$ -	\$ -	\$ -	\$ -	\$ 24	\$ -	-
Meters Relocated (NSCR Project)	C6	\$ 2,368	\$ -	\$ -	\$ -	\$ 2,368	\$ -	\$ -	\$ -	\$ -	\$ -	207
Hydrants - 73 (NSCR Project)	C8	\$ 4,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,924	\$ -	0
Chlorine Load Cells	C9	\$ 51	\$ 36	\$ 8	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ -	0
Clarifier Variable Speed Drives	C9	\$ 131	\$ 93	\$ 20	\$ 15	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -	0
Misc. Main Extensions	C5	\$ 7,462	\$ 3,656	\$ 821	\$ 2,836	\$ -	\$ -	\$ -	\$ -	\$ 142	\$ -	7
AMR Meters	C6	\$ 3,695	\$ -	\$ -	\$ -	\$ 3,695	\$ -	\$ -	\$ -	\$ -	\$ -	-
Meters & Services	C6	\$ 6,319	\$ -	\$ -	\$ -	\$ 6,319	\$ -	\$ -	\$ -	\$ -	\$ -	-
Meters Relocated (DeRoche)	C6	\$ 92	\$ -	\$ -	\$ -	\$ 92	\$ -	\$ -	\$ -	\$ -	\$ -	-
Furniture	C10	\$ 57	\$ 28	\$ 6	\$ 5	\$ 0	\$ 12	\$ 5	\$ -	\$ 0	\$ -	0
Software	C10	\$ 164	\$ 81	\$ 17	\$ 13	\$ 1	\$ 35	\$ 15	\$ -	\$ 1	\$ -	0
PCs (2)	C10	\$ 139	\$ 69	\$ 15	\$ 11	\$ 1	\$ 30	\$ 13	\$ -	\$ 1	\$ -	0
Security Cameras	C10	\$ 176	\$ 87	\$ 19	\$ 14	\$ 1	\$ 38	\$ 16	\$ -	\$ 1	\$ -	0
E-mail Server	C10	\$ 198	\$ 98	\$ 21	\$ 16	\$ 1	\$ 43	\$ 18	\$ -	\$ 1	\$ -	0
Chevy Colorado	C9	\$ 337	\$ 240	\$ 51	\$ 40	\$ 3	\$ -	\$ -	\$ -	\$ 2	\$ -	0
Jeep Laredo	C9	\$ 548	\$ 391	\$ 84	\$ 64	\$ 6	\$ -	\$ -	\$ -	\$ 3	\$ -	0
Case 580-M Backhoe	C9	\$ 686	\$ 490	\$ 105	\$ 81	\$ 7	\$ -	\$ -	\$ -	\$ 4	\$ -	0
Jar Tester	C9	\$ 51	\$ 36	\$ 8	\$ 6	\$ 1	\$ -	\$ -	\$ -	\$ 0	\$ -	0
Turbidimeters (2)	C9	\$ 116	\$ 83	\$ 18	\$ 14	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -	0
AMR Communications System	C6	\$ 4,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,071	\$ -	\$ -	\$ -	-
Radio Upgrades	C10	\$ 104	\$ 52	\$ 11	\$ 8	\$ -	\$ 22	\$ 9	\$ -	\$ 0	\$ -	0
Service Center Door Openers	C10	\$ 48	\$ 24	\$ 5	\$ 4	\$ 0	\$ 10	\$ 4	\$ -	\$ 0	\$ -	0
TOTAL OF ADJUSTMENTS TO TEST-YEAR		\$ 1,225,150	\$ 568,178	\$ 125,815	\$ 318,669	\$ 93,990	\$ 83,089	\$ 7,013	\$ 26,978	\$ 1,419		
TOTAL ADJUSTED TEST-YEAR COST-OF-SERVICE		\$ 3,541,411	\$ 1,713,870	\$ 402,722	\$ 727,229	\$ 161,954	\$ 299,707	\$ 181,851	\$ 51,243	\$ 2,834		

Quest Engineers, Inc.

HARDIN COUNTY WATER DISTRICT NO. 1
 SCHEDULE C - SUPPORT INFORMATION
 METHODS FOR ALLOCATING COSTS BY FUNCTION

ITEM C1 - Allocation of Costs That Vary With Water Consumption

Costs allocated to Base

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Base	<u>1.00</u>

ITEM C2 - Allocation of Costs Associated With Facilities Serving Base and Maximum Day Extra Capacity Functions.

Costs are allocated based on average and maximum day metered values for produced and purchased water during the test year as detailed below.

<u>Cost Function</u> (1)	<u>Rate of Flow (GPD)</u> (2)	<u>Maximum Day Ratio</u> (3)	<u>Allocation Factor</u> (4)
Average Day (Base)	2,630,863	1.00	0.82
Maximum Day Extra Capacity	<u>3,209,516</u>	<u>0.22</u>	<u>0.18</u>
Totals	<u>5,840,379</u>	<u>1.22</u>	<u>1.00</u>

ITEM C3 - Allocation of Costs Associated With Facilities Serving Base, Maximum Day and Maximum Hour Extra Capacity Costs

Costs are allocated based on the metered values for average and maximum day shown in Item C2, Max Hour value was determined based on diurnal demand curve value for peak hour (2x average flow)

<u>Cost Function</u> (1)	<u>Rate of Flow (GPH)</u> (2)	<u>Max Hour Ratio</u> (3)	<u>Allocation Factor</u> (4)
Average Hour (Base)	2,630,863	1.00	0.50
Maximum Day Extra Capacity	3,209,516	0.22	0.11
Maximum Hour Extra Capacity	<u>5,261,726</u>	<u>0.78</u>	<u>0.39</u>
Totals		<u>2.00</u>	<u>1.00</u>

ITEM C4 - Allocation of Costs Associated With Facilities Serving Base, Maximum Hour Extra Capacity and Fire Demand Costs (Storage Costs Also)

Costs are allocated based on the metered values for average day shown in Item C2, Max Hour value based on diurnal demand curve (2x Avg Flow) Fire Demand was determined based on 1,500 GPM flow above the maximum day flow.

<u>Cost Function</u> (1)	<u>Rate of Flow</u> (GPM) (2)	<u>Max</u> <u>Hour</u> <u>Ratio</u> (3)		<u>Allocation</u> <u>Factor</u> (4)
Average Hour (Base)	1,827	1.00		0.49
Maximum Day Hour Capacity	3,654	1.00		0.49
Fire Demand	3,729	0.04		
- Private (Item C11)			0.05	0.0190
- Public (Item C11)			0.95	0.0010
Totals		<u>2.04</u>		<u>1.00</u>

ITEM C5 - Allocation of Costs Associated With Facilities Serving Base, Maximum Day Extra Capacity, Maximum Hour Extra Capacity and Fire Demand Costs

Costs are allocated based on the metered values for average and maximum day shown in Item C2, Max Hourly value based on diurnal curve max hour (2.0 x ADF), Fire Demand value was determined based on 1,500 GPM flow (4 hour duration) above the maximum daily flow.

<u>Cost Function</u> (1)	<u>Rate of Flow</u> (GPM) (2)	<u>Max</u> <u>Hour</u> <u>Ratio</u> (3)		<u>Allocation</u> <u>Factor</u> (4)
Average Hour (Base)	1,827	1.00		0.49
Maximum Day Extra Capacity	2,229	0.22		0.11
Maximum Hour Extra Capacity	3,654	0.78		0.38
Fire Demand	3,729	0.04		
- Private (Item C11)			0.05	0.019
- Public (Item C11)			0.95	0.001
Totals		<u>2.04</u>		<u>1.00</u>

ITEM C6 - Allocation of Meters/Services Costs

Costs are assigned directly to the Meters/Services Cost Function

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Meters/Services	1.00
	<u><u>1.00</u></u>

ITEM C7 - Allocation of Customer Service/Billing/Meter Reading Costs

Costs are assigned directly to the Customer Service/Billing/Meter Reading Cost Function

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Customer Service - Meter Reading/Billing	1.00
	<u><u>1.00</u></u>

ITEM C8 - Allocation of Fire Hydrant Costs

Costs are assigned directly to the Public Fire Service Cost Function

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Fire Hydrants	1.00
	<u><u>1.00</u></u>

ITEM C9 - Allocation of Costs Associated With Maintenance Accounts

Costs are allocated based on other operations and maintenance costs (found as Subtotal of Schedule C)

<u>Cost Function</u> "(1)	<u>Operations/ Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
Average Hour (Base)	\$726,282	0.72
Maximum Day Extra Capacity	\$ 146,940	0.15
Maximum Hour Extra Capacity	\$ 112,704	0.11
Meters/Services	\$ 9,836	0.01
Customer Service - Billing	N/A	-
Customer Service - Meter Reading	N/A	-
Fire Service		
- Private (Item C11)	\$ 422	0.0004
- Public (Item C11)	\$ 5,616	0.0056
Totals	<u>\$ 1,001,800</u>	<u>1.00</u>

ITEM C10 - Allocation of Costs Associated With Administrative Accounts

Costs are allocated based on other operations and maintenance costs (found as Subtotal of Schedule C)

<u>Cost Function</u> "(1)	<u>Operations/ Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
Average Hour (Base)	\$ 726,282	0.51
Maximum Day Extra Capacity	\$ 146,940	0.10
Maximum Hour Extra Capacity	\$ 112,740	0.08
Meters/Services	\$ 9,836	0.01
Customer Service - Billing	\$ 297,494	0.21
Customer Service - Meter Reading	\$ 125,378	0.09
Fire Service		
- Private (Item C11)	\$ 422	0.0003
- Public (Item C11)	\$ 5,616	0.0039
Totals	<u>\$ 1,424,708</u>	<u>1.00</u>

ITEM C11 - Allocation of Costs Between Public & Private Fire Costs

Costs are allocated based on relative potential demand as detailed below:

<u>Cost Function</u> (1)	<u>Number</u> (2)	<u>Demand Factor¹</u> (3)	<u>Equivalent Connections</u> (4)	<u>Allocation Factor</u> (5)
<u>Public Fire</u>				
Public Hydrants	892	111.3	99,280	0.95
<u>Private Fire</u>				
2-Inch Fire Line	-	6.2	-	0.00
3-inch Fire Line	-	18.0	-	0.00
4-inch Fire Line	-	38.3	-	0.00
6-inch Fire Line	50	111.3	5,565	0.05
Totals				<u>1.00</u>

ITEM C12 - Allocation of Costs Associated With Depreciation Accounts

Costs are allocated based on other depreciation costs (found on Schedule C)

<u>Cost Function</u> "(1)	<u>Deprecation Expenses</u> (2)	<u>Allocation Factor</u> (3)
Average Hour (Base)	\$309,830	0.53
Maximum Day Extra Capacity	\$ 63,895	0.11
Maximum Hour Extra Capacity	\$ 134,599	0.23
Meters/Services	\$ 51,033	0.09
Customer Service - Billing	\$ 8,994	0.02
Customer Service - Meter Reading	\$ 3,772	0.01
Fire Service		
- Private (Item C11)	\$ 618	0.00
- Public (Item C11)	\$ 11,572	0.02
Totals	<u>\$ 584,313</u>	<u>1.00</u>

ITEM C13 - Allocation of Costs Associated With Debt Service (P&I) and Depreciation (Audit Value) Based on Remaining Asset Values

Costs are allocated based on remaining asset value from Depreciation Schedule and allocations for these functions found previously in this Schedule.

Allocation Method	Allocation *(1)	Source of Supply Assets (2)	Treatment Assets (3)	Trans/Dist Assets (4)	Meters/Service Assets (5)	CSV Assets (6)	Maintenance Assets (7)	Administrative Assets (8)	Totals (9)	Allocation (10)
Base		C1	C2	C5	C6	C7	C9	C10		
	\$ 62,260	\$ 1,505,080	\$ 7,715,256	\$ -	\$ -	\$ -	\$ 182,912	\$ 604,617	\$ 10,070,125	0.48
Maximum Day Extra Capacity										
	-	\$ 330,383	\$ 1,731,996	\$ -	\$ -	\$ -	\$ 105,164	\$ 347,675	\$ 2,515,218	0.12
Maximum Hour Extra Capacity										
	-	\$ -	\$ 5,983,260	\$ -	\$ -	\$ -	\$ 30,113	\$ 99,472	\$ 6,112,845	0.29
Meters/Services										
	-	\$ -	\$ -	\$ 1,291,389	\$ -	\$ -	\$ 3,398	\$ 11,282	\$ 1,306,069	0.06
Customer Service - Billing										
	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,636	\$ 341,636	0.02
Customer Service - Meter Reading										
	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,328	\$ 143,328	0.01
Fire Service										
- Private (Item C11)										
	-	\$ -	\$ 299,163	\$ -	\$ -	\$ -	\$ 10,893	\$ 35,912	\$ 345,967	0.017
- Public (Item C11)										
	-	\$ 15,745	\$ -	\$ -	\$ -	\$ -	\$ 633	\$ 2,066	\$ 18,444	0.001
Totals		\$ 62,260	\$ 1,835,463	\$ 15,745,420	\$ 1,291,389	\$ -	\$ 333,113	\$ 1,589,006	\$ 20,856,651	1.00

HARDIN COUNTY WATER DISTRICT NO. 1
SUPPORT DATA FOR SCHEDULE C

Meter/Service Line Costs
Conversation with National Waterworks
5/2/06

Meter Size	Meter Costs	Ratio to 5/8	Cost	Service Line Size	Cost/Ft	Ratio to 3/4	Total
5/8		35	1	3/4	0.22	1	1.0
1	98	2.8	2.8	1	0.33	1.5	2.2
1.5	255	7.3	7.3	1.5	0.71	3.2	5.3
2	375	10.7	10.7	2	1.23	5.6	8.2
3	572	16.3	16.3	3	1.44	6.5	11.4
4	880	25.1	25.1	4	1.65	7.5	16.3
6	2216	63.3	63.3	6	3.04	13.8	38.6
8	2438	69.7	69.7	8	5.16	23.5	46.6

HARDIN COUNTY WATER DISTRICT NO. 1

TABLE C-2 - ALLOCATION SERVICE COSTS TO CUSTOMER CLASSES

Service Size	3/4" Meter Cost Equiv	3/4 Meter Capacity Equiv	Meters	Retail Weight	Wholesale Weight	Fire Service Meters	Total Weight
3/4	1	1	1				
1	2.8	2.5	2.5				
1 1/2	7.3	5	5				
2	10.7	8	8				
3	16.3	15	15				
4	25.1						
6	63.3						
8	69.7						
Totals							

1 Weight determined by multiplying number of meters x meter cost equivalent

HARDIN COUNTY WATER DISTRICT NO. 1
SUPPORT DATA FOR SCHEDULE C

Average Daily Demand/Max Day Demand/Wholesale Sales 2005

Month	ADF	Treated Max Day	Wholesale Sales			Purchased FTK	Daily Average Purchase	Treated Max/Avg Ratio	Calculated Purchased Max Day	Total Max Day
			Vine Grove	MCWD	Hardinsburg					
J	2,528,645	2,829,000	9,355,000	11,060,200	720,000	784,000	25,290	1.20	30,348	2,859,348
F	2,411,250	2,668,000	9,885,000	11,127,000	380,000	1,628,000	58,143	1.20	69,771	2,737,771
M	2,310,968	2,645,000	8,607,000	12,866,500	-	2,578,000	83,161	1.20	99,794	2,744,794
A	2,503,867	2,790,000	9,555,000	14,880,000	-	892,000	29,733	1.20	35,680	2,825,680
M	2,675,452	2,870,000	8,926,000	12,970,000	-	981,000	31,645	1.20	37,974	2,907,974
J	2,655,129	2,964,000	9,698,000	12,897,900	-	1,955,000	65,167	1.20	78,200	3,042,200
J	2,630,710	3,075,000	9,737,000	9,868,700	850,000	3,475,000	112,097	1.20	134,516	3,209,516
A	2,699,968	2,898,000	9,403,000	43,798,400	230,000	4,538,000	146,387	1.20	175,665	3,073,665
S	2,757,367	2,952,000	9,138,000	5,238,000	138,000	1,259,000	41,967	1.20	50,360	3,002,360
O	2,609,710	2,794,000	7,870,000	25,278,300	185,000	511,000	16,484	1.20	19,781	2,813,781
N	2,464,900	2,760,000	7,216,000	8,519,500	205,000	1,874,000	62,467	1.20	74,960	2,834,960
D	2,581,742	2,736,000	7,651,000	14,162,900	325,000	2,053,000	66,226	1.20	79,471	2,815,471
Total	30,829,708	3,075,000	107,041,000	182,667,400	3,033,000	22,528,000				
Avg	2,569,142		293,263	500,459	8,310	61,721				
Max/Avg Ratio		1.20								

Average Daily Flow (Adjusted for Purchased Water) = **2,630,863**
 Maximum Daily Flow (Adjusted for Purchased Water) = **3,209,516**
 Max/Avg Ratio = **1.22**

Cost of Service Study
Hardin County Water District No. 1

Appendix D
Depreciation Schedules

Hardin County Water District
 Depreciation Schedule
 As of = December 31, 2005

		\$1,152,246											
		2005											
		1	2	3	4	5	6	7	8	9	10	11	12
		Date	Year	PSC Acct	Orig Cost	Life YRS	In Service	FY 2005	Prior	Accumulated	Full Year Adj	FY 2005 Adj	Amount
Description	Category	Acquired						Depreciation	Depreciation	Depreciation	Depreciation		
303	Land & Land Rights												
	Land Office Lot	G LAND	9/1/85	1985	303	\$43,334.00	0	20.0	\$0	\$0	\$0		
	Land Standpipe Site	D MAIN	9/1/85	1985	303	\$1,874.00	0	20.0	\$0	\$0	\$0		
	Land Water Source	S LAND	9/1/85	1985	303	\$11,725.00	0	20.0	\$0	\$0	\$0		
	Land Watershed	S LAND	9/1/85	1985	303	\$50,535.00	0	20.0	\$0	\$0	\$0		
	Pirle Spring	T EQUIP	6/31/88	1986	303	\$16,250.00	0	19.0	\$0	\$0	\$0		
	Pirle Springs	T STRU	1/1/89	1989	303	\$54,435.00	0	16.0	\$0	\$0	\$0		
	10 Acres - Service Center	G LAND	10/31/83	1983	303	\$80,084.00	0	12.0	\$0	\$0	\$0		
MOVED FROM 103	Property held for Future	G LAND	9/1/87	1987	303	\$7,684.67	0	18.0	\$0	\$0	\$0		
				64229		<u>\$288,021.67</u>	F-1		\$0	\$0	\$0		
304	Structures & Improvements												
.1835000	Improvements	U	9/1/85	1985	304	\$900.00	33	20.0	\$27	\$540	\$567		
.1830400	Equipment	U	9/1/85	1985	304	\$3,084.00	50	20.0	\$81	\$1,226	\$1,287		
	Purification Bldg	T STRU	9/1/88	1988	304	\$808.00	50	18.0	\$18	\$307	\$323		
	Purification	T EQUIP	1/1/89	1989	304	\$40,000.00	50	16.0	\$800	\$12,800	\$13,600		
	Purification	T STRU	1/1/89	1989	304	\$322,466.00	50	16.0	\$6,448	\$103,188	\$109,638		
	Vinyl Siding	T STRU	1/1/82	1982	304	\$3,959.00	50	13.0	\$79	\$1,029	\$1,109		
	Int Cap	U	1/1/82	1982	304	\$886.00	50	13.0	\$14	\$178	\$192		
	Chemical Building	T STRU	4/1/82	1982	304	\$15,778.00	50	13.0	\$316	\$4,102	\$4,418		
	Transformer	T EQUIP	11/15/83	1983	304	\$803.00	50	12.0	\$16	\$193	\$209		
	Headland Industries	D MAIN	1/1/84	1984	304	\$1,299.00	50	11.0	\$26	\$286	\$312		
	Lighting Arrestors	T EQUIP	1/1/84	1984	304	\$1,776.00	50	11.0	\$36	\$391	\$426		
	Roof-Pirle	T STRU	8/30/85	1985	304	\$1,770.00	50	10.0	\$35	\$354	\$389		
	Roof-Pirle	T STRU	8/30/88	1988	304	\$11,998.00	20	7.0	\$600	\$4,199	\$4,799		
	Audit Adjustment 2002		12/31/02	2002	304	\$650.00	20	3.0	\$33	\$98	\$130		
	Equipment Building - 3 Bay	G STRU	12/30/04	2004	304	\$186,265.02	40	1.0	\$4,157	\$4,157	\$8,313		
	Service Center	T STRU	10/31/87	1987	304	\$1,374,120.84	40	8.0	\$34,353	\$274,824	\$309,177		
	Capitalized Interest		12/1/05	2005	304	\$11,297.34	10/31/05	0.0	\$0	\$0	\$0		
						<u>\$1,957,840.20</u>	F-1		\$47,017	\$407,873	\$454,890		
307	Wells & Springs												
.1830700	Well Supply	S WELL	8/1/85	1985	307	\$9,237.00	50	20.0	\$185	\$3,695	\$3,880		
	Well Field West Pt	S WELL	8/31/89	1989	307	\$247,856.00	33	17.0	\$7,439	\$126,470	\$133,910		
	Pirle Well	S WELL	1/1/89	1989	307	\$167,000.00	50	16.0	\$3,340	\$53,440	\$56,780		
	Muldraugh Well	S WELL	1/1/89	1989	307	\$160,000.00	50	16.0	\$3,200	\$51,200	\$54,400		
	Equipment	T EQUIP	11/15/89	1989	307	\$781.00	50	16.0	\$16	\$250	\$266		
	Test Well	S WELL	1/1/90	1990	307	\$6,880.00	50	15.0	\$134	\$2,004	\$2,138		
	Test Well Gray Ln	S WELL	1/1/90	1990	307	\$8,185.00	50	15.0	\$164	\$2,456	\$2,619		
	Installation	U	1/1/90	1990	307	\$12,375.00	50	15.0	\$248	\$3,713	\$3,960		
	Gray Lane Well	S WELL	1/1/92	1992	307	\$85,293.00	50	13.0	\$1,706	\$22,176	\$23,882		
	Int Cap	U	1/1/92	1992	307	\$3,722.00	50	13.0	\$74	\$968	\$1,042		
	Pump Well #5	S WELL	8/14/92	1992	307	\$8,783.00	50	13.0	\$176	\$2,284	\$2,459		
	Well Motor	S WELL	1/1/94	1994	307	\$1,780.00	50	11.0	\$36	\$394	\$430		
	AP 1994	U	12/31/94	1994	307	\$19,554.00	50	11.0	\$391	\$4,302	\$4,693		
	West Point Well CIP 1995	S WELL	6/15/95	1995	307	\$44,233.61	33	10.0	\$1,327	\$13,271	\$14,599		
	CIP - Streamflow Study Project (2003-04)		8/15/03	2003	307	\$19,845.00	5	2.0	\$3,969	\$7,938	\$11,907		
	CIP - Streamflow Study Project 2005		6/15/03	2003	307	\$2,911.28	5	2.0	\$582	\$1,165	\$1,747		
	Pirle Re-build Raw Building (CIP)		8/15/05	2005	307	\$66,735.00	50	0.3	\$45	\$0	\$44		
						<u>\$85,083.89</u>	F-1		\$23,431	\$28,574	\$319,155	\$1,335	\$890
309	Supply Mains												
.1830900	Water Sys Imp Cip	U	1/1/89	1989	309	\$119,369.00	40	16.0	\$2,984	\$47,748	\$50,732		
.1833200	Valves	D MAIN	1/1/90	1990	309	\$2,888.00	50	15.0	\$57	\$860	\$918		
	Cont 2 Capital Int	D TRANS	1/1/92	1992	309	\$36,608.00	33	13.0	\$1,098	\$14,279	\$15,377		
	Cont 2 Water Main	D MAIN	3/13/92	1992	309	\$791,708.00	33	13.0	\$23,754	\$308,797	\$332,551		
	Cont 2 Water Main	D MAIN	1/1/83	1983	309	\$88,721.76	50	12.0	\$1,774	\$21,293	\$23,068		
	Capitalized Intere	G	11/15/93	1983	309	\$26,123.00	50	12.0	\$522	\$6,270	\$6,792		
	Meter Manhole	D SERV	1/19/00	1980	309	\$712.00	50	15.0	\$14	\$214	\$228		
	Audit Adjustment 2003	U	12/31/02	2002	309	\$480.97	20	3.0	\$23	\$69	\$92		
	Pipe	D MAIN	9/1/87	1987	309	\$2,530.00	40	18.0	\$63	\$1,139	\$1,202		
	Capitalized Intere	U	9/1/87	1987	309	\$2,778.00	40	18.0	\$69	\$1,250	\$1,320		
	Gate Valves	D MAIN	12/31/87	1987	309	\$1,160.00	40	18.0	\$29	\$522	\$551		
	Pumping Station	D TRANS	12/31/87	1987	309	\$8,025.00	40	18.0	\$201	\$3,611	\$3,812		
	T. Knox Line	D MAIN	1/31/88	1988	309	\$1,020.00	40	17.0	\$26	\$434	\$459		
	Pipe	D MAIN	1/31/88	1988	309	\$1,025.00	40	17.0	\$26	\$436	\$461		
	Booster Structure	D TRANS	1/31/88	1988	309	\$1,138.00	40	17.0	\$28	\$484	\$512		
	Pipe	D MAIN	2/23/88	1988	309	\$6,540.00	40	17.0	\$164	\$2,780	\$2,943		
	Pipe	D MAIN	2/23/88	1988	309	\$3,015.00	40	17.0	\$75	\$1,281	\$1,357		
	Pipe	D MAIN	2/23/88	1988	309	\$2,595.00	40	17.0	\$65	\$1,103	\$1,168		
	Pipe	D MAIN	2/23/88	1988	309	\$940.00	40	17.0	\$24	\$400	\$423		
	Booster Pump	D MAIN	2/24/88	1988	309	\$3,498.00	40	17.0	\$87	\$1,487	\$1,575		
	Turbo Meter	T EQUIP	4/19/88	1988	309	\$1,320.00	40	17.0	\$33	\$561	\$594		
	Fort Knox Meter	D PURC	1/1/01	1999	309	\$547.97	33	6.0	\$17	\$100	\$116		
						<u>\$1,102,703.70</u>	F-1		\$31,134	\$41,515	\$446,249		
311	Pumping Equipment - Booster Stations												
.1831100	Chlorination	T EQUIP	8/17/86	1986	311	\$2,390.00	50	19.0	\$48	\$908	\$956		
	Pumps	D TRANS	9/1/86	1986	311	\$9,311.00	50	19.0	\$186	\$3,538	\$3,724		
	Overhaul Pump	D MAIN	12/1/86	1986	311	\$9,886.00	50	19.0	\$188	\$3,768	\$3,958		
	Safety Guards	T EQUIP	3/3/88	1988	311	\$1,037.00	50	17.0	\$21	\$353	\$373		
	Utility Plant	U	1/1/89	1989	311	\$357,000.00	50	16.0	\$7,140	\$114,240	\$121,380		
	Utility Plant	U	1/1/89	1989	311	\$87,000.00	50	16.0	\$1,740	\$27,840	\$29,580		
	Labor SVC Pump	T EQUIP	1/1/90	1990	311	\$3,868.72	50	15.0	\$77	\$1,161	\$1,238		
	Fort Knox Interconnect		1/1/00	2000	311	\$1,719,329.41	50	5.0	\$34,387	\$171,933	\$206,320		
	Engineering Fees	U	4/29/03	2003	311	\$2,768.52	50	2.0	\$55	\$111	\$166		
	Whispering Hills Pumps Replaced		12/30/04	2004	311	\$44,375.53	50	1.0	\$888	\$888	\$1,775		
	Re-Build 1982 Pump Site NSCR Project		12/1/05	2005	311	\$231,015.00	40	0.0	\$481	\$0	\$481	\$5,775	\$5,294
						<u>\$2,467,991.18</u>	F-1		\$45,221	\$324,731	\$389,952	\$5,775	\$5,294
320	Pumping & Water Treatment Equip.												
.1832000	Pirle	T EQUIP	1/1/89	1989	320	\$3,114.00	10	16.0	\$0	\$3,114	\$3,114		
.1831200	Lagoon	T STRU	1/1/89	1989	320	\$4,655.00	10	16.0	\$0	\$4,655	\$4,655		
	Pirle	T STRU	1/1/89	1989	320	\$7,562.00	10	16.0	\$0	\$7,562	\$7,562		

	Pirle Lagoon	T STRU	1/1/80	1990	320	\$1,548.18	33	15.0	\$46	\$586	\$742		
	Sight Glass-Tanks	T EQIP	6/17/86	1995	320	\$2,111.00	50	10.0	\$42	\$422	\$484		
	Water Plant Supply Pumps	S EQIP	6/17/86	1988	320	\$4,548.00	50	19.0	\$91	\$1,727	\$1,818		
	Cylinder Kit	D MAIN	8/1/87	1987	320	\$1,708.00	50	18.0	\$34	\$515	\$649		
	Chlorinator	U	8/1/87	1987	320	\$1,763.00	50	18.0	\$35	\$535	\$670		
	Labor	T EQIP	2/23/88	1988	320	\$780.00	50	17.0	\$16	\$265	\$281		
	(Hilly) Plant	U	2/25/88	1988	320	\$3,294.00	50	17.0	\$88	\$1,120	\$1,188		
	Ullity Plant	U	1/1/89	1989	320	\$265,697.00	50	16.0	\$5,314	\$85,023	\$90,337		
	Flash Mixer	U	1/1/89	1989	320	\$798,000.00	50	16.0	\$15,960	\$255,300	\$271,320		
	Pump	T EQIP	1/1/90	1990	320	\$2,812.00	50	15.0	\$56	\$844	\$900		
	Equipment	T EQIP	1/1/90	1990	320	\$803.00	50	15.0	\$16	\$241	\$257		
	Chlorinators	U	1/1/90	1990	320	\$592.00	50	15.0	\$12	\$179	\$189		
	Work Order 202	T EQIP	6/31/92	1992	320	\$4,538.00	50	13.0	\$91	\$1,180	\$1,271		
	Raw Meter Head	D MAIN	6/18/92	1992	320	\$548.00	50	13.0	\$11	\$142	\$153		
	Water Treatment	T EQIP	11/24/92	1992	320	\$1,347.00	50	13.0	\$27	\$350	\$377		
	Water Treatment	T EQIP	1/1/93	1993	320	\$2,895.00	50	12.0	\$60	\$719	\$779		
	Water Treatment	T EQIP	1/1/93	1993	320	\$2,995.00	50	12.0	\$60	\$719	\$779		
	Water Treatment	T EQIP	1/1/93	1993	320	\$919.00	50	12.0	\$18	\$221	\$239		
	Water Treatment	T EQIP	1/1/93	1993	320	\$1,826.00	50	12.0	\$39	\$462	\$501		
	Water Treatment	T EQIP	1/1/93	1993	320	\$919.00	50	12.0	\$18	\$221	\$239		
	Water Treatment	T STRU	1/1/93	1993	320	\$575.00	50	12.0	\$12	\$136	\$150		
	Water Treatment	T STRU	1/1/93	1993	320	\$584.00	50	12.0	\$12	\$140	\$152		
	Water Treatment	T STRU	1/1/93	1993	320	\$1,478.00	50	12.0	\$30	\$355	\$384		
	PS Mainline Propel	T EQIP	1/1/94	1994	320	\$3,507.00	50	11.0	\$70	\$772	\$842		
	Equip Water Treat	T EQIP	1/1/94	1994	320	\$7,477.00	50	11.0	\$150	\$1,645	\$1,794		
	Water Treatment	T EQIP	1/1/94	1994	320	\$1,088.00	50	11.0	\$21	\$235	\$256		
	(NO DESC)	T EQIP	5/10/95	1995	320	\$1,530.00	50	10.0	\$31	\$306	\$337		
	(NO DESC)	U	2/24/97	1995	320	\$13,230.56	50	10.0	\$265	\$2,646	\$2,911		
	Pirle	T EQIP	1/31/98	1995	320	\$4,734.52	50	10.0	\$95	\$947	\$1,042		
	1988 Additions	U	6/30/98	1998	320	\$8,017.26	50	7.0	\$160	\$1,122	\$1,283		
	Carbon Feed	T EQIP	12/16/98	1995	320	\$74,222.57	50	10.0	\$1,484	\$14,845	\$16,328		
	Water Equipment	U	12/31/00	2000	320	\$1,810.94	50	5.0	\$36	\$181	\$217		
	New Mag Meter	U	4/11/00	2000	320	\$3,246.81	50	5.0	\$65	\$325	\$390		
	Turbidity Meter	TEQIP	4/24/01	2001	320	\$2,437.57	50	4.0	\$49	\$195	\$244		
	Chlorinators	TEQIP	7/29/02	2002	320	\$6,779.50	50	3.0	\$136	\$407	\$542		
	Chemical Feed Pump	T EQIP	9/28/02	2002	320	\$4,459.64	50	3.0	\$89	\$288	\$357		
	Chlorine Gas Detector	T EQIP	2/28/03	2003	320	\$3,729.00	50	2.0	\$75	\$148	\$224		
	Raw Pump Rebuild @ Pirle	U	3/25/04	2004	320	\$9,865.57	50	1.0	\$197	\$197	\$395		
	10" Finish Mag Meter	U	12/30/04	2004	320	\$7,481.93	50	1.0	\$149	\$149	\$298		
	Chlorine Road Cells (2)	U	12/30/05	2005	320	\$1,025.00	20	0.0	\$0	\$0	\$0	\$51	\$51
	Clarifier Variable Speed Drives (2)	U	12/30/05	2005	320	\$2,622.00	20	0.0	\$0	\$0	\$0	\$131	\$131
						\$1,275,033.05	F-1		\$25,137	\$391,491	\$416,628	\$182	\$182
330	Distribution,Reservoirs,Standpipes												
.1833000	Standpipe	D MAIN	1/1/89	1989	330	\$2,700.00	50	16.0	\$54	\$864	\$918		
	Water Sys Impr Clip	D MAIN	1/1/89	1989	330	\$19,829.09	40	16.0	\$496	\$7,932	\$8,427		
	Longview Tank	D STOR	1/1/89	1989	330	\$283,213.00	50	16.0	\$5,864	\$93,828	\$99,692		
	Ullity Plant	U	1/1/89	1989	330	\$180,000.00	50	16.0	\$3,800	\$60,800	\$64,600		
	Equipment	U	1/1/89	1989	330	\$7,205.00	50	16.0	\$144	\$2,306	\$2,450		
	Cont 3 Int Cap	D TRANS	1/1/92	1992	330	\$36,350.00	33	13.0	\$1,091	\$14,178	\$15,269		
	Cont 3 Tanks	D STOR	3/31/92	1992	330	\$756,173.00	33	13.0	\$22,687	\$284,937	\$317,624		
	Cont 3 Tanks	D STOR	1/1/93	1993	330	\$273,235.00	50	12.0	\$5,465	\$65,576	\$71,041		
	Capitalized Intere	U	1/1/93	1993	330	\$36,387.00	50	12.0	\$728	\$8,733	\$9,461		
	Fisher Tank	D STOR	1/19/93	1993	330	\$22,000.00	50	12.0	\$440	\$5,280	\$5,720		
	Tanks-New Paint	D STOR	6/30/98	1988	330	\$70,039.75	7	7.0	\$0	\$70,040	\$70,040		
	Tank Level Transmitter	U	9/27/04	2004	330	\$1,171.04	7	1.0	\$167	\$167	\$335		
	Blow Tank (220000) 3 Control Valves	U	12/1/05	2005	330	\$852,464.00	50	0.0	\$1,087	\$0	\$1,087	\$13,049	\$13,049
						\$2,380,766.88	F-1		\$42,023	\$624,641	\$666,663	\$13,049	\$13,049
331	Transmission & Distribution Mains												
.1833100	Water Mains	D MAIN	6/1/70	1970	331	\$1,947,912.00	50	35.0	\$38,958	\$1,363,538	\$1,402,497		
	1/2 Rev Water Line	D MAIN	8/1/85	1985	331	\$12,443.00	50	20.0	\$249	\$4,977	\$5,226		
	Waterline	D MAIN	9/1/85	1985	331	\$11,800.00	50	20.0	\$236	\$4,720	\$4,956		
	GWC Enterprise	U	9/1/85	1985	331	\$4,541.00	50	20.0	\$91	\$1,816	\$1,907		
	1/2 Rev Water Line	D MAIN	10/16/85	1985	331	\$1,991.00	50	20.0	\$40	\$796	\$836		
	Meadow Lane Sect4	D MAIN	11/11/85	1985	331	\$5,688.00	50	20.0	\$114	\$2,275	\$2,389		
	Country Meadow Est	D MAIN	11/30/85	1985	331	\$4,384.00	50	20.0	\$88	\$1,754	\$1,841		
	GWC Enterprise	U	12/31/85	1985	331	\$7,357.00	50	20.0	\$147	\$2,943	\$3,090		
	GWC Enterprise	U	1/31/86	1986	331	\$880.00	50	19.0	\$18	\$338	\$356		
	Hill St Estate	D MAIN	3/31/86	1986	331	\$2,369.00	50	19.0	\$47	\$900	\$948		
	Oscar Wilden Main Ext	D MAIN	3/31/86	1986	331	\$4,449.00	50	19.0	\$89	\$1,691	\$1,780		
	Meadow Lake Sect 4	D MAIN	6/17/86	1986	331	\$7,028.00	50	19.0	\$141	\$2,671	\$2,811		
	Meadow Lake Sect5	D MAIN	6/30/86	1986	331	\$4,736.00	50	19.0	\$95	\$1,890	\$1,984		
	1/2 Rev Water Line	D MAIN	6/30/86	1986	331	\$4,895.00	50	19.0	\$98	\$1,860	\$1,958		
	1/2 Rev Water Line	D MAIN	7/31/86	1986	331	\$7,000.00	50	19.0	\$140	\$2,680	\$2,800		
	1/2 Rev Water Line	D MAIN	7/31/86	1986	331	\$4,057.00	50	19.0	\$81	\$1,542	\$1,623		
	Waterlines	D MAIN	9/1/86	1986	331	\$862.00	50	19.0	\$17	\$328	\$345		
	1/2 Rev Contract	D MAIN	9/1/87	1987	331	\$95,587.00	50	18.0	\$1,912	\$34,411	\$36,323		
	Equipment	T EQIP	9/1/87	1987	331	\$1,942.00	50	18.0	\$39	\$699	\$738		
	Gate Valves Gaskel	D MAIN	2/1/88	1988	331	\$4,270.00	50	17.0	\$85	\$1,452	\$1,537		
	Waterline	D MAIN	2/1/88	1988	331	\$2,328.00	50	17.0	\$47	\$792	\$838		
	Payroll	U	9/1/88	1988	331	\$5,626.00	50	17.0	\$113	\$1,913	\$2,025		
	Water Line	D MAIN	1/1/89	1989	331	\$41,880.00	50	16.0	\$837	\$13,395	\$14,232		
	Clip Water Sys Impr	D MAIN	1/1/89	1989	331	\$2,330.00	40	16.0	\$58	\$932	\$980		
	Water Sys Impr clip	D MAIN	1/1/89	1989	331	\$14,064.00	40	16.0	\$352	\$5,626	\$5,977		
	HWY 144 Relocation	D TRANS	1/1/89	1989	331	\$96,835.00	50	16.0	\$1,937	\$30,997	\$32,924		
	Equipment	U	1/1/89	1989	331	\$13,681.00	50	16.0	\$277	\$4,436	\$4,713		
	Ullity Plant	U	1/1/89	1989	331	\$1,356,000.00	50	16.0	\$27,120	\$433,920	\$461,040		
	Transmission Supplies	D EQIP	1/1/90	1990	331	\$20,494.00	50	15.0	\$410	\$6,148	\$6,558		
	Water Sys Impr Clip	D MAIN	1/1/90	1990	331	\$17,222.00	33	15.0	\$517	\$7,751	\$8,267		
	Valves	D MAIN	1/1/90	1990	331	\$6,583.00	50	15.0	\$131	\$1,969	\$2,100		
	Valves & Lids	D SERV	1/1/90	1990	331	\$6,799.00	50	15.0	\$136	\$2,040	\$2,176		
	Supplies	U	1/1/90	1990	331	\$2,082.00	50	15.0	\$42	\$625	\$668		
	Pipe	D MAIN	1/1/92	1992	331	\$16,865.00	50	13.0	\$333	\$4,333	\$4,668		
	Metro Tech Line LO	U	1/1/92	1992	331	\$1,950.00	50	13.0	\$39	\$507	\$546		
	Cont 4 Int Cap	U	1/1/92	1992	331	\$44,556.00	33	13.0	\$				

1638 Water Main RE	D MAIN	7/24/92	1992	331	\$515.00	50	13.0	\$10	\$134	\$144		
Work Order 405	D MAIN	11/12/92	1992	331	\$7,399.00	50	13.0	\$146	\$1,924	\$2,072		
Main Supply	D MAIN	1/1/93	1993	331	\$3,274.00	50	12.0	\$65	\$786	\$851		
Hauling - Rockfill	D MAIN	1/1/93	1993	331	\$2,015.00	50	12.0	\$40	\$484	\$524		
Meadowlake Sec. 9	D MAIN	1/1/93	1993	331	\$8,985.00	50	12.0	\$179	\$2,152	\$2,331		
Countryside WME	D MAIN	1/1/93	1993	331	\$6,617.00	50	12.0	\$132	\$1,588	\$1,720		
Food Lion WMP	D MAIN	1/1/93	1993	331	\$6,824.00	50	12.0	\$138	\$1,662	\$1,800		
Main Supply	D MAIN	1/1/93	1993	331	\$4,483.00	50	12.0	\$80	\$1,076	\$1,166		
Capitalized Inter	D PUMP	1/1/93	1993	331	\$80,892.00	50	12.0	\$1,214	\$14,564	\$15,777		
Cont 4 Booster	D PUMP	1/1/93	1993	331	\$217,448.00	50	12.0	\$4,349	\$52,188	\$56,536		
Capitalized Payroll	U	1/1/93	1993	331	\$4,699.00	50	12.0	\$94	\$1,128	\$1,222		
Small Item<1000	U	1/1/93	1993	331	\$9,697.00	50	12.0	\$134	\$1,807	\$1,741		
Labor Phillips WME	D MAIN	1/1/94	1994	331	\$4,848.00	50	11.0	\$87	\$1,067	\$1,184		
Trans & Distribution	D MAIN	1/1/94	1994	331	\$5,293.00	50	11.0	\$106	\$1,164	\$1,270		
Heatherfield Mat	D MAIN	1/1/94	1994	331	\$10,840.00	50	11.0	\$217	\$2,385	\$2,602		
Rolling Hills Mate	D MAIN	1/1/94	1994	331	\$11,599.00	50	11.0	\$232	\$2,552	\$2,784		
Easement Settlement	D MAIN	6/1/95	1995	331	\$17,700.00	50	10.0	\$354	\$3,540	\$3,894		
T&D Mains	D MAIN	6/30/95	1995	331	\$20,377.00	50	10.0	\$408	\$4,075	\$4,483		
Contributed Capital	U	6/30/95	1995	331	\$17,834.00	50	10.0	\$359	\$3,587	\$3,945		
1995 FINISHED CIP	G	12/31/95	1995	331	\$23,427.27	50	10.0	\$460	\$4,885	\$5,154		
MEADE CO. EXTENSION	D MAIN	1/1/96	1996	331	\$27,212.35	50	9.0	\$544	\$4,898	\$5,442		
Rolling Hills Extension	D MAIN	1/1/96	1996	331	\$27,509.29	50	9.0	\$550	\$4,852	\$5,502		
CIP Work Order 014	D MAIN	12/31/96	1996	331	\$30,231.72	50	9.0	\$785	\$7,062	\$7,846		
Wood Lane	D MAIN	7/31/97	1997	331	\$3,244.33	50	8.0	\$65	\$519	\$584		
Credit on WME #9702	D MAIN	7/31/97	1997	331	\$2,000.00	50	8.0	\$40	\$320	\$360		
Squaw Valley	D MAIN	12/31/97	1997	331	\$6,338.00	50	8.0	\$127	\$1,014	\$1,141		
Main	D MAIN	12/31/97	1997	331	\$15,183.00	50	8.0	\$303	\$2,426	\$2,729		
W.M. Dillo Lane	D MAIN	12/31/97	1997	331	\$19,840.00	50	8.0	\$393	\$3,142	\$3,535		
Rainbow Village	D MAIN	12/31/97	1997	331	\$9,094.00	50	8.0	\$182	\$1,455	\$1,637		
Hill Top Sect 7 #024	D MAIN	2/28/98	1998	331	\$8,628.89	50	7.0	\$173	\$1,208	\$1,381		
Hill Top Terrace Sect 9	D MAIN	10/28/98	1998	331	\$17,116.62	50	7.0	\$342	\$2,386	\$2,739		
WME 97.04	D MAIN	12/31/98	1998	331	\$7,700.00	50	7.0	\$154	\$1,078	\$1,232		
Wiseman Engineering & Land	D MAIN	12/31/98	1998	331	\$1,500.00	50	7.0	\$30	\$210	\$240		
WME 97.01	D MAIN	12/31/98	1998	331	\$7,230.00	50	7.0	\$145	\$1,012	\$1,157		
Whispering Hills	D STOR	12/31/98	1998	331	\$110,237.35	50	7.0	\$2,205	\$15,433	\$17,638		
WME 97.03	G	12/31/98	1998	331	\$27,150.00	50	7.0	\$543	\$3,801	\$4,344		
CIP Bondview Heights	D MAIN	1/31/99	1999	331	\$6,095.39	50	7.0	\$122	\$853	\$975		
WME 9802	D MAIN	6/30/99	1999	331	\$2,450.00	50	7.0	\$49	\$343	\$392		
WME County Expansion WO #016		6/30/00	2000	331	\$152,888.49	50	5.0	\$3,058	\$15,289	\$18,347		
Extension 1/2 Revenue		6/30/00	2000	331	\$13,828.72	50	5.0	\$277	\$1,383	\$1,659		
Challenger On Site		9/13/00	2000	331	\$6,864.87	50	5.0	\$137	\$686	\$824		
Heatherfield CIP		5/3/00	2000	331	\$22,016.33	50	5.0	\$440	\$2,202	\$2,642		
Whispering Hills CIP		5/3/00	2000	331	\$21,886.74	50	5.0	\$438	\$2,189	\$2,626		
Meredith Road CIP		9/30/00	2000	331	\$15,948.55	50	5.0	\$319	\$1,595	\$1,914		
Nighthawk CIP		11/30/00	2000	331	\$8,091.27	50	5.0	\$162	\$809	\$971		
Illinois Road (Our Exp)	D MAIN	1/1/01	2001	331	\$9,135.40	33	4.0	\$277	\$1,107	\$1,384		
University Dr. WO #038	D MAIN	1/1/01	2001	331	\$2,218.13	33	4.0	\$67	\$269	\$336		
Jim Dandy Est. WO#037	D MAIN	1/1/01	2001	331	\$3,258.56	33	4.0	\$99	\$395	\$494		
Wingard	U	1/1/01	2001	331	\$1,393.73	33	4.0	\$42	\$169	\$211		
Richard Nall Road	D MAIN	1/1/01	2001	331	\$4,697.91	33	4.0	\$142	\$569	\$712		
Clearwell Project	T STRU	1/1/01	2001	331	\$304,612.63	33	4.0	\$9,231	\$36,923	\$46,153		
Relocation of line @ 86 & Howe		9/5/01	2001	331	\$56,871.75	33	4.0	\$1,137	\$4,550	\$5,687		
Water Main Extensions	D MAIN	12/31/03	2003	331	\$95,680.55	30	2.0	\$2,908	\$5,816	\$8,724		
Water Main Extensions	D MAIN	12/31/04	2004	331	\$342,091.99	33	1.0	\$10,366	\$10,366	\$20,733		
920/86 County Expansion Proj	D MAIN	8/19/04	2004	331	\$3,898,507.07	50	1.0	\$77,970	\$77,970	\$155,940		
Main Extensions (Cont'd Capital 2005)		12/1/05	2005	331	\$408,987.00	50	0.0	\$678	\$0	\$978	\$8,140	\$7,462
3.12 Miles 8 Inch Mains (NSCR Proj)		12/1/05	2005	331	\$2,117,457.00	50	0.0	\$3,529	\$0	\$9,529	\$42,349	\$38,820
5.3 Miles 8 Inch Mains (NSCR Proj)		12/1/05	2005	331	\$558,878.00	50	0.0	\$931	\$0	\$931	\$11,178	\$10,247
1.6 Miles 12 Inch Mains (NSCR Proj)		12/1/05	2005	331	\$308,092.00	50	0.0	\$513	\$0	\$513	\$6,162	\$5,649
Capitalized Interest		12/1/05	2005	331	\$51,675.00	50	0.0	\$0	\$0	\$0	\$1,034	\$1,034
					\$13,932,684.00	F-1		\$233,607	\$2,858,786	\$2,892,393	\$68,862	\$63,211

333 Service Lines & Connections

1833300	Service Lines	D SERV	6/1/75	1975	333	\$931,876.00	30	30.0	\$0	\$931,876	\$931,876		
1833400	Service Lines	D SERV	9/1/85	1985	333	\$11,829.00	30	20.0	\$388	\$7,753	\$8,140		
1833402	Service Lines	D SERV	9/1/85	1985	333	\$2,405.00	30	20.0	\$80	\$1,603	\$1,684		
	Service Lines	D SERV	9/1/85	1985	333	\$5,234.00	30	20.0	\$174	\$3,489	\$3,664		
	Payroll	U	9/30/85	1985	333	\$17,981.00	30	20.0	\$599	\$11,974	\$12,573		
	Service Lines	D SERV	10/1/85	1985	333	\$6,446.00	30	20.0	\$215	\$4,297	\$4,512		
	Service Lines	D SERV	11/1/85	1985	333	\$6,341.00	30	20.0	\$211	\$4,227	\$4,439		
	Service Lines	D SERV	12/13/85	1985	333	\$4,212.00	30	20.0	\$140	\$2,808	\$2,948		
	Service Lines	D SERV	1/13/86	1986	333	\$1,782.00	30	19.0	\$59	\$1,116	\$1,175		
	Service Lines	D SERV	2/19/86	1986	333	\$6,454.00	30	19.0	\$215	\$4,088	\$4,303		
	Service Lines	D SERV	3/31/86	1986	333	\$1,048.00	30	19.0	\$35	\$684	\$809		
	Service Lines	D SERV	4/1/86	1986	333	\$7,329.00	30	19.0	\$244	\$4,642	\$4,886		
	Service Lines	D SERV	5/15/86	1986	333	\$4,667.00	30	19.0	\$156	\$2,956	\$3,111		
	Service Lines	D SERV	6/1/86	1986	333	\$10,103.00	30	19.0	\$337	\$6,399	\$6,735		
	Service Lines	D SERV	7/18/86	1986	333	\$6,893.00	30	19.0	\$230	\$4,366	\$4,595		
	Service Lines	D SERV	7/31/86	1986	333	\$9,890.00	30	19.0	\$323	\$6,137	\$6,460		
	Service Lines	D SERV	9/1/86	1986	333	\$4,532.00	30	19.0	\$151	\$2,870	\$3,021		
	Service Lines	D SERV	9/1/86	1986	333	\$10,689.00	30	19.0	\$356	\$6,757	\$7,113		
	Capitalized Labor	U	9/1/86	1986	333	\$34,618.00	30	19.0	\$1,154	\$21,925	\$23,079		
	Service Lines	D SERV	10/1/86	1986	333	\$11,675.00	30	19.0	\$389	\$7,394	\$7,783		
	Installation Line	D SERV	11/1/86	1986	333	\$2,380.00	30	19.0	\$79	\$1,507	\$1,587		
	Service Lines	D SERV	12/1/86	1986	333	\$6,447.00	30	19.0	\$215	\$4,083	\$4,298		
	Meters	D SERV	1/1/87	1987	333	\$15,892.00	30	18.0	\$529	\$9,529	\$10,059		
	Service Lines	D SERV	1/1/87	1987	333	\$6,756.00	30	18.0	\$225	\$4,054	\$4,279		
	Service Lines	D SERV	3/1/87	1987	333	\$3,345.00	30	18.0	\$112	\$2,007	\$2,119		
	Service Lines	D SERV	6/1/87	1987	333	\$5,231.00	30	18.0	\$174	\$3,139	\$3,313		
	Service Lines	D SERV	8/1/87	1987	333	\$106,051.00	30	18.0	\$3,535	\$93,631	\$97,166		
	Meters	D SERV	8/1/87	1987	333	\$9,484.00	30	18.0	\$316	\$5,890	\$6,007		
	Service Lines	D SERV	8/1/87	1987	333	\$2,938.00	33	18.0	\$88	\$1,587	\$1,675		
	Service Lines	D SERV	9/1/87	1987	333	\$2,938.00	30	18.0	\$98	\$1,763	\$1,861		
	Service Lines	D SERV	9/1/87	1987	333	\$4,825.00	30	18.0	\$161	\$2,895	\$3,056		
	Meter Setters	D SERV	9/1/87	1987	333	\$3,501.00	30	18.0	\$117	\$2,101	\$2,217		
	Equipment	GEQIP	9/1/87	1987	333	\$5,987.00	30	18.0	\$200	\$3,592	\$3,792		
	Capitalized Payroll	U	9/1/87	1987	333	\$20,121.00	30	18.0	\$671	\$12,073	\$12,743		
	Capitalized Payroll	U	9/1/87	1987	333	\$7,590.00	30	18.0	\$253	\$4,554	\$4,807		
	Setler & Saddles	D SERV	11/1/87	1987	333	\$8,555.00	30	18.0	\$285	\$5,133	\$5,410		

Service Lines	D SERV	11/1/87	1987	333	\$1,528.00	30	18.0	\$51	\$917	\$668		
Meter Setters	D SERV	11/1/87	1987	333	\$1,108.00	30	18.0	\$37	\$664	\$700		
Service Lines	D SERV	11/1/87	1987	333	\$3,120.00	30	18.0	\$104	\$1,872	\$1,976		
Service Lines	D SERV	11/1/87	1987	333	\$3,186.00	30	18.0	\$107	\$1,918	\$2,024		
Service Lines	D SERV	11/1/87	1987	333	\$2,210.00	30	18.0	\$74	\$1,326	\$1,400		
Service Lines	D SERV	11/1/87	1987	333	\$8,180.00	30	18.0	\$273	\$4,908	\$5,181		
Service Lines	D SERV	11/1/87	1987	333	\$748.00	30	18.0	\$25	\$449	\$474		
Service Lines	D SERV	4/1/88	1988	333	\$5,069.00	30	17.0	\$169	\$2,872	\$3,041		
Meter Setters	D SERV	8/1/88	1988	333	\$3,180.00	30	17.0	\$105	\$1,791	\$1,898		
Setters	D SERV	1/1/89	1989	333	\$91,885.00	30	16.0	\$3,082	\$48,895	\$52,057		
Labor	U	1/1/89	1989	333	\$16,058.00	30	16.0	\$502	\$8,031	\$8,533		
Valves Rings Lids	D SERV	1/1/90	1990	333	\$13,482.00	30	15.0	\$440	\$6,741	\$7,190		
Meters	D SERV	1/1/90	1990	333	\$8,153.00	30	15.0	\$272	\$4,077	\$4,348		
Meters	D SERV	1/1/90	1990	333	\$2,537.00	30	15.0	\$85	\$1,289	\$1,353		
Capitalized Labor	U	1/1/90	1990	333	\$2,284.00	30	15.0	\$75	\$1,132	\$1,207		
Capitalized Labor	U	1/1/92	1992	333	\$9,895.00	30	13.0	\$333	\$4,331	\$4,684		
Work Order 455	D MAIN	3/31/92	1992	333	\$5,942.00	30	13.0	\$188	\$2,575	\$2,773		
Meter Lids & Rings	D SERV	8/30/92	1992	333	\$2,727.00	30	13.0	\$91	\$1,182	\$1,273		
1500 K-Cooper	D SERV	8/31/92	1992	333	\$2,234.00	30	13.0	\$74	\$988	\$1,043		
Service Lines	D SERV	1/1/93	1993	333	\$13,945.00	30	12.0	\$485	\$5,578	\$6,043		
Curbslop-Meadowlark	D SERV	1/1/93	1993	333	\$7,569.00	30	12.0	\$252	\$3,028	\$3,280		
Small Items<1000	U	1/1/93	1993	333	\$7,148.00	30	12.0	\$238	\$2,859	\$3,097		
Capitalized Payroll	U	1/1/93	1993	333	\$10,584.00	30	12.0	\$353	\$4,234	\$4,586		
WM Relocation Clp	D MAIN	1/1/94	1994	333	\$9,746.00	33	11.0	\$292	\$3,217	\$3,509		
Service Lines	D SERV	1/1/94	1994	333	\$16,064.00	30	11.0	\$535	\$5,890	\$6,426		
Service Lines	D SERV	8/30/95	1995	333	\$6,805.00	30	10.0	\$227	\$2,288	\$2,495		
HWY 313 Additions	D TRANS	6/30/95	1995	333	\$131,394.00	30	10.0	\$4,380	\$43,798	\$48,178		
Capitalized Labor	U	6/30/95	1995	333	\$5,208.00	30	10.0	\$174	\$1,738	\$1,910		
Inventory-1998	U	12/31/06	1998	333	\$8,803.03	30	9.0	\$287	\$2,671	\$2,888		
Inventory-1997	D MAIN	12/31/97	1997	333	\$9,581.31	30	8.0	\$319	\$2,550	\$2,888		
Inventory-1998	D MAIN	12/31/98	1998	333	\$6,577.78	30	7.0	\$218	\$1,535	\$1,754		
Inventory-1999	D SERV	12/31/99	1999	333	\$11,845.99	30	6.0	\$385	\$2,369	\$2,784		
Manual Entries	U	12/31/99	1999	333	\$1,096.38	30	6.0	\$37	\$219	\$256		
Entries	U	12/31/00	2000	333	\$3,739.06	30	5.0	\$115	\$5,790	\$6,948		
2001 Capitalized Labor	U	12/19/01	2001	333	\$5,671.87	30	4.0	\$189	\$756	\$945		
2002 Capitalized Labor	U	12/1/02	2002	333	\$3,834.89	30	3.0	\$128	\$383	\$511		
2003 Capitalized Labor	U	12/1/03	2003	333	\$7,493.86	30	2.0	\$250	\$500	\$749		
Inventory	U	12/1/03	2003	333	\$16,591.37	30	2.0	\$553	\$1,106	\$1,659		
Service Lines	D SERV	12/1/03	2003	333	\$97,279.60	30	2.0	\$3,243	\$6,485	\$9,728		
Service Line - Hardinsburg Rd	D SERV	12/8/04	2004	333	\$30,227.88	30	1.0	\$1,008	\$1,008	\$2,015		
Service Line - Slaughter Rd	D SERV	7/28/04	2004	333	\$2,500.00	30	1.0	\$83	\$83	\$167		
2004 Capitalized Labor	U	12/31/04	2004	333	\$12,326.17	30	1.0	\$411	\$411	\$822		
AMR Meters Installed 2005 (1/0034)	U	6/1/05	2005	333	\$186,248.80	30	0.0	\$1,847	\$0	\$1,847	\$5,542	\$3,695
Meters & Services Installed 2005 (2784)	U	12/31/05	2005	333	\$189,576.00	30	0.0	\$0	\$0	\$0	\$6,319	\$6,319
Meters Moved from NSCR (Pro)	U	12/31/05	2005	333	\$71,050.00	30	0.0	\$0	\$0	\$0	\$2,368	\$2,368
Relocate DeRoche Service (6/8 meter)	U	10/3/05	2005	333	\$3,701.00	30	0.2	\$31	\$0	\$31	\$123	\$92
Capitalized Interest	U	12/1/05	2005	333	\$4,000.00	30	0.0	\$0	\$0	\$0	\$133	\$133
					\$2,381,837.09	F-1		\$35,682	\$1,359,166	\$1,394,848	\$14,486	\$12,608

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Service Lines & Connections

Meter Installation	D SERV	9/1/87	1987	333	\$2,665.00	30	18.0	\$89	\$1,599	\$1,688		
Meters	D SERV	9/1/87	1987	333	\$45,445.00	30	18.0	\$1,515	\$27,267	\$28,782		
Meters	D SERV	10/31/87	1987	333	\$1,909.00	30	18.0	\$64	\$1,145	\$1,209		
Meters	D SERV	10/31/87	1987	333	\$1,848.00	30	18.0	\$62	\$1,109	\$1,170		
Meter Installation	D SERV	11/1/87	1987	333	\$3,150.00	30	18.0	\$105	\$1,880	\$1,985		
Meters	D SERV	12/15/87	1987	333	\$1,557.00	30	18.0	\$52	\$934	\$986		
Meters	D SERV	2/23/88	1988	333	\$1,092.00	30	17.0	\$36	\$619	\$655		
Meters	D SERV	2/23/88	1988	333	\$2,280.00	30	17.0	\$76	\$1,292	\$1,368		
Meters	D SERV	2/25/88	1988	333	\$1,654.00	30	17.0	\$55	\$937	\$992		
Meters	D SERV	3/3/88	1988	333	\$1,017.00	30	17.0	\$34	\$576	\$610		
Meters	D SERV	3/24/88	1988	333	\$1,384.00	30	17.0	\$46	\$784	\$830		
Meters	D SERV	3/28/88	1988	333	\$2,458.00	30	17.0	\$82	\$1,393	\$1,475		
Meters	D SERV	3/28/88	1988	333	\$1,721.00	30	17.0	\$57	\$975	\$1,033		
Meter Installation	D SERV	5/9/88	1988	333	\$1,111.00	30	17.0	\$37	\$630	\$667		
Meters	D SERV	6/15/88	1988	333	\$923.00	30	17.0	\$31	\$523	\$554		
Meters	D SERV	10/28/88	1988	333	\$3,398.00	30	17.0	\$113	\$1,928	\$2,039		
Meters	D SERV	10/28/88	1988	333	\$930.00	30	17.0	\$31	\$527	\$558		
Meters	D SERV	1/1/89	1989	333	\$12,898.00	30	16.0	\$430	\$6,878	\$7,308		
Labor	U	1/1/89	1989	333	\$5,044.00	30	16.0	\$168	\$2,690	\$2,858		
Meters	D SERV	1/1/90	1990	333	\$38,836.00	30	15.0	\$1,295	\$19,418	\$20,713		
Meters	D SERV	1/1/90	1990	333	\$41,778.00	30	15.0	\$1,393	\$20,889	\$22,282		
Meter Inv Change	D SERV	1/1/90	1990	333	\$4,173.00	30	15.0	\$139	\$2,087	\$2,226		
Meters	D SERV	1/1/90	1990	333	\$7,817.00	30	15.0	\$281	\$3,809	\$4,169		
Meters	D SERV	1/1/92	1992	333	\$3,393.00	30	13.0	\$113	\$1,470	\$1,583		
Labor	U	1/1/92	1992	333	\$1,254.00	30	13.0	\$42	\$543	\$585		
Work Order 601	D TRANS	4/30/92	1992	333	\$17,275.00	30	13.0	\$576	\$7,486	\$8,082		
Meters	D SERV	1/1/93	1993	333	\$1,619.00	30	12.0	\$54	\$648	\$702		
Meters	D SERV	1/1/93	1993	333	\$3,954.00	30	12.0	\$132	\$1,582	\$1,713		
Meter Installation	D SERV	1/1/93	1993	333	\$5,281.00	30	12.0	\$176	\$2,112	\$2,288		
Small Items<1000	U	1/1/93	1993	333	\$2,368.00	30	12.0	\$79	\$947	\$1,026		
Capitalized Payroll	U	1/1/93	1993	333	\$813.00	30	12.0	\$27	\$325	\$352		
Small Items<1000	U	1/1/93	1993	333	\$854.00	30	12.0	\$22	\$262	\$283		
Meters	D SERV	1/1/94	1994	333	\$4,208.00	30	11.0	\$140	\$1,542	\$1,682		
Meter Inventory	D SERV	1/1/94	1994	333	\$2,227.00	30	11.0	\$74	\$917	\$991		
Meters Installation	D SERV	1/1/94	1994	333	\$14,952.00	30	11.0	\$488	\$5,482	\$5,981		
Meters & Labor	D SERV	6/30/95	1995	333	\$15,554.00	30	10.0	\$518	\$5,185	\$5,703		
Inventory-1996	D MAIN	12/31/96	1996	333	\$6,850.72	30	9.0	\$222	\$1,995	\$2,217		
Inventory Installation-1996	D SERV	12/31/96	1996	333	\$14,327.15	30	9.0	\$478	\$4,288	\$4,778		
Inventory-1997	U	12/31/97	1997	333	\$16,369.21	30	8.0	\$546	\$4,365	\$4,910		
Inventory Installation-1998	D SERV	12/31/98	1998	333	\$2,033.98	30	7.0	\$68	\$475	\$542		
Inventory-1998	U	12/31/98	1998	333	\$15,208.49	30	7.0	\$507	\$3,548	\$4,055		
Inventory-1999	U	12/31/99	1999	333	\$12,449.05	30	6.0	\$415	\$2,490	\$2,905		
Confined Space Meters # 603	D SERV	6/15/97	1997	333	\$3,302.86	33	8.0	\$100	\$801	\$891		
Inventory	U	12/31/00	2000	333	\$1,567.62	33	5.0	\$48	\$238	\$285		
2002 Audit Adjustments	U	12/31/02	2002	333	\$404.35	30	3.0	\$13	\$40	\$54		
Meters	D SERV	12/31/02	2002	333	\$5,795.00	30	3.0	\$193	\$580	\$773		
Ulfransson Flow Meter	D SERV	4/28/03	2003	333	\$5,160.85	30	2.0	\$172	\$344	\$516		
Meters	U	12/31/04	2004	333	\$98,227.53	30	1.0	\$3,274	\$3,274	\$6,549		
					\$440,129.81	F-1		\$14,656	\$150,844	\$165,501		

	Backhoe Traller Inc.	D EQIP	8/17/98	1998	341	\$7,356.85	5	7.0	\$0	\$7,357	\$7,357		
	PWP Dodge Dakota 1/2T	T EQIP	6/30/99	1999	341	\$15,104.00	5	6.0	\$0	\$15,104	\$15,104		
	1999 Additions	U	6/30/99	1999	341	\$1,800.51	5	6.0	\$0	\$1,801	\$1,801		
	Distribullon 3/4T 4x4	D EQIP	9/29/99	1999	341	\$20,557.00	5	6.0	\$0	\$20,557	\$20,557		
	2000 Dodge Dakota	D EQIP	2/29/00	2000	341	\$15,255.00	5	5.0	\$0	\$15,255	\$15,255		
	3/4 Ton Truck	D EQIP	5/18/00	2000	341	\$19,253.29	5	5.0	\$0	\$19,253	\$19,253		
	1/2 Ton Dodge Truck	D EQIP	5/23/01	2001	341	\$15,896.00	5	4.0	\$3,139	\$12,557	\$15,896		
	Accessories for Dodge Truck	D EQIP	8/31/01	2001	341	\$1,017.88	5	4.0	\$204	\$814	\$1,018		
	2002 Ford F-150 Truck	T EQIP	8/30/02	2002	341	\$16,988.13	5	3.0	\$3,394	\$10,181	\$13,575		
	2003 Ford F-150 Truck	T EQIP	10/30/03	2003	341	\$17,346.47	5	2.0	\$3,469	\$6,939	\$10,408		
	USED 2003 Honda Accord EX	T EQIP	11/9/04	2004	341	\$22,484.00	5	1.0	\$4,493	\$4,493	\$8,986		
	2004 1-Ton Diesel Utility Truck	T EQIP	3/25/04	2004	341	\$31,113.41	5	1.0	\$6,223	\$6,223	\$12,446		
	CORRECT BALAN 05 Audtl Adjustment	T EQIP	1/15/03	2003	341	\$51,541.00	5	2.0	\$0	\$0	\$0		
	2005 Chevy Colorado (1/2T Pick-Up)	T EQIP	3/4/05	2005	341	\$14,199.00	7	0.0	\$1,893	\$0	\$1,893	\$2,020	\$337
	2004 Jeep Laredo (75% Water)	T EQIP	4/13/05	2005	341	\$16,397.50	10	0.0	\$1,847	\$0	\$1,847	\$2,185	\$548
						\$276,343.86	F-1		\$24,261	\$234,978	\$289,230	\$4,215	\$885
	Stores Equipment & Tool, Work & Safety Equipment												
343	Tools & Equipment	U	3/1/81	1981	343	\$81,885.00	5	24.0	\$0	\$81,885	\$81,885		
1834200	Lawn Mower Wlr Pll	T EQIP	10/31/85	1985	343	\$1,450.00	5	20.0	\$0	\$1,450	\$1,450		
1834300	Radio Communicator	U	5/15/88	1988	343	\$780.00	5	19.0	\$0	\$780	\$780		
	Equipment	T EQIP	8/30/88	1988	343	\$560.00	5	19.0	\$0	\$560	\$560		
	Tools	U	9/1/88	1988	343	\$1,098.00	5	19.0	\$0	\$1,098	\$1,098		
	Barricades	D MAIN	8/31/88	1988	343	\$940.00	5	17.0	\$0	\$940	\$940		
	Tools	U	8/31/88	1988	343	\$937.00	5	17.0	\$0	\$937	\$937		
	Rlding Lawn Mower	D EQIP	1/1/89	1989	343	\$3,750.00	5	16.0	\$0	\$3,750	\$3,750		
	tools	U	1/1/89	1989	343	\$15,575.00	5	16.0	\$0	\$15,575	\$15,575		
	Tools	U	1/1/89	1989	343	\$3,176.00	5	16.0	\$0	\$3,176	\$3,176		
	CSI Space Kit	D SERV	1/1/80	1980	343	\$2,532.00	5	15.0	\$0	\$2,532	\$2,532		
	Tools	U	1/1/80	1980	343	\$4,122.00	5	15.0	\$0	\$4,122	\$4,122		
	Tools	U	1/1/80	1980	343	\$1,291.00	5	15.0	\$0	\$1,291	\$1,291		
	Hunt Tractor	D MAIN	1/1/83	1983	343	\$822.00	5	12.0	\$0	\$822	\$822		
	Misc. Tools	U	6/30/85	1985	343	\$698.00	5	10.0	\$0	\$698	\$698		
	Air Monitor Confined Space Ec	D MAIN	4/28/87	1985	343	\$2,436.00	5	10.0	\$0	\$2,436	\$2,436		
	Air Pack/Case/Spare Bottle	v	7/31/87	1985	343	\$2,328.12	5	10.0	\$0	\$2,328	\$2,328		
	Hoprich Company, Inc.	U	1/31/88	1985	343	\$1,461.46	5	10.0	\$0	\$1,461	\$1,461		
	2003 Audtl adjustments	U	12/31/03	2003	343	\$11,375.40	5	2.0	\$2,275	\$4,550	\$6,825		
	Radio Frequency Line Locator	TOOL	6/30/04	2004	343	\$2,400.00	5	1.0	\$480	\$480	\$960		
	Road Traffic Plates	S EQIP	2/28/04	2004	343	\$1,450.00	5	1.0	\$290	\$290	\$580		
						\$121,078.88	F-1		\$3,045	\$111,174	\$114,219		
345	Power Operated Equipment												
1834500	Accuators	T EQIP	1/1/80	1990	345	\$2,273.00	10	15.0	\$0	\$2,273	\$2,273		
	Equipment	T EQIP	1/1/80	1990	345	\$1,550.05	10	15.0	\$0	\$1,550	\$1,550		
	John Deere Co.	D MAIN	6/30/89	1990	345	\$2,308.28	10	15.0	\$0	\$2,308	\$2,308		
	John Deere Backhoe (2WD)	U	4/14/00	2000	345	\$43,768.00	10	5.0	\$4,376	\$21,880	\$26,256		
	PUSH Machine	U	4/14/00	2000	345	\$7,174.21	10	5.0	\$717	\$3,587	\$4,305		
	Hydraulic Tool & Power Unit	U	9/13/04	2004	345	\$9,975.75	10	1.0	\$998	\$998	\$1,995		
	2005 Case 4x4 580M Backhoe	T EQIP	2/2/05	2005	345	\$57,581.00	7	0.0	\$7,540	\$0	\$7,540	\$8,226	\$686
	05 Chevy Diesel Dump Truck	T EQIP	1/5/05	2005	345	\$4,789.00	7	0.0	\$7,824	\$0	\$7,824	\$7,824	\$0
						\$179,381.28	F-1		\$21,455	\$32,596	\$54,051	\$16,050	\$686
344	Laboratory Equipment												
1834400	Laboratory Equipment	T EQIP	8/1/81	1981	344	\$4,699.00	10	24.0	\$0	\$4,699	\$4,699		
	Floc Tester	T EQIP	11/11/85	1985	344	\$535.00	10	20.0	\$0	\$535	\$535		
	Lab Turb	T EQIP	4/17/86	1986	344	\$1,006.00	10	19.0	\$0	\$1,006	\$1,006		
	Turbldimeter	T EQIP	4/17/86	1986	344	\$935.00	10	19.0	\$0	\$935	\$935		
	Misc. Lab Equip	T EQIP	5/15/86	1986	344	\$1,416.00	10	19.0	\$0	\$1,416	\$1,416		
	Meter Test Bench	D SERV	8/1/87	1987	344	\$3,626.00	15	18.0	\$0	\$3,626	\$3,626		
	Colomeric Analyz	T EQIP	2/23/88	1988	344	\$795.00	10	17.0	\$0	\$795	\$795		
	Equipment	U	1/1/89	1989	344	\$795.00	10	16.0	\$0	\$795	\$795		
	Lab Equipment	T EQIP	1/1/80	1990	344	\$684.00	10	15.0	\$0	\$684	\$684		
	Work Order 5808581	D MAIN	11/1/82	1992	344	\$5,718.00	10	13.0	\$0	\$5,718	\$5,718		
	AP Hach	T EQIP	4/30/99	1999	344	\$1,047.20	10	6.0	\$105	\$628	\$733		
	Desktop PH Meter	L EQUIP	6/30/04	2004	344	\$671.09	10	1.0	\$67	\$67	\$134		
	Programmable Jax Tester	T EQIP	4/26/05	2005	344	\$2,201.00	15	0.0	\$102	\$0	\$102	\$153	\$51
	2 Hach Jg-line Turbldimeter (Hach)	T EQIP	4/26/05	2005	344	\$5,203.00	15	0.0	\$231	\$0	\$231	\$347	\$116
						\$29,421.29	F-1		\$505	\$20,904	\$21,409	\$500	\$167
346	Communication Equipment												
	Radios	G EQIP	1/1/80	1990	346	\$7,432.00	10	15.0	\$0	\$7,432	\$7,432		
	New DSL	U	11/30/00	2000	346	\$785.23	10	5.0	\$79	\$393	\$471		
	Cordless Phones	G EQIP	10/30/02	2002	346	\$521.50	3	3.0	\$0	\$522	\$522		
	AMR System Purchased in 2005	T EQIP	9/1/05	2005	346	\$1,065.00	10	0.0	\$2,036	\$0	\$2,036	\$6,107	\$4,071
	Upgrade/Add Base Radios (6)	T EQIP	5/16/05	2005	346	\$2,475.00	10	0.0	\$144	\$0	\$144	\$248	\$104
						\$72,278.73	F-1		\$2,259	\$8,348	\$10,605	\$6,354	\$4,174
348	Other Tangible												
1834800	Test	U	1/1/80	1980	348	\$1,801.00	10	15.0	\$0	\$1,801	\$1,801		
1834801	Gold Remoles	U	1/1/80	1980	348	\$755.00	10	15.0	\$0	\$755	\$755		
1834600	Metrol Tech Lin	U	8/31/82	1982	348	\$1,050.00	10	13.0	\$0	\$1,050	\$1,050		
1834700	KBC Toolsply	U	1/1/83	1983	348	\$1,055.00	10	12.0	\$0	\$1,055	\$1,055		
	G&C Supply	U	1/1/83	1983	348	\$1,666.00	10	12.0	\$0	\$1,666	\$1,666		
	Pirtle Well	S EQIP	1/1/84	1984	348	\$2,008.06	10	11.0	\$0	\$2,008	\$2,008		
	Office Buildings	G STRU	11/1/85	1985	348	\$42,448.00	50	40.0	\$849	\$33,959	\$34,808		
	Office Improvement	U	9/1/87	1987	348	\$7,900.00	50	18.0	\$159	\$2,844	\$3,002		
	Improvements	U	1/1/89	1989	348	\$6,089.00	50	16.0	\$122	\$1,952	\$2,074		
	Air Temp	U	1/1/83	1983	348	\$1,675.00	50	12.0	\$34	\$402	\$436		
	Drive Thru Improve	G BILL	1/1/84	1984	348	\$836.70	50	11.0	\$17	\$184	\$201		
	Improvements	U	6/30/00	2000	348	\$302.79	50	5.0	\$36	\$30	\$36		
	FlagPole	U	12/31/00	2000	348	\$1,501.65	50	5.0	\$30	\$150	\$180		
	Heat Detectors	U	3/27/01	2001	348	\$1,243.31	50	4.0	\$25	\$99	\$124		
	Road & Parking Area	U	5/1/75	1975	348	\$49,796.57	25	30.0	\$0	\$49,797	\$49,797		
	Road Improvements	D MAIN	9/1/87	1987	348	\$1,200.00	25	18.0	\$48	\$864	\$912		
	New Concrete Pirtle Lot	U	7/13/00	2000	348	\$15,022.51	25	5.0	\$601	\$3,005	\$3,605		
	Metershop doors	G STRU	4/29/03	2003	348	\$3,253.13	40	2.0	\$81	\$163	\$244		
	Upgrade Scada HMI Software	U	12/30/04	2004	348	\$16,020.86	10	1.0	\$1,602	\$1,602	\$3,204		
	Server Sftwr, Lap top & PC's(csr,lsr&dist)	U	7/31/04	2004	348	\$8,493.15	5	1.0	\$1,699	\$1,699	\$3,397		

Re-do Restroom floors	7/29/04	2004	348	\$2,401.45	10	1.0	\$240	\$240	\$480		
Mater Shop Air Conditioner	11/23/04	2004	348	\$1,475.00	5	1.0	\$295	\$295	\$590		
Ice Blockers for Service Center Roof	11/30/04	2004	348	\$1,646.70	10	1.0	\$165	\$165	\$329		
Door Openers, Svc Center	12/16/05	2005	348	\$484.39	10	1.0	\$48	\$48	\$96	\$48	\$48
				\$171,135.37	P-1		\$5,971	\$106,784	\$112,755	\$48	\$48
TOTALS				\$28,823,418.11			\$584,313	\$7,611,394	\$8,195,707		\$105,051

Cost of Service Study
Hardin County Water District No. 1

Appendix E

**Inch-Miles Calculation Based on
Hydraulic Model Information**

	% of System	Inch-Miles
HCWD#1	83.6%	1285.363
MCWD	11.9%	182.631
Vine Grove	4.5%	69.315
Pipes with No Flow	-----	76.009
Total System (includes pipes with no flow)		1613.320

1537.3 w/o "No Flow"



Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
1	6	438	0.083	0.498	48.4	40.3	-8.1	48.3	-0.1	48.6	85.5%	0.4	14.3%	0.071	0.2%	0.001
2	14	1068	0.202	2.831	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
3	8	376	0.071	0.570	49.3	46.2	-3.1	49.3	0.0	49.4	94.1%	0.5	5.9%	0.034	0.0%	0.000
4	8	2410	0.456	3.652	-41.8	-38.8	3.0	-41.9	-0.1	-42.0	93.1%	3.4	6.7%	0.244	0.2%	0.008
5	6	663	0.126	0.753	12.5	13.1	0.6	12.5	0.0	12.5	95.4%	0.7	4.6%	0.034	0.0%	0.000
6	6	727	0.138	0.826	-12.7	-12.8	-0.1	-12.7	0.0	-12.8	99.2%	0.8	0.8%	0.006	0.0%	0.000
7	6	1161	0.220	1.319	-16.0	-16.0	0.0	-16.0	0.0	-16.0	100.0%	1.3	0.0%	0.000	0.0%	0.000
9	14	1005	0.190	2.664	-8.3	-13.4	-5.1	-8.4	-0.1	-8.3	61.5%	1.6	37.8%	1.006	0.7%	0.020
11	14	241	0.046	0.639	-124.0	-110.6	13.4	-124.3	-0.3	-124.8	90.1%	0.6	9.7%	0.062	0.2%	0.001
12	12	1032	0.195	2.344	-273.1	-229.2	43.9	-273.6	-0.5	-275.0	86.0%	2.0	13.8%	0.324	0.2%	0.004
13	6	551	0.104	0.626	-52.2	-44.0	8.2	-52.0	0.2	-52.3	86.1%	0.5	13.5%	0.085	0.3%	0.002
14	14	2422	0.459	6.423	145.3	114.9	-30.4	145.5	0.2	146.6	82.6%	5.3	17.3%	1.110	0.1%	0.007
15	14	505	0.096	1.338	150.4	109.0	-41.4	150.7	0.3	152.0	78.3%	1.0	21.6%	0.288	0.2%	0.002
16	12	347	0.066	0.788	32.2	9.5	-22.7	32.3	0.1	33.0	58.5%	0.5	41.3%	0.325	0.2%	0.001
17	12	444	0.084	1.009	28.2	0.3	-27.9	28.3	0.1	29.1	50.2%	0.5	49.6%	0.501	0.2%	0.002
18	6	643	0.122	0.731	13.9	16.8	2.9	13.9	0.0	13.7	82.7%	0.6	17.3%	0.126	0.0%	0.000
19	6	293	0.056	0.333	12.4	10.2	-2.2	12.4	0.0	12.5	84.9%	0.3	15.1%	0.050	0.0%	0.000
20	6	394	0.075	0.448	16.4	15.2	-1.2	16.4	0.0	16.4	93.2%	0.4	6.8%	0.031	0.0%	0.000
21	6	350	0.066	0.397	2.8	7.1	4.3	2.8	0.0	2.6	39.4%	0.2	60.6%	0.241	0.0%	0.000
22	6	680	0.129	0.773	-23.2	-18.0	5.2	-23.3	-0.1	-23.5	81.4%	0.6	18.2%	0.141	0.4%	0.003
23	6	1090	0.206	1.238	19.2	19.2	0.0	19.2	0.0	19.2	100.0%	1.2	0.0%	0.000	0.0%	0.000
24	12	616	0.117	1.401	12.7	-18.1	-30.8	12.8	0.1	13.7	29.1%	0.4	70.6%	0.990	0.2%	0.003
25	12	298	0.056	0.678	25.8	-4.1	-29.9	25.9	0.1	26.8	46.2%	0.3	53.6%	0.363	0.2%	0.001
26	12	750	0.142	1.705	10.5	-21.3	-31.8	10.6	0.1	11.6	24.8%	0.4	75.0%	1.279	0.2%	0.004
27	12	319	0.060	0.725	-17.1	12.9	30.0	-17.2	-0.1	-18.2	36.2%	0.3	63.6%	0.461	0.2%	0.002
28	6	1009	0.191	1.147	29.9	24.6	-5.3	29.9	0.0	30.0	84.9%	1.0	15.1%	0.173	0.0%	0.000
29	6	706	0.134	0.802	26.2	20.9	-5.3	26.2	0.0	26.3	83.2%	0.7	16.8%	0.135	0.0%	0.000
30	6	1547	0.293	1.758	-22.4	-17.2	5.2	-22.4	0.0	-22.6	81.2%	1.4	18.8%	0.331	0.0%	0.000
31	6	1605	0.304	1.824	-20.8	-15.6	5.2	-20.8	0.0	-21.0	80.0%	1.5	20.0%	0.365	0.0%	0.000
32	6	732	0.139	0.832	15.4	10.2	-5.2	15.4	0.0	15.6	74.8%	0.6	25.2%	0.210	0.0%	0.000
33	6	695	0.132	0.789	-6.6	-5.9	0.7	-6.6	0.0	-6.6	90.4%	0.7	9.6%	0.076	0.0%	0.000
34	6	411	0.078	0.468	14.7	15.6	0.9	14.7	0.0	14.7	94.2%	0.4	5.8%	0.027	0.0%	0.000
35	6	466	0.088	0.529	17.8	16.2	-1.6	17.8	0.0	17.9	91.8%	0.5	8.2%	0.044	0.0%	0.000
36	12	797	0.151	1.812	60.8	55.3	-5.5	60.8	0.0	61.0	91.7%	1.7	8.3%	0.150	0.0%	0.000
37	6	753	0.143	0.856	16.5	14.8	-1.7	16.5	0.0	16.6	90.7%	0.8	9.3%	0.080	0.0%	0.000
38	6	445	0.084	0.505	8.6	5.6	-3.0	8.6	0.0	8.7	74.1%	0.4	25.9%	0.131	0.0%	0.000
39	6	413	0.078	0.470	20.2	20.5	0.3	20.2	0.0	20.1	98.5%	0.5	1.5%	0.007	0.0%	0.000
40	6	566	0.107	0.643	20.5	20.8	0.3	20.5	0.0	20.5	98.6%	0.6	1.4%	0.009	0.0%	0.000
41	6	499	0.094	0.567	27.3	27.3	0.0	27.3	0.0	27.3	100.0%	0.6	0.0%	0.000	0.0%	0.000
42	6	1049	0.199	1.192	-26.6	-31.5	-4.9	-26.6	0.0	-26.4	84.4%	1.0	15.6%	0.185	0.0%	0.000
43	6	385	0.073	0.437	42.3	50.9	8.6	42.3	0.0	42.0	83.1%	0.4	16.9%	0.074	0.0%	0.000
44	6	332	0.063	0.377	23.3	28.7	5.4	23.3	0.0	23.1	81.2%	0.3	18.8%	0.071	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles				Inch-Mile VG	
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD		
45	6	747	0.141	0.849	11.4	12.3	0.9	11.4	0.0	11.4	92.7%	0.8	7.3%	0.062	0.0%	0.000
46	6	391	0.074	0.444	10.3	9.6	-0.7	10.3	0.0	10.3	93.6%	0.4	6.4%	0.028	0.0%	0.000
47	6	688	0.130	0.782	-8.7	-8.0	0.7	-8.7	0.0	-8.7	92.6%	0.7	7.4%	0.058	0.0%	0.000
48	6	526	0.100	0.597	-0.1	-2.8	-2.7	-0.1	0.0	0.1	3.6%	0.0	96.4%	0.576	0.0%	0.000
49	6	653	0.124	0.742	38.1	38.0	-0.1	38.1	0.0	38.1	99.7%	0.7	0.3%	0.002	0.0%	0.000
50	8	908	0.172	1.378	-17.6	-16.5	1.1	-17.6	0.0	-17.7	94.1%	1.3	5.9%	0.081	0.0%	0.000
51	6	445	0.084	0.506	18.1	18.7	0.6	18.1	0.0	18.1	96.8%	0.5	3.2%	0.016	0.0%	0.000
52	6	1150	0.218	1.307	26.0	26.5	0.5	26.0	0.0	26.0	98.1%	1.3	1.9%	0.025	0.0%	0.000
53	6	1138	0.215	1.293	22.0	21.2	-0.8	22.0	0.0	22.0	96.5%	1.2	3.5%	0.045	0.0%	0.000
54	6	1428	0.270	1.623	25.1	24.3	-0.8	25.1	0.0	25.1	96.9%	1.6	3.1%	0.050	0.0%	0.000
55	6	1100	0.208	1.250	5.0	6.8	1.8	5.0	0.0	4.9	73.5%	0.9	26.5%	0.331	0.0%	0.000
56	4	639	0.121	0.484	-3.2	-2.1	1.1	-3.2	0.0	-3.2	74.4%	0.4	25.6%	0.124	0.0%	0.000
58	6	1201	0.227	1.365	19.0	19.1	0.1	19.0	0.0	19.0	99.5%	1.4	0.5%	0.007	0.0%	0.000
59	6	793	0.150	0.901	5.8	4.6	-1.2	5.8	0.0	5.9	82.9%	0.7	17.1%	0.155	0.0%	0.000
60	6	1885	0.357	2.142	32.9	31.1	-1.8	32.9	0.0	33.0	94.8%	2.0	5.2%	0.111	0.0%	0.000
61	6	1339	0.254	1.521	23.9	23.3	-0.6	23.9	0.0	23.9	97.6%	1.5	2.4%	0.037	0.0%	0.000
62	8	1263	0.239	1.914	14.5	15.6	1.1	14.5	0.0	14.5	92.9%	1.8	7.1%	0.135	0.0%	0.000
63	8	334	0.063	0.505	8.4	9.5	1.1	8.4	0.0	8.3	88.4%	0.4	11.6%	0.059	0.0%	0.000
64	6	1162	0.220	1.320	34.8	33.3	-1.5	34.9	0.1	34.9	95.6%	1.3	4.1%	0.054	0.3%	0.004
65	6	915	0.173	1.040	42.3	40.8	-1.5	42.3	0.0	42.4	96.6%	1.0	3.4%	0.036	0.0%	0.000
66	6	1994	0.378	2.266	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
68	8	318	0.060	0.482	37.1	36.7	-0.4	37.1	0.0	37.1	96.9%	0.5	1.1%	0.005	0.0%	0.000
69	6	345	0.065	0.392	33.3	32.9	-0.4	33.3	0.0	33.3	96.8%	0.4	1.2%	0.005	0.0%	0.000
73	6	776	0.147	0.882	8.0	7.9	-0.1	8.0	0.0	8.1	98.8%	0.9	1.2%	0.011	0.0%	0.000
74	6	1360	0.258	1.546	8.4	8.3	-0.1	8.4	0.0	8.4	98.8%	1.5	1.2%	0.018	0.0%	0.000
75	6	584	0.111	0.664	12.7	12.4	-0.3	12.7	0.0	12.7	97.7%	0.6	2.3%	0.015	0.0%	0.000
76	6	683	0.129	0.776	-3.8	-3.8	0.0	-3.8	0.0	-3.8	100.0%	0.8	0.0%	0.000	0.0%	0.000
77	6	817	0.155	0.928	8.9	8.6	-0.3	8.9	0.0	8.9	96.7%	0.9	3.3%	0.030	0.0%	0.000
78	6	386	0.073	0.439	6.1	6.5	0.4	6.1	0.0	6.1	93.8%	0.4	6.2%	0.027	0.0%	0.000
79	6	1125	0.213	1.279	-9.9	-10.3	-0.4	-9.9	0.0	-9.9	96.1%	1.2	3.9%	0.050	0.0%	0.000
80	6	989	0.187	1.124	-13.7	-14.1	-0.4	-13.7	0.0	-13.7	97.2%	1.1	2.8%	0.032	0.0%	0.000
81	6	1107	0.210	1.258	-19.8	-20.2	-0.4	-19.8	0.0	-19.8	98.0%	1.2	2.0%	0.025	0.0%	0.000
82	8	1561	0.299	2.395	7.7	5.8	-1.9	7.7	0.0	7.8	80.2%	1.9	19.8%	0.474	0.0%	0.000
83	8	638	0.121	0.866	3.2	1.5	-1.7	3.2	0.0	3.3	65.3%	0.6	34.7%	0.335	0.0%	0.000
84	6	633	0.120	0.719	7.4	8.1	0.7	7.4	0.0	7.4	91.4%	0.7	8.6%	0.062	0.0%	0.000
85	8	689	0.130	1.044	15.6	15.1	-0.5	15.6	0.0	15.7	96.9%	1.0	3.1%	0.032	0.0%	0.000
86	6	723	0.137	0.821	-23.0	-22.7	0.3	-23.0	0.0	-23.0	98.7%	0.8	1.3%	0.011	0.0%	0.000
87	6	1159	0.220	1.317	19.1	19.1	0.0	19.1	0.0	19.1	100.0%	1.3	0.0%	0.000	0.0%	0.000
88	6	671	0.127	0.763	33.5	33.4	-0.1	33.5	0.0	33.5	99.7%	0.8	0.3%	0.002	0.0%	0.000
89	6	1386	0.263	1.575	13.1	12.0	-1.1	13.1	0.0	13.2	92.3%	1.5	7.7%	0.122	0.0%	0.000
90	6	910	0.172	1.034	19.3	19.1	-0.2	19.3	0.0	19.3	99.0%	1.0	1.0%	0.011	0.0%	0.000
91	6	549	0.104	0.624	17.1	16.9	-0.2	17.1	0.0	17.1	98.8%	0.6	1.2%	0.007	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles				Inch-Mile VG
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	
92	6	1331	0.252	1.512	27.9	28.3	0.4	27.9	0.0	27.9	98.6%	1.5	1.4%	0.021	0.00
93	8	1156	0.219	1.751	13.1	11.7	-1.4	13.1	0.0	13.1	90.3%	1.6	9.7%	0.169	0.00
94	6	808	0.153	0.918	30.0	30.0	0.0	30.0	0.0	30.0	100.0%	0.9	0.0%	0.000	0.00
95	8	1271	0.241	1.925	23.5	21.9	-1.6	23.5	0.0	23.6	93.6%	1.8	6.4%	0.123	0.00
97	6	867	0.164	0.985	21.8	20.9	-0.9	21.8	0.0	21.8	96.0%	0.9	4.0%	0.099	0.00
98	8	989	0.187	1.499	-13.1	-11.5	1.6	-13.1	0.0	-13.1	89.1%	1.3	10.9%	0.163	0.00
99	6	138	0.026	0.156	13.1	13.7	0.6	13.1	0.0	13.0	95.6%	0.1	4.4%	0.007	0.00
100	8	203	0.038	0.307	21.2	21.8	0.6	21.2	0.0	21.2	97.2%	0.3	2.8%	0.008	0.00
101	8	790	0.150	1.197	19.1	17.5	-1.6	19.1	0.0	19.2	92.3%	1.1	7.7%	0.092	0.00
102	8	945	0.179	1.431	11.5	9.8	-1.7	11.5	0.0	11.5	87.1%	1.2	12.9%	0.184	0.00
103	8	335	0.064	0.508	30.8	29.1	-1.7	30.8	0.0	30.9	94.8%	0.5	5.2%	0.027	0.00
104	8	295	0.056	0.447	24.9	23.2	-1.7	24.9	0.0	25.0	93.6%	0.4	6.4%	0.029	0.00
105	8	977	0.185	1.480	22.6	20.8	-1.8	22.6	0.0	22.6	92.6%	1.4	7.4%	0.109	0.00
106	6	785	0.149	0.892	17.5	18.3	0.8	17.5	0.0	17.5	95.6%	0.9	4.4%	0.039	0.00
107	6	575	0.109	0.654	-19.9	-20.6	-0.7	-19.9	0.0	-19.8	96.6%	0.6	3.4%	0.022	0.00
108	6	918	0.174	1.043	2.3	2.3	0.0	2.3	0.0	2.3	100.0%	1.0	0.0%	0.000	0.00
109	6	601	0.114	0.682	17.8	17.8	0.0	17.8	0.0	17.8	100.0%	0.7	0.0%	0.000	0.00
110	6	342	0.065	0.389	10.4	9.9	-0.5	10.4	0.0	10.5	95.4%	0.4	4.6%	0.018	0.00
111	6	980	0.186	1.114	-3.9	-3.6	0.3	-3.9	0.0	-3.9	92.9%	1.0	7.1%	0.080	0.00
112	6	922	0.175	1.048	3.4	2.9	-0.5	3.4	0.0	3.4	87.2%	0.9	12.8%	0.134	0.00
113	6	283	0.054	0.321	-24.3	-24.5	-0.2	-24.3	0.0	-24.3	99.2%	0.3	0.8%	0.003	0.00
114	6	1142	0.216	1.298	-20.7	-20.9	-0.2	-20.7	0.0	-20.7	99.0%	1.3	1.0%	0.012	0.00
115	6	345	0.065	0.392	-17.1	-17.3	-0.2	-17.1	0.0	-17.1	98.8%	0.4	1.2%	0.005	0.00
116	4	891	0.169	0.875	-13.5	-13.8	-0.3	-13.5	0.0	-13.5	97.8%	0.7	2.2%	0.015	0.00
117	4	229	0.043	0.174	-13.1	-14.1	-1.0	-13.1	0.0	-13.1	92.9%	0.2	7.1%	0.012	0.00
118	8	972	0.184	1.473	8.3	7.3	-1.0	8.4	0.1	8.4	88.3%	1.3	10.6%	0.157	0.016
119	8	724	0.137	1.097	12.0	10.9	-1.1	12.0	0.0	12.0	91.6%	1.0	8.4%	0.092	0.00
120	8	700	0.133	1.061	37.8	36.8	-1.0	37.8	0.0	37.8	97.4%	1.0	2.6%	0.027	0.00
121	6	2139	0.405	2.431	17.4	16.5	-0.9	17.4	0.0	17.4	95.1%	2.3	4.9%	0.120	0.00
122	6	2239	0.424	2.545	-13.7	-12.8	0.9	-13.7	0.0	-13.8	93.8%	2.4	6.2%	0.157	0.00
123	6	534	0.101	0.607	8.6	7.7	-0.9	8.6	0.0	8.6	90.5%	0.5	9.5%	0.058	0.00
124	8	499	0.094	0.756	25.5	24.7	-0.8	25.5	0.0	25.5	97.0%	0.7	3.0%	0.023	0.00
125	8	671	0.127	1.017	20.3	19.5	-0.8	20.3	0.0	20.3	96.2%	1.0	3.8%	0.039	0.00
126	8	896	0.170	1.357	-8.4	-9.2	-0.8	-8.4	0.0	-8.3	91.3%	1.2	8.7%	0.118	0.00
127	8	421	0.080	0.638	-1.4	-2.2	-0.8	-1.4	0.0	-1.4	63.6%	0.4	36.4%	0.232	0.00
128	8	447	0.085	0.677	-6.6	-7.4	-0.8	-6.6	0.0	-6.6	89.2%	0.6	10.8%	0.073	0.00
129	8	459	0.087	0.695	-6.6	-7.4	-0.8	-6.6	0.0	-6.6	89.2%	0.6	10.8%	0.075	0.00
130	8	1468	0.278	2.224	-24.8	-25.5	-0.7	-24.8	0.0	-24.7	97.3%	2.2	2.7%	0.061	0.00
131	6	208	0.039	0.237	5.2	0.1	-5.1	5.2	0.0	5.3	50.5%	0.1	49.5%	0.117	0.00
132	6	977	0.185	1.110	-3.6	1.6	5.2	-3.6	0.0	-3.7	40.9%	0.5	59.1%	0.656	0.00
133	6	816	0.154	0.927	-1.1	-3.6	-2.5	-1.1	0.0	-1.0	30.6%	0.3	69.4%	0.644	0.00
134	6	488	0.092	0.555	-6.4	-9.6	-3.2	-6.4	0.0	-6.2	66.7%	0.4	33.3%	0.185	0.00

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
135	6	313	0.059	0.355	-14.0	-17.1	-3.1	-13.9	0.1	-13.8	81.4%	0.3	18.0%	0.064	0.6%	0.002
136	6	366	0.069	0.416	-22.1	-21.8	0.3	-22.0	0.1	-22.0	98.2%	0.4	1.3%	0.006	0.4%	0.002
137	6	841	0.159	0.955	-8.2	-13.2	-5.0	-8.2	0.0	-8.1	62.1%	0.6	37.9%	0.362	0.0%	0.000
138	6	1768	0.335	2.009	6.0	5.9	-0.1	5.9	-0.1	5.9	96.8%	1.9	1.6%	0.032	1.6%	0.032
139	6	700	0.133	0.795	10.3	13.5	3.2	10.3	0.0	10.1	76.3%	0.6	23.7%	0.189	0.0%	0.000
140	8	234	0.044	0.355	4.1	4.1	0.0	4.1	0.0	4.1	100.0%	0.4	0.0%	0.000	0.0%	0.000
142	8	1002	0.190	1.519	22.1	22.2	0.1	22.1	0.0	22.1	99.5%	1.5	0.5%	0.007	0.0%	0.000
143	6	543	0.103	0.617	21.7	20.7	-1.0	21.7	0.0	21.7	95.6%	0.6	4.4%	0.027	0.0%	0.000
144	6	1140	0.216	1.295	-1.0	-2.1	-1.1	-1.0	0.0	-0.9	47.6%	0.6	52.4%	0.679	0.0%	0.000
145	6	897	0.170	1.020	8.0	7.3	-0.7	8.0	0.0	8.0	92.0%	0.9	8.0%	0.082	0.0%	0.000
146	6	1238	0.235	1.407	26.5	26.4	-0.1	26.5	0.0	26.5	99.6%	1.4	0.4%	0.005	0.0%	0.000
147	6	1473	0.279	1.674	22.9	22.8	-0.1	22.9	0.0	22.9	99.6%	1.7	0.4%	0.007	0.0%	0.000
148	6	2155	0.408	2.449	20.1	19.3	-0.8	20.1	0.0	20.1	96.2%	2.4	3.8%	0.094	0.0%	0.000
149	6	773	0.146	0.879	22.1	22.7	0.6	22.1	0.0	22.1	97.4%	0.9	2.6%	0.023	0.0%	0.000
150	6	713	0.135	0.811	-36.9	-37.2	-0.3	-36.9	0.0	-36.9	99.2%	0.8	0.8%	0.007	0.0%	0.000
151	6	993	0.188	1.128	-24.6	-26.8	-2.2	-24.5	0.1	-24.5	91.4%	1.0	8.2%	0.092	0.4%	0.004
152	6	652	0.124	0.741	-9.4	-7.5	1.9	-9.4	0.0	-9.4	83.2%	0.6	16.8%	0.125	0.0%	0.000
153	6	1709	0.324	1.942	17.4	16.1	-1.3	17.4	0.0	17.4	93.0%	1.8	7.0%	0.135	0.0%	0.000
154	6	322	0.061	0.366	43.9	41.6	-2.3	43.9	0.0	44.0	95.0%	0.3	5.0%	0.018	0.0%	0.000
155	6	1348	0.255	1.531	-22.8	-20.9	1.9	-22.8	0.0	-22.9	92.3%	1.4	7.7%	0.118	0.0%	0.000
156	6	1109	0.210	1.260	20.4	18.5	-1.9	20.4	0.0	20.4	91.5%	1.2	8.5%	0.107	0.0%	0.000
157	6	702	0.133	0.798	9.5	8.5	-1.0	9.5	0.0	9.5	90.5%	0.7	9.5%	0.076	0.0%	0.000
158	6	1233	0.233	1.401	-7.1	-6.1	1.0	-7.1	0.0	-7.1	87.7%	1.2	12.3%	0.173	0.0%	0.000
159	6	824	0.156	0.936	-10.7	-8.8	1.9	-10.7	0.0	-10.8	84.9%	0.8	15.1%	0.141	0.0%	0.000
160	6	386	0.073	0.439	2.4	2.4	0.0	2.4	0.0	2.4	100.0%	0.4	0.0%	0.000	0.0%	0.000
161	6	1006	0.191	1.143	-0.1	0.9	1.0	-0.2	-0.1	-0.2	8.3%	0.1	83.3%	0.953	8.3%	0.095
162	4	827	0.157	0.826	3.3	2.5	-0.8	3.3	0.0	3.3	80.5%	0.5	19.5%	0.122	0.0%	0.000
163	4	654	0.124	0.495	3.7	2.9	-0.8	3.7	0.0	3.7	82.2%	0.4	17.8%	0.088	0.0%	0.000
164	8	1095	0.207	1.660	12.6	10.6	-2.0	12.6	0.0	12.7	86.3%	1.4	13.7%	0.227	0.0%	0.000
165	8	583	0.110	0.883	38.7	39.1	0.4	38.7	0.0	38.6	99.0%	0.9	1.0%	0.009	0.0%	0.000
166	6	743	0.141	0.844	23.2	23.9	0.7	23.2	0.0	23.2	97.1%	0.8	2.9%	0.025	0.0%	0.000
167	8	539	0.102	0.817	27.8	27.5	-0.3	27.8	0.0	27.8	98.9%	0.8	1.1%	0.009	0.0%	0.000
168	8	1893	0.359	2.869	20.6	20.4	-0.2	20.6	0.0	20.6	99.0%	2.8	1.0%	0.028	0.0%	0.000
169	8	643	0.122	0.974	4.8	4.8	0.0	4.8	0.0	4.8	100.0%	1.0	0.0%	0.000	0.0%	0.000
170	8	1906	0.361	2.887	10.1	10.4	0.3	10.1	0.0	10.1	97.1%	2.8	2.9%	0.083	0.0%	0.000
171	8	1573	0.298	2.364	46.3	47.9	1.6	46.3	0.0	46.2	96.7%	2.3	3.3%	0.080	0.0%	0.000
172	8	1084	0.205	1.642	-5.6	-6.2	-0.6	-5.6	0.0	-5.5	90.3%	1.5	9.7%	0.159	0.0%	0.000
173	8	1766	0.335	2.676	2.6	3.2	0.6	2.6	0.0	2.6	81.3%	2.2	18.8%	0.502	0.0%	0.000
174	6	627	0.119	0.713	-15.5	-17.5	-2.0	-15.5	0.0	-15.4	88.6%	0.6	11.4%	0.081	0.0%	0.000
175	8	2851	0.540	4.319	-19.0	-21.0	-2.0	-19.0	0.0	-19.0	90.5%	3.9	9.5%	0.411	0.0%	0.000
178	8	525	0.099	0.795	35.8	36.8	1.0	35.8	0.0	35.8	97.3%	0.8	2.7%	0.022	0.0%	0.000
179	12	1325	0.251	3.011	-39.9	-41.2	-1.3	-39.9	0.0	-39.8	96.8%	2.9	3.2%	0.095	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles				Inch-Mile VG	
										% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD		% Change VG
180	6	498	0.094	0.566	0.6	0.0	0.6	0.0	0.6	100.0%	0.6	0.0%	0.000	0.0%	0.000
183	10	646	0.122	1.223	28.0	0.0	28.0	0.0	28.0	100.0%	1.2	0.0%	0.000	0.0%	0.000
184	6	773	0.146	0.878	4.1	0.0	4.1	0.0	4.1	100.0%	0.9	0.0%	0.000	0.0%	0.000
185	6	483	0.091	0.548	8.2	0.0	8.2	0.0	8.2	100.0%	0.5	0.0%	0.000	0.0%	0.000
186	6	2162	0.409	2.456	2.1	0.0	2.1	0.0	2.1	100.0%	2.5	0.0%	0.000	0.0%	0.000
187	6	1331	0.252	1.512	0.7	0.0	0.7	0.0	0.7	100.0%	1.5	0.0%	0.000	0.0%	0.000
188	6	1834	0.347	2.084	4.5	0.0	4.5	0.0	4.5	100.0%	2.1	0.0%	0.000	0.0%	0.000
189	6	3038	0.575	3.452	9.7	0.0	9.7	0.0	9.7	100.0%	3.5	0.0%	0.000	0.0%	0.000
190	6	2739	0.519	3.113	-0.3	-0.4	-0.3	0.0	-0.3	42.9%	1.3	57.1%	1.779	0.0%	0.000
191	12	1138	0.216	2.587	-20.9	-0.7	-20.9	0.0	-20.9	96.8%	2.5	3.2%	0.084	0.0%	0.000
192	12	1232	0.233	2.801	-44.0	-1.5	-44.0	0.0	-43.9	96.7%	2.7	3.3%	0.092	0.0%	0.000
193	12	618	0.117	1.404	-32.3	-1.1	-32.3	0.0	-32.2	98.7%	1.4	3.3%	0.046	0.0%	0.000
194	6	1006	0.190	1.143	11.0	0.3	11.0	0.0	11.0	97.3%	1.1	2.7%	0.030	0.0%	0.000
195	12	3442	0.652	7.822	-48.6	-1.4	-48.6	0.0	-48.5	97.2%	7.6	2.8%	0.219	0.0%	0.000
196	6	3373	0.639	3.833	5.3	0.0	5.3	0.0	5.3	100.0%	3.8	0.0%	0.000	0.0%	0.000
197	12	912	0.173	2.073	4.3	0.0	4.3	0.0	4.3	100.0%	2.1	0.0%	0.000	0.0%	0.000
204	6	568	0.106	0.646	-22.7	0.7	-22.7	0.0	-22.7	97.0%	0.6	3.0%	0.019	0.0%	0.000
205	8	498	0.094	0.754	51.1	-2.5	51.1	0.0	51.2	95.3%	0.7	4.7%	0.035	0.0%	0.000
206	6	213	0.040	0.242	17.7	-0.3	17.7	0.0	17.7	98.3%	0.2	1.7%	0.004	0.0%	0.000
207	6	380	0.072	0.432	15.5	-2.1	15.5	0.0	15.6	88.1%	0.4	11.9%	0.051	0.0%	0.000
208	6	711	0.135	0.808	6.0	-0.9	6.0	0.0	6.1	87.0%	0.7	13.0%	0.105	0.0%	0.000
209	6	378	0.072	0.429	-23.3	-3.5	-23.3	0.0	-23.1	86.9%	0.4	13.1%	0.056	0.0%	0.000
210	6	236	0.045	0.268	30.7	0.4	30.7	0.0	30.7	98.7%	0.3	1.3%	0.003	0.0%	0.000
211	6	1387	0.263	1.576	-8.5	-7.5	-8.5	0.0	-8.5	89.5%	1.4	10.5%	0.166	0.0%	0.000
212	6	303	0.057	0.345	22.9	-1.2	22.9	0.0	23.0	95.0%	0.3	5.0%	0.017	0.0%	0.000
214	6	2986	0.565	3.393	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
215	4	1513	0.286	1.146	6.9	0.0	6.9	0.0	6.9	100.0%	1.1	0.0%	0.000	0.0%	0.000
216	4	720	0.136	0.545	1.7	1.8	1.7	0.0	1.7	94.4%	0.5	5.6%	0.030	0.0%	0.000
217	6	1144	0.217	1.300	23.5	0.0	23.5	0.0	23.5	100.0%	1.3	0.0%	0.000	0.0%	0.000
218	4	1468	0.278	1.112	20.0	0.0	20.0	0.0	20.0	100.0%	1.1	0.0%	0.000	0.0%	0.000
219	6	1331	0.252	1.512	14.9	0.0	14.9	0.0	14.9	100.0%	1.5	0.0%	0.000	0.0%	0.000
220	6	206	0.039	0.234	-32.2	0.0	-32.2	0.0	-32.2	100.0%	0.2	0.0%	0.000	0.0%	0.000
221	12	248	0.047	0.564	-2.1	0.0	-2.1	0.0	-2.1	100.0%	0.6	0.0%	0.000	0.0%	0.000
223	6	296	0.056	0.336	41.0	-0.4	41.0	0.0	41.0	99.0%	0.3	1.0%	0.003	0.0%	0.000
224	6	624	0.118	0.709	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
226	6	284	0.054	0.322	-14.5	1.7	-14.5	0.0	-14.6	89.5%	0.3	10.5%	0.034	0.0%	0.000
227	6	357	0.068	0.406	13.1	-2.1	13.1	0.0	13.2	86.2%	0.4	13.8%	0.056	0.0%	0.000
228	6	568	0.111	0.669	-6.4	-0.2	-6.4	0.0	-6.4	97.0%	0.6	3.0%	0.020	0.0%	0.000
230	12	542	0.103	1.231	34.1	9.5	34.2	0.1	34.9	58.0%	0.7	41.8%	0.515	0.2%	0.002
231	12	942	0.178	2.142	-30.6	-7.9	-30.7	-0.1	-31.4	57.3%	1.2	42.5%	0.910	0.2%	0.004
232	6	835	0.158	0.949	-8.0	-8.2	-8.0	0.0	-8.0	97.6%	0.9	2.4%	0.023	0.0%	0.000
233	12	665	0.126	1.511	-47.0	-19.4	-47.1	-0.1	-47.9	62.9%	1.0	36.9%	0.558	0.1%	0.002

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1		Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% for HCWD#1	Inch-Mile HCWD#1	Inch-Mile MCWD	% Change / Inch-Miles		Inch-Mile VG
					Flow Only	On								% Change MCWD	% Change VG	
234	6	559	0.106	0.635	3.6	4.4	0.8	3.6	0.0	3.6	81.8%	0.5	18.2%	0.116	0.0%	0.000
235	6	552	0.105	0.627	5.1	3.2	-1.9	5.1	0.0	5.1	72.9%	0.5	27.1%	0.170	0.0%	0.000
236	6	618	0.117	0.702	-3.1	-0.4	2.7	-3.1	0.0	-3.1	53.4%	0.4	46.6%	0.327	0.0%	0.000
237	6	1498	0.284	1.702	21.2	21.4	0.2	21.2	0.0	21.2	99.1%	1.7	0.9%	0.016	0.0%	0.000
238	6	277	0.052	0.315	13.6	12.0	-1.6	13.6	0.0	13.7	89.5%	0.3	10.5%	0.033	0.0%	0.000
240	6	922	0.175	1.047	20.5	19.0	-1.5	20.5	0.0	20.5	93.2%	1.0	6.8%	0.071	0.0%	0.000
241	6	415	0.079	0.472	19.3	17.9	-1.4	19.3	0.0	19.3	93.2%	0.4	6.8%	0.032	0.0%	0.000
242	6	966	0.183	1.097	-10.1	-9.4	0.7	-10.1	0.0	-10.1	93.5%	1.0	6.5%	0.071	0.0%	0.000
243	6	437	0.083	0.496	-12.2	-11.6	0.6	-12.2	0.0	-12.3	95.3%	0.5	4.7%	0.023	0.0%	0.000
244	6	1001	0.189	1.137	4.3	4.5	0.2	4.3	0.0	4.3	95.6%	1.1	4.4%	0.051	0.0%	0.000
245	6	1318	0.250	1.498	-18.7	-18.3	0.4	-18.7	0.0	-18.7	97.9%	1.5	2.1%	0.031	0.0%	0.000
246	6	821	0.156	0.933	10.8	10.9	0.1	10.8	0.0	10.8	99.1%	0.9	0.9%	0.009	0.0%	0.000
247	6	650	0.123	0.738	8.6	8.7	0.1	8.6	0.0	8.6	98.9%	0.7	1.1%	0.008	0.0%	0.000
248	6	670	0.127	0.761	-6.5	-7.1	-0.6	-6.5	0.0	-6.5	91.5%	0.7	8.5%	0.064	0.0%	0.000
249	6	946	0.179	1.075	-2.7	-2.9	-0.2	-2.7	0.0	-2.7	93.1%	1.0	6.9%	0.074	0.0%	0.000
250	6	640	0.121	0.727	-4.9	-5.1	-0.2	-4.9	0.0	-4.9	96.1%	0.7	3.9%	0.029	0.0%	0.000
251	6	914	0.173	1.038	0.8	1.0	0.2	0.8	0.0	0.8	80.0%	0.8	20.0%	0.208	0.0%	0.000
252	6	619	0.117	0.703	-6.0	-6.4	-0.4	-6.0	0.0	-6.0	93.8%	0.7	6.3%	0.044	0.0%	0.000
254	6	813	0.154	0.924	7.9	8.3	0.4	7.9	0.0	7.9	95.2%	0.9	4.8%	0.045	0.0%	0.000
255	6	895	0.170	1.017	7.4	7.5	0.1	7.4	0.0	7.4	98.7%	1.0	1.3%	0.014	0.0%	0.000
256	6	506	0.096	0.575	-8.7	-7.6	1.1	-8.7	0.0	-8.7	88.8%	0.5	11.2%	0.065	0.0%	0.000
258	8	630	0.119	0.955	2.0	4.2	2.2	2.0	0.0	2.0	47.6%	0.5	52.4%	0.500	0.0%	0.000
259	8	671	0.127	1.017	-1.7	0.5	2.2	-1.7	0.0	-1.8	43.6%	0.4	56.4%	0.574	0.0%	0.000
260	8	977	0.185	1.481	-5.4	-3.2	2.2	-5.4	0.0	-5.5	71.1%	1.1	28.9%	0.429	0.0%	0.000
261	8	218	0.041	0.331	-31.4	-29.6	1.8	-31.4	0.0	-31.4	94.6%	0.3	5.4%	0.018	0.0%	0.000
262	8	167	0.032	0.253	27.2	24.7	-2.5	27.2	0.0	27.3	91.6%	0.2	8.4%	0.021	0.0%	0.000
263	6	1086	0.206	1.234	-0.2	-0.4	-0.2	-0.2	0.0	-0.2	50.0%	0.6	50.0%	0.617	0.0%	0.000
265	6	652	0.123	0.741	1.9	2.6	0.7	1.9	0.0	1.8	73.1%	0.5	26.9%	0.199	0.0%	0.000
266	6	1232	0.233	1.400	18.0	18.3	0.3	18.0	0.0	18.0	98.4%	1.4	1.6%	0.023	0.0%	0.000
267	6	1102	0.209	1.252	-6.7	4.3	11.0	-6.7	0.0	-7.0	37.9%	0.5	62.1%	0.778	0.0%	0.000
268	14	793	0.150	2.103	-44.7	-36.6	8.1	-44.6	0.1	-44.9	84.5%	1.8	15.3%	0.322	0.2%	0.004
269	6	1511	0.286	1.717	26.9	27.6	0.7	26.9	0.0	26.8	97.5%	1.7	2.5%	0.044	0.0%	0.000
270	6	877	0.166	0.997	-1.9	-1.6	0.3	-1.9	0.0	-1.9	86.4%	0.9	13.6%	0.136	0.0%	0.000
271	6	636	0.120	0.517	4.2	4.0	-0.2	4.2	0.0	4.2	95.5%	0.7	4.5%	0.033	0.0%	0.000
272	6	455	0.086	0.317	-24.5	-25.3	-0.8	-24.5	0.0	-24.5	96.8%	0.5	3.2%	0.016	0.0%	0.000
273	6	1571	0.298	1.786	-21.8	-22.1	-0.3	-21.8	0.0	-21.8	98.6%	1.8	1.4%	0.024	0.0%	0.000
274	6	1580	0.299	1.795	-20.1	-20.1	0.0	-20.1	0.0	-20.1	100.0%	1.8	0.0%	0.000	0.0%	0.000
275	8	613	0.116	0.929	19.2	17.2	-2.0	19.2	0.0	19.3	90.6%	0.8	9.4%	0.068	0.0%	0.000
276	8	1578	0.289	2.390	27.8	25.8	-2.0	27.8	0.0	27.8	93.3%	2.2	6.7%	0.160	0.0%	0.000
300	12	167	0.032	0.379	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
301	18	2395	0.454	8.165	-207.2	-4.8	202.4	-208.3	-1.1	-214.8	50.5%	4.1	49.3%	4.024	0.3%	0.022
302	16	4499	0.852	13.632	695.2	550.1	-145.1	695.9	0.7	700.5	82.7%	11.3	17.3%	2.352	0.1%	0.011

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% for HCWD#1	Inch-Mile HCWD#1	% Change / Inch-Miles			
													% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
303	16	4787	0.907	14.507	-64.6	-66.0	-1.4	-64.6	0.0	-64.5	97.9%	14.2	2.1%	0.308	0.0%	0.000
304	16	3001	0.568	9.095	-81.6	-83.5	-1.9	-81.6	0.0	-81.5	97.7%	8.9	2.3%	0.207	0.0%	0.000
305	16	2953	0.559	8.947	-81.6	-83.5	-1.9	-81.6	0.0	-81.5	97.7%	8.7	2.3%	0.204	0.0%	0.000
306	10	3578	0.678	6.777	16.5	20.4	3.9	16.5	0.0	16.4	80.9%	5.5	19.1%	1.296	0.0%	0.000
307	16	2560	0.485	7.759	-98.1	-103.9	-5.8	-98.1	0.0	-97.9	94.4%	7.3	5.6%	0.433	0.0%	0.000
308	16	5659	1.072	17.148	-127.4	-135.2	-7.8	-127.4	0.0	-127.1	94.2%	16.2	5.8%	0.989	0.0%	0.000
309	10	2163	0.410	4.096	-13.5	-10.1	3.4	-13.5	0.0	-13.6	79.9%	3.3	20.1%	0.824	0.0%	0.000
310	10	612	0.116	1.159	-31.1	-27.9	3.2	-31.1	0.0	-31.2	90.7%	1.1	9.3%	0.108	0.0%	0.000
311	10	1577	0.299	2.986	-45.0	-41.8	3.2	-45.0	0.0	-45.1	93.4%	2.8	6.6%	0.198	0.0%	0.000
312	10	652	0.124	1.236	24.5	19.6	-4.9	24.5	0.0	24.7	83.3%	1.0	16.7%	0.206	0.0%	0.000
313	10	636	0.120	1.204	-26.6	-20.6	6.0	-26.7	-0.1	-26.8	81.3%	1.0	18.3%	0.221	0.3%	0.004
314	10	16	0.003	0.030	26.6	20.6	-6.0	26.7	0.1	26.8	81.3%	0.0	18.3%	0.006	0.3%	0.000
315	10	22	0.004	0.041	-3.2	-3.2	0.0	-3.2	0.0	-3.2	100.0%	0.0	0.0%	0.000	0.0%	0.000
316	10	18	0.003	0.035	-4.0	-3.8	0.2	-4.0	0.0	-4.0	95.2%	0.0	4.8%	0.002	0.0%	0.000
317	10	858	0.162	1.624	-23.4	-17.5	5.9	-23.4	0.0	-23.6	79.9%	1.3	20.1%	0.327	0.0%	0.000
318	10	2284	0.433	4.325	-19.4	-13.7	5.7	-19.4	0.0	-19.6	77.3%	3.3	22.7%	0.982	0.0%	0.000
319	10	12	0.002	0.023	4.9	1.9	-3.0	4.9	0.0	5.0	62.0%	0.0	38.0%	0.009	0.0%	0.000
320	10	991	0.188	1.878	-118.0	-126.7	-8.7	-118.0	0.0	-117.7	93.1%	1.7	6.9%	0.129	0.0%	0.000
321	12	922	0.175	2.095	-114.3	-106.1	8.2	-114.3	0.0	-114.6	93.3%	2.0	6.7%	0.140	0.0%	0.000
322	12	415	0.079	0.943	-107.6	-100.0	7.6	-107.6	0.0	-107.9	93.4%	0.9	6.6%	0.062	0.0%	0.000
323	12	1709	0.324	3.884	107.4	99.5	-7.9	107.5	0.1	107.7	93.1%	3.6	6.8%	0.266	0.1%	0.003
324	12	413	0.078	0.939	-112.5	-114.3	-1.8	-112.5	0.0	-112.4	98.4%	0.9	1.6%	0.015	0.0%	0.000
325	12	565	0.107	1.284	-114.6	-116.4	-1.8	-114.6	0.0	-114.5	98.5%	1.3	1.5%	0.020	0.0%	0.000
326	12	488	0.092	1.109	154.1	154.0	-0.1	154.1	0.0	154.1	99.9%	1.1	0.1%	0.001	0.0%	0.000
327	12	2073	0.393	4.711	-163.1	-190.6	-27.5	-162.9	0.2	-162.0	85.5%	4.0	14.4%	0.679	0.1%	0.005
328	12	755	0.143	1.715	-242.5	-283.5	-41.0	-242.3	0.2	-240.9	85.5%	1.5	14.5%	0.248	0.1%	0.001
329	10	445	0.084	0.842	22.5	14.6	-7.9	22.6	0.1	22.9	73.8%	0.6	25.9%	0.218	0.3%	0.003
330	8	805	0.153	1.220	53.0	53.2	0.2	53.0	0.0	53.0	99.6%	1.2	0.4%	0.005	0.0%	0.000
331	8	1149	0.218	1.742	42.0	42.8	0.8	42.0	0.0	42.0	98.1%	1.7	1.9%	0.033	0.0%	0.000
332	6	689	0.131	0.783	33.0	33.0	0.0	33.0	0.0	33.0	100.0%	0.8	0.0%	0.000	0.0%	0.000
333	6	777	0.147	0.883	21.5	21.4	-0.1	21.4	-0.1	21.4	99.1%	0.9	0.5%	0.004	0.5%	0.004
334	8	607	0.115	0.919	30.6	30.8	0.2	30.6	0.0	30.6	99.4%	0.9	0.6%	0.006	0.0%	0.000
335	12	277	0.052	0.630	75.9	66.9	-9.0	76.0	0.1	76.3	89.3%	0.6	10.6%	0.067	0.1%	0.001
336	12	753	0.143	1.712	92.1	82.8	-9.3	92.2	0.1	92.5	90.7%	1.6	9.2%	0.157	0.1%	0.002
337	12	797	0.151	1.812	54.8	49.8	-5.0	54.8	0.0	55.0	91.6%	1.7	8.4%	0.152	0.0%	0.000
338	12	466	0.088	1.058	99.3	90.5	-8.8	99.4	0.1	99.7	91.8%	1.0	8.1%	0.086	0.1%	0.001
339	12	394	0.075	0.895	91.5	84.6	-6.9	91.6	0.1	91.8	92.9%	0.8	7.0%	0.063	0.1%	0.001
340	12	282	0.053	0.640	-81.1	-71.8	9.3	-81.2	-0.1	-81.5	89.6%	0.6	10.3%	0.066	0.1%	0.001
341	12	351	0.066	0.798	-73.8	-61.8	12.0	-73.9	-0.1	-74.4	85.9%	0.7	14.0%	0.111	0.1%	0.001
342	12	288	0.055	0.656	69.8	57.5	-12.3	69.9	0.1	70.3	84.9%	0.6	15.0%	0.098	0.1%	0.001
343	12	379	0.072	0.862	86.4	74.6	-11.8	86.5	0.1	86.9	87.9%	0.8	12.0%	0.103	0.1%	0.001
344	16	3900	0.739	11.817	-245.5	-261.9	-16.4	-245.4	0.1	-244.8	93.7%	11.1	6.3%	0.740	0.0%	0.005

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
345	16	855	0.162	2.589	6.4	6.4	0.0	6.4	0.0	6.4	100.0%	2.6	0.0%	0.000	0.0%	0.000
346	16	218	0.041	0.680	3.2	3.2	0.0	3.2	0.0	3.2	100.0%	0.7	0.0%	0.000	0.0%	0.000
347	12	696	0.132	1.581	6.3	36.5	30.2	6.1	-0.2	5.2	17.2%	0.3	82.3%	1.301	0.5%	0.009
348	12	1384	0.262	1055.7	1055.7	1056.9	1.2	1260.4	204.7	1266.9	83.7%	2.6	0.1%	0.003	16.2%	0.510
349	12	605	0.115	1.376	1.8	1.5	-0.3	1.8	0.0	1.8	85.7%	1.2	14.3%	0.197	0.0%	0.000
350	12	535	0.101	1.217	-30.8	-30.8	0.0	-30.8	0.0	-30.8	100.0%	1.2	0.0%	0.000	0.0%	0.000
400	6	296	0.056	0.336	-2.9	-2.5	0.4	-2.9	0.0	-3.0	87.9%	0.3	12.1%	0.041	0.0%	0.000
401	6	1385	0.262	1.574	5.3	5.3	0.0	5.3	0.0	5.3	100.0%	1.6	0.0%	0.000	0.0%	0.000
402	6	414	0.078	0.471	-1.5	-1.5	0.0	-1.5	0.0	-1.5	100.0%	0.5	0.0%	0.000	0.0%	0.000
409	12	7710	1.460	17.522	-358.9	-301.5	57.4	-359.2	-0.3	-361.1	86.1%	15.1	13.8%	2.414	0.1%	0.013
410	12	7820	1.481	17.772	-1054.1	-851.6	202.5	-1055.1	-1.0	-1061.6	83.8%	14.9	16.1%	2.862	0.1%	0.014
411	12	3654	0.682	8.305	-1054.1	-1055.3	-1.2	-1258.8	-204.7	-1265.3	83.7%	6.9	0.1%	0.008	16.2%	1.349
412	12	3852	0.730	8.755	-1054.1	-1055.3	-1.2	-1258.8	-204.7	-1265.3	83.7%	7.3	0.1%	0.008	16.2%	1.422
413	12	8534	1.616	19.396	-1057.4	-1058.6	-1.2	-1262.1	-204.7	-1268.6	83.7%	17.0	16.5%	3.997	13.4%	3.256
414	12	10675	2.022	24.261	-288.9	-356.8	-67.9	-344.2	-55.3	-413.0	70.1%	9.4	16.4%	2.204	13.3%	1.792
415	12	5905	1.118	13.421	290.4	358.3	67.9	345.6	55.2	414.5	70.2%	13.8	20.1%	4.141	12.8%	2.636
416	12	9049	1.714	20.567	295.0	383.6	88.6	351.4	56.4	441.5	67.0%	11.2	20.6%	3.450	12.6%	2.110
417	12	7376	1.397	16.764	-276.7	-361.9	-85.2	-328.8	-52.1	-415.4	66.8%	11.2	10.7%	0.133	6.3%	0.079
418	6	1090	0.206	1.239	-17.0	-19.2	-2.2	-18.3	-1.3	-20.6	82.9%	1.0	20.1%	3.450	12.3%	2.110
419	12	7566	1.433	17.196	-295.1	-382.6	-87.5	-348.6	-53.5	-437.4	67.7%	11.6	18.9%	0.511	11.6%	0.314
420	12	1188	0.225	2.700	-311.6	-396.5	-84.9	-363.8	-52.2	-449.8	69.4%	3.4	19.5%	0.974	11.6%	0.578
421	12	2193	0.415	4.985	-325.8	-418.2	-92.4	-380.6	-54.8	-474.8	68.9%	13.4	18.6%	3.553	11.0%	2.106
422	12	8402	1.591	19.096	-352.8	-446.1	-93.3	-408.1	-55.3	-503.1	70.4%	13.4	0.0%	0.000	0.0%	0.000
423	16	470	0.089	1.423	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
424	10	5904	1.118	11.182	25.6	26.4	0.8	26.0	0.4	26.9	95.5%	10.7	3.0%	0.334	1.5%	0.167
425	10	13466	2.550	25.505	-56.5	-68.9	-12.4	-63.9	-7.4	-76.5	74.0%	18.9	16.3%	4.145	9.7%	2.474
426	10	5962	1.129	11.292	-44.1	-56.5	-12.4	-51.5	-7.4	-64.1	69.0%	7.8	19.4%	2.191	11.6%	1.308
427	6	13141	2.489	14.933	42.7	55.0	12.3	50.0	7.3	62.6	68.5%	10.2	19.7%	2.948	11.7%	1.750
428	6	4197	0.795	4.769	59.5	77.7	18.2	70.3	10.8	89.0	67.2%	3.2	20.6%	0.981	12.2%	0.582
432	12	1217	0.231	2.766	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
435	16	355	0.067	1.074	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
453	12	1574	0.298	3.577	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
500	10	1211	0.229	2.294	32.5	32.5	0.0	32.5	0.0	32.5	100.0%	2.3	0.0%	0.000	0.0%	0.000
501	6	210	0.040	0.239	-0.8	-0.8	0.0	-0.8	0.0	-0.8	100.0%	0.2	0.0%	0.000	0.0%	0.000
502	12	438	0.083	0.995	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
503	10	1319	0.250	2.498	29.4	29.4	0.0	29.4	0.0	29.4	100.0%	2.5	0.0%	0.000	0.0%	0.000
504	6	1945	0.368	2.211	8.2	8.2	0.0	8.2	0.0	8.2	100.0%	2.2	0.0%	0.000	0.0%	0.000
505	6	380	0.072	0.432	-18.5	-18.5	0.0	-18.5	0.0	-18.5	100.0%	0.4	0.0%	0.000	0.0%	0.000
506	6	296	0.056	0.336	12.9	12.9	0.0	12.9	0.0	12.9	100.0%	0.3	0.0%	0.000	0.0%	0.000
507	6	244	0.046	0.277	5.0	5.0	0.0	5.0	0.0	5.0	100.0%	0.3	0.0%	0.000	0.0%	0.000
508	6	589	0.111	0.669	1.2	1.2	0.0	1.2	0.0	1.2	100.0%	0.7	0.0%	0.000	0.0%	0.000
509	6	274	0.052	0.311	-0.2	-0.2	0.0	-0.2	0.0	-0.2	100.0%	0.3	0.0%	0.000	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
510	6	609	0.115	0.692	-1.6	-1.6	0.0	-1.6	0.0	-1.6	100.0%	0.7	0.0%	0.000	0.0%	0.000
511	6	207	0.039	0.235	-3.2	-3.2	0.0	-3.2	0.0	-3.2	100.0%	0.2	0.0%	0.000	0.0%	0.000
512	6	378	0.072	0.430	-6.2	-6.2	0.0	-6.2	0.0	-6.2	100.0%	0.4	0.0%	0.000	0.0%	0.000
513	6	523	0.099	0.594	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	0.6	0.0%	0.000	0.0%	0.000
514	6	278	0.053	0.316	-11.0	-11.0	0.0	-11.0	0.0	-11.0	100.0%	0.3	0.0%	0.000	0.0%	0.000
515	6	553	0.105	0.628	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	0.6	0.0%	0.000	0.0%	0.000
516	8	293	0.055	0.444	-18.1	-18.1	0.0	-18.1	0.0	-18.1	100.0%	0.4	0.0%	0.000	0.0%	0.000
517	6	665	0.126	0.755	7.5	7.5	0.0	7.5	0.0	7.5	100.0%	0.8	0.0%	0.000	0.0%	0.000
518	8	268	0.051	0.406	-27.0	-27.0	0.0	-27.0	0.0	-27.0	100.0%	0.4	0.0%	0.000	0.0%	0.000
519	6	663	0.125	0.753	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	0.8	0.0%	0.000	0.0%	0.000
520	8	293	0.055	0.444	-29.8	-29.8	0.0	-29.8	0.0	-29.8	100.0%	0.4	0.0%	0.000	0.0%	0.000
521	6	663	0.125	0.753	-1.4	-1.4	0.0	-1.4	0.0	-1.4	100.0%	0.8	0.0%	0.000	0.0%	0.000
522	6	636	0.121	0.723	2.0	2.0	0.0	2.0	0.0	2.0	100.0%	0.7	0.0%	0.000	0.0%	0.000
523	6	521	0.099	0.592	7.0	7.0	0.0	7.0	0.0	7.0	100.0%	0.6	0.0%	0.000	0.0%	0.000
524	6	473	0.090	0.537	3.4	3.4	0.0	3.4	0.0	3.4	100.0%	0.5	0.0%	0.000	0.0%	0.000
525	6	753	0.143	0.856	-0.4	-0.4	0.0	-0.4	0.0	-0.4	100.0%	0.9	0.0%	0.000	0.0%	0.000
526	6	579	0.110	0.658	-4.3	-4.3	0.0	-4.3	0.0	-4.3	100.0%	0.7	0.0%	0.000	0.0%	0.000
527	6	206	0.039	0.234	-2.5	-2.5	0.0	-2.5	0.0	-2.5	100.0%	0.2	0.0%	0.000	0.0%	0.000
528	6	542	0.103	0.616	1.6	1.6	0.0	1.6	0.0	1.6	100.0%	0.6	0.0%	0.000	0.0%	0.000
529	6	321	0.061	0.365	-3.2	-3.2	0.0	-3.2	0.0	-3.2	100.0%	0.4	0.0%	0.000	0.0%	0.000
530	6	1005	0.190	1.142	-0.5	-0.5	0.0	-0.5	0.0	-0.5	100.0%	1.1	0.0%	0.000	0.0%	0.000
531	6	421	0.080	0.478	-6.5	-6.5	0.0	-6.5	0.0	-6.5	100.0%	0.5	0.0%	0.000	0.0%	0.000
532	6	331	0.063	0.376	1.9	1.9	0.0	1.9	0.0	1.9	100.0%	0.4	0.0%	0.000	0.0%	0.000
533	6	386	0.073	0.439	-6.7	-6.7	0.0	-6.7	0.0	-6.7	100.0%	0.4	0.0%	0.000	0.0%	0.000
534	6	618	0.117	0.702	4.4	4.4	0.0	4.4	0.0	4.4	100.0%	0.7	0.0%	0.000	0.0%	0.000
535	6	1529	0.290	1.738	-4.8	-4.8	-0.1	-4.8	0.0	-4.8	98.0%	1.7	2.0%	0.035	0.0%	0.000
536	6	842	0.160	0.957	6.1	6.1	0.0	6.1	0.0	6.1	100.0%	1.0	0.0%	0.000	0.0%	0.000
537	6	332	0.063	0.377	2.8	2.8	0.0	2.8	0.0	2.8	100.0%	0.4	0.0%	0.000	0.0%	0.000
538	6	563	0.107	0.639	1.9	1.9	0.0	1.9	0.0	1.9	100.0%	0.6	0.0%	0.000	0.0%	0.000
539	4	937	0.178	0.710	-3.6	-3.6	0.0	-3.6	0.0	-3.6	100.0%	0.7	0.0%	0.000	0.0%	0.000
540	6	633	0.120	0.719	4.2	4.2	0.0	4.2	0.0	4.2	100.0%	0.7	0.0%	0.000	0.0%	0.000
541	6	344	0.065	0.391	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	0.4	0.0%	0.000	0.0%	0.000
542	6	1440	0.273	1.636	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	1.6	0.0%	0.000	0.0%	0.000
543	4	2465	0.467	1.867	-17.3	-17.3	0.0	-17.3	0.0	-17.3	100.0%	1.9	0.0%	0.000	0.0%	0.000
544	6	451	0.085	0.512	12.3	12.3	0.0	12.3	0.0	12.3	100.0%	0.5	0.0%	0.000	0.0%	0.000
545	6	1374	0.260	1.561	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	1.6	0.0%	0.000	0.0%	0.000
550	10	129	0.025	0.245	63.3	63.3	0.0	63.3	0.0	63.3	100.0%	0.2	0.0%	0.000	0.0%	0.000
600	6	398	0.075	0.452	5.1	4.8	-0.3	5.1	0.0	5.1	94.4%	0.4	5.6%	0.025	0.0%	0.000
601	6	499	0.095	0.567	1.4	1.4	0.0	1.4	0.0	1.4	100.0%	0.6	0.0%	0.000	0.0%	0.000
602	8	1991	0.377	3.016	-24.2	-23.9	0.3	-24.2	0.0	-24.2	100.0%	3.0	1.2%	0.037	0.0%	0.000
603	4	1274	0.241	0.965	-3.7	-2.7	-1.0	-3.8	-0.1	-3.8	77.1%	0.7	20.8%	0.201	2.1%	0.020
604	8	527	0.100	0.798	27.2	25.5	-1.7	27.2	0.0	27.3	94.1%	0.8	5.9%	0.047	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow in (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles				Inch-Mile VG
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	
605	6	1025	0.194	1.165	-31.7	-36.7	-5.0	-31.7	0.0	-31.5	86.4%	1.0	13.6%	0.159	0.0%
606	6	439	0.083	0.499	-10.6	-11.4	-0.8	-10.6	0.0	-10.6	93.0%	0.5	7.0%	0.035	0.0%
900	12	269	0.051	0.611	66.5	64.8	-1.7	66.6	0.1	66.7	97.4%	0.6	2.5%	0.015	0.1%
901	12	382	0.072	0.868	75.1	67.7	-7.4	75.2	0.1	75.5	90.9%	0.8	9.0%	0.078	0.1%
902	12	2408	0.456	5.473	73.2	60.6	-12.6	73.3	0.1	73.7	85.2%	4.7	14.7%	0.803	0.1%
903	12	1959	0.371	4.453	-8.6	-2.9	5.7	-8.6	0.0	-8.8	60.1%	2.7	39.9%	1.775	0.0%
904	12	963	0.182	2.188	-112.0	-93.5	18.5	-112.2	-0.2	-112.8	85.7%	1.9	14.2%	0.310	0.0%
905	4	1299	0.246	0.984	1.8	-0.4	-2.2	1.8	0.0	1.9	45.0%	0.4	55.0%	0.541	0.0%
906	4	953	0.180	0.722	4.2	3.3	-0.9	4.3	0.1	4.3	80.8%	0.6	17.3%	0.125	1.9%
907	4	880	0.167	0.666	10.6	10.4	-0.2	10.6	0.0	10.6	98.1%	0.7	1.9%	0.012	0.0%
908	6	790	0.150	0.897	11.8	11.7	-0.1	11.8	0.0	11.8	99.2%	0.9	0.8%	0.008	0.0%
909	4	1249	0.237	0.946	-5.5	-5.3	0.2	-5.5	0.0	-5.5	96.5%	0.9	3.5%	0.033	0.0%
910	6	649	0.123	0.738	1.8	1.6	-0.2	1.8	0.0	1.8	90.0%	0.7	10.0%	0.074	0.0%
911	6	381	0.072	0.433	15.8	15.9	0.1	15.8	0.0	15.8	99.4%	0.4	0.6%	0.003	0.0%
912	4	357	0.068	0.270	5.0	5.7	0.7	5.0	0.0	5.0	87.7%	0.2	12.3%	0.033	0.0%
913	6	512	0.097	0.582	-13.0	-13.6	-0.6	-13.0	0.0	-13.0	95.6%	0.6	4.4%	0.026	0.0%
914	6	849	0.161	0.965	19.0	19.9	0.9	19.0	0.0	18.9	95.5%	0.9	4.5%	0.044	0.0%
915	4	1014	0.192	0.768	0.5	-2.0	-2.5	0.5	0.0	0.6	16.7%	0.1	83.3%	0.640	0.0%
917	6	569	0.108	0.646	-0.5	1.1	1.6	-0.5	0.0	-0.6	23.8%	0.2	76.2%	0.492	0.0%
918	6	1194	0.226	1.357	12.7	15.6	2.9	12.7	0.0	12.6	81.4%	1.1	18.6%	0.252	0.0%
919	6	770	0.146	0.875	0.9	1.1	0.2	0.9	0.0	0.9	81.8%	0.7	18.2%	0.159	0.0%
920	6	796	0.151	0.905	1.7	1.7	0.0	1.7	0.0	1.7	100.0%	0.9	0.0%	0.000	0.0%
921	6	707	0.134	0.804	-15.3	-18.4	-3.1	-15.3	0.0	-15.2	83.2%	0.7	16.8%	0.135	0.0%
922	6	911	0.173	1.035	13.6	16.7	3.1	13.6	0.0	13.5	81.4%	0.8	18.6%	0.192	0.0%
923	6	359	0.068	0.408	-15.3	-18.4	-3.1	-15.3	0.0	-15.2	83.2%	0.3	16.8%	0.069	0.0%
924	6	378	0.072	0.430	27.0	32.4	5.4	27.0	0.0	26.8	83.3%	0.4	16.7%	0.072	0.0%
925	6	358	0.068	0.407	24.3	29.9	5.6	24.2	-0.1	24.0	81.0%	0.3	18.7%	0.076	0.3%
926	8	888	0.168	1.345	15.9	15.9	0.0	15.9	0.0	15.8	100.0%	1.3	0.0%	0.000	0.0%
927	6	967	0.183	1.099	15.9	15.9	0.0	15.9	0.0	15.8	100.0%	1.1	0.0%	0.000	0.0%
928	6	1031	0.195	1.171	17.8	17.7	-0.1	17.8	0.0	17.8	99.4%	1.2	0.6%	0.007	0.0%
929	4	1321	0.250	1.001	1.2	1.4	0.2	1.2	0.0	1.2	85.7%	0.9	14.3%	0.143	0.0%
930	4	1468	0.278	1.112	5.6	5.7	0.1	5.6	0.0	5.6	98.2%	1.1	1.8%	0.020	0.0%
931	4	1074	0.203	0.814	-1.3	-1.4	-0.1	-1.3	0.0	-1.3	92.9%	0.8	7.1%	0.058	0.0%
932	4	1765	0.334	1.337	0.6	0.7	0.1	0.6	0.0	0.6	85.7%	1.1	14.3%	0.191	0.0%
933	4	799	0.151	0.606	0.3	0.3	0.0	0.3	0.0	0.3	100.0%	0.6	0.0%	0.000	0.0%
934	4	1044	0.198	0.791	0.4	0.4	0.0	0.4	0.0	0.4	100.0%	0.8	0.0%	0.000	0.0%
935	4	513	0.097	0.389	0.7	0.7	0.0	0.7	0.0	0.7	100.0%	0.4	0.0%	0.000	0.0%
936	4	557	0.105	0.422	0.3	0.3	0.0	0.3	0.0	0.3	100.0%	0.4	0.0%	0.000	0.0%
937	4	607	0.115	0.459	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%
938	4	411	0.078	0.311	-0.2	0.0	0.2	-0.2	0.0	-0.2	50.0%	0.2	50.0%	0.156	0.0%
939	4	256	0.048	0.194	1.1	1.0	-0.1	1.1	0.0	1.1	91.7%	0.2	8.3%	0.016	0.0%
940	6	932	0.177	1.059	-4.8	-5.8	-1.0	-4.8	0.0	-4.8	82.8%	0.9	17.2%	0.183	0.0%

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
941	8	526	0.100	0.797	13.9	12.0	-1.9	13.9	0.0	13.9	88.0%	0.7	12.0%	0.096	0.0%	0.000
942	8	932	0.177	1.412	1.1	-0.6	-1.7	1.1	0.0	1.2	39.3%	0.6	60.7%	0.857	0.0%	0.000
943	8	288	0.054	0.436	15.2	14.4	-0.8	15.2	0.0	15.2	95.0%	0.4	5.0%	0.022	0.0%	0.000
944	8	750	0.142	1.136	-10.2	-10.1	0.1	-10.2	0.0	-10.2	99.0%	1.1	1.0%	0.011	0.0%	0.000
945	6	351	0.066	0.399	-10.3	-12.9	-2.6	-10.3	0.0	-10.2	79.8%	0.3	20.2%	0.080	0.0%	0.000
946	8	1067	0.202	1.617	-3.3	-5.3	-2.0	-3.3	0.0	-3.2	62.3%	1.0	37.7%	0.610	0.0%	0.000
947	6	437	0.083	0.496	7.3	8.0	0.7	7.3	0.0	7.3	91.3%	0.5	8.8%	0.043	0.0%	0.000
948	6	271	0.051	0.308	-9.1	-9.1	0.0	-9.1	0.0	-9.1	100.0%	0.3	0.0%	0.000	0.0%	0.000
949	6	280	0.053	0.318	6.1	6.1	0.0	6.1	0.0	6.1	100.0%	0.3	0.0%	0.000	0.0%	0.000
950	6	348	0.066	0.395	38.8	32.9	-5.9	38.9	0.1	39.1	86.6%	0.3	13.2%	0.052	0.2%	0.001
951	6	1064	0.202	1.209	-30.2	-30.0	0.2	-30.2	0.0	-30.3	99.3%	1.2	0.7%	0.008	0.0%	0.000
952	6	811	0.154	0.922	-27.3	-26.5	0.8	-27.3	0.0	-27.3	97.2%	0.9	2.8%	0.026	0.0%	0.000
953	6	481	0.091	0.547	21.4	18.3	-3.1	21.4	0.0	21.6	87.3%	0.5	12.7%	0.069	0.0%	0.000
954	6	644	0.122	0.732	-7.1	-10.4	-3.3	-7.0	0.1	-6.9	67.6%	0.5	31.4%	0.230	1.0%	0.007
955	6	474	0.090	0.539	1.2	1.2	0.0	1.2	0.0	1.2	100.0%	0.5	0.0%	0.000	0.0%	0.000
1820	8	785	0.149	1.189	15.6	15.1	-0.5	15.6	0.0	15.7	96.9%	1.2	3.1%	0.037	0.0%	0.000
2000	6	408	0.077	0.464	6.1	6.5	0.4	6.1	0.0	6.1	93.8%	0.4	6.2%	0.029	0.0%	0.000
2001	6	1078	0.204	1.225	22.7	22.0	-0.7	22.7	0.0	22.7	97.0%	1.2	3.0%	0.037	0.0%	0.000
2002	6	449	0.085	0.511	20.8	15.6	-5.2	20.8	0.0	21.0	80.0%	0.4	20.0%	0.102	0.0%	0.000
2004	6	1015	0.192	1.153	-4.5	-4.5	0.0	-4.5	0.0	-4.5	100.0%	1.2	0.0%	0.000	0.0%	0.000
2005	6	1010	0.191	1.148	0.7	0.7	0.0	0.7	0.0	0.7	100.0%	1.1	0.0%	0.000	0.0%	0.000
4001	6	2959	0.560	3.363	-32.4	-44.0	-11.6	-39.4	-7.0	-51.1	63.5%	2.1	22.7%	0.765	13.7%	0.462
4002	6	2274	0.431	2.584	-33.8	-45.4	-11.6	-40.8	-7.0	-52.5	64.5%	1.7	22.1%	0.572	13.4%	0.345
4003	6	1562	0.296	1.775	-36.8	-48.3	-11.5	-43.7	-6.9	-55.4	66.7%	1.2	20.8%	0.370	12.5%	0.222
4004	6	1238	0.234	1.407	-38.2	-49.8	-11.6	-45.2	-7.0	-56.9	67.3%	0.9	20.4%	0.287	12.3%	0.173
4005	6	1731	0.328	1.967	-86.6	-98.2	-11.6	-93.6	-7.0	-105.3	82.3%	1.6	11.0%	0.217	6.7%	0.131
4006	16	1562	0.296	4.733	-914.2	-1169.0	-254.8	-1063.0	-148.8	-1322.0	69.4%	3.3	19.3%	0.915	11.3%	0.534
4007	16	2314	0.438	7.012	915.7	1170.5	254.8	1064.4	148.7	1323.5	69.4%	4.9	19.3%	1.354	11.3%	0.790
4008	16	742	0.141	2.250	-917.2	-1171.9	-254.7	-1065.9	-148.7	-1324.9	69.5%	1.6	19.3%	0.434	11.3%	0.253
4009	16	4342	0.822	13.158	826.2	1069.4	243.2	967.9	141.7	1215.2	68.2%	9.0	20.1%	2.642	11.7%	1.539
4010	16	4192	0.794	12.704	824.7	1067.9	243.2	966.5	141.8	1213.8	68.2%	8.7	20.1%	2.554	11.7%	1.489
4011	16	3135	0.594	9.500	823.2	1066.4	243.2	965.0	141.8	1212.3	68.1%	6.5	20.1%	1.912	11.7%	1.115
4012	16	3056	0.579	9.260	821.8	1065.0	243.2	963.6	141.8	1210.9	68.1%	6.3	20.2%	1.866	11.8%	1.088
4013	16	2061	0.390	6.246	820.3	1063.5	243.2	962.1	141.8	1209.4	68.1%	4.3	20.2%	1.260	11.8%	0.735
4014	16	2576	0.488	7.807	818.9	1062.1	243.2	960.6	141.7	1207.9	68.0%	5.3	20.2%	1.577	11.8%	0.919
4015	16	2515	0.476	7.622	791.5	1036.3	244.8	932.4	140.9	1181.7	67.2%	5.1	20.8%	1.585	12.0%	0.912
4016	16	2893	0.548	8.765	790.0	1034.8	244.8	930.9	140.9	1180.2	67.2%	5.9	20.8%	1.825	12.0%	1.050
4019	12	2044	0.387	4.646	-296.6	-384.0	-87.4	-350.1	-53.5	-438.9	67.8%	3.1	20.0%	0.928	12.2%	0.568
4020	6	2023	0.383	2.299	13.5	11.0	-2.5	12.2	-1.3	9.4	78.0%	1.8	14.5%	0.332	7.5%	0.173
4021	6	5134	0.972	5.834	8.4	5.9	-2.5	7.1	-1.3	4.3	68.9%	4.0	20.5%	1.196	10.7%	0.622
4022	6	3445	0.652	3.915	3.3	0.8	-2.5	2.0	-1.3	-0.8	46.5%	1.8	35.2%	1.378	18.3%	0.717
4024	6	3000	0.568	3.409	-6.9	-9.4	-2.5	-8.2	-1.3	-11.0	64.5%	2.2	23.4%	0.797	12.1%	0.414

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 + MCWD On	Change in Flow (MCWD)	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles							
									HCWD#1	HCWD#1 + VG On	% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
4025	6	1394	0.264	1.585	-51.1	-66.8	-15.7	-60.7	-9.6	-76.5	66.9%	1.1	20.5%	0.326	12.6%	0.199
4026	6	1801	0.341	2.047	18.2	24.1	5.9	21.8	3.6	27.8	65.7%	1.3	21.3%	0.436	13.0%	0.266
4028	6	1751	0.332	1.990	-19.7	-25.6	-5.9	-23.2	-3.5	-29.3	67.7%	1.3	20.3%	0.403	12.0%	0.239
4029	6	2136	0.405	2.428	21.2	27.1	5.9	24.7	3.5	30.8	69.3%	1.7	19.3%	0.468	11.4%	0.278
4030	6	2169	0.411	2.465	22.6	28.5	5.9	26.2	3.6	32.2	70.4%	1.7	18.4%	0.453	11.2%	0.276
4032	6	1590	0.301	1.807	-24.1	-30.0	-5.9	-27.6	-3.5	-33.7	71.9%	1.3	17.6%	0.318	10.4%	0.189
4033	6	1909	0.362	2.170	-25.5	-31.4	-5.9	-29.1	-3.6	-35.1	72.9%	1.6	16.9%	0.366	10.3%	0.223
4034	3	2477	0.469	1.407	2.9	2.9	0.0	2.9	0.0	2.9	100.0%	1.4	0.0%	0.000	0.0%	0.000
4035	6	2370	0.449	2.693	1.5	1.5	0.0	1.5	0.0	1.5	100.0%	2.7	0.0%	0.000	0.0%	0.000
4036	6	1044	0.198	1.186	-29.9	-35.8	-5.9	-33.5	-3.6	-39.5	75.9%	0.9	15.0%	0.178	9.1%	0.108
4037	6	4903	0.929	5.572	-31.4	-37.3	-5.9	-34.9	-3.5	-41.0	77.0%	4.3	14.5%	0.806	8.6%	0.478
4038	16	1760	0.411	6.577	788.5	1033.4	244.9	929.4	140.9	1178.7	67.1%	4.4	20.9%	1.372	12.0%	0.769
4039	16	2173	0.334	5.344	-785.6	-1030.5	-244.9	-926.5	-140.9	-1175.8	67.1%	3.6	20.9%	1.117	12.0%	0.643
4040	16	4712	0.892	14.278	-784.2	-1029.0	-244.8	-925.1	-140.9	-1174.4	67.0%	9.6	21.0%	2.988	12.0%	1.720
4041	16	2076	0.393	6.291	782.7	1027.5	244.8	923.6	140.9	1172.9	67.0%	4.2	20.9%	1.318	12.1%	0.759
4042	16	3576	0.677	10.837	-781.2	-1026.1	-244.9	-922.1	-140.9	-1171.4	66.9%	7.3	21.0%	2.274	12.1%	1.308
4043	6	1361	0.258	1.547	-26.4	-40.9	-14.5	-33.0	-6.6	-47.7	55.6%	0.9	30.5%	0.472	13.9%	0.215
4045	16	3114	0.590	9.437	-806.2	-1065.5	-259.3	-953.7	-147.5	-1217.7	66.5%	6.3	21.4%	2.017	12.2%	1.148
4046	16	558	0.106	1.691	804.7	1064.1	259.4	952.3	147.6	1216.2	66.4%	1.1	21.4%	0.362	12.2%	0.206
4047	6	1307	0.248	1.486	10.0	-10.7	-20.7	8.8	-1.2	-12.4	31.3%	0.5	64.9%	0.964	3.8%	0.056
4048	6	5599	1.061	6.363	2.7	-18.0	-20.7	1.5	-1.2	-19.7	11.0%	0.7	84.1%	5.354	4.9%	0.310
4049	6	4536	0.859	5.155	-1.0	-21.7	-20.7	-2.1	-1.1	-23.3	4.4%	0.2	90.8%	4.680	4.8%	0.249
4050	16	4524	0.857	13.710	-793.3	-1073.4	-280.1	-942.0	-148.7	-1227.1	64.9%	8.9	22.9%	3.142	12.2%	1.668
4051	16	3425	0.649	10.378	792.5	1072.6	280.1	941.3	148.8	1226.4	64.9%	6.7	22.9%	2.380	12.2%	1.264
4052	16	3330	0.631	10.090	-791.8	-1072.1	-280.1	-941.3	-148.5	-1226.4	64.9%	7.9	6.6%	0.668	14.8%	1.496
4053	16	2920	0.553	8.847	791.1	724.4	-66.7	940.5	149.4	878.2	78.5%	6.9	6.6%	0.586	14.8%	1.312
4060	8	3376	0.639	5.115	-44.6	-44.6	0.0	-44.6	0.0	-44.6	100.0%	5.1	0.0%	0.000	0.0%	0.000
4061	8	1881	0.356	2.849	-44.6	-44.6	0.0	-44.6	0.0	-44.6	100.0%	2.8	0.0%	0.000	0.0%	0.000
4062	8	2928	0.555	4.437	-44.6	-44.6	0.0	-44.6	0.0	-44.6	100.0%	4.4	0.0%	0.000	0.0%	0.000
4063	8	4501	0.852	6.819	44.6	44.6	0.0	44.6	0.0	44.6	100.0%	6.8	0.0%	0.000	0.0%	0.000
4064	8	1592	0.302	2.413	-50.5	-50.5	0.0	-50.5	0.0	-50.5	100.0%	2.4	0.0%	0.000	0.0%	0.000
4065	8	5457	1.034	8.268	-50.5	-50.5	0.0	-50.5	0.0	-50.5	100.0%	8.3	0.0%	0.000	0.0%	0.000
4066	8	3929	0.744	5.954	-53.4	-53.4	0.0	-53.4	0.0	-53.4	100.0%	6.0	0.0%	0.000	0.0%	0.000
4067	12	2497	0.473	5.676	56.3	56.3	0.0	56.3	0.0	56.3	100.0%	5.7	0.0%	0.000	0.0%	0.000
4068	12	1072	0.203	2.436	-57.8	-57.8	0.0	-57.8	0.0	-57.8	100.0%	2.4	0.0%	0.000	0.0%	0.000
4069	12	627	0.119	1.424	-57.8	-57.8	0.0	-57.8	0.0	-57.8	100.0%	1.4	0.0%	0.000	0.0%	0.000
4074	6	2015	0.382	2.290	-35.3	-46.9	-11.6	-42.3	-7.0	-54.0	65.5%	1.5	21.5%	0.493	13.0%	0.297
334a	6	367	0.069	0.417	25.8	25.8	0.0	25.8	0.0	25.8	100.0%	0.4	0.0%	0.000	0.0%	0.000
P-10	6	1129	0.214	1.283	14.9	15.7	0.8	14.9	0.0	14.9	94.9%	1.2	5.1%	0.065	0.0%	0.000
P-141	4	371	0.070	0.281	8.8	8.8	0.0	8.8	0.0	8.8	100.0%	0.3	0.0%	0.000	0.0%	0.000
P-176	4	1653	0.313	1.252	5.3	5.8	0.5	5.3	0.0	5.3	91.4%	1.1	8.6%	0.108	0.0%	0.000
P-177	6	1150	0.218	1.307	-13.7	-15.6	-1.9	-13.7	0.0	-13.6	87.8%	1.1	12.2%	0.159	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
P-181	6	2937	0.556	3.338	-0.7	-0.7	0.0	-0.7	0.0	-0.7	100.0%	3.3	0.0%	0.000	0.0%	0.000
P-182	6	614	0.116	0.698	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-198	6	7058	1.337	8.021	1.5	1.5	0.0	1.5	0.0	1.5	100.0%	8.0	0.0%	0.000	0.0%	0.000
P-199	6	2118	0.401	2.407	-11.5	-11.5	0.0	-11.5	0.0	-11.5	100.0%	2.4	0.0%	0.000	0.0%	0.000
P-200	6	6307	1.194	7.167	1.8	1.8	0.0	1.8	0.0	1.8	100.0%	7.2	0.0%	0.000	0.0%	0.000
P-201	6	4961	0.940	5.638	-13.0	-13.0	0.0	-13.0	0.0	-13.0	100.0%	5.6	0.0%	0.000	0.0%	0.000
P-202	6	3355	0.635	3.812	-28.2	-28.2	0.0	-28.2	0.0	-28.2	100.0%	3.8	0.0%	0.000	0.0%	0.000
P-203	6	4925	0.933	5.996	13.7	13.7	0.0	13.7	0.0	13.7	100.0%	5.6	0.0%	0.000	0.0%	0.000
P-213	6	672	0.127	0.764	1.5	1.5	0.0	1.5	0.0	1.5	100.0%	0.8	0.0%	0.000	0.0%	0.000
P-222	6	1030	0.195	1.170	-2.0	-2.0	0.0	-2.0	0.0	-2.0	100.0%	1.2	0.0%	0.000	0.0%	0.000
P-225	6	5212	0.987	5.923	0.9	0.9	0.0	0.9	0.0	0.9	100.0%	5.9	0.0%	0.000	0.0%	0.000
P-229	6	4061	0.769	4.614	-4.9	-4.9	0.0	-4.9	0.0	-4.9	100.0%	4.6	0.0%	0.000	0.0%	0.000
P-239	6	6510	1.233	7.397	1.5	1.5	0.0	1.5	0.0	1.5	100.0%	7.4	0.0%	0.000	0.0%	0.000
P-253	6	3031	0.574	3.444	1.5	1.5	0.0	1.5	0.0	1.5	100.0%	3.4	0.0%	0.000	0.0%	0.000
P-257	6	8285	1.569	9.415	-18.8	-18.8	0.0	-18.8	0.0	-18.8	100.0%	9.4	0.0%	0.000	0.0%	0.000
P-264	6	4093	0.775	4.651	2.9	2.9	0.0	2.9	0.0	2.9	100.0%	4.7	0.0%	0.000	0.0%	0.000
P-277	6	7139	1.352	8.112	2.4	2.4	0.0	2.4	0.0	2.4	100.0%	8.1	0.0%	0.000	0.0%	0.000
P-278	6	4322	0.819	4.911	17.0	17.0	0.0	17.0	0.0	17.0	100.0%	4.9	0.0%	0.000	0.0%	0.000
P-279	8	1148	0.217	1.739	-24.7	-24.7	0.0	-24.7	0.0	-24.7	100.0%	1.7	0.0%	0.000	0.0%	0.000
P-280	6	907	0.172	1.031	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-281	8	1300	0.246	1.970	2.9	2.9	0.0	2.9	0.0	2.9	100.0%	2.0	0.0%	0.000	0.0%	0.000
P-282	16	1340	0.254	4.062	-787.1	-1031.9	-244.8	-928.0	-140.9	-1177.3	67.1%	2.7	20.9%	0.848	12.0%	0.488
P-283	12	1313	0.249	2.984	57.8	57.8	0.0	57.8	0.0	57.8	100.0%	3.0	0.0%	0.000	0.0%	0.000
P-284	12	1774	0.336	4.031	-57.8	-57.8	0.0	-57.8	0.0	-57.8	100.0%	4.0	0.0%	0.000	0.0%	0.000
P-285	6	5414	1.025	6.152	35.2	49.7	14.5	41.8	6.6	56.4	62.5%	3.8	25.8%	1.584	11.7%	0.721
P-286	6	2359	0.447	2.681	2.4	2.4	0.0	2.4	0.0	2.4	100.0%	2.7	0.0%	0.000	0.0%	0.000
P-287	6	6254	1.185	7.107	3.4	3.4	0.0	3.4	0.0	3.4	100.0%	7.1	0.0%	0.000	0.0%	0.000
P-288	6	6120	1.159	6.954	-56.4	-74.3	-17.9	-67.3	-10.9	-85.4	66.2%	4.6	21.0%	1.461	12.8%	0.890
P-289	16	500	0.095	1.515	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-290	16	25	0.005	0.076	-1270.0	1270.0	0.0	1474.0	2744.0	-1828.0	24.0%	0.0	24.0%	0.018	51.9%	0.039
P-291	16	25	0.005	0.076	-1270.0	-1618.0	-348.0	-1474.0	-204.0	-1828.0	69.7%	0.1	19.1%	0.014	11.2%	0.008
P-293	6	4619	0.875	5.249	0.5	0.5	0.0	0.5	0.0	0.5	100.0%	5.2	0.0%	0.000	0.0%	0.000
P-294	6	8706	1.649	9.894	11.7	11.7	0.0	11.7	0.0	11.7	100.0%	9.9	0.0%	0.000	0.0%	0.000
P-295	6	3008	0.570	3.418	0.6	0.6	0.0	0.6	0.0	0.6	100.0%	3.4	0.0%	0.000	0.0%	0.000
P-297	6	2604	0.493	2.960	-4.2	-4.2	0.0	-4.2	0.0	-4.2	100.0%	3.0	0.0%	0.000	0.0%	0.000
P-298	6	389	0.074	0.442	17.0	17.0	0.0	17.0	0.0	17.0	100.0%	0.4	0.0%	0.000	0.0%	0.000
P-352	6	3774	0.715	4.289	11.5	11.5	0.0	11.5	0.0	11.5	100.0%	4.3	0.0%	0.000	0.0%	0.000
P-356	6	4986	0.944	5.665	9.7	9.7	0.0	9.7	0.0	9.7	100.0%	5.7	0.0%	0.000	0.0%	0.000
P-357	6	2800	0.530	3.182	3.8	3.8	0.0	3.8	0.0	3.8	100.0%	3.2	0.0%	0.000	0.0%	0.000
P-358	6	4181	0.792	4.751	-8.2	-8.2	0.0	-8.2	0.0	-8.2	100.0%	4.8	0.0%	0.000	0.0%	0.000
P-371	6	6200	1.174	7.045	6.0	6.0	0.0	6.0	0.0	6.0	100.0%	7.0	0.0%	0.000	0.0%	0.000
P-372	6	5080	0.962	5.773	7.9	7.9	0.0	7.9	0.0	7.9	100.0%	5.8	0.0%	0.000	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
P-373	6	2796	0.529	3.177	15.2	15.2	0.0	15.2	0.0	15.2	100.0%	3.2	0.0%	0.000	0.0%	0.000
P-374	8	1682	0.318	2.548	-23.4	-23.4	0.0	-23.4	0.0	-23.4	100.0%	2.5	0.0%	0.000	0.0%	0.000
P-375	6	4647	0.880	5.281	-19.1	-19.1	0.0	-19.1	0.0	-19.1	100.0%	5.3	0.0%	0.000	0.0%	0.000
P-376	6	3997	0.757	4.542	-17.3	-17.3	0.0	-17.3	0.0	-17.3	100.0%	4.5	0.0%	0.000	0.0%	0.000
P-377	6	5253	0.995	5.970	-7.8	-7.8	0.0	-7.8	0.0	-7.8	100.0%	6.0	0.0%	0.000	0.0%	0.000
P-378	6	780	0.148	0.886	9.0	9.2	0.2	9.0	0.0	8.9	97.8%	0.9	2.2%	0.019	0.0%	0.000
P-379	6	447	0.085	0.508	17.0	17.5	0.5	17.0	0.0	17.0	97.1%	0.5	2.9%	0.015	0.0%	0.000
P-380	6	242	0.046	0.275	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-381	6	572	0.108	0.650	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-382	6	1044	0.198	1.187	17.0	17.5	0.5	17.0	0.0	17.0	97.1%	1.2	2.9%	0.034	0.0%	0.000
P-383	6	511	0.097	0.581	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-384	6	539	0.102	0.613	17.0	17.5	0.5	17.0	0.0	17.0	97.1%	0.6	2.9%	0.018	0.0%	0.000
P-385	6	925	0.175	1.051	-8.1	-8.3	-0.2	-8.1	0.0	-8.1	97.6%	1.0	2.4%	0.025	0.0%	0.000
P-386	6	1167	0.221	1.326	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-387	16	321	0.061	0.972	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-388	16	530	0.100	1.605	17.0	17.5	0.5	17.0	0.0	17.0	97.1%	1.6	2.9%	0.046	0.0%	0.000
P-389	16	824	0.156	2.497	-8.1	-8.3	-0.2	-8.1	0.0	-8.1	97.6%	2.4	2.4%	0.060	0.0%	0.000
P-390	16	344	0.065	1.042	19.4	20.3	0.9	19.4	0.0	19.4	95.6%	1.0	4.4%	0.046	0.0%	0.000
P-391	16	914	0.173	2.769	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-392	16	629	0.119	1.906	19.4	20.3	0.9	19.4	0.0	19.4	95.6%	1.8	4.4%	0.085	0.0%	0.000
P-393	16	1994	0.378	6.041	-3.7	-3.8	-0.1	-3.7	0.0	-3.7	97.4%	5.9	2.6%	0.159	0.0%	0.000
P-394	16	266	0.050	0.806	10.6	11.0	0.4	10.6	0.0	10.6	96.4%	0.8	3.6%	0.029	0.0%	0.000
P-395	16	624	0.118	1.892	-14.3	-14.7	-0.4	-14.3	0.0	-14.3	97.3%	1.8	2.7%	0.051	0.0%	0.000
P-396	16	1886	0.357	5.715	5.1	5.6	0.5	5.1	0.0	5.1	91.1%	5.2	8.9%	0.510	0.0%	0.000
P-397	16	844	0.160	2.557	-22.8	-23.1	-0.3	-22.8	0.0	-22.7	98.7%	2.5	1.3%	0.033	0.0%	0.000
P-398	16	1330	0.252	4.029	8.4	8.4	0.0	8.4	0.0	8.4	100.0%	4.0	0.0%	0.000	0.0%	0.000
P-399	16	627	0.119	1.899	-3.4	-2.8	0.6	-3.4	0.0	-3.4	85.0%	1.6	15.0%	0.285	0.0%	0.000
P-403	16	135	0.026	0.410	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-404	16	297	0.056	0.899	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-405	16	316	0.060	0.956	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-406	16	750	0.142	2.274	-7.2	-7.1	0.1	-7.2	0.0	-7.2	98.6%	2.2	1.4%	0.031	0.0%	0.000
P-407	16	622	0.118	1.885	1.7	2.1	0.4	1.7	0.0	1.7	81.0%	1.5	19.0%	0.359	0.0%	0.000
P-408	16	634	0.120	1.921	5.0	4.9	-0.1	5.0	0.0	5.1	98.0%	1.9	2.0%	0.038	0.0%	0.000
P-430	16	1054	0.200	3.195	-1.7	-1.7	0.0	-1.7	0.0	-1.7	100.0%	3.2	0.0%	0.000	0.0%	0.000
P-431	16	474	0.090	1.438	3.3	3.2	-0.1	3.3	0.0	3.3	97.1%	1.4	2.9%	0.042	0.0%	0.000
P-433	16	284	0.054	0.861	-1.7	-1.7	0.0	-1.7	0.0	-1.7	100.0%	0.9	0.0%	0.000	0.0%	0.000
P-434	16	192	0.036	0.583	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-436	16	608	0.115	1.842	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-437	16	266	0.050	0.806	-1.7	-1.7	0.0	-1.7	0.0	-1.7	100.0%	0.8	0.0%	0.000	0.0%	0.000
P-438	16	557	0.106	1.688	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-439	16	511	0.097	1.548	5.0	4.9	-0.1	5.0	0.0	5.1	98.0%	1.5	2.0%	0.030	0.0%	0.000
P-440	16	743	0.141	2.253	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow (VG)	All On Flow (MCWD+VG)	% Change / Inch-Miles					
											% for HCWD#1	Inch-Mile HCWD#1	% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
P-441	16	503	0.095	1.525	-12.2	-12.0	0.2	-12.2	0.0	-12.2	98.4%	1.5	1.6%	0.025	0.0%	0.000
P-442	16	346	0.089	1.322	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-443	16	436	0.066	1.050	-12.2	-12.0	0.2	-12.2	0.0	-12.2	98.4%	1.0	1.6%	0.017	0.0%	0.000
P-444	16	301	0.057	0.912	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-445	16	433	0.082	1.313	-12.2	-12.0	0.2	-12.2	0.0	-12.2	98.4%	1.3	1.6%	0.021	0.0%	0.000
P-446	16	1136	0.215	3.444	-8.9	-9.2	-0.3	-8.9	0.0	-8.9	96.7%	3.3	3.3%	0.112	0.0%	0.000
P-447	6	10263	1.944	11.662	2.9	2.9	0.0	2.9	0.0	-59.2	100.0%	11.7	0.0%	0.000	0.0%	0.000
P-449	12	1934	0.366	4.396	-59.2	-59.2	0.0	-59.2	0.0	-59.2	100.0%	4.4	0.0%	0.000	0.0%	0.000
P-450	6	3228	0.611	3.669	6.3	-14.4	-20.7	5.2	-1.1	-16.0	22.4%	0.8	73.7%	2.702	3.9%	0.144
P-456	6	1838	0.348	2.089	15.3	15.3	0.0	15.3	0.0	15.3	100.0%	2.1	0.0%	0.000	0.0%	0.000
P-457	6	1742	0.330	1.980	14.4	16.6	2.2	15.8	1.4	18.0	80.0%	1.6	12.2%	0.242	7.8%	0.154
P-458	6	790	0.150	0.897	-49.6	-85.3	-15.7	-59.2	-9.6	-75.1	66.2%	0.6	21.0%	0.188	12.8%	0.115
P-459	6	1719	0.326	1.953	9.3	11.5	2.2	10.7	1.4	12.9	72.1%	1.4	17.1%	0.333	10.9%	0.212
P-460	6	2046	0.387	2.325	3.3	0.8	-2.5	2.0	-1.3	-0.8	46.5%	1.1	35.2%	0.819	18.3%	0.426
P-462	6	1782	0.337	2.025	-51.1	-66.8	-15.7	-60.7	-9.6	-76.5	66.9%	1.4	20.5%	0.416	12.8%	0.254
P-463	6	3381	0.640	3.842	-51.1	-66.8	-15.7	-60.7	-9.6	-76.5	66.9%	2.6	20.5%	0.790	12.6%	0.483
P-464	6	3080	0.583	3.500	-51.1	-66.8	-15.7	-60.7	-9.6	-76.5	66.9%	2.3	20.5%	0.719	12.6%	0.440
P-466	6	5155	0.976	5.858	-1.8	-4.3	-2.5	-3.1	-1.3	-5.9	32.1%	1.9	44.6%	2.615	23.2%	1.360
P-468	12	4246	0.804	9.649	-325.8	-418.2	-92.4	-380.6	-54.8	-474.8	68.9%	6.6	19.5%	1.885	11.6%	1.118
P-470	6	1469	0.278	1.669	25.9	24.3	-1.6	26.8	0.9	24.8	91.2%	1.5	5.6%	0.094	3.2%	0.053
P-471	12	7751	1.468	17.617	-292.9	-379.5	-86.6	-344.3	-51.4	-432.3	68.0%	12.0	20.1%	3.541	11.9%	2.101
P-472	6	5224	0.989	5.936	22.3	20.7	-1.6	23.2	0.9	21.2	89.9%	5.3	6.5%	0.383	3.6%	0.215
P-473	12	1026	0.194	2.332	-325.8	-418.2	-92.4	-380.6	-54.8	-474.8	68.9%	1.6	19.5%	0.456	11.6%	0.270
P-475	6	2790	0.528	3.171	5.8	5.8	0.0	5.8	0.0	5.8	100.0%	3.2	0.0%	0.000	0.0%	0.000
P-476	6	6061	1.148	6.887	2.9	2.9	0.0	2.9	0.0	2.9	100.0%	6.9	0.0%	0.000	0.0%	0.000
P-477	6	803	0.152	0.912	13.3	13.3	0.0	13.3	0.0	13.3	100.0%	0.9	0.0%	0.000	0.0%	0.000
P-479	6	2081	0.396	2.376	-18.8	-18.8	0.0	-18.8	0.0	-18.8	100.0%	2.4	0.0%	0.000	0.0%	0.000
P-481	6	1499	0.284	1.704	-36.8	-48.3	-11.5	-43.7	-6.9	-55.4	66.7%	1.1	20.8%	0.355	12.5%	0.213
P-482	6	2692	0.510	3.060	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-483	6	1922	0.364	2.184	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-51	6	706	0.134	0.802	15.6	15.0	-0.6	15.6	0.0	15.7	96.3%	0.8	3.7%	0.030	0.0%	0.000
P-551	10	3208	0.608	6.075	-55.1	-67.4	-12.3	-62.4	-7.3	-75.0	73.8%	4.5	16.5%	1.000	9.8%	0.594
P-552	6	2104	0.398	2.391	9.1	9.1	0.0	9.1	0.0	9.1	100.0%	2.4	0.0%	0.000	0.0%	0.000
P-553	6	3771	0.714	4.286	1.8	1.8	0.0	1.8	0.0	1.8	100.0%	4.3	0.0%	0.000	0.0%	0.000
P-554	6	3903	0.739	4.435	-15.8	-15.8	0.0	-15.8	0.0	-15.8	100.0%	4.4	0.0%	0.000	0.0%	0.000
P-555	6	3734	0.707	4.243	5.5	5.5	0.0	5.5	0.0	5.5	100.0%	4.2	0.0%	0.000	0.0%	0.000
P-556	6	6006	1.137	6.825	-6.0	-6.0	0.0	-6.0	0.0	-6.0	100.0%	6.8	0.0%	0.000	0.0%	0.000
P-558	6	6996	1.325	7.951	-2.4	-2.4	0.0	-2.4	0.0	-2.4	100.0%	8.0	0.0%	0.000	0.0%	0.000
P-559	6	4221	0.798	4.797	-0.7	-0.7	0.0	-0.7	0.0	-0.7	100.0%	4.8	0.0%	0.000	0.0%	0.000
P-560	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-561	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000
P-562	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	0.000

Name	Diameter (in.)	Length (ft.)	Length (mi.)	Total Inch-Miles	HCWD#1 Flow Only	HCWD#1 + MCWD On	Change in Flow (MCWD)	HCWD#1 + VG On	Change in Flow in Flow (VG)	All On Flow (MCWD+VG)	% for HCWD#1	Inch-Mile HCWD#1	% Change / Inch-Miles			
													% Change MCWD	Inch-Mile MCWD	% Change VG	Inch-Mile VG
P-563	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.000	0.0%	0.000	0.0%	
P-564	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.000	0.0%	0.000	0.0%	
P-565	14	10	0.002	0.027	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.000	0.0%	0.000	0.0%	
P-566	12	15	0.003	0.034	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.000	0.0%	0.000	0.0%	
P-568	14	7587	1.437	20.118	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.000	0.0%	0.000	0.0%	
P-57	6	730	0.138	0.829	44.5	43.1	-1.4	44.5	0.0	44.6	96.9%	0.8	3.1%	0.025	0.0%	
P-571	6	6620	1.254	7.523	-29.3	-43.9	-14.6	-36.0	-6.7	-50.6	57.9%	4.4	28.9%	2.171	13.2%	
P-573	6	3176	0.602	3.610	10.2	10.2	0.0	10.2	0.0	10.2	100.0%	3.6	0.0%	0.000	0.0%	
P-575	6	2268	0.430	2.577	5.1	5.1	0.0	5.1	0.0	5.1	100.0%	2.6	0.0%	0.000	0.0%	
P-577	6	5398	1.022	6.134	-11.5	-11.5	0.0	-11.5	0.0	-11.5	100.0%	6.1	0.0%	0.000	0.0%	
P-578	12	2225	0.421	5.057	11.5	11.5	0.0	11.5	0.0	11.5	100.0%	5.1	0.0%	0.000	0.0%	
P-67	6	1554	0.294	1.765	-29.6	-27.4	2.2	-29.6	0.0	-29.7	93.1%	1.6	6.9%	0.122	0.0%	
P-70	6	350	0.066	0.397	-19.2	-18.8	0.4	-19.3	-0.1	-19.3	97.5%	0.4	2.0%	0.008	0.5%	
P-71	6	768	0.146	0.873	21.6	21.6	0.0	21.6	0.0	21.6	100.0%	0.9	0.0%	0.000	0.0%	
P-72	6	226	0.043	2.256	27.5	27.5	0.0	27.5	0.0	27.5	100.0%	0.3	0.0%	0.000	0.0%	
P-8	6	2511	0.476	2.854	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	
P-96	6	922	0.175	1.047	8.4	8.3	-0.1	8.4	0.0	8.4	98.8%	1.0	1.2%	0.012	0.0%	
X-432	12	2072	0.392	4.709	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	
X-435	16	451	0.085	1.368	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	
X-502	12	426	0.081	0.968	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%	0.000	0.0%	
Total				1613.320	-4183.2	-3038.0		-1911.5		-3569.1		1285.4		182.631		69.315

EXHIBIT 17
IMPACT OF PRO-FORMA ADJUSTMENTS ON BALANCE SHEET AND INCOME STATEMENT
HARDIN COUNTY WATER DISTRICT NO. 1

INCOME AND EXPENSES

<u>Item</u>	<u>FY 2005</u>	<u>Note</u>	<u>Adjustments</u>	<u>Pro-forma Amount</u>
Operating Income				
Metered Water Sales	\$ 2,636,307		\$ 101,640	\$ 2,737,947
Wholesale Sales	\$ 406,892		\$ -	\$ 406,892
Sewer Billing Revenue	\$ 184,207		\$ -	\$ 184,207
Sewer Mgmt Reimbursement	\$ -		\$ 69,396.0	\$ 69,396
Interest Income	\$ 126,927		\$ -	\$ 126,927
Penalties, Service Fees and Misc.	\$ 417,193		\$ -	\$ 417,193
Total Operating Revenue	\$ 3,771,526			\$ 3,942,562
Operating Expenses				
Treatment	\$ 636,075			\$ 636,075
Distribution	\$ 440,039			\$ 440,039
Customer Service	\$ 298,983			\$ 298,983
General & Administrative Expenses	\$ 609,673			\$ 609,673
Purchased Water	\$ 24,638		\$ 33,731	\$ 58,369
General Maintenance	\$ 56,906		\$ 152,737	\$ 209,643
Source of Supply	\$ 13,641			\$ 13,641
Total Operating Expenses	\$ 2,079,955			\$ 2,266,423
				\$ -
Income Before Depreciation & Amortization	\$ 1,691,571			\$ 1,676,139
				\$ -
Depreciation Expenses	\$ 412,208		\$ 277,156	\$ 689,364
Amortization	\$ 76,404		\$ (76,404)	\$ -
Debt Service - Interest Only	\$ 452,136		\$ (452,136)	\$ -
Debt Service - PII/Coverage	\$ -		\$ 1,461,101	\$ 1,461,101
Total Revenue Requirement	\$ 3,020,703			\$ 4,416,888
Increase Required				\$ 474,326

HCWD No. 1 2006 Budget:

Final Approved at 12/20/05 Meeting

WATER UTILITY:			2004	2005	2006	05B>06P	05B>06P
ROW	CATEGORY	CRIT RNG	ACTUAL	APPROVED	APPROVED	\$ +/-	% +/-
			13	15	17		
	REVENUES	ACCOUNTNO					
1	Residential	10.00.4610100	\$1,635,087	\$1,688,000	\$1,795,651	\$106,651	6.3%
2	Multi-Family	10.00.4610500	\$106,870	\$129,000	\$110,700	(\$18,300)	-14.2%
3	Commercial	10.00.4610200	\$279,197	\$347,000	\$309,550	(\$37,450)	-10.8%
4	Wholesale	???.???.466*	\$341,491	\$371,500	\$413,280	\$41,780	11.2%
5	Cust Meter Charges	???.???.460*	\$592,341	\$600,600	\$622,100	\$21,500	3.6%
6	Other	10.00*	\$568,118	\$368,857	\$615,419	\$246,562	66.8%
7							
8		ACCOUNTNO					
9	COMMISSION	10.19.60301*	\$2,106	\$2,310	\$2,310	\$0	0.0%
10	Wages	10.19.60300*	\$30,200	\$35,816	\$30,200	(\$5,816)	-15.7%
11	Health Ins	10.19.60303*	\$20,013	\$7,200	\$16,886	\$9,886	134.5%
11	Pension	10.19.60302*	\$2,389	\$2,938	\$3,600	\$662	22.5%
12	Misc Commission	10.19.67506*	\$3,696	\$2,000	\$2,100	\$100	5.0%
13							
14		ACCOUNTNO					
15	OVERTIME	???.???.60104*	\$18,502	\$14,577	\$18,700	\$4,123	28.3%
16	PERSONNEL SERVICES	???.???.601*	\$1,143,884	\$1,288,283	\$1,521,203	\$232,920	18.1%
17							
18		ACCOUNTNO					
19	SUPPLIES	???.???.62003*	\$12,584	\$6,800	\$7,000	\$200	2.9%
20	Chemicals	???.???.618*	\$116,560	\$105,000	\$110,800	\$5,800	5.5%
21							
22		ACCOUNTNO					
23	POWER/UTILITIES	???.???.615*	\$198,479	\$192,200	\$217,500	\$25,300	13.2%
24	Phone	???.???.67501*	\$14,496	\$12,540	\$16,200	\$3,660	29.2%
25							
26	FIXED CHARGES	ACCOUNTNO					
27	Depreciation	10.19.6403000	\$512,524	\$590,000	\$690,662	\$100,662	17.1%
28	Liab/Fleet Insurance	10.19.657*	\$65,733	\$58,600	\$77,950	\$19,350	33.0%
29	Worker's Comp	10.???.65805*	\$39,292	\$41,123	\$23,660	(\$17,463)	-42.5%
30	Unemployment	???.???.659*	\$605	\$500	\$600	\$100	20.0%
31							
32							
33	PURCHASED WATER	ACCOUNTNO					
34	Purchased Water	10.19.6100000	\$44,883	\$22,000	\$22,000	\$0	0.0%
35							
36	DEBT SERVICE	ACCOUNTNO					
37	Int & Amort	10.19.642*	\$474,188	\$456,082	\$602,097	\$146,015	32.0%
38							
39	CONTRACTURAL SERVICES	ACCOUNTNO					
40	Contractural Services	???.???.635*	\$191,796	\$174,980	\$204,600	\$29,620	16.9%
41							
42	PROFESSIONAL SERVICES	ACCOUNTNO					
43	Adm Engineering	10.19.631*	\$22,265	\$7,500	\$7,500	\$0	0.0%
44	Adm Accounting	10.19.632*	\$21,822	\$20,000	\$15,000	(\$5,000)	-25.0%
45	Adm Legal	???.19.633*	\$977	\$1,100	\$1,000	(\$100)	-9.1%
46							
47		ACCOUNTNO					
48	TRANSPORTATION	???.???.650*	\$38,915	\$23,600	\$41,400	\$17,800	75.4%
49							
50	EXPENSE TOTAL		\$3,269,679	\$3,283,724	\$3,871,266	\$587,542	17.9%
51	REVENUE TOTAL		\$3,523,103	\$3,866,700	\$4,181,656	\$314,956	8.1%
53	INCOME		\$253,424	\$582,976	\$310,390	(\$272,586)	-46.8%
54	% RETURN ON REVENUES		7.2%	15.1%	7.4%	(\$0)	-50.8%

56 Budget Summary by Expense Type:

	2004	2005	2006	05B>06P	05B>06P
	ACTUAL	APPROVED	APPROVED	\$ +/-	% +/-
60 Commission	\$58,403	\$50,264	\$55,096	\$4,832	9.6%
61 Personnel Services	\$1,183,176	\$1,329,406	\$1,544,863	\$216,457	16.2%
62 Supplies	\$129,144	\$111,800	\$117,800	\$6,000	5.4%
63 Power/Utilities	\$212,975	\$204,740	\$233,700	\$28,960	14.1%
64 Purchased Water	\$44,883	\$22,000	\$22,000	\$0	0.0%
65 Fixed Charges	\$618,155	\$690,223	\$792,872	\$102,649	14.9%
66 Debt Service Interest	\$474,188	\$456,082	\$602,097	\$146,015	32.0%
67 Professional Services	\$45,064	\$28,600	\$23,500	(\$5,100)	-17.8%
68 Contractual Services	\$191,796	\$174,980	\$204,600	\$29,620	16.9%
69 Transportation	\$38,915	\$23,600	\$41,400	\$17,800	75.4%
70 Other Expense	\$272,980	\$182,029	\$233,338	\$41,309	21.5%

72 Budget Summary by Cost Center:

		2004	2005	2006	05B>06P	05B>06P
Summary By Cost Center	ACCOUNTNO	ACTUAL	APPROVED	APPROVED	\$ +/-	% +/-
76 Source	10.10*	\$2,595	\$3,680	\$5,200	\$1,520	41.3%
77 Pirtle WTP	10.11*	\$631,472	\$631,822	\$752,723	\$120,901	19.1%
78 Distribution	10.14*	\$582,539	\$597,376	\$700,799	\$103,423	17.3%
79 Customer Service	10.15*	\$322,031	\$306,512	\$339,381	\$32,849	10.7%
80 Maintenance	10.16*	\$55,340	\$59,096	\$62,270	\$3,174	5.4%
81 Administration	10.19*	\$1,675,701	\$1,685,238	\$2,010,913	\$325,675	19.3%
82 TOTAL		\$3,289,679	\$3,283,724	\$3,871,266	\$587,542	17.9%

83

SU. BY DIVISION:
(Using Current Year)

DIV	#FTE	FTSAL	PTFSA	OT	HEALTH	DENT/MSN	LIFE	OASDI	PENSION	FLEX 117	TOTAL	W COMP	% OF TOTAL	W COMP %
COMM	5.0	\$30,200	\$0	\$0	\$7,087	\$1,560	\$1,560	\$2,310	\$3,316	\$5,616	\$51,649	\$65	3.5%	0.4%
LEG	1.0	\$12,381	\$0	\$0	\$0	\$0	\$0	\$947	\$1,359	\$0	\$14,688	\$45	1.0%	0.2%
ADM	5.7	\$208,301	\$0	\$3,464	\$25,537	\$1,766	\$1,766	\$16,200	\$23,252	\$14,221	\$294,507	\$623	20.0%	2.9%
PIRTLE	7.5	\$254,145	\$0	\$2,067	\$27,814	\$2,486	\$2,486	\$18,600	\$28,132	\$11,232	\$347,782	\$8,540	23.6%	39.5%
CS	5.3	\$149,721	\$4,784	\$4,598	\$15,981	\$1,665	\$1,665	\$12,171	\$16,944	\$1,487	\$215,027	\$415	14.6%	1.9%
MAINT	1.0	\$38,854	\$0	\$500	\$3,544	\$312	\$312	\$3,011	\$4,321	\$1,404	\$52,258	\$1,557	3.6%	7.2%
DIST	11.5	\$342,378	\$9,568	\$10,752	\$41,789	\$3,744	\$3,744	\$27,746	\$38,774	\$18,948	\$495,344	\$10,374	33.7%	47.9%
TOTAL	37.0	\$1,035,981	\$14,352	\$21,379	\$121,552	\$11,544	\$11,544	\$81,986	\$116,098	\$56,819	\$1,471,255	\$21,639	100.0%	100.0%
STAFF	31.0	\$993,400	\$14,352	\$21,379	\$114,464	\$9,984	\$9,984	\$78,729	\$111,423	\$51,203	\$1,404,918	\$21,554		

SUMMARY BY SUPERVISOR:
(Using Current Year)

SUPR	#FTE	FTSAL	PTFSA	OT	HEALTH	DENT/MSN	LIFE	OASDI	PENSION	FLEX 117	TOTAL	\$/EMP	% OF TOTAL	%AVG
Bruce	7.0	\$220,947	\$0	\$4,464	\$26,878	\$2,496	\$2,402	\$17,244	\$24,750	\$11,232	\$310,414	\$44,345	21.1%	106.5%
Easter	4.0	\$105,685	\$4,784	\$3,596	\$11,968	\$1,248	\$832	\$6,726	\$11,999	\$5,616	\$154,454	\$38,613	10.5%	92.8%
Stranahan	9.0	\$244,234	\$9,568	\$10,752	\$31,158	\$2,808	\$1,898	\$20,238	\$27,997	\$12,636	\$361,289	\$40,143	24.6%	96.5%
Clark	6.0	\$184,870	\$0	\$2,067	\$21,262	\$1,872	\$1,584	\$14,301	\$20,526	\$8,424	\$254,906	\$42,484	17.3%	102.1%
Pyles	4.0	\$157,664	\$0	\$500	\$13,439	\$1,248	\$1,238	\$12,100	\$17,366	\$5,616	\$209,171	\$52,293	14.2%	125.6%
TOTAL	31.0	\$913,400	\$14,352	\$21,379	\$104,705	\$9,672	\$7,954	\$72,609	\$102,639	\$43,524	\$1,290,234	\$41,620	100.0%	100.0%
NON-STAFF	6.0	\$122,581	\$0	\$0	\$16,846	\$1,872	\$3,590	\$9,377	\$13,459	\$13,295	\$181,021			

SUMMARY BY DIVISION:
(Next Year - For Line Account Budgets)

DIV	FTSAL	PTFSA	OT	INSUR	OASDI	PENSION	TOTAL	% CHG	% OF TOTAL
COMM	\$30,200	\$0	\$0	\$16,886	\$2,310	\$3,600	\$52,996	11.1%	3.6%
LEG	\$12,381	\$0	\$0	\$0	\$900	\$1,500	\$14,781	3.5%	1.0%
ADM	\$217,800	\$0	\$3,600	\$47,121	\$16,900	\$25,800	\$311,021	37.7%	21.1%
PIRTLE	\$265,800	\$0	\$2,200	\$47,980	\$20,500	\$30,900	\$367,380	29.1%	25.0%
CS	\$156,600	\$5,000	\$4,800	\$29,207	\$12,700	\$18,600	\$226,907	11.9%	15.4%
MAINT	\$40,600	\$0	\$500	\$6,103	\$3,100	\$4,800	\$55,103	3.3%	3.7%
DIST	\$358,100	\$10,000	\$11,200	\$72,393	\$29,000	\$42,700	\$523,393	18.1%	35.6%
TOTAL	\$1,081,481	\$15,000	\$22,300	\$219,691	\$85,410	\$127,700	\$1,551,582	22.0%	100.0%
STAFF	\$1,038,900	\$15,000	\$22,300	\$202,805	\$82,200	\$122,600	\$1,483,805	22.7%	

2006 % Chg>

2006 Budget

Final Approved at 12/20/05 Meeting

			17
ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Revenues:	
143	10.00.4190000	Interest & Dividend Income	\$131,500
144	10.00.4210000	Non-Utility Income	\$5,000
		Sewer Utility Cost Reimbursement	\$91,250
145	10.00.4210100	Gain/Loss Sale of Assets	\$0
146	10.00.4210102	Misc. Revenue - Tobacco Grant	\$105,000
147	10.00.4600000	Customer Meter Charges	\$593,400
148	10.00.4610100	Residential Sales	\$1,795,651
149	10.00.4610200	Commercial Sales	\$309,550
150	10.00.4610500	Multi-Family Sales	\$110,700
151	10.00.4602000	Private Fire Protection	\$28,700
152	10.00.4610600	Water Revenue - Other	\$500
153	10.00.4660100	Sales For Resale Vine Grove	\$175,480
154	10.00.4660300	Sales For Resale Meade County	\$237,800
155	10.00.4660400	Sales For Resale Hardinsburg	\$0
156	10.00.4660500	Sales For Resale HCWD2	\$0
157	10.00.4700000	Penalties & Misc. Fees	\$292,125
158	10.00.4710500	Bad Debt Recovered	\$3,000
159	10.00.4710600	Labor Revenue - Misc. Statements	\$5,000
160	10.00.4720000	Rents From Water Property	\$78,000
161	10.00.4740000	Sewer Revenue Income - Monthly Contract	\$210,000
162	10.00.4750000	Storm Sewer Revenue Income - Monthly Contract	\$9,000
163	10.00.4220000	Tap Fees	\$0
164	10.00.4220500	Capital Contributions	\$0
		SUB TOTAL REV >>	\$4,181,656
		YEAR END AUDITED >>	
		EXPENSES >>	\$3,871,266
		ADJ TO YEAR END >>	
		INCOME >>	\$310,390

2006 Budget

Final Approved at 12/20/05 Meeting

			17
ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
WATER UTILITY		Source of Supply:	
1	10.10.6150100	Power Purchased/Well (Gray Ln)	\$3,200
2	10.10.6200200	Maint. & Repair Expense	\$1,500
3	10.10.6350000	Contractual Services	\$500
		SUB TOTAL >	\$5,200

2006 Budget

Final Approved at 12/20/05 Meeting

			17
ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Pirle Water Plant	
4	10.11.6010000	Salary & Wages	\$265,800
5	10.11.6010100	OASDI	\$20,500
6	10.11.6010200	Pension	\$30,900
7	10.11.6010300	Health & Life Insurance	\$47,980
8	10.11.6010400	Overtime	\$2,200
9	10.11.6010500	Premium Time	\$4,800
10	10.11.6010801	Flexible Benefits	\$11,232
11	10.11.6580500	Workers Comp	\$9,394
12	10.11.6150000	Utilities	\$32,500
13	10.11.6150300	WTP Energy Expenses	\$148,000
14	10.11.6180000	Chemicals	\$110,800
15	10.11.6200300	Supplies & Expense	\$7,000
16	10.11.6200400	Maintenance & Repairs	\$7,950
17	10.11.6200500	<i>Deferred 03 Clarifier Project (Until 2016)</i>	\$19,667
18	10.11.6200900	Small Tool Expense	\$1,000
19	10.11.6350000	Contractual Services	\$1,700
20	10.11.6350100	Professional Services/Lab	\$26,500
21	10.11.6500000	Transportation Fuel & Repairs	\$2,600
22	10.11.6750100	Phone Expense	\$2,200
		SUB TOTAL >	\$752,723

2006 Budget

Final Approved at 12/20/05 Meeting

			17
ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Distribution	
23	10.14.6010000	Salary & Wages	\$358,100
24	10.14.6010100	OASDI	\$29,000
25	10.14.6010200	Pension	\$42,700
26	10.14.6010300	Health & Life Insurance	\$72,393
27	10.14.6010400	Overtime	\$11,200
28	10.14.6010500	Premium Time	\$3,547
29	10.14.6010801	Flexible Benefits	\$16,848
30	10.14.6580500	Workers Comp	\$11,411
31	10.14.6010600	Salary & Wages - Part Time	\$10,000
32	10.14.6150000	Utilities (DELETE)	
33	10.14.6150200	Ft. Knox Energy	\$5,200
34	10.14.6150303	1882 Energy	\$1,500
35	10.14.6150400	WHSP Hills Energy	\$3,600
36	10.14.6150500	St. John Booster Energy	
37	10.14.6200000	Materials & Supplies/Misc	\$11,500
38	10.14.6200100	Transmission Main Repairs	\$10,300
39	10.14.6200200	Service Line Repairs	\$45,000
40	10.14.6200700	Telemetry Supplies & Expense	
41	10.14.6203000	Exst. Meter Repairs	\$0
42	10.14.6200600	Storage Maintenance	\$1,200
43	10.14.6200701	Booster Station Supply & Expense	\$1,500
44	10.14.6200900	Small Tool Expense	\$4,300
45	10.14.6201000	SCADA Supplies	\$400
46	10.14.6350000	Contractual Services	\$25,000
47	10.14.6500000	Transportation Fuel & Repairs	\$34,000
48	10.14.6750100	Phone Expense	\$2,100
49	10.14.6200300	Supplies & Expense	\$0
50	10.14.6200400	Maintenance & Repairs	\$0
		SUB TOTAL >	\$700,799

2006 Budget

Final Approved at 12/20/05 Meeting

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ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Customer Service	
51	10.15.6154270	Deposit Interest Expenses	\$500
52	10.15.6010000	Salary & Wages	\$156,600
53	10.15.6010100	OASDI	\$12,700
54	10.15.6010200	Pension	\$18,600
55	10.15.6010300	Health & Life Insurance	\$29,207
56	10.15.6010400	Overtime	\$4,800
57	10.15.6010500	Premium Time	\$0
58	10.15.6010600	Salary & Wages - Part Time	\$5,000
59	10.15.6010801	Flexible Benefits	\$7,497
60	10.15.6580500	Workers Comp	\$457
61	10.15.6200000	Materials & Supplies/Misc	\$10,000
62	10.15.6200300	Supplies & Expense	\$0
63	10.15.6200101	Computer Supplies	\$1,300
64	10.15.6200900	Small Tool Expense	\$500
65	10.15.6350000	Contractual Services	\$19,300
66	10.15.6350100	Contracted Security Services	\$5,000
67	10.15.6350102	Bill Printing/Mailing Contract	\$66,200
68	10.15.6500000	Transportation Fuel & Repairs	\$0
69	10.15.6750400	Postage & Mailing	\$1,100
70	10.15.6750500	Cash Over & Short	\$600
		SUB TOTAL >	\$339,361

2006 Budget

Final Approved at 12/20/05 Meeting

			17
ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Maintenance	
71	10.16.6010000	Salary & Wages	\$40,600
72	10.16.6010100	OASDI	\$3,100
73	10.16.6010200	Pension	\$4,800
74	10.16.6010300	Health & Life Insurance	\$6,103
75	10.16.6010400	Overtime	\$500
76	10.16.6010500	Premium Time	\$150
77	10.16.6010801	Flexible Benefits	\$1,404
78	10.16.6580500	Workers Comp	\$1,713
79	10.16.6010701	CS Labor	\$0
80	10.16.6010601	Distribution Labor	\$0
81	10.16.6010800	PWP Labor	\$0
82	10.16.6200000	Materials & Supplies/Misc	\$300
83	10.16.6200900	Small Tool Expense	\$600
84	10.16.6201000	SCADA Supplies	\$0
85	10.16.6500000	Transportation Fuel & Repairs	\$2,500
86	10.16.6750100	Phone Expense	\$500
		SUB TOTAL >	\$62,270

2006 Budget

Final Approved at 12/20/05 Meeting

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ROW#	ACCOUNTNO	ACCOUNT	2006 BUDGET
		Administration	
87	10.19.6403000	Depreciation Expense	\$690,662
88	10.19.6408100	Utility Regulatory Assesment Fees	\$5,900
89	10.19.6408200	Amortized 2001-211 Rate Case Expenses	\$0
90	10.19.6427020	Interest on Short Term Debt	\$0
91	10.19.6427030	Fixed Rate Long Term Debt	\$373,124
92	10.19.6427040	Variable Rate Long Term Debt	\$163,371
93	10.19.6428000	Amortizaton of Debt Disc. & Expense	\$65,602
94	10.19.6010000	Salary & Wages	\$217,800
95	10.19.6010100	OASDI	\$16,900
96	10.19.6010200	Pension	\$25,600
97	10.19.6010300	Health & Life Insurance	\$47,121
98	10.19.6010801	Flexible Benefits	\$14,221
99	10.19.6030400	Legal/Wages	\$12,381
100	10.19.6030500	Legal/Pension	\$1,500
101	10.19.6030600	Legal/OASDI	\$900
102	10.19.6580500	Workers Comp	\$685
103	10.19.6030000	Comm/Salary & Wages	\$30,200
104	10.19.6030100	Comm/Oasdi	\$2,310
105	10.19.6030300	Comm/Health Insurance	\$16,886
106	10.19.6030200	Comm/Pension	\$3,600
107	10.19.6100000	Purchased Water	\$22,000
108	10.19.6150000	Utilities	\$23,000
109	10.19.6200000	Materials & Supplies/Misc	\$9,500
110	10.19.6200101	Computer Supplies	\$2,500
111	10.19.6200800	Structures Maint. & Repair	delete
112	10.19.6310000	Professional Services - Engineering	\$7,500
113	10.19.6320000	Professional Services - Accounting	\$15,000
114	10.19.6330000	Professional Services - Legal	\$1,000
115	10.19.6350000	Contractual Services	\$48,600
116	10.19.6350101	Uniform Expense	\$10,600
117	10.19.6350300	Investment Fees	\$1,200
118	10.19.6500000	Transportation Fuel & Repairs	\$2,300
119	10.19.6570000	Fleet Insurance	\$76,250
120	10.19.6570100	Insurance Deductible Payments	\$1,700
121	10.19.6590000	Unemployment Insurance	\$600
122	10.19.6590100	Other Insurance Clearing Acct	\$0
123	10.19.6600000	Advertising Expense	\$12,200
124	10.19.6670000	Regulatory Commission Expense	\$0
125	10.19.6700000	Bad Debt Write Off	\$18,000
126	10.19.6710000	Demolish/Scrap Asset Expense	\$0
127	10.19.6720000	KY Sales & Use Tax Expense	delete
128	10.19.6750000	Miscellaneous Expense	\$21,300
129	10.19.6750100	Phone Expense	\$11,400
130	10.19.6750200	Garnishments/401k Clearing Acct	delete
131	10.19.6750300	Dues & Subscriptions	\$5,300
132	10.19.6750400	Postage & Mailing	\$2,600
133	10.19.6750000	Miscellaneous Expense	delete
134	10.19.6750501	Safety Committee	\$4,500
135	10.19.6750600	Commission Expense	\$2,100
136	10.19.6750700	Certification Training	\$5,100
137	10.19.6750800	Travel & Lodging	\$6,300
138	10.19.6750900	Education & Conferences	\$11,600
139	10.19.6751000	Prepaid Collection Expense	delete
140	10.19.6590100	Other Insurance - Clearing Account	\$0
141		SUB TOTAL >	\$2,010,913
142		SUB TOTAL EXP >>	\$3,871,266

2006 Budget

Final Approved at 12/20/05 Meeting

ROW#	ACCOUNTNO	ACCOUNT	2008 BUDGET
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SEWER UTILITY

			17
ROW#	ACCOUNTNO	ACCOUNT	2008 BUDGET
			Expenses:
165	20.00.7310000	Professional Services - Engineering	\$5,000
166	20.00.7330000	Professional Services - Legal	\$7,700
167	20.00.7360000	Contractual Operations Expense	\$1,702,700
168	20.00.7500000	Transportation Fuel & Repairs	\$1,250
169	20.00.7570000	Insurance - General Liability WW	\$38,860
170	20.00.7571000	Insurance - General Liability Storm	\$19,140
171	20.00.7750000	Miscellaneous Allocated Expense	\$90,000
			SUB TOTAL EXP >> \$1,864,650
			Revenues:
172	20.00.4190000	Interest & Dividend Income	\$17,600
173	20.00.4210000	Non-Utility Income	\$0
174	20.00.5210400	Fort Knox Sanitary Sewer Revenue	\$2,563,908
175	20.00.5210500	Fort Knox Storm Sewer Revenue	\$405,732
176	20.00.5360100	Fort Knox CIP Surcharge Revenue	\$937,980
			SUB TOTAL REV >> \$3,925,220
			INCOME >> \$2,060,570

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115,172/mo.*

Hardin County Water District No. 1

04-Dec-05
02:19 PM

2006 Budget Preparation - AS APPROVED BY BOARD 12/20/05

PRTY	DESCRIPTION	ACCT	TYPE	DIV	AMOUNT	% TOT	Net Inc Impact/YR	Deprec Life/YRS	Acct/Asset No.
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Carry-Over items from 2005;

	Replace Raw Pump / Carbon Building (Finish)	CAP	NEW	PWP	\$17,000	2.4%	\$1,800	25	10.00.1730700
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New Requested items for 2006;

LIST OF ITEMS REQUESTED TO PURCHASE AFTER JAN 1 =

1	Two (2) HACH Chlorine Analyzers	CAP	REPL	PWP	\$5,675	0.8%	\$568	10	10.00.1834400
2	HACH DR-5000 SPECTROPHOTOMETER	CAP	REPL	PWP	\$5,625	0.8%	\$563	10	10.00.1834400
3	Mag Meter for Gray Lane Raw Water Line	CAP	REPL	PWP	\$6,826	1.0%	\$228	30	10.00.1830900
4	Pritchard PS By-pass	CAP	NEW	PWP	\$10,970	1.5%	\$219	50	10.00.1833000
5	3COM Digital Phone System (Repl 1997 Samsung)	CAP	REPL	ADM	\$19,814	2.8%	\$1,981	10	10.00.1834600
6	3/4 Ton Truck (Repl 98 Chevy, 107k miles)	CAP	REPL	DIST	\$27,551	3.9%	\$5,510	5	10.00.1834100
7	Replace CSR Computers	CAP	REPL	CS	\$5,082	0.7%	\$1,016	5	10.00.1834000
8	Replace WTP 99 Dakota Truck (1/2 Ton Chevy)	CAP	REPL	PWP	\$21,510	3.0%	\$4,302	5	10.00.1834100
9	Mueller B101 Tapping Machine	CAP	REPL	DIST	\$2,143	0.3%	\$107	20	10.00.1834500
10	Off Site Server Secure Data Backup	CAP	NEW	ADM	\$8,613	1.2%	\$861	10	10.00.1834000
11	Critical Document Storage System	CAP	NEW	ADM	\$5,625	0.8%	\$563	10	10.00.1834000

LIST OF ITEMS REQUESTED TO PURCHASE AFTER BOARD AND PSC RATE APPROVAL =

12	Short Term Steel Tank Painting Projects	CAP	REPL	DIST	\$49,100	6.9%	\$3,000	10	CIP #10.001050603
13	Nalls Lane 6" Main Replacement	CAP	REPL	DIST	\$114,000	16.0%	\$2,280	50	CIP #10.001050604
14	Five Looped Main Projects	CAP	NEW	DIST	\$22,489	3.1%	\$670	50	CIP #10.001050605
15	Serv Center Rear Lot Security Fencing	CAP	NEW	ADM	\$10,300	1.4%	\$412	25	10.00.3480000
16	Allied Model S27 Hydraulic Rock Hammer	CAP	NEW	DIST	\$16,780	2.3%	\$1,678	10	10.00.1834500
17	Serv Center Office Expansion (30 x 50)	CAP	NEW	ADM	\$189,540	27.9%	\$3,991	50	CIP #10.001051099
18	Administrative Clerk Position	OPR	NEW	ADM	\$24,500	3.4%	\$24,500		10.196010000
19	Controller Position	OPR	NEW	ADM	\$38,500	5.4%	\$38,500		10.196010000
20	Hurco Tech Spin Dr. Valve Exerciser	CAP	NEW	DIST	\$5,607	0.8%	\$561	10	10.00.1834500
21	580 M Series 2 Loader Backhoe (Repl '99 JD)	CAP	REPL	DIST	\$58,294	8.2%	\$5,829	10	10.00.1834100
22	OPS 32 Operation and Main. Software (1/2 MAI)	CAP	NEW	MAI	\$4,805	0.7%	\$481	10	10.00.1834000 (Split)
23	OPS 32 Operation and Main. Software (1/2 PWP)	CAP	NEW	PWP	\$4,805	0.7%	\$481	10	10.00.1832000 (Split)
24	7ft Finish Mower (Serv Center)	CAP	REPL	DIST	\$1,650	0.2%	\$165	10	10.00.1834500
25	County Area Diesel Fuel Tank	CAP	NEW	PWP	\$1,420	0.2%	\$142	10	10.00.1834100
26	Serv Center Interior Painting	OPR	REPL	ADM	\$15,900	2.2%	\$15,900		CIP #10.001050601
27	Replace SC Stackable Chairs (28)	CAP	REPL	ADM	\$1,500	0.2%	\$300	5	CIP #10.001050602
28	Serv Center Exterior Irrigation System	CAP	NEW	ADM	\$8,613	1.2%	\$431	20	10.00.1830400

# New Requests	28	\$714,237	100.0%	\$99,319
Immediate Purchase		\$119,434		\$15,918
Hold Until After PSC Approval		\$594,803		\$83,401

Water Summary of Requests by DIVISION:		DIV	TOTAL	% TOT	OPR	CAP	ANNUAL
Pirtle - WTP	PWP	\$73,831	10.3%	\$0	\$73,831	\$8,301	
Distribution/Transmission	DIST	\$297,614	41.7%	\$0	\$297,614	\$19,800	
Maintenance	MAI	\$4,805	0.7%	\$0	\$4,805	\$481	
Customer Service	CS	\$9,887	1.4%	\$0	\$5,082	\$1,016	
Administration	ADM	\$328,100	45.9%	\$78,900	\$254,005	\$87,439	
Safety Committee	SC	\$0	0.0%	\$0	\$0	\$0	
		\$714,237	100.0%	\$78,900	\$635,337	\$117,037	
					100.0%		

**Hardin County Water District No. 1
PSC Case 2006-00410
Exhibit 19 - New Customer Impact**

Customer Increase FY 2006

Item	FY 2005	New 2006 Taps Jan 1 - Sept 30	Projected FY 2006	FY 2006 % Increase
Number of Taps	9,509	263	350	3.7

Revenues Associated with New Customers

Item	New Customers	Avg. Usage/ Customer/Mo	Annual Increase in Usage	Increase in Annual Revenue
FY 2006 Increases	350	5,000	21,000,000 \$	101,640

Expenses Associated with New Customers

Expenses Item	FY 2005 Amount	Cost/1,000 Gallons	Increased Flow ²	Increased Expenses
Purchased Water ³	22,528,000 \$	1.29	22,638,000 \$	29,203
Pumping Costs ¹	4,482 \$	0.20	22,638,000 \$	4,528
Total Expenses				33,731 \$

Notes:

¹ Pumping Costs at Ft. Knox = \$4,482 (Sch C)/ 22,528,000 Gallons (2005) = \$0.199/1,000 Gallons

² Includes 7.8% water loss per PSC Annual Report

³ Current Fort Knox Wholesale Rate