

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 27 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF NORTHERN)
KENTUCKY WATER DISTRICT (A) FOR)
AN ADJUSTMENT OF RATES; (B) A)
CERTIFICATE OF CONVENIENCE AND) Case No. 2005-00148
NECESSITY FOR IMPROVEMENTS TO)
WATER FACILITIES IF NECESSARY)
AND (C) ISSUANCE OF BONDS)

PETITION

Northern Kentucky Water District (NKWD), by counsel, petitions the Commission for an order authorizing an increase in rates, construction of water facilities, and issuance of bonds. The following information is filed in accordance with the Commission's regulations:

1. Its office address is 100 Aqua Drive, Box 220, Cold Spring, KY 41076. Its principal officers are listed in its current Annual Report on page 6, which is filed with the Commission as are its prior years Reports;

2. NKWD is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation. It has no affiliates and no accounts charged to or allocated to an affiliate;

3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its Annual Report, attached as Exhibit C.

4. It serves retail customers in Kenton and Campbell Counties, and part of Boone County, and sells water at wholesale to non-affiliated water distribution systems in Pendleton County, Grant and Boone Counties.

5. It proposes to increase rates: (1) to fund improvements to existing facilities and related capital improvements and repair aging infrastructure, which are necessary to accommodate the current and future increased demand for service and to meet increasingly

stringent state and federal water quality standards; (2) to reflect pro forma adjustments to operating expenses; and (3) to issue bonds to finance the proposed construction.

In addition, the District is proposing a multi-year adjustment of rates to reflect the actual capital expenditures for the next five years. Because the District has an extensive, multi-year schedule of capital projects related to main repair and replacement as well as extensions, it needs an infusion of funds each year to maintain its schedule of projects. The only options available to it are a large rate increase every eighteen months, which costs the customers in rate expenses, or issuance of short term debt over a period of years, which impacts the customers in the form of increased financing costs.

To attempt to moderate these costs, the District proposes to have an annual adjustment in rates, based on the actual amount of capital costs, plus pro forma adjustments to operating and maintenance accounts incurred in that year. This will provide the District with a stream of revenue to proceed with its projects and will save the customers costs associated with multiple rate cases or multiple short term debt issuances. The rationale for the proposal is explained in Mr. Lovan's testimony and the adjustment mechanism is explained by Ms. Howe.

6. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. The projects, their cost, need and other details are contained in Exhibit O.

7. The total financing cost is approximately \$29,000,000, see Exhibits A and O.

8. Easements and rights of way have been obtained for the facilities;

9. This service will not compete with any other utility in the area;

10. The proposed construction projects, identified in Exhibit O, are scheduled to be constructed in 2005. All projects have been previously issued a certificate of convenience and necessity or have applications pending for a certificate, except for those that the District has determined to be in the ordinary course of business. No certificate is being requested for the projects listed as ordinary extensions, unless the Commission determines that one is

needed for a project or projects not previously certificated or not considered by the Commission to be an ordinary extension. All of the projects listed are believed to be ordinary extensions as defined in 807 KAR 5:001(9) (3). Based on the Commission's orders in Case 2002-00105 and Case 2003-00224, these projects fall within the parameters of projects previously approved as ordinary extensions. If a certificate is needed for such projects, the District specifically requests a certificate for each of the projects so determined.

11. Rates to be effective July 1, 2005, are being proposed to (1) to fund improvements to existing facilities and related capital improvements and repair aging infrastructure, which are necessary to accommodate the current and future increased demand for service and to meet increasingly stringent state and federal water quality standards; (2) to reflect pro forma adjustments of operating expenses and revenues; and (3) fund the issuance of bonds to finance the proposed construction. A cost of service study and supporting information is attached as Exhibit N.

12. The following information is supplied pursuant to 807 KAR 5:001(9):

a. The rate increase is needed to provide the District with sufficient operating funds to maintain its current level of service to its customers and to continue to improve and extend its service. Funding for approximately \$25,334,500 of new projects will allow the District to repair and replace deteriorated or inadequate infrastructure and to make needed improvements to the distribution system. This construction is part of an ongoing five year plan of improvements, which will necessitate a series of rate adjustments over the next several years. The extent of the construction program is contained in the Five Year Plan, Exhibit R.

Rates are also being adjusted to reflect adjustments for pro forma changes in operating expenses and revenues and fund the debt associated with the capital projects.

b. No new franchises are required. Copies of DOW permits that have been received are included in Exhibit O;

c. Construction descriptions are in Exhibit O. These projects are part of the

Water Distribution Master Plan filed and approved in Case No. 98-078, which is incorporated by reference. The facts relied on to justify the public need are included in the project descriptions in Exhibit O;

d. Maps of the area showing location of the proposed facilities are in Exhibit O.

e. The construction costs will be funded by the issuance of approximately \$29,000,000 parity revenue bonds as shown in Exhibit A.

f. Additional operating costs for operation and maintenance, depreciation and debt service are shown in Exhibit O;

g. Description the facilities and operation of the system are in Exhibits O;

h. A full description of the route, location of the projects, description of construction and related information is in Exhibit O;

i. The projects will not compete with any other utility;

j. The start date for construction, proposed in-service date, total estimated cost of construction at completion are included in Exhibit O;

k. CWIP at end of test year is listed in Exhibits K and N as \$10,056,563;

l. Plant retirements are listed in the PSC Annual Report of 2004 at \$614,188. No salvage values are included as booked.

m. There is no reconciliation of capital budget and pro forma capital, because there are no differences.

n. Monthly budget reports are included in Exhibit I;

o. Number of customers added to test period is included in Exhibits O and N.

13. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report, Exhibit C;

b. No stock is to be issued. Bonds to be issued and terms are described in Exhibit A;

c. All funds are to be used for the construction of the proposed facilities and issuance of debt as described in Exhibits A and O;

d. The property to be constructed is described in Exhibit O;

e. The refunding of prior bonds or refinancing of BANS is shown in Exhibit A;

14. The following exhibits are provided pursuant to 807 KAR 5:001 (11) (2):

a. A current financial analysis of rates and revenue requirements is attached as Exhibit N;

b. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibits D and K;

c. No property is to be acquired;

15. The following information is provided pursuant to 807 KAR 5:001(6):

a. No stock is authorized. There are no annual reports to shareholders;

b. No stock is issued;

c. There are no stock preferences;

d. Mortgages are listed in Exhibits C, D and E;

e. Bonds are listed in Exhibits C, D and E;

f. Notes are listed in Exhibits C, D, and E;

g. Other indebtedness is listed in Exhibits C, D, and E;

h. No dividends have been paid;

i. A current balance sheet and income statement is included in Exhibits E and K.

16. The following information is filed pursuant to 807 KAR 5:001(10):

a. Reasons the adjustment is required are discussed in Exhibit P and in the testimony contained in Exhibit Q;

b. The annual reports are on file with the Commission;

c. There are no articles of incorporation;

- d. and e. The District is not a limited partnership;
- f. There is no assumed name;
- g. The current and proposed tariffs are attached as Exhibit M;
- h. Comparative tariffs and changes are attached as Exhibit M;
- i. The customer notice has been published and a copy is attached as Exhibit L;
- 10. A notice of intent was filed on April 1, 2005 and was mailed to the Attorney General.
- 11. A description of the proposed adjustments is attached as Exhibits M and N;
- 12. Testimony of the District's witnesses is attached as Exhibit Q;
- 13. An estimate of the impact of the rate adjustment is attached as Exhibit N;
- 14. The effect on the average customer bill is contained in Exhibits M and N;
- 15. A bills analysis is included in Exhibit N;
- 16. A summary of the revenue requirement determination is included in Exhibits J and N;
- 17. A reconciliation of rate base is included in Exhibits J and N;
- 18. A current chart of accounts is attached as Exhibit F;
- 19. The independent auditor's report is attached as Exhibit E;
- 20. A summary of the latest depreciation study is attached as Exhibit G;
- 21. A list of software used by the District is attached as Exhibit H;
- 22. Monthly managerial reports are attached as Exhibit I;
- 23. A cost of service study is attached as Exhibit N;
- 24. A detailed income statement and balance sheet is attached as Exhibits E, and K;
- 25. The most recent capital construction budget is attached as Exhibit R;
- 26. Pro forma adjustments are reflected in Exhibits K and N;
- 27. There are no affiliated transactions or allocated revenues or expenses

among affiliates;

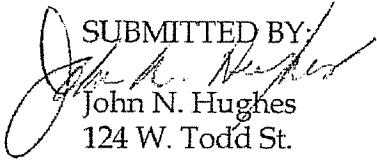
17. NKWD requests that it be granted a deviation under 807 KAR 5:004(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder the District's daily operations and to allow the use of December 31, 2004 financial data, which is sufficiently current to accurately reflect the financial condition of the District. Because the test year is December 31, 2004, that information is adequate for use in the determination of the appropriateness of the related financing being proposed under KRS 278.300. There have been no extraordinary events that would distort the year end statements. Using the same period for both the test period and financing allows for comparable analysis of the data and avoids unnecessary revision of certain schedules and inconsistent data for essentially the same purpose.

The District also requests an extension of time to file the depreciation study referenced in the Commission's Order of April 30, 2003, Case No. 2002-00105. The District has begun such a study in the form of a comprehensive Asset Management Program, which will identify all facilities of the District. This Program will provide a detailed analysis of the types of facilities, their age, condition and expected useful life.

Because the study has been ongoing for several years, it is not possible to file a completed study at this time. It is expected to be completed by year's end. Depreciation is an essential element in the calculation of the revenue requirement. Without an allowance to use information available to the District, which has been updated to the extent possible with current data, the District cannot file a rate application.

For these reasons, NKWD requests that it be granted an order authorizing

construction, issuance of parity revenue bonds and adjustment of rates.

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**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN**

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NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN - DRAW SCHEDULE & CALENDAR YEAR CASH FLOWS

| | 2005 Series | 2006 Series | 2007 Series | 2008 Series | 2009 Series | 2010 Series | Totals |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Sources of Funds | | | | | | | |
| BANs | \$17,980,000 | \$17,510,000 | \$11,495,000 | \$11,490,000 | \$6,600,000 | | \$65,075,000 |
| Revenue Bonds | | \$29,000,000 | \$13,155,000 | \$13,150,000 | \$13,155,000 | \$13,160,000 | \$81,620,000 |
| Capitalized Interest Carry-over | | \$405,000 | | | | | \$405,000 |
| Total Sources: | \$17,980,000 | \$46,915,000 | \$24,650,000 | \$24,640,000 | \$19,755,000 | \$13,160,000 | \$147,100,000 |
| Use of Funds | | | | | | | |
| Deposit to Construction Fund | \$17,110,500 | \$21,510,000 | \$11,000,000 | \$11,000,000 | \$6,450,000 | | \$67,070,500 |
| Pay-off 2004 Notes | | \$3,625,428 | | | | | \$3,625,428 |
| Pay-off 2005 Notes | | \$17,980,000 | | | | | \$17,980,000 |
| Pay-off 2006 Notes | | | \$11,865,000 | \$5,736,731 | | | \$17,601,731 |
| Pay-off 2007 Notes | | | | \$6,125,000 | \$5,457,263 | | \$11,582,263 |
| Pay-off 2008 Notes | | | | | \$6,410,000 | \$5,162,550 | \$11,572,550 |
| Pay-off 2009 Notes | | | | | | \$6,707,250 | \$6,707,250 |
| Cost of Issuance | \$60,000 | \$177,285 | \$92,853 | \$92,815 | \$94,620 | \$52,640 | \$570,213 |
| Underwriter's Discount | | \$580,000 | \$263,100 | \$263,000 | \$263,100 | \$263,200 | \$1,632,400 |
| Capitalized Interest (Notes only) | \$806,305 | \$646,963 | \$450,971 | \$446,237 | \$106,193 | \$971,800 | \$3,428,469 |
| Debt Service Reserve | | \$2,392,863 | \$971,525 | \$970,988 | \$971,525 | | \$5,306,900 |
| Rounding | \$3,195 | \$2,461 | \$6,552 | \$5,229 | \$2,299 | \$2,560 | \$22,296 |
| Total Par Amount | \$17,980,000 | \$46,915,000 | \$24,650,000 | \$24,640,000 | \$19,755,000 | \$13,160,000 | \$147,100,000 |

| Date | Type | Beginning Fund Balance | Construction Fund Deposit Notes | Construction Fund Deposit Bonds | Expected Project Draw Required | Ending Fund Balance |
|--------|-------------|------------------------|---------------------------------|---------------------------------|--------------------------------|---------------------|
| Jan-05 | | | | | -\$22,298 | -\$22,298 |
| Feb-05 | | -\$22,298 | | | -\$134,500 | -\$156,798 |
| Mar-05 | | -\$156,798 | | | -\$89,408 | -\$246,206 |
| Apr-05 | | -\$246,206 | | | -\$268,949 | -\$515,155 |
| May-05 | Series 2005 | -\$515,155 | \$17,110,500 | | -\$334,000 | \$16,261,345 |
| Jun-05 | | \$16,261,345 | | | -\$956,761 | \$15,304,584 |
| Jul-05 | | \$15,304,584 | | | -\$1,679,357 | \$13,625,227 |
| Aug-05 | | \$13,625,227 | | | -\$2,193,000 | \$11,432,227 |
| Sep-05 | | \$11,432,227 | | | -\$2,508,000 | \$8,924,227 |
| Oct-05 | | \$8,924,227 | | | -\$2,725,763 | \$6,198,464 |
| Nov-05 | | \$6,198,464 | | | -\$2,351,340 | \$3,847,124 |
| Dec-05 | | \$3,847,124 | | | -\$1,734,781 | \$2,112,343 |
| Jan-06 | | \$2,112,343 | | | -\$1,328,000 | \$784,343 |
| Feb-06 | Series 2006 | \$784,343 | \$16,800,000 | \$4,710,000 | -\$1,396,000 | \$20,898,343 |
| Mar-06 | | \$20,898,343 | | | -\$1,400,052 | \$19,498,291 |
| Apr-06 | | \$19,498,291 | | | -\$1,337,330 | \$18,160,961 |
| May-06 | | \$18,160,961 | | | -\$1,705,000 | \$16,455,961 |
| Jun-06 | | \$16,455,961 | | | -\$1,440,000 | \$15,015,961 |
| Jul-06 | | \$15,015,961 | | | -\$1,720,000 | \$13,295,961 |
| Aug-06 | | \$13,295,961 | | | -\$1,859,000 | \$11,436,961 |
| Sep-06 | | \$11,436,961 | | | -\$2,470,000 | \$8,966,961 |
| Oct-06 | | \$8,966,961 | | | -\$2,770,000 | \$6,196,961 |
| Nov-06 | | \$6,196,961 | | | -\$2,586,000 | \$3,610,961 |
| Dec-06 | | \$3,610,961 | | | -\$2,075,000 | \$1,535,961 |
| Jan-07 | | \$1,535,961 | | | -\$1,440,000 | \$95,961 |
| Feb-07 | Series 2007 | \$95,961 | \$11,000,000 | | -\$1,390,000 | \$9,705,961 |
| Mar-07 | | \$9,705,961 | | | -\$1,130,000 | \$8,575,961 |
| Apr-07 | | \$8,575,961 | | | -\$815,000 | \$7,760,961 |
| May-07 | | \$7,760,961 | | | -\$580,000 | \$7,180,961 |
| Jun-07 | | \$7,180,961 | | | -\$370,000 | \$6,810,961 |
| Jul-07 | | \$6,810,961 | | | -\$315,000 | \$6,495,961 |
| Aug-07 | | \$6,495,961 | | | -\$635,000 | \$5,860,961 |
| Sep-07 | | \$5,860,961 | | | -\$1,135,000 | \$4,725,961 |
| Oct-07 | | \$4,725,961 | | | -\$1,355,000 | \$3,370,961 |
| Nov-07 | | \$3,370,961 | | | -\$1,290,000 | \$2,080,961 |
| Dec-07 | | \$2,080,961 | | | -\$1,040,000 | \$1,040,961 |
| Jan-08 | | \$1,040,961 | | | -\$1,025,000 | \$15,961 |

| | | | | | |
|--------|-------------|-------------|--------------|--------------|-------------|
| Feb-08 | Series 2008 | \$15,961 | \$11,000,000 | -\$1,085,000 | \$9,930,961 |
| Mar-08 | | \$9,930,961 | | -\$1,125,000 | \$8,805,961 |
| Apr-08 | | \$8,805,961 | | -\$1,000,000 | \$7,805,961 |
| May-08 | | \$7,805,961 | | -\$700,000 | \$7,105,961 |
| Jun-08 | | \$7,105,961 | | -\$365,000 | \$6,740,961 |
| Jul-08 | | \$6,740,961 | | -\$185,000 | \$6,555,961 |
| Aug-08 | | \$6,555,961 | | -\$425,000 | \$6,130,961 |
| Sep-08 | | \$6,130,961 | | -\$882,000 | \$5,248,961 |
| Oct-08 | | \$5,248,961 | | -\$990,000 | \$4,258,961 |
| Nov-08 | | \$4,258,961 | | -\$985,000 | \$3,273,961 |
| Dec-08 | | \$3,273,961 | | -\$875,000 | \$2,398,961 |
| Jan-09 | | \$2,398,961 | | -\$850,000 | \$1,548,961 |
| Feb-09 | Series 2009 | \$1,548,961 | \$6,450,000 | -\$880,000 | \$7,118,961 |
| Mar-09 | | \$7,118,961 | | -\$990,000 | \$6,128,961 |
| Apr-09 | | \$6,128,961 | | -\$660,000 | \$5,468,961 |
| May-09 | | \$5,468,961 | | -\$315,000 | \$5,153,961 |
| Jun-09 | | \$5,153,961 | | -\$195,000 | \$4,958,961 |
| Jul-09 | | \$4,958,961 | | -\$555,000 | \$4,403,961 |
| Aug-09 | | \$4,403,961 | | -\$855,000 | \$3,548,961 |
| Sep-09 | | \$3,548,961 | | -\$1,035,000 | \$2,513,961 |
| Oct-09 | | \$2,513,961 | | -\$845,000 | \$1,668,961 |
| Nov-09 | | \$1,668,961 | | -\$785,000 | \$883,961 |
| Dec-09 | | \$883,961 | | -\$765,000 | \$118,961 |
| Jan-10 | | \$118,961 | | | \$118,961 |
| Feb-10 | Series 2010 | \$118,961 | | | \$118,961 |
| Mar-10 | | \$118,961 | | | \$118,961 |
| Apr-10 | | \$118,961 | | | \$118,961 |
| May-10 | | \$118,961 | | | \$118,961 |
| Jun-10 | | \$118,961 | | | \$118,961 |
| Jul-10 | | \$118,961 | | | \$118,961 |
| Aug-10 | | \$118,961 | | | \$118,961 |
| Sep-10 | | \$118,961 | | | \$118,961 |
| Oct-10 | | \$118,961 | | | \$118,961 |
| Nov-10 | | \$118,961 | | | \$118,961 |
| Dec-10 | | \$118,961 | | | \$118,961 |

Totals: \$62,360,500 \$4,710,000 -\$66,951,539

Northern Kentucky Water Service District
 Revenue Bond Anticipation Notes, Series 2005
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 5/10/ 5

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$17,980,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 17,980,000.00 |
| | ----- |
| | \$17,980,000.00 |

Uses of Funds
 =====

| | |
|-----------------------------------|-----------------|
| Deposit to Construction Fund..... | 17,110,500.00 |
| Cost of Issuance..... | 60,000.00 |
| Capitalized Interest..... | 806,305.12 |
| Contingency..... | 3,194.88 |
| | ----- |
| | \$17,980,000.00 |

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Northern Kentucky Water Service District
 Revenue Bond Anticipation Notes, Series 2006
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/ 6

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$17,510,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 17,510,000.00 |
| | ----- |
| | \$17,510,000.00 |

Uses of Funds
 =====

| | |
|-----------------------------------|-----------------|
| Deposit to Construction Fund..... | 16,800,000.00 |
| Cost of Issuance..... | 61,285.00 |
| Capitalized Interest..... | 646,963.22 |
| Contingency..... | 1,751.78 |
| | ----- |
| | \$17,510,000.00 |

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Date: 05-09-2005 @ 13:49:44 Filename: NK Key: 06NOTES

Northern Kentucky Water District
 Revenue Bonds, Series 2006
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/ 6

Sources of Funds
 =====

| | |
|--------------------------------------|-----------------|
| Par Amount of Bonds..... | \$29,000,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 29,000,000.00 |
| Capitalized Interest Carry-over..... | 405,000.00 |
| | ----- |
| | \$29,405,000.00 |

Uses of Funds
 =====

| | |
|-----------------------------------|-----------------|
| Redeem 2004 BANS..... | 3,625,428.33 |
| Redeem 2005 BANS..... | 17,980,000.00 |
| Deposit to Construction Fund..... | 4,710,000.00 |
| FA, Legal, Rating, other COI..... | 116,000.00 |
| Underwriters Discount..... | 580,000.00 |
| Debt Service Reserve..... | 2,392,862.50 |
| Contingency..... | 709.17 |
| | ----- |
| | \$29,405,000.00 |

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Date: 05-09-2005 @ 13:03:11 Filename: NK Key: 068ONDS

**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN
(Long-Term Bond Debt Added to the Projected 2006 Bond Issue)**

| Fiscal Year (Ending 12/31) | Total Existing | | Series 2006 | | Total | Total Payments |
|-------------------------------|--------------------------|---------------------|---------------------|---------------------|----------------------|-------------------|
| | Long-Term Bonded Debt | Principal | Interest | Total | | |
| 2005 | \$10,754,068 | | | | | \$10,754,068 |
| 2006 | \$10,851,880 | | \$787,500 | | \$787,500 | \$11,649,480 |
| 2007 | \$10,868,344 | | \$1,595,000 | | \$1,595,000 | \$12,463,344 |
| 2008 | \$10,863,608 | | \$1,595,000 | | \$1,595,000 | \$12,448,608 |
| 2009 | \$10,864,051 | | \$1,595,000 | | \$1,595,000 | \$12,448,051 |
| 2010 | \$10,863,951 | | \$1,595,000 | | \$1,595,000 | \$12,448,651 |
| 2011 | \$10,857,161 | | \$1,595,000 | | \$1,595,000 | \$12,452,161 |
| 2012 | \$10,856,231 | \$820,000 | \$1,572,460 | | \$2,392,460 | \$13,248,691 |
| 2013 | \$10,881,448 | \$865,000 | \$1,628,113 | | \$2,391,113 | \$13,252,561 |
| 2014 | \$10,858,488 | \$915,000 | \$1,477,163 | | \$2,392,163 | \$13,250,621 |
| 2015 | \$10,853,533 | \$865,000 | \$1,425,463 | | \$2,390,463 | \$13,243,996 |
| 2016 | \$10,882,355 | \$1,020,000 | \$1,370,875 | | \$2,390,875 | \$13,253,230 |
| 2017 | \$10,880,814 | \$1,075,000 | \$1,313,283 | | \$2,388,283 | \$13,248,077 |
| 2018 | \$10,851,227 | \$1,140,000 | \$1,252,350 | | \$2,392,350 | \$13,343,577 |
| 2019 | \$10,953,130 | \$1,200,000 | \$1,189,000 | | \$2,388,000 | \$13,341,130 |
| 2020 | \$10,890,877 | \$1,270,000 | \$1,120,075 | | \$2,390,075 | \$13,080,752 |
| 2021 | \$8,505,033 | \$1,340,000 | \$1,048,300 | | \$2,388,300 | \$11,893,333 |
| 2022 | \$9,510,924 | \$1,420,000 | \$872,400 | | \$2,392,400 | \$11,903,324 |
| 2023 | \$9,403,742 | \$1,500,000 | \$892,100 | | \$2,392,100 | \$11,795,842 |
| 2024 | \$9,419,605 | \$1,585,000 | \$807,263 | | \$2,392,263 | \$11,808,868 |
| 2025 | \$9,418,184 | \$1,670,000 | \$717,750 | | \$2,387,750 | \$11,803,944 |
| 2026 | \$9,418,897 | \$1,765,000 | \$623,288 | | \$2,388,288 | \$11,805,185 |
| 2027 | \$7,680,338 | \$1,865,000 | \$523,463 | | \$2,388,463 | \$10,378,802 |
| 2028 | \$3,241,988 | \$1,875,000 | \$417,883 | | \$2,392,883 | \$5,634,862 |
| 2029 | \$910,333 | \$2,085,000 | \$308,213 | | \$2,391,213 | \$3,301,546 |
| 2030 | \$231,285 | \$2,200,000 | \$188,375 | | \$2,388,375 | \$2,619,670 |
| 2031 | \$231,780 | \$2,325,000 | \$63,838 | | \$2,388,838 | \$2,820,728 |
| 2032 | \$164,440 | | | | | \$164,440 |
| 2033 | \$133,050 | | | | | \$133,050 |
| 2034 | \$134,100 | | | | | \$134,100 |
| 2035 | \$133,875 | | | | | \$133,875 |
| 2036 | \$133,400 | | | | | \$133,400 |
| 2037 | \$133,650 | | | | | \$133,650 |
| 2038 | \$133,600 | | | | | \$133,600 |
| 2039 | \$133,250 | | | | | \$133,250 |
| 2040 | | | | | | \$0 |
| Totals: | \$244,016,152 | \$29,000,000 | \$27,579,200 | \$56,579,200 | \$300,594,352 | |

Northern Kentucky Water Service District
 Revenue Bond Anticipation Notes, Series 2007
 Projected for Rate Case

Sources and Uses of Funds

Delivery Date: 2/ 1/ 7

Sources of Funds

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$11,495,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 11,495,000.00 |
| | ----- |
| | \$11,495,000.00 |

Uses of Funds

| | |
|--|-----------------|
| Deposit to Construction Fund..... | 11,000,000.00 |
| Cost of Issuance..... | 40,232.50 |
| Capitalized Interest..... (0.350000%) | 450,970.83 |
| Contingency..... | 3,796.67 |
| | ----- |
| | \$11,495,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARRCH

Date: 05-09-2005 @ 13:50:01 Filename: NK Key: 07NOTES

Northern Kentucky Water District
 Revenue Bonds, Series 2007
 Projected for Rate Case
 Sources and Uses of Funds
 Delivery Date: 2/1/7

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$13,155,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 13,155,000.00 |
| | ----- |
| | \$13,155,000.00 |

Uses of Funds
 =====

| | |
|-----------------------------------|-----------------|
| Redeem 2006 BAs (Partial)..... | 11,865,000.00 |
| FA, Legal, Rating, other COI..... | 52,620.00 |
| Underwriters Discount..... | 263,100.00 |
| Debt Service Reserve..... | 971,525.00 |
| Contingency..... | 2,755.00 |
| | ----- |
| | \$13,155,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARROW

Date: 05-09-2005 @ 12:59:29 Filename: NK Key: 07BONDS

**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN
(Long-Term Bond Debt Added to the Projected 2007 Bond Issue)**

| Fiscal Year (Ending 12/31) | Total Existing | | Projected | | Series 2007 | | | Total | Total Payments |
|-------------------------------|----------------------|---------------------|-----------------------|---------------------|---------------------|----------------------|-------|-----------|----------------|
| | Long-Term Bond Debt | Bond Debt | Series 2006 Bond Debt | Bond Debt | Principal | Interest | Total | | |
| 2005 | \$10,754,068 | | | | | | | | \$10,754,068 |
| 2006 | \$10,651,980 | | \$787,500 | | | | | | \$11,648,480 |
| 2007 | \$10,666,344 | | \$1,695,000 | | | \$381,763 | | \$381,763 | \$12,825,107 |
| 2008 | \$10,653,608 | | \$1,695,000 | | \$250,000 | \$716,650 | | \$966,650 | \$13,415,258 |
| 2009 | \$10,854,051 | | \$1,695,000 | | \$295,000 | \$702,488 | | \$997,488 | \$13,416,539 |
| 2010 | \$10,653,551 | | \$1,695,000 | | \$280,000 | \$687,500 | | \$967,500 | \$13,418,051 |
| 2011 | \$10,657,161 | | \$1,695,000 | | \$295,000 | \$671,688 | | \$966,688 | \$13,418,849 |
| 2012 | \$10,656,231 | | \$2,392,450 | | \$315,000 | \$654,913 | | \$968,913 | \$14,216,594 |
| 2013 | \$10,881,448 | | \$2,391,115 | | \$330,000 | \$637,175 | | \$967,175 | \$14,218,738 |
| 2014 | \$10,858,488 | | \$2,392,163 | | \$350,000 | \$618,475 | | \$968,475 | \$14,218,068 |
| 2015 | \$10,653,533 | | \$2,390,463 | | \$370,000 | \$598,675 | | \$968,675 | \$14,212,671 |
| 2016 | \$10,662,365 | | \$2,390,875 | | \$390,000 | \$577,775 | | \$967,775 | \$14,221,005 |
| 2017 | \$10,660,814 | | \$2,388,283 | | \$415,000 | \$556,688 | | \$970,638 | \$14,218,714 |
| 2018 | \$10,651,227 | | \$2,382,350 | | \$435,000 | \$532,283 | | \$967,283 | \$14,310,840 |
| 2018 | \$10,653,130 | | \$2,388,000 | | \$460,000 | \$507,650 | | \$967,650 | \$14,308,780 |
| 2020 | \$10,660,677 | | \$2,390,075 | | \$480,000 | \$481,525 | | \$971,525 | \$14,052,277 |
| 2021 | \$9,505,033 | | \$2,386,300 | | \$516,000 | \$453,888 | | \$968,888 | \$12,862,221 |
| 2022 | \$9,510,824 | | \$2,382,400 | | \$545,000 | \$424,738 | | \$968,738 | \$12,873,062 |
| 2023 | \$9,403,742 | | \$2,392,100 | | \$575,000 | \$393,938 | | \$968,938 | \$12,764,780 |
| 2024 | \$9,416,605 | | \$2,392,263 | | \$605,000 | \$381,488 | | \$968,488 | \$12,775,355 |
| 2025 | \$9,416,184 | | \$2,387,750 | | \$640,000 | \$327,250 | | \$967,250 | \$12,771,184 |
| 2026 | \$9,416,837 | | \$2,388,288 | | \$680,000 | \$280,950 | | \$967,950 | \$12,778,135 |
| 2027 | \$7,990,338 | | \$2,388,483 | | \$715,000 | \$252,588 | | \$967,588 | \$11,348,388 |
| 2028 | \$3,241,988 | | \$2,392,893 | | \$755,000 | \$212,183 | | \$967,183 | \$6,602,024 |
| 2029 | \$910,333 | | \$2,391,213 | | \$800,000 | \$189,400 | | \$989,400 | \$4,270,948 |
| 2030 | \$231,295 | | \$2,388,376 | | \$846,000 | \$124,163 | | \$969,163 | \$3,568,833 |
| 2031 | \$231,790 | | \$2,388,938 | | \$890,000 | \$78,450 | | \$968,450 | \$3,567,178 |
| 2032 | \$164,440 | | | | \$945,000 | \$25,688 | | \$970,688 | \$1,135,428 |
| 2033 | \$133,050 | | | | | | | \$133,050 | |
| 2034 | \$134,100 | | | | | | | \$134,100 | |
| 2035 | \$133,875 | | | | | | | \$133,875 | |
| 2036 | \$133,400 | | | | | | | \$133,400 | |
| 2037 | \$133,650 | | | | | | | \$133,650 | |
| 2038 | \$133,600 | | | | | | | \$133,600 | |
| 2039 | \$133,250 | | | | | | | \$133,250 | |
| 2040 | | | | | | | | \$0 | |
| Totals: | \$244,015,152 | \$56,579,200 | \$13,165,000 | \$11,417,175 | \$24,672,175 | \$325,166,527 | | | |

Northern Kentucky Water Service District
 Revenue Bond Anticipation Notes, Series 2008
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/ 8

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$11,490,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 11,490,000.00 |
| | ----- |
| | \$11,490,000.00 |

Uses of Funds
 =====

| | |
|---|-----------------|
| Deposit to Construction Fund..... | 11,000,000.00 |
| Cost of Issuance..... | 40,215.00 |
| Capitalized Interest.....(0.350000%).. | 446,236.94 |
| Contingency..... | 3,548.06 |
| | ----- |
| | \$11,490,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARROW

Date: 05-09-2005 @ 13:50:18 Filename: NK Key: 08NOTES

Northern Kentucky Water District
 Revenue Bonds, Series 2008
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/ 8

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$13,150,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 13,150,000.00 |
| | ----- |
| | \$13,150,000.00 |

Uses of Funds
 =====

| | |
|--|-----------------|
| Redeem 2006 BANS (Remaining Portion)..... | 5,736,731.24 |
| Redeem 2007 BANS (Partial)..... | 6,125,000.00 |
| FA, Legal, Rating, other COI..... (0.400000%) | 52,600.00 |
| Underwriters Discount..... (2.000000%) | 263,000.00 |
| Debt Service Reserve..... | 970,987.50 |
| Contingency..... | 1,681.26 |
| | ----- |
| | \$13,150,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARROW

Date: 05-09-2005 @ 13:00:21 Filename: NK Key: 08BONDS

**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN
(Long-Term Bond Debt Added to the Projected 2008 Bond Issue)**

| Fiscal Year (Ending 12/31) | Total Existing Long-Term Bond Debt | Projected | | Series 2007 | | Series 2008 | | Total Payments |
|-------------------------------|--|--------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------|
| | | Series 2008 Bond Debt | Bond Debt | Bond Debt | Principal | Interest | Total | |
| 2005 | \$10,764,088 | | | | | | | \$10,764,088 |
| 2006 | \$10,851,980 | | \$787,500 | \$381,783 | | | | \$11,648,480 |
| 2007 | \$10,888,344 | | \$1,595,000 | \$966,850 | \$250,000 | \$361,825 | \$381,625 | \$12,825,107 |
| 2008 | \$10,853,608 | | \$1,595,000 | \$967,488 | \$265,000 | \$716,375 | \$966,375 | \$13,776,883 |
| 2009 | \$10,854,061 | | \$1,595,000 | \$987,600 | \$280,000 | \$702,213 | \$987,213 | \$14,392,814 |
| 2010 | \$10,853,551 | | \$1,595,000 | \$988,888 | \$285,000 | \$687,225 | \$987,225 | \$14,393,284 |
| 2011 | \$10,857,161 | | \$1,595,000 | \$989,813 | \$316,000 | \$671,413 | \$988,413 | \$15,166,006 |
| 2012 | \$10,859,231 | | \$2,382,450 | \$987,475 | \$330,000 | \$654,638 | \$989,638 | \$15,169,373 |
| 2013 | \$10,861,446 | | \$2,382,163 | \$988,475 | \$350,000 | \$639,900 | \$989,900 | \$15,165,886 |
| 2014 | \$10,858,458 | | \$2,390,463 | \$988,875 | \$360,000 | \$618,200 | \$988,200 | \$15,180,871 |
| 2015 | \$10,853,533 | | \$2,380,875 | \$987,775 | \$370,000 | \$598,400 | \$988,400 | \$15,189,405 |
| 2016 | \$10,862,355 | | \$2,380,875 | \$987,775 | \$380,000 | \$577,500 | \$987,500 | \$15,187,214 |
| 2017 | \$10,860,814 | | \$2,386,263 | \$970,838 | \$416,000 | \$555,383 | \$970,383 | \$15,281,202 |
| 2018 | \$10,861,227 | | \$2,382,350 | \$987,283 | \$435,000 | \$531,988 | \$988,988 | \$15,275,768 |
| 2019 | \$10,853,130 | | \$2,388,000 | \$987,950 | \$480,000 | \$507,375 | \$987,375 | \$15,018,652 |
| 2020 | \$10,860,677 | | \$2,390,075 | \$971,625 | \$495,000 | \$481,388 | \$988,388 | \$13,828,608 |
| 2021 | \$9,505,033 | | \$2,388,300 | \$988,888 | \$515,000 | \$453,888 | \$988,888 | \$13,841,848 |
| 2022 | \$9,510,924 | | \$2,382,400 | \$988,738 | \$545,000 | \$424,738 | \$989,738 | \$13,734,517 |
| 2023 | \$9,403,742 | | \$2,382,100 | \$988,838 | \$575,000 | \$393,938 | \$988,938 | \$13,744,283 |
| 2024 | \$8,418,805 | | \$2,382,283 | \$986,488 | \$605,000 | \$361,488 | \$986,488 | \$13,737,662 |
| 2025 | \$8,416,194 | | \$2,387,750 | \$987,250 | \$640,000 | \$327,250 | \$987,250 | \$13,743,385 |
| 2026 | \$8,416,867 | | \$2,388,288 | \$970,850 | \$680,000 | \$290,850 | \$970,850 | \$12,317,339 |
| 2027 | \$7,880,338 | | \$2,388,463 | \$987,588 | \$716,000 | \$252,588 | \$987,588 | \$7,589,612 |
| 2028 | \$8,241,889 | | \$2,392,883 | \$987,163 | \$755,000 | \$212,163 | \$987,163 | \$5,238,108 |
| 2029 | \$810,333 | | \$2,391,213 | \$889,400 | \$800,000 | \$189,400 | \$889,400 | \$4,558,233 |
| 2030 | \$231,285 | | \$2,388,375 | \$888,163 | \$845,000 | \$124,163 | \$888,163 | \$4,556,340 |
| 2031 | \$231,780 | | \$2,388,848 | \$888,450 | \$880,000 | \$78,450 | \$888,450 | \$2,101,878 |
| 2032 | \$164,440 | | | \$870,888 | \$845,000 | \$25,888 | \$870,888 | \$1,104,038 |
| 2033 | \$133,050 | | | | | | | \$134,100 |
| 2034 | \$134,100 | | | | | | | \$133,875 |
| 2035 | \$133,875 | | | | | | | \$133,400 |
| 2036 | \$133,400 | | | | | | | \$133,650 |
| 2037 | \$133,650 | | | | | | | \$133,800 |
| 2038 | \$133,800 | | | | | | | \$133,250 |
| 2039 | \$133,250 | | | | | | | \$0 |
| 2040 | | | | | | | | |
| Totals: | \$244,015,152 | \$58,578,200 | \$24,572,175 | \$13,150,000 | \$11,413,800 | \$24,563,900 | \$548,730,127 | |

Northern Kentucky Water Service District
 Revenue Bond Anticipation Notes, Series 2009
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/ 9

Sources of Funds
 =====

| | |
|--------------------------|----------------|
| Par Amount of Bonds..... | \$6,600,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 6,600,000.00 |
| | ----- |
| | \$6,600,000.00 |

Uses of Funds
 =====

| | |
|-----------------------------------|----------------|
| Deposit to Construction Fund..... | 6,450,000.00 |
| Cost of Issuance..... | 42,000.00 |
| Capitalized Interest..... | 106,193.32 |
| Contingency..... | 1,806.68 |
| | ----- |
| | \$6,600,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARROW

Date: 05-09-2005 @ 13:50:36 Filename: NK Key: 09NOTES

Northern Kentucky Water District
 Revenue Bonds, Series 2009
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/1/9

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$13,155,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 13,155,000.00 |
| | ----- |
| | \$13,155,000.00 |

Uses of Funds
 =====

| | |
|---|-----------------|
| Redeem 2007 BANS (Remaining Portion)..... | 5,457,262.50 |
| Redeem 2008 BANS (Partial)..... | 6,410,000.00 |
| FA, Legal, Rating, other COI..... | 52,620.00 |
| Underwriters Discount..... | 263,100.00 |
| Debt Service Reserve..... | 971,525.00 |
| Contingency..... | 492.50 |
| | ----- |
| | \$13,155,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - REARROW

Date: 05-09-2005 @ 13:01:00 Filename: NK Key: 09BONDS

**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN
(Long-Term Bond Debt Added to the Projected 2009 Bond Issue)**

| Fiscal Year (Ending 12/31) | Total Existing Long-Term Bond Debt | Projected | | Series 2008 | | Series 2009 | | Total Payments |
|-------------------------------|--|--------------------------|--------------------------|---------------------------------------|---------------------|---------------------|---------------------|----------------------|
| | | Series 2008 Bond Debt | Series 2007 Bond Debt | Projected Series 2008 Bond Debt | Principal | Interest | Total | |
| 2005 | \$10,754,088 | | | | | | | \$10,754,088 |
| 2006 | \$10,851,880 | \$787,500 | | | | | | \$11,639,380 |
| 2007 | \$10,889,344 | \$1,585,000 | \$381,783 | | | | | \$12,825,107 |
| 2008 | \$10,853,008 | \$1,585,000 | \$888,660 | \$381,825 | | | | \$13,778,683 |
| 2009 | \$10,854,051 | \$1,585,000 | \$887,488 | \$988,375 | \$250,000 | \$381,783 | | \$14,744,676 |
| 2010 | \$10,853,551 | \$1,585,000 | \$887,500 | \$987,213 | \$285,000 | \$718,650 | \$888,850 | \$15,345,914 |
| 2011 | \$10,857,161 | \$1,585,000 | \$888,688 | \$987,225 | \$280,000 | \$702,488 | \$887,488 | \$15,353,581 |
| 2012 | \$10,856,231 | \$2,382,450 | \$889,913 | \$988,413 | \$285,000 | \$687,500 | \$887,500 | \$16,152,508 |
| 2013 | \$10,861,448 | \$2,381,113 | \$887,175 | \$989,698 | \$285,000 | \$671,888 | \$887,500 | \$16,156,061 |
| 2014 | \$10,858,458 | \$2,382,163 | \$888,475 | \$988,900 | \$315,000 | \$654,813 | \$889,913 | \$16,155,908 |
| 2015 | \$10,853,533 | \$2,380,463 | \$888,675 | \$988,200 | \$330,000 | \$637,175 | \$889,913 | \$16,148,048 |
| 2016 | \$10,882,355 | \$2,380,875 | \$887,775 | \$988,400 | \$350,000 | \$618,475 | \$888,475 | \$16,157,880 |
| 2017 | \$10,880,914 | \$2,388,263 | \$870,938 | \$987,500 | \$370,000 | \$598,875 | \$888,875 | \$16,155,888 |
| 2018 | \$10,951,227 | \$2,382,350 | \$867,283 | \$970,353 | \$380,000 | \$577,775 | \$887,775 | \$16,246,977 |
| 2019 | \$10,863,130 | \$2,386,000 | \$867,950 | \$966,888 | \$415,000 | \$555,838 | \$870,838 | \$16,246,405 |
| 2020 | \$10,880,677 | \$2,380,075 | \$871,525 | \$967,375 | \$435,000 | \$532,283 | \$887,283 | \$15,985,915 |
| 2021 | \$9,505,033 | \$2,388,300 | \$868,888 | \$966,388 | \$460,000 | \$507,850 | \$887,850 | \$14,786,258 |
| 2022 | \$9,510,824 | \$2,382,400 | \$868,738 | \$968,888 | \$480,000 | \$481,525 | \$871,525 | \$14,813,474 |
| 2023 | \$9,403,742 | \$2,382,100 | \$868,838 | \$968,738 | \$515,000 | \$453,888 | \$868,888 | \$14,703,405 |
| 2024 | \$6,416,805 | \$2,382,283 | \$865,488 | \$968,838 | \$545,000 | \$424,738 | \$868,738 | \$14,714,030 |
| 2025 | \$6,416,184 | \$2,387,750 | \$867,250 | \$968,488 | \$575,000 | \$393,938 | \$868,838 | \$14,708,819 |
| 2026 | \$6,416,887 | \$2,388,288 | \$870,950 | \$967,250 | \$605,000 | \$361,488 | \$868,488 | \$14,708,872 |
| 2027 | \$7,890,339 | \$2,388,463 | \$867,588 | \$970,850 | \$640,000 | \$327,250 | \$867,250 | \$13,284,589 |
| 2028 | \$3,241,889 | \$2,382,863 | \$867,163 | \$967,588 | \$680,000 | \$290,850 | \$870,850 | \$6,540,562 |
| 2029 | \$910,333 | \$2,381,213 | \$868,400 | \$867,163 | \$716,000 | \$252,588 | \$867,588 | \$6,205,898 |
| 2030 | \$231,295 | \$2,388,375 | \$869,163 | \$868,400 | \$765,000 | \$212,163 | \$867,163 | \$5,525,385 |
| 2031 | \$231,790 | \$2,388,898 | \$866,450 | \$868,460 | \$800,000 | \$168,400 | \$868,400 | \$5,525,740 |
| 2032 | \$164,440 | | \$870,988 | \$868,460 | \$845,000 | \$124,163 | \$868,163 | \$3,071,040 |
| 2033 | \$133,050 | | | \$870,988 | \$880,000 | \$78,450 | \$868,450 | \$2,070,488 |
| 2034 | \$134,100 | | | | \$945,000 | \$25,888 | \$970,888 | \$1,105,088 |
| 2035 | \$133,875 | | | | | | | \$133,875 |
| 2036 | \$133,400 | | | | | | | \$133,400 |
| 2037 | \$133,650 | | | | | | | \$133,650 |
| 2038 | \$133,600 | | | | | | | \$133,600 |
| 2039 | \$133,250 | | | | | | | \$133,250 |
| 2040 | | | | | | | | \$0 |
| Totals: | \$244,016,162 | \$58,079,200 | \$24,572,175 | \$24,583,600 | \$13,155,000 | \$11,417,175 | \$24,672,175 | \$374,302,302 |

Northern Kentucky Water District
 Revenue Bonds, Series 2010
 Projected for Rate Case

=====
 Sources and Uses of Funds
 =====
 Delivery Date: 2/ 1/10

Sources of Funds
 =====

| | |
|--------------------------|-----------------|
| Par Amount of Bonds..... | \$13,160,000.00 |
| +Premium /-Discount..... | \$0.00 |
| Bond Proceeds..... | 13,160,000.00 |
| | ----- |
| | \$13,160,000.00 |

Uses of Funds
 =====

| | |
|---|-----------------|
| Redeem 2008 BANS (Remaining Portion)..... | 5,162,550.00 |
| Redeem 2009 BANS..... | 6,707,250.00 |
| FA, Legal, Rating, other COI..... | 52,640.00 |
| Underwriters Discount..... | 263,200.00 |
| Debt Service Reserve..... | 971,800.00 |
| Contingency..... | 2,560.00 |
| | ----- |
| | \$13,160,000.00 |

ROSS, SINCLAIRE & ASSOCIATES - RBARROW

Date: 05-09-2005 @ 13:52:10 Filename: NK Key: 108ONDS

**NORTHERN KENTUCKY WATER DISTRICT
FIVE (5) YEAR CAPITAL FUNDING PLAN
(Long-Term Bond Debt Added to the Projected 2010 Bond Issue)**

| Fiscal Year (Ending 12/31) | Total Existing Long-Term Bond Debt | Projected | | | | Series 2010 Interest | Total | Total Payments |
|-------------------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|---------------------|----------------------|
| | | Series 2008 Bond Debt | Series 2007 Bond Debt | Series 2008 Bond Debt | Series 2009 Bond Debt | | | |
| 2005 | \$10,754,088 | | | | | | | \$10,754,088 |
| 2006 | \$10,851,980 | \$797,500 | | | | | | \$11,648,480 |
| 2007 | \$10,868,344 | \$1,595,000 | \$361,763 | | | | | \$12,825,107 |
| 2008 | \$10,853,608 | \$1,595,000 | \$868,950 | \$868,375 | | | | \$13,776,883 |
| 2009 | \$10,854,051 | \$1,595,000 | \$897,488 | \$897,213 | | | | \$14,744,878 |
| 2010 | \$10,853,551 | \$1,595,000 | \$897,500 | \$897,225 | | | | \$15,711,814 |
| 2011 | \$10,857,161 | \$1,595,000 | \$898,688 | \$898,413 | \$381,900 | \$250,000 | \$361,800 | \$16,320,486 |
| 2012 | \$10,856,231 | \$2,382,450 | \$898,913 | \$898,638 | \$702,783 | \$285,000 | \$987,783 | \$17,120,268 |
| 2013 | \$10,881,448 | \$2,391,113 | \$897,175 | \$896,898 | \$887,775 | \$290,000 | \$987,775 | \$17,123,838 |
| 2014 | \$10,858,468 | \$2,382,163 | \$898,475 | \$898,200 | \$871,983 | \$295,000 | \$986,863 | \$17,122,871 |
| 2015 | \$10,853,533 | \$2,380,483 | \$898,675 | \$898,400 | \$865,188 | \$315,000 | \$970,188 | \$17,118,233 |
| 2016 | \$10,882,385 | \$2,380,875 | \$897,775 | \$898,475 | \$837,450 | \$330,000 | \$987,450 | \$17,125,330 |
| 2017 | \$10,880,814 | \$2,388,263 | \$870,638 | \$868,888 | \$818,750 | \$350,000 | \$988,750 | \$17,124,639 |
| 2018 | \$10,951,227 | \$2,382,350 | \$887,263 | \$870,383 | \$888,950 | \$370,000 | \$988,950 | \$17,217,827 |
| 2019 | \$10,853,130 | \$2,388,000 | \$887,850 | \$888,888 | \$878,050 | \$390,000 | \$988,050 | \$17,214,455 |
| 2020 | \$10,690,877 | \$2,380,075 | \$871,525 | \$868,388 | \$855,813 | \$415,000 | \$970,813 | \$16,957,827 |
| 2021 | \$9,505,033 | \$2,388,300 | \$868,888 | \$868,888 | \$832,538 | \$435,000 | \$967,538 | \$16,763,786 |
| 2022 | \$6,510,924 | \$2,382,400 | \$868,888 | \$868,888 | \$807,825 | \$480,000 | \$967,825 | \$15,781,399 |
| 2023 | \$6,403,742 | \$2,382,100 | \$868,888 | \$868,888 | \$807,825 | \$480,000 | \$967,825 | \$15,675,205 |
| 2024 | \$6,416,605 | \$2,382,263 | \$868,888 | \$868,888 | \$807,825 | \$480,000 | \$967,825 | \$15,683,193 |
| 2025 | \$9,416,184 | \$2,387,750 | \$870,650 | \$868,488 | \$807,825 | \$515,000 | \$971,800 | \$16,676,832 |
| 2026 | \$9,418,887 | \$2,388,288 | \$870,650 | \$868,488 | \$807,825 | \$545,000 | \$970,013 | \$15,879,085 |
| 2027 | \$7,880,339 | \$2,388,463 | \$867,588 | \$867,588 | \$807,825 | \$605,000 | \$968,213 | \$14,251,352 |
| 2028 | \$3,241,999 | \$2,382,863 | \$867,163 | \$867,163 | \$807,825 | \$640,000 | \$968,783 | \$9,608,087 |
| 2029 | \$910,383 | \$2,381,213 | \$869,400 | \$869,400 | \$807,825 | \$880,000 | \$971,225 | \$7,176,921 |
| 2030 | \$231,285 | \$2,388,375 | \$869,163 | \$869,163 | \$807,825 | \$715,000 | \$967,863 | \$8,483,258 |
| 2031 | \$231,790 | \$2,388,888 | \$868,450 | \$868,450 | \$807,825 | \$755,000 | \$967,438 | \$8,483,178 |
| 2032 | \$184,440 | | \$870,888 | \$870,888 | \$807,825 | \$800,000 | \$968,675 | \$4,040,715 |
| 2033 | \$133,050 | | | | \$807,825 | \$845,000 | \$969,438 | \$3,038,925 |
| 2034 | \$194,100 | | | | \$807,825 | \$885,000 | \$971,588 | \$2,078,675 |
| 2035 | \$133,875 | | | | \$807,825 | \$945,000 | \$970,888 | \$1,104,883 |
| 2036 | \$133,400 | | | | \$807,825 | | | \$133,400 |
| 2037 | \$133,650 | | | | \$807,825 | | | \$133,650 |
| 2038 | \$133,600 | | | | \$807,825 | | | \$133,600 |
| 2039 | \$133,250 | | | | \$807,825 | | | \$133,250 |
| 2040 | | | | | \$807,825 | | | \$0 |
| Total: | \$244,015,152 | \$56,579,200 | \$24,572,175 | \$24,583,600 | \$24,572,175 | \$13,160,000 | \$24,583,775 | \$586,866,077 |