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January 27, 2006

Public Service Commission
Attn: Ms. Beth O'Donnell
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

JAN 30 2006

PUBLIC SERVICE
COMMISSION

Re: Case No. 2005-00314
Grant County Sanitary Sewer District
Supplemental Application Filing

Dear Ms. O'Donnell:

Enclosed please find an original and three copies of a Supplemental Application for filing in the subject case. Please return a file-stamped copy to the undersigned in the enclosed self-addressed, stamped envelope.

If you need any additional information in regard to this filing, please do not hesitate to call.

Very truly yours,

THE HORWITZ LAW FIRM, P.S.C.

Thomas R. Nienaber / csl
Thomas R. Nienaber

TRN/csb
Enclosure

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

JAN 30 2006

PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

SUPPLEMENTAL APPLICATION OF THE GRANT)
COUNTY SANITARY SEWER DISTRICT FOR) CASE NO. 2005-00314
AUTHORITY TO ADJUST RATES – SEWAGE UTILITY)

GRANT COUNTY SANITARY SEWER DISTRICT'S
SECOND SUPPLEMENTAL APPLICATION

Comes now the Grant County Sanitary Sewer District, by and through its Chairman Bobby Burgess ("GRANT COUNTY"), and pursuant to the Commission's Second Information Request ("REQUEST") dated January 17, 2006 provides the following supplemental information.

- 1. Billing analysis containing customer usage for the 12 month period beginning June 1, 2004 and ending May 31, 2005.

See attached Exhibit "13".

- 2. Detailed description, including history, age and condition of the property acquired from the City of Crittenden.

See Exhibits "4" and "8".

By Agreement dated April 22, 2004 between the City of Crittenden ("CRITTENDEN") and GRANT COUNTY (Exhibit "6"), CRITTENDEN's sanitary sewer collection and waste water treatment facility was purchased by GRANT COUNTY. The sanitary sewer system ("SYSTEM") was originally constructed in 1988 by CRITTENDEN. From its original construction in 1988 through GRANT COUNTY's purchase in April, 2004, the SYSTEM expanded to approximately 12 to 15 miles of sanitary sewer line and 20 lift stations. The original treatment plant ("PLANT") was constructed in 1988 and consisted of a 150,000 gallon facility. In 2003, the PLANT was relocated from its original site to its current site. At

that time, the PLANT was expanded to a 300,000 gallon facility. In reconstructing the PLANT, CRITTENDEN installed a new 150,000 gallon tank facility and relocated its existing 150,000 tank facility to the new site. In addition, various components of the old PLANT were relocated and incorporated in the new PLANT. GRANT COUNTY was advised during the negotiation period that the components removed from the old PLANT to the new were either rebuilt or replaced. GRANT COUNTY subsequently learned that this representation was not totally accurate. It was subsequently determined by GRANT COUNTY that some of the old components incorporated into the new PLANT site were in a serious state of disrepair. Since acquiring possession of the SYSTEM, the following repair and facility replacements were made:

A. WASTE WATER TREATMENT PLANT

1. GRANT COUNTY replaced a 40 hp motor at the PLANT.
2. GRANT COUNTY rewired two electric motors.
3. Substantial amounts of electrical components were replaced on control panels.
4. A grinder motor and pump were replaced at a cost of approximately \$12,000.00.
5. Five catwalk panels on the old tanks were replaced.
6. GRANT COUNTY acquired, excavated, graded and placed gravel on an access road for ingress and egress to the new PLANT. GRANT COUNTY has also paved a portion of the access road in concrete.
7. A significant number of minor repairs were made to the PLANT on a monthly ongoing basis.
8. Three difuser downspouts were replaced.
9. Electric service to the new PLANT site did not have easements which were subsequently acquired by GRANT COUNTY.

B. LIFT STATIONS

At the time GRANT COUNTY acquired possession of the SYSTEM , there were 20 lift stations. The overall condition of these lift stations upon taking possession could best be characterized as fair to poor. An analysis of the 20 lift station and their respective conditions follows:

1. Waller Lift Station

This lift station was originally constructed in 1996. After acquiring possession, GRANT COUNTY replaced a gravel access drive to the lift station; repaired the frost free hydrant at the location; repaired alarm lights and horn; repainted electrical and pump panels; installed safety locking systems; and replaced a float. General maintenance repairs were also made.

2. Sayers Lift Station

This lift station was originally constructed in 2003. GRANT COUNTY had to install a gravel drive to access the lift station; rebuild a pump in 2004; installed safety locks and repainted electrical panels.

3. Barley Lift Station

This lift station was originally constructed in 1996. Upon taking possession, GRANT COUNTY installed a gravel access drive; repainted the panels; repaired valve boxes which were filled with gravel and had no safety lids; replaced the alarm light and horn; cleaned out the lift pit of gravel and miscellaneous debris; installed safety locks; replaced capacitors, start relays and rewired the motors; and replaced a float. This lift station currently needs new cutters at a cost estimate of \$1,000.00.

4. Russell Lift Station

This lift station was originally constructed in 1990. Upon taking possession, GRANT COUNTY replaced a broken heater; installed a gravel access drive; replaced the alarm light; repainted the panels; pumped out the lift station on two separate occasions; replaced the relay starter; replaced the solenoid on the vacuum pump; and installed safety locks.

5. KY 491 Lift Station

This station was originally constructed in 2003. Upon taking possession, GRANT COUNTY replaced 400 feet of 6 inch force main accessing the lift station; rebuilt both pumps; repainted control panels; replaced both overloads; repaired both check valves; replaced and repaired impellers; installed safety locks; replaced the safety float; installed a frost free hydrant; and replaced the chain for motor removal.

6. Vincent No. 2 Lift Station

This lift station was originally constructed in 2002. Upon taking possession, GRANT COUNTY rebuilt one pump; pumped out the pit of miscellaneous debris; replaced alarm lights; installed safety locks; replaced overload switches; replaced caps and starter relays; and repainted control panels. This lift stations needs new cutters at an approximately cost of \$800.00.

7. Vincent No. 1 Lift Station

This lift station was originally constructed in 1992. Upon taking possession, GRANT COUNTY installed new locking plates and locks; replaced valve rods; fixed two leaks; replaced capacitors and starter relays; replaced overload valves; pumped out the lift station of miscellaneous debris; rebuilt the pump motor; repainted control panels; rewired one-half of the electrical panels; and repaired hour meters and control plugs on motors. It was noted that at the Vincent No. 1 Lift Station, children were using the pump housing as a play area.

8. Lee Hi Lift Station

This lift station was originally constructed in 1991. Since taking possession, GRANT COUNTY repaired the fence around the lift station; replaced the pump; replaced pump rails; pumped out the lift station of miscellaneous debris; repaired exposed service cables; installed safety locks; reconstructed the surrounding area of severe erosion and placed gravel on the access road; replaced alarm lights; replaced electrical contacts; and painted control panels. This lift station needs new cutters on one motor at an approximate cost of \$400.00.]

9. Case Lane Lift Station

This lift station was originally constructed in 1990. Upon taking possession, GRANT COUNTY installed a gravel access drive; repaired eroded culverts; repaired the bearings on motors; installed alarm lights; replaced safety locks; pumped out the pump station of miscellaneous

debris; installed a heater; repaired the vacuum pump; and replaced and repaired bare electrical wiring.

10. Pinhook Lift Station

This lift station was originally constructed in 1995. Upon taking possession, GRANT COUNTY rebuilt the motor (needs new cutters at an approximate cost of \$1,000.00); repainted control panels; installed safety locks; repaired alarm lights; replaced overload switches; and repaired hour meter.

11. Greenview Lift Station

This lift station was originally constructed in 2003. Since taking possession, GRANT COUNTY has rebuilt the pump; installed safety locks; installed safety lights; pumped out the meter pit; and repaired the gravel access drive.

12. Claiborne Lift Station

This lift station was constructed in 2002. Since taking possession, GRANT COUNTY has installed safety locks and placed gravel on the access drive.

13. Eads Road Lift Station

This lift station was originally constructed in 1990. Since taking possession, GRANT COUNTY has installed a vacuum pump; replaced two floats; replaced timers; replaced starter relay; installed safety locks; installed a heater; replaced breaker, plug and three switches; rewired one-half of the electrical panel; pumped the meter pit of miscellaneous debris; placed gravel on the access road; and replaced the alarm light.

14. Bradford/Oakwood Lift Station

This lift station was originally constructed in 1995. Since taking possession, GRANT COUNTY has repainted the control panel; replaced the electric service panels; and installed safety locks.

15. Wheat Pump Lift Station

This pump station was originally constructed in 1996. Since taking possession, GRANT COUNTY has repainted the control panel; installed safety locks; rebuilt both pumps (one pump on two occasions); pumped the meter pit of miscellaneous debris; pumped the meter pit of miscellaneous debris three times; replaced new capacitors and starter

relays; replaced gravel and installed culvert drains; and repaired valve boxes.

16. Bridgeview Lift Station

This lift station was originally constructed in 1997. Upon taking possession, GRANT COUNTY has rebuilt both pumps and painted the control panels.

17. Bingham Lift Station

This lift station was originally constructed in 1990. Since taking possession, a new vacuum pump was installed; one-half of the electrical panel was rewired; the meter pit was pumped out on two separate occasions of miscellaneous debris and gravel; bearings were replaced in two motors; a new heater and fan were installed; two new check valves were installed; solenoids were rebuilt; safety locks were installed; and the float was replaced.

18. Kyley Lift Station

This lift station was constructed in 1997. Since taking possession, GRANT COUNTY has repaired two leaks; pumped out the meter pit of miscellaneous debris and gravel; installed new floats; installed safety locks; replaced rails and hold down mechanisms. The motor needs new cutters at an approximate cost of \$800.00.

19. Miller Lift Station

This lift station was constructed in 1998. Since taking possession, GRANT COUNTY has installed safety locks; and pumped out the meter pit of gravel and miscellaneous debris.

20. Indian Hill Lift Station

This lift station was constructed in 1995. Upon taking possession, GRANT COUNTY has pumped out the meter pit of gravel and miscellaneous debris; installed safety locks; replaced floats; re-graveled the access drive; and installed alarm lights. The pumps need new cutter blades at an approximate cost of \$1,000.00.

C. PRESSURE/GRAVITY COLLECTION LINES

Overall, the gravity collections lines are in a fair state of repair. However, pressure lines have presented considerable obstacles for GRANT COUNTY. For example, on

KY 491, there were a number of continuous leaks. It was discovered that during construction, rock was allowed to be placed on top of the pressure line. Over the years, the vibration of the rocks on the line created a number of leaks. As a result, GRANT COUNTY was required to replace 400 feet of pressure line. This same condition existed on Duncan Road which required GRANT COUNTY to replace another 400 feet of pressure line.

The 400 feet of pressure line servicing the Crittenden Mt. Zion School had to be relocated.

Currently, pressure lines appear to be in a fair state of repair, however, it is believed that there are a number of other locations throughout the SYSTEM, particularly on KY 491, that will need to be replaced in the near future. For example, there is a 500 to 600 foot section on KY 491 that has experienced four leaks since May, 2004. It is believed that this section of line will need to be completely replaced in the near future.

D. NEW PURCHASES

At the time GRANT COUNTY took possession of the PLANT and SYSTEM, there were a number of items that needed to be purchased in order to insure the adequate maintenance and operation of the SYSTEM. The following purchases were made:

1. A Vactor truck was purchased from the Sanitation District No. 1 at a cost of approximately \$11,000.00. This truck is used for sludge removal and pumping of lift stations. Since purchasing this truck, repairs were made in the approximate amount of \$10,000.00 to \$13,000.00. Although these expenditures are substantial, it believed that the truck has a value of approximately \$35,000.00. It saves the District from incurring contract sludge removal and hauling. All of this generates a substantial savings to the District.
2. The SYSTEM did not have any safety equipment. Consequently, GRANT COUNTY expended \$3,500.00 for safety equipment to be used at the PLANT by employees.

3. When GRANT COUNTY took over the SYSTEM, there were no supplies. These supplies had to be purchased in order to insure the smooth operation and maintenance of the SYSTEM on a day-to-day basis. Some of the purchases include miscellaneous repair materials; chemicals, etc.

3. Treatment Plant Costs and Depreciation Schedules Pre and Post Transfer.

See attached Exhibit "14".

4a. Calculation of Hourly Labor Charges.

The Bullock Pen Water District ("WATER DISTRICT") calculated the hourly labor charges as set forth in the Management Services Agreement (Exhibit "7") by taking the base hourly wage of each employee and adding to that base hourly rate, the WATER DISTRICT's cost of benefits, including health insurance; tax contributions; pension contribution; workers compensation expenses; and related benefits. The WATER DISTRICT bills each employee that performs services for GRANT COUNTY at the adjusted hourly rate. Charges for all employee services billed to GRANT COUNTY are billed in increments of one-quarter hour. The Superintendent for the WATER DISTRICT makes every effort to assign the lowest hourly rate employee to perform services for GRANT COUNTY when required to the extent that such assignment is practical given the particular circumstances. As set forth in the Agreement, the WATER DISTRICT "will make every effort to dispatch an employee to perform needed employee services with the skill level commiserate with the task to be performed". The WATER DISTRICT does not make a "profit" from GRANT COUNTY. In fact, the current Management Services Arrangement with GRANT COUNTY has created a great deal of administrative and work assignment difficulties for both agencies.

In allocating employee services in the manner prescribed in the Management Services Agreement, GRANT COUNTY has been able to function and operate without the

necessity of hiring fulltime employees at considerable additional costs thus saving GRANT COUNTY substantial operating funds.

4b. See 4a above.

5. Explanation of contractual services in Exhibit 5h through 5m.

A. Exhibit "5h" - CMW, Inc. Engineering Services

Fees charged by CMW, Inc. for engineering services are provided separately for GRANT COUNTY and are billed direct to GRANT COUNTY. None of the charges contained in Exhibit "5h" by CMW, Inc. are for joint engineering services for the WATER DISTRICT and GRANT COUNTY.

B. Exhibit "5i", Morris & Bressler Accounting Services

Fees charged by Morris & Bressler Accounting are for accounting services provided directly to GRANT COUNTY and are billed direct to GRANT COUNTY. None of the charges contained in Exhibit "5i" by Morris & Bressler Accounting Services are for joint accounting services for the WATER DISTRICT and GRANT COUNTY.

C. Exhibit "5j" The Horwitz Law Firm, P.S.C.

Fees charged by The Horwitz Law Firm, P.S.C. are for legal services provided directly to GRANT COUNTY and are billed direct to GRANT COUNTY. None of the charges contained in Exhibit "5j" by The Horwitz Law Firm, P.S.C are for joint legal services for the WATER DISTRICT and GRANT COUNTY.

D. Exhibit "5k" 2004 Bonus

When the WATER DISTRICT began providing employee services for GRANT COUNTY, various Bullock Pen employees were hesitant about providing labor, maintenance and repair services in that they did not want to work in situations dealing with the repair and maintenance of sanitary sewage lines and the sanitary sewage treatment plant. As an incentive for Bullock Pen employees to provide services under those conditions, Bullock Pen offered its employees who provide maintenance, repair and general labor in the sanitary sewer facilities with a \$1.00 per hour incentive pay. The \$1,652.34 "bonus" represents the additional \$1.00 per hour billed for Bullock Pen Water District employees who performed repair, maintenance and labor services in dealing with sanitary sewage.

E. Exhibit “5k – Contractual Service Management Fees”.

This Exhibit merely identifies on a month-to-month basis management service fees which were charged to GRANT COUNTY by the WATER DISTRICT pursuant to the parties’ Management and Operational Services Agreement.

F. Exhibit “5l – Lab Fees”.

GRANT COUNTY is required to take periodic water samples for health/safety reasons. These test samples are taken to the Sanitation District No. 1 for processing as GRANT COUNTY does not have onsite laboratory facilities. The fees charged by the Sanitation District No. 1 to GRANT COUNTY are billed directly to GRANT COUNTY and paid by GRANT COUNTY. The payments outlined in Exhibit “5l” represent the charges for lab fees.

G. Exhibit “5m – Contractual Service Charges”.

1. Water

This merely identifies the monthly water bills paid by GRANT COUNTY for water service to the treatment plant and lift stations.

2. Repairs

These fees represent repair and maintenance charges billed directly to GRANT COUNTY for repair and maintenance of its PLANT and facilities. For example, if a lift station motor needs repair, it is sent to the motor repair company who performs those services and bills GRANT COUNTY direct.

3. Sludge Dumping Fee

GRANT COUNTY disposes of its sludge residue from the Sanitary Sewer Treatment Plant at the Sanitation District No. 1 facility. This column identifies the fees charged by Sanitation District No. 1 which are billed directly to and paid by GRANT COUNTY.

4. Hauling

Prior to GRANT COUNTY purchasing its Vector truck, GRANT COUNTY employed the services of a commercial sludge hauling company to dispose of its sludge residue. The charges identified in this column represent sludge hauling billed to and paid by GRANT

COUNTY. Prior to GRANT COUNTY purchasing the Vactor truck, it was paying \$175.00 per load of sludge removed (2,000 gallons). With the purchase of the Vactor truck, GRANT COUNTY is paying Sanitation District No. 1 approximately \$70.00 per 2,000 gallons of sludge deposited. In using GRANT COUNTY's Vactor truck for sludge disposal, it is saving between \$75.00 and \$100.00 per load.

5. Telephone

GRANT COUNTY has secured one dedicated telephone line for "Grant County Sanitary Sewer District". This telephone service represents a one line commercial phone. This column represents charges for phone service paid by GRANT COUNTY.

6. Carl Crone.

The WATER DISTRICT does not have an employee who is certified and licensed to operate a sanitary sewer treatment plant. Although the WATER DISTRICT is in the process of having its Assistant Superintendent so qualified, until such time, GRANT COUNTY has engaged the services of Carl Crone, a certified licensed sanitary sewer treatment plant operator. This is the same individual used by CRITTENDEN prior to transferring the SYSTEM to GRANT COUNTY. This column represents Carl Crone's fees paid directly to Carl Crone by GRANT COUNTY.

6. Exhibit 5k – Labor/Truck/Backhoe Rental Charges.

This column represents charges billed to GRANT COUNTY by Bullock Pen Water District for labor, office rent and truck charges. Rather than GRANT COUNTY purchasing a pickup truck, Bullock Pen leases to GRANT COUNTY a pickup truck which is dedicated for GRANT COUNTY's use. This monthly charge includes unlimited mileage, gas, repair, maintenance and insurance for the truck. In leasing a truck to GRANT COUNTY for a flat fee, GRANT COUNTY realizes substantial savings.

The WATER DISTRICT leases to GRANT COUNTY office space and the use of its office equipment and supplies. The Commissioners of the WATER DISTRICT determined that \$1,500.00 per month for office space and unlimited use of the WATER DISTRICT's office

equipment, etc. was reasonable. For example, GRANT COUNTY has unlimited use of Bullock Pen's computer; photocopier; telephone system; fax machines; typewriters; office equipment, desk, filing cabinets; postage; envelopes; etc. In doing so, GRANT COUNTY has not incurred independent expenses and costs for all of these miscellaneous equipment, fees and charges. Additionally, monthly rental charges includes all utilities (gas, electric, water, sewer, etc.) consumed by GRANT COUNTY in its day-to-day operation at its office facility.

The labor charge represents the WATER DISTRICT's employees expenses charged to GRANT COUNTY pursuant to the Management Services Agreement.

7. Equipment Building Rental Charges

See answer to No. 6 above.

8a. Plant Condition

See answer to Item No. 2 above.

8b. Future Repair/Maintenance Expectations

See answer to Item No. 2 above.

Additionally, GRANT COUNTY does not have a definitive answer to this question. As indicated above, GRANT COUNTY does expect that there will be certain areas of the sanitary sewer collection and distribution system that will need to be replaced in the immediate future (within the next 24 months). The exact extent of this repair is currently unknown. As indicated above, the 20 lift stations acquired by GRANT COUNTY were in a serious state of disrepair and needed a substantial amount of maintenance in the months following GRANT COUNTY's acquisition of the SYSTEM.

It is anticipated by GRANT COUNTY that the amount of repair and maintenance to the lift stations should diminish over the next 24 months. However, it should be noted that

each lift station has two electric pumps. Since taking possession of the SYSTEM, GRANT COUNTY has rebuilt and/or replaced 14 of those motors. GRANT COUNTY's Superintendent has estimated that the average age of a lift station pump motor currently in place is seven years. Moreover, most of the cutter blades in these lift station motors have never been replaced or repaired. Needless to say, a considerable amount of attention will be devoted to the repair and/or replacement of the pumps, motors and cutter blades.

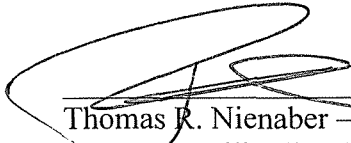
Future maintenance and/or replacement needs of the sanitary sewer collection lines, including gravity and pressure, lines has already been discussed herein

9. Periodic review of Rates and Charges.

At every monthly meeting of GRANT COUNTY, the Commissioners review in detail the charges assessed by the WATER DISTRICT to GRANT COUNTY. Detailed records are maintained by the WATER DISTRICT's Superintendent and Assistant Superintendent documenting all repairs and labor expended on behalf of GRANT COUNTY. These reports are reviewed and discussed on a monthly basis. GRANT COUNTY has a standing agenda item for each monthly meeting to review WATER DISTRICT charges and GRANT COUNTY expenses. William Catlett, Assistant Superintendent of the WATER DISTRICT, gives a summary of repairs that have been made in the preceding month on behalf of GRANT COUNTY with emphasis on potential problem areas and issues that may create substantial expense or costs.

Respectfully submitted,

THE HORWITZ LAW FIRM, P.S.C.



Thomas R. Nienaber – KBA#51820
541 Buttermilk Pike, Suite 305
Crescent Springs, KY 41017
(859) 578-1000

VERIFICATION

Comes now Bobby Burgess, Chairman, Grant County Sanitary Sewer District, and states that he has read the foregoing Second Supplemental Response and that the statements contained therein are true and correct to the best of his knowledge and belief.

GRANT COUNTY SANITARY SEWER
DISTRICT

BY: *Bobby Burgess*
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

COUNTY OF GRANT

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said BOBBY BURGESS, Chairman of the Grant County Sanitary Sewer District, this 25th day of January, 2006.

J. Gail Bowling
Notary Public
My Commission Expires: 11/21/07

CERTIFICATE OF SERVICE

I, Thomas R. Nienaber, do hereby certify that a copy of the foregoing was mailed by regular U.S. Mail, postage prepaid, this 27 day of January, 2006 to:

Kentucky Attorney General's office
Mr. Gregory Stumbo, Attorney General
State Capitol, Suite 118
Frankfort, Kentucky 40601

Thomas R. Nienaber
Thomas R. Nienaber

EXHIBIT

“13”

Grant County Sanitary Sewer District
Tie Revenue Per Usage Tables To Proforma Statements
AND

Revised Billing Analysis

Calculation of Effect of Rate Increase on Customer Billing by Class

Class	Total Revenue Present Rates 6/1/04 - 5/31/05	Total Revenue Proposed Rates 21.00/1,000 Minimum Bill
5/8 X 3/4 Inch Meters	325,343.50	489,887.65
5/8 X 3/4 Inch Mtrs - Comm	26,432.00	40,522.00
1 Inch Meters	7,928.00	12,204.50
1 1/2 Inch Meters	4,612.50	7,152.00
2 Inch Meters	<u>17,775.00</u>	<u>26,889.00</u>
Totals	382,091.00	576,655.15
Figures Appearing in Billing Registers	382,106.00	Increase in Revenue 194,564.15 % Increase in Revenue 50.92%
Difference	-15.00	

Class	Number of Bills 6/1/04 - 5/31/05	Number of Cust 6/1/04 - 5/31/05	Total Usage 6/1/04 - 5/31/05	Average Usage 6/1/04 - 5/31/05	Revenue		Average Bill 6/1/04 - 5/31/05
					Present Rates 6/1/04 - 5/31/05		
5/8 X 3/4 Inch Meters	13646	1,137	52,052,000	3,814	325,343.50		23.84
5/8 X 3/4 Inch Mtrs - Comm	701	58	2,585,000	3,688	26,432.00		37.71
1 Inch Meters	92	8	1,850,000	20,109	7,928.00		86.17
1 1/2 Inch Meters	38	3	1,201,000	31,605	4,612.50		121.38
2 Inch Meters	<u>141</u>	<u>12</u>	<u>4,504,000</u>	<u>31,943</u>	<u>17,775.00</u>		<u>126.06</u>
Totals	14618	1,218	62,192,000		382,091.00		

Class	Number of Cust 6/1/04 - 5/31/05	Average Usage 6/1/04 - 5/31/05	Bill For Average Usage		Dollar Increase In Average Bill Due To Rate Increase	% Increase In Average Bill Due To Rate Increase
			Present Rates	Proposed Rates		
5/8 X 3/4 Inch Meters	1,137	3,814	22.98	35.24	12.26	53.37%
5/8 X 3/4 Inch Mtrs - Comm	58	3,688	38.44	58.31	19.88	51.71%
1 Inch Meters	8	20,109	85.27	130.43	45.16	52.96%
1 1/2 Inch Meters	3	31,605	114.01	176.42	62.41	54.74%
2 Inch Meters	12	31,943	114.86	172.77	57.91	50.42%
Totals	1,218					

USAGE TABLE
Usage by Rate Increment
Test Period from 6/1/2004 to 5/31/2005

Class: 5/8 X 3/4 Inch Meters

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Bills	Gallons/Mcf	First 2000	Next 3000	Next 5,000	Over 10,000	Total
First 2,000 Minimum Bill	4,291	6,129,000	6,129,000				6,129,000
Next 3,000 Gallons	6,703	25,759,000	13,406,000	12,353,000			25,759,000
Next 5,000 Gallons	2,432	16,984,000	4,864,000	7,296,000	4,824,000		16,984,000
Over 10,000 Gallons	220	3,180,000	440,000	660,000	1,100,000	980,000	3,180,000
Totals	13,646	52,052,000	24,839,000	20,309,000	5,924,000	980,000	52,052,000

REVENUE TABLE
Revenue by Rate Increment
Old Rates

(1)	(2)	(3)	(4)	(5)
	Bills	Gallons/Mcf	Rates	Revenue
First 2,000 Minimum Bill	13,646	24,839,000	13.00 Minimum	177,398.00
Next 3,000 Gallons		20,309,000	5.50 per 1,000	111,699.50
Next 5,000 Gallons		5,924,000	5.25 per 1,000	31,101.00
Over 10,000 Gallons		980,000	5.25 per 1,000	5,145.00
Totals	13,646	52,052,000		325,343.50

REVENUE TABLE
Revenue by Rate Increment
Proposed Rates

(1)	(2)	(3)	(4)	(5)
	Bills	Gallons/Mcf	Rates	Revenue
First 2,000 Minimum Bill	13,646	24,839,000	21.00 Minimum	286,566.00
Next 3,000 Gallons		20,309,000	7.85 per 1,000	159,425.65
Next 5,000 Gallons		5,924,000	6.50 per 1,000	38,506.00
Over 10,000 Gallons		980,000	5.50 per 1,000	5,390.00
Totals	13,646	52,052,000		489,887.65

USAGE TABLE
Usage by Rate Increment
Test Period from 6/1/2004 to 5/31/2005

Class: 5/8 X 3/4 Inch Meters - Commercial

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Bills	Gallons/Mcf	First 2000	Next 3000	Next 5,000	Over 10,000	Total
First 2,000 Minimum Bill	388	476,000	476,000				476,000
Next 3,000 Gallons	207	694,000	414,000	280,000			694,000
Next 5,000 Gallons	52	389,000	104,000	156,000	129,000		389,000
Over 10,000 Gallons	54	1,026,000	108,000	162,000	270,000	486,000	1,026,000
Totals	701	2,585,000	1,102,000	598,000	399,000	486,000	2,585,000

REVENUE TABLE
Revenue by Rate Increment
Old Rates

REVENUE TABLE
Revenue by Rate Increment
Proposed Rates

(1)	(2)	(3)	(4)	(5)	(4)	(5)
	Bills	Gallons/Mcf	Rates	Revenue	Rates	Revenue
First 2,000 Minimum Bill	701	1,102,000	30.00 Minimum	21,030.00	46.50 Minimum	32,596.50
Next 3,000 Gallons		598,000	5.00 per 1,000	2,990.00	7.00 per 1,000	4,186.00
Next 5,000 Gallons		399,000	3.00 per 1,000	1,197.00	4.50 per 1,000	1,795.50
Over 10,000 Gallons		486,000	2.50 per 1,000	1,215.00	4.00 per 1,000	1,944.00
Totals	701	2,585,000		26,432.00		40,522.00

USAGE TABLE
Usage by Rate Increment
Test Period from 6/1/2004 to 5/31/2005

Class: Commercial - 1" Meters

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 5000	(5) Next 5,000	(6) Over 10,000	(8) Total
First 5,000 Minimum Bill	42	129,000	129,000			129,000
Next 5,000 Gallons	15	121,000	75,000	46,000		121,000
Over 10,000 Gallons	35	1,600,000	175,000	175,000	1,250,000	1,600,000
Totals	92	1,850,000	379,000	221,000	1,250,000	1,850,000

REVENUE TABLE
Revenue by Rate Increment
Old Rates

REVENUE TABLE
Revenue by Rate Increment
Proposed Rates

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue	(4) Rates	(5) Revenue
First 5,000 Minimum Bill	92	379,000	45.00 Minimum	4,140.00	67.50 Minimum	6,210.00
Next 5,000 Gallons		221,000	3.00 per 1,000	663.00	4.50 per 1,000	994.50
Over 10,000 Gallons		1,250,000	2.50 per 1,000	3,125.00	4.00 per 1,000	5,000.00
Totals	92	1,850,000		7,928.00		12,204.50

USAGE TABLE
Usage by Rate Increment
Test Period from 6/1/2004 to 5/31/2005

Class: Commercial - 1 & 1/2" Meters

(1)	(2)	(3)	(4)	(5)	(6)
	Bills	Gallons/Mcf	First 10000	Over 10,000	Total
First 10,000 Minimum Bill	13	18,000	18,000		18,000
Over 10,000 Gallons	25	1,183,000	250,000	933,000	1,183,000
Totals	38	1,201,000	268,000	933,000	1,201,000

REVENUE TABLE
Revenue by Rate Increment
Old Rates

REVENUE TABLE
Revenue by Rate Increment
Proposed Rates

(1)	(2)	(3)	(4)	(5)	(4)	(5)
	Bills	Gallons/Mcf	Rates	Revenue	Rates	Revenue
First 10,000 Minimum Bill	38	268,000	60.00 Minimum	2,280.00	90.00 Minimum	3,420.00
Over 10,000 Gallons		933,000	2.50 per 1,000	2,332.50	4.00 per 1,000	3,732.00
Totals	38	1,201,000		4,612.50		7,152.00

USAGE TABLE
Usage by Rate Increment
Test Period from 6/1/2004 to 5/31/2005

Class: Commercial - 2" Meters

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 20000	(5) Over 20,000	(6) Total
First 20,000 Minimum Bill	46	288,000	288,000		288,000
Over 20,000 Gallons	95	4,216,000	1,900,000	2,316,000	4,216,000
Totals	141	4,504,000	2,188,000	2,316,000	4,504,000

REVENUE TABLE
Revenue by Rate Increment
Old Rates

REVENUE TABLE
Revenue by Rate Increment
Proposed Rates

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue	(4) Rates	(5) Revenue
First 20,000 Minimum Bill	141	2,188,000	85.00 Minimum	11,985.00	125.00 Minimum	17,625.00
Over 20,000 Gallons		2,316,000	2.50 per 1,000	5,790.00	4.00 per 1,000	9,264.00
Totals	141	4,504,000		17,775.00		26,889.00

EXHIBIT

“14”

**DETERMINATION OF COST BASIS OF ASSETS DONATED BY
DEVELOPERS TO THE CITY OF CRITTENDEN AND ASSETS
CONSTRUCTED BY THE CITY PRIOR TO THE TRANSFER OF THOSE
ASSETS TO THE GRANT COUNTY SANITARY SEWER DISTRICT ON APRIL
23, 2004**

1. The District requested maps of each of the subdivisions that had tapped into the City's sewer lines since its creation in 1990. They ordered an instrument to use on these maps to estimate the number of feet of each type of line in each development. A list was compiled showing the number of feet of each type of line and the number of manholes in each development. Based on water samples taken by the water district at the time each development was put into use, the District was able to estimate the year that each development was put into service.
2. Since each development is serviced by a pump station, it was necessary to determine which of the 20 pump stations owned by the District had been donated and which had been built by the City. Based on information obtained from the City about the two construction projects that had been completed prior to the date the system was transferred to the District, it was determined that the City built 7 pump stations in their original project. Of those only 4 were still in use as originally constructed (Bullock Pen, Bingham Lane, Russell Avenue, and Shady Lane), 2 more were still in use but were completely redone in the City's 2003-2004 project (Downtown and 491) and the seventh one (Crittenden School) had been abandoned because it was too close to the plant and was found to be unnecessary. Based on this information and the location of the remaining pump stations it was determined that 14 of the pump stations in use had been donated to the City. Each donated pump station, its address, and the horse power of the associated pump was then added to the list based on the development that it was associated with.
3. The District's engineer was then given the listing and requested to provide an estimated cost for each item and suggest a useful life for each type of asset. This information was then added to the spreadsheet and a total cost of the donated assets was determined. See exhibit A.
4. Based on the information contained in the spreadsheet, each asset was listed individually on a sheet at its estimated original cost with the date it was estimated to have been put into service. Then based on a 50 year life for mains and manholes and a 40 year life for pump stations, depreciation was calculated from the time the asset was put into service until April 30, 2004. The number of years each item had been used already was listed between the cost and the prior depreciation calculated. Each asset was then set up on the District's depreciation schedule at its estimated net book value (estimated cost less accumulated depreciation) and depreciated over its remaining useful life (40 or 50 years less the amount of time it had already been in use). See Exhibit B for the calculation of the Net Book Value of each asset and Exhibit C for the final depreciation

schedule listing each asset. The assets can be traced from one exhibit to the other by their asset number.

5. In order to set up the cost of the items constructed by the City, we were able to obtain the City's depreciation schedule indicating the cost of the original construction project was \$1,878,363. We were also able to obtain the final pay estimate for the 2 contractors that completed the construction. The engineer informed us that the only part of the original plant that remained was approximately \$150,000 of the total cost of \$353,000. As to the pump stations we already knew that only 4 of the 7 constructed were in service at the time that the assets were transferred to the Sewer District. All of the sewer lines remained in use. We therefore went through each contract and set the items that were constructed up on a spreadsheet at the contractors cost. The cost of each item was then calculated as a percentage of the total contractor's cost and multiplied by the total cost set up to obtain the original cost of each asset. We then calculated prior depreciation on each asset based on a 40 year life for pump stations and the plant and a 50 year life for the mains using 8/27/1990 as the date that the original plant was put into service. From here the net book value of each asset at the time of transfer was calculated and the remaining life was determined. Each asset was then set up on the depreciation schedule. See Exhibit D for calculations and trace the items by asset number to Exhibit C (the depreciation schedule for 2004).
6. Finally, to set up the cost of the items constructed by the City under the second construction project, put into service during 2004, we once again knew the total cost of the project based on information obtained from the City and we had the final pay estimate for each contractor on the project. We broke the cost of each item constructed down by contract and calculated the cost of each as a percentage of the total contractor cost. This percentage was then multiplied by the total project cost to obtain the final cost of each asset. Since the assets had just recently been put into service, we set each item up at its original cost as calculated and began depreciating it over its expected useful life of 40 years for the plant and pump stations, 50years for mains, and 20 years for roads and fences. See Exhibit E for calculations and trace the items by asset number to Exhibit C (the depreciation schedule for 2004).

EXHIBIT A

Grant County Sanitary Sewer District Contributed Line Cost Estimate												
Apprx	Subdivision Name	Gravity	Gravity	Gravity	Force	Force	Force	Force	Force	Manholes	Pump Station	Date
		3"	5"	8"	Force 2"	Force 3"	Force 4"	Force 6"	Force 8"		Pump Station	Horse Pwr of Pumps
1922	South Ridge Apartments		464	594				2,100		1	1	25,000
2003	Greenview - New Section		9,700							68	1	40,000
2000	Greenview - Phase II		3,700							14		
1999	Greenview - Phase I		4,400							10		
129/1997	Kyley		500		700					3	Original	25,000
7/22/2004	Maple Ridge - Phase I		3,000		1,600					20	Original	30,000
1998	Miller		600		240					6	1	30,000
Sep-97	Bridgeview		600							6	1	30,000
Oct-97	Dalton Place		1,400							14	Project	30,000
1993-1997	Indian Hill		2,462	1,200	600					38	1	30,000
1995	Pinhook		4,400		3,000					28	1	30,000
1995	Pin Hook - Part I	400								10	1	30,000
1995	Pin Hook - Part II	900								20	1	30,000
1991	Lee Hill				1,200					3	1	25,000
8/8/2002	Southern Court				1,400					6	1	30,000
2001-2002	Claborne									6	1	35,000
Jul-04	Claborne - Phase III									4	Original	
1990	Bullock Pen		88		96					298	4	
1992-1999	Harvester									12	Original	25,000
1995	Bradford									35	3	35,000
1997	Walker Pump Station									12	1	30,000
1992-1999	Harvester		11,500							35	3	35,000
2000	Crittenden Court									15	3	30,000
2000	Barley Circle									5	5	30,000
255	Wheat Court									5	5	30,000
Totals		400	13,500	31,614	594	11,840	3,396	3,000	7,198	298	14	
Estimated Cost Per Item		10.00	14.00	22.00	4.50	5.00	6.50	7.50	1,250.00			
Total Estimated Cost		4,000	189,000	695,608	2,673	59,200	18,678	19,500	53,985	372,500	420,000	420,000
Life in Years		50	50	50	50	50	50	50	50	50	40	
Original City Project	At Maple Ridge											
1	Bingham Pump Station	530	Bingham Lane	15								40,583
1	Eads Pump Stations	100	Courtney Road	15								41,259
1	Russell Street Pump Station	350	Russell Drive	15								33,819
1	Case Pump Station	200	Markim Drive	15								35,172
Recent City Project	Downtown Pump Stati											
1	Sayers Pump Station	202	Hahan Street	25								37,107
491	Pump Station											
1	491 Pump Station	130	Kyley Street	50								75,804
Total Pump Stations												
20												

Calculation of Net Book Value Remaining
Life of Each Asset

Prepared By	Initial	Date
Approved By		

WILSON JONES

G7503 ColumbiaVireo

4/23/04

Asset #	Mains	Cost	Prior Dep'n		Pump Stations	Pump Costs	Prior Dep'n	
			1/1/04 thru 12/31/03	Thru 12/31/03			1/1/04 - 4/30/04	Thru 12/31/03
42 ¹	7-1-92 464' of 8" G S Ridge Apts	10,208 00	1.3 11.5	618 00 2347 84		40 YRS		
43 ²	7-1-92 594' of 2" F S Ridge Apts	2673 00		614 79				
44 ³	7-1-92 1 Manhole S Ridge Apts	1250 00		128 75				
45 ⁴	7-1-92 PS-170 Vincent Blvd				25000 00		1.3 11.5	20800 718750
46 ⁵	7-1-93 9700' of 8" G Greenviuew-New	213,400 00	1.3 1.5	742300 203400				
47 ⁶	7-1-93 2100' of 4" F " "	11,550 00		7700 11550				
48 ⁷	7-1-93 68 Manholes " "	85000 00		56700 85000				
49 ⁸	7-1-93 PS-258 Fairway - Greenviuew-New				40000 00		1.3 1.5	33300 50000
50 ⁹	7-1-93 3700' of 8" G - Greenviuew Ph II	81,400 00	1.3 3.5	543300 569800				
51 ¹⁰	7-1-93 14 Manholes - Greenviuew Ph II	17,500 00		11700 122500				
52 ¹¹	7-1-99 4400' of 8" G - Greenviuew Ph I	98800 00	4.3 4.5	44500 871200				
53 ¹²	7-1-99 16 Manholes - Greenviuew Ph I	12500 00		8300 112500				
54 ¹³	12/9/97 500' of 8" G - Kyley	11,000 00	1.3 6.0	7300 133800				
55 ¹⁴	12/9/97 700' of 3" F - Kyley	3500 00		2300 42600				
56 ¹⁵	12/9/97 3 Manholes - Kyley	3750 00		3500 45600				
57 ¹⁶	12/9/97 PS-130 Kyley St				25000 00		1.3 6.0	20800 380000
58 ¹⁷	7-1-98 3000' of 6" G - Miller	66000 00	1.3 5.5	44000 726000				
59 ¹⁸	7-1-98 1600' of 4" F - Miller	10400 00		6900 114400				
60 ¹⁹	7-1-98 20 Manholes - Miller	25000 00		14700 275000				
61 ²⁰	7-1-98 PS-104 Miller Drive				30000		1.3 5.5	25000 412500
62 ²¹	9-1-97 600' of 6" G - Bridgeview	13200 00	1.3 6.33	800 167112				
63 ²²	240' of 3" F - Bridgeview	1200 00		800 15192				
64 ²³	6 Manholes - Bridgeview	7500 00		5000 94950				
65 ²⁴	9-1-97 PS-135 Peachtree Dr				30000		1.3 6.33	25000 474750
66 ²⁵	10-1-97 1400' of 6" G Dalton Pl	30800 00	1.3 6.25	20500 385000				
67 ²⁶	2500' of 8" F Dalton Pl	18,750 00		12500 234375				
68 ²⁷	10-1-97 14 Manholes Dalton Pl	17,500 00		17900 218750				
69 ²⁸	7-1-95 1200' of 6" G Indian Hill	16,800 00	1.3 8.5	11200 285600				
70 ²⁹	7-1-95 2462' of 8" G " "	54,164 00		36100 920788				
71 ³⁰	7-1-95 600' of 3" F " "	3000 00		2000 51000				
72 ³¹	7-1-95 700' of 8" F " "	5250 00		3500 87250				
73 ³²	7-1-95 38 Manholes " "	47500 00		16700 807500				
74 ³³	7-1-95 PS 8 Dove Lane				30000		1.3 8.5	25000 637500
75 ³⁴	7-1-95 800' of 6" G Pinhook	11200 00	1.3 8.5	7500 190400				
76 ³⁵	7-1-95 5300' of 8" G Pinhook	116600 00		77700 1982200				
77 ³⁶	7-1-95 3000' of 3" F Pinhook	15000 00		10000 265000				
78 ³⁷	7-1-95 58 Manholes	72500 00		43300 1232500				
79 ³⁸	7-1-95 400' of 3" G Pinhook II	4000 00		2700 68000				
80 ³⁹	7-1-95 900' of 8" F	6750 00		4500 114750				
81 ⁴⁰	7-1-95 PS-112 Timberwood - SHP				30000		1.3 8.5	25000 637500

GCSSD

Exhibit B

Calculation of Net Book Value + Remaining Life of Each Asset

WILSON JONES

G7593 ColumnView

4-23-04

		Cost	Prior Dep'n		Pump Sta	Prior Dep'n	
			Mains	50Yrs		Cost	40Yrs
			11/04 thru 4/30/04	Thru 12/31/03		11/04 thru 4/30/04	Thru 12/31/03
82	7-1-91	1200' of 4" F - Lee H's	4400.00	12.5	4400		
83	7-1-91	3 Manholes - Lee H's	3750.00		937.50		
84	7-1-91	PS - 250 Lee H's S+ 3HP			25000.00	1.3	20800
85	8/8/02	1400' of 6" F - So Court	9100.00	1.4	25784		
86	8/8/02	6 Manholes - So Court	7500.00		21251		
87	8/8/02	PS - 175 Cr. Henden Place			30000.00	1.4	106253
88	1/1/02	2800' of 8" F - Claiborne	21000.00	2.0	84000		
89	1/1/02	6 Manholes - Claiborne	7500.00		30000		
90	1/1/02	PS - Claiborne ISHP			35000.00	2.0	175000
91	8/27/90	88' of 8" G - Bullock Pen Acres	1936.00	13.333	51625		
92	8/27/90	96' of 4" F - " " "	528.00		14080		
93	8/27/90	298' of 8" F - " " "	2235.00		59599		
94	8/27/90	4 Manholes " " "	5000.00		133330		
95	7/1/95	4800' of 3" F - Bradford	24000.00	8.5	408000		
96	7/1/95	12 Manholes - "	15000.00		255000		
97	7/1/95	PS - 355 Oakwood Dr - 2HP			25000.00	8.5	531250
98	1/1/96	11,500' of 6" G - Harvestors	141,000.00	8.0	2576000		
99	1/1/96	2500' of 3" F - Harvestors	12,500.00		200000		
100	1/1/96	35 Manholes - Harvestors	43,750.00		700000		
101	1/1/96	PS - 200 Cr. # 4 + ISHP			35000.00	8.0	700000
102	1/1/96	PS - 200 Barley Ct 5HP			30000.00	8.0	600000
103	1/1/96	PS - 255 Wheat Ct 5HP			30000.00	8.0	600000
23			1415,044		843400		245700
24			X		15578149		4804753
25		2004 Additions					
104	7/22/04	3600' of 8" G - Maple Ridge I @ 32	115200.00				
105		22 Manholes - Maple Ridge I @ 1500	33000.00				
106	7/1/04	3387' of 8" G - Claiborne III @ 32	108384.00				
107		18 Manholes - Claiborne III @ 1500	27000.00				

No.	Description	Date Acquired	Date Sold	Cost/Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/Bonus/Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 1120																
<u>EQUIPMENT</u>																
7	ISC 4 GAS MONITOR	6/22/04		2,044							2,044		S/L	10		102
8	AIR VENTILATION SYSTEM	6/24/04		1,189							1,189		S/L	10		59
9	CONFINED RESCUE EQUIPMENT	6/24/04		1,753							1,753		S/L	10		88
11	MONOFLO GRINDER (MUNCHER)	9/30/04		13,265							13,265		S/L	10		332
Total EQUIPMENT				18,251		0	0	0	0	0	18,251	0				581
<u>Land</u>																
41	5.3791 ACRES-DONATED-CITY	4/23/04		25,000							25,000					0
Total Land				25,000		0	0	0	0	0	25,000	0				0
<u>MAINS</u>																
19	290--8" GRAVITY-DOWNTN PS	4/23/04		13,528							13,528		S/L	50		180
20	2,100--4" FORCE-DOWNTN PS	4/23/04		44,528							44,528		S/L	50		594
21	AIR RE VALVE-DOWNTN P S	4/23/04		1,272							1,272		S/L	50		17
22	3 MANHOLES-DOWNTN P S	4/23/04		5,725							5,725		S/L	50		76
23	10--8" GRAVITY-491 P S	4/23/04		2,650							2,650		S/L	50		35
24	46--6" FORCE- 491 P S	4/23/04		1,463							1,463		S/L	50		20
25	AIR RELEASE VALVES-491 PS	4/23/04		4,453							4,453		S/L	50		59
26	4,576-12" GRAVITY-SCH T L	4/23/04		203,760							203,760		S/L	50		2,717
27	18 MANHOLES & 59 RISERS	4/23/04		40,462							40,462		S/L	50		539
32	2,249--10" GRAVITY MAIN	4/23/04		35,373							35,373		S/L	36.3		649
33	28,739--8" GRAVITY MAIN	4/23/04		430,217							430,217		S/L	36.3		7,894

Purchased by GCSSD

Contributed to City

Built by City

EXHIBIT C

No.	Description	Date Acquired	Date Sold	Cost/Basis	Bus. Pct	Cur 179 Bonus	Special Depr. Allow.	Prior 179/Bonus/Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
34	510--6" SEWER LATERALS	4/23/04		5,013							5,013		S/L	36.3		92
35	3,405--4" SEWER LATERALS	4/23/04		30,125							30,125		S/L	36.3		553
36	147 MANHOLES	4/23/04		138,506							138,506		S/L	36.3		2,541
37	15,822--6" FORCEMAIN	4/23/04		85,542							85,542		S/L	36.3		1,569
38	7,618--4" FORCEMAIN	4/23/04		33,698							33,698		S/L	36.3		618
39	5--AIR RELEASE VALVES	4/23/04		2,458							2,458		S/L	36.3		45
40	PIPE ENCASEMENT	4/23/04		66,796							66,796		S/L	36.3		1,225
42	464' OF 8" G -S RIDGE APT	4/23/04		7,792							7,792		S/L	38.2		136
43	594' OF 2" F -S RIDGE APT	4/23/04		2,040							2,040		S/L	38.2		35
44	1 MANHOLE-S RIDGE APT	4/23/04		955							955		S/L	38.2		17
46	9,700' OF 8"G-GREENVW-NEW	4/23/04		209,843							209,843		S/L	49.2		2,845
47	2,100' OF 4"F-GREENVW-NEW	4/23/04		11,358							11,358		S/L	49.2		154
48	68 MANHOLES-GREENVW-NEW	4/23/04		83,583							83,583		S/L	49.2		1,133
50	3,700' OF 8" G-GREENVW II	4/23/04		75,159							75,159		S/L	46.2		1,085
51	14 MANHOLES-GREENVW II	4/23/04		16,158							16,158		S/L	46.2		233
52	4,400' OF 8" G-GREENVW I	4/23/04		87,443							87,443		S/L	45.2		1,291
53	10 MANHOLES-GREENVW I	4/23/04		11,292							11,292		S/L	45.2		167
54	500' OF 8" G-KYLEY	4/23/04		9,589							9,589		S/L	43.6		147
55	700' OF 3" F - KYLEY	4/23/04		3,051							3,051		S/L	43.6		47
56	3 MANHOLES - KYLEY	4/23/04		3,269							3,269		S/L	43.6		50
58	3,000' OF 6" G - MILLER	4/23/04		58,300							58,300		S/L	44.2		880
59	1,600' OG 6" F - MILLER	4/23/04		9,187							9,187		S/L	44.2		139
60	20 MANHOLES-MILLER	4/23/04		22,083							22,083		S/L	44.2		333
62	600' OF 6" G - BRIDGEVIEW	4/23/04		11,441							11,441		S/L	43.3		176
63	240' OF 3" F- BRIDGEVIEW	4/23/04		1,040							1,040		S/L	43.3		16
64	6 MANHOLES - BRIDGEVIEW	4/23/04		6,501							6,501		S/L	43.3		100
66	1,400' of 6" G-DALTON PL	4/23/04		26,745							26,745		S/L	43.4		411

Built by City

Contributed to City

Exhibit C

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis /Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
67	2,500' OF 8" F-DALTON PL	4/23/04		16,281							16,281		S/L	43.4		250
68	14 MANHOLES-DALTON PL	4/23/04		15,196							15,196		S/L	43.4		233
69	1,200' OF 6" G-INDIAN HI	4/23/04		13,832							13,832		S/L	41.2		224
70	2462' OF 8" G-INDIAN HILL	4/23/04		44,595							44,595		S/L	41.2		722
71	600' OF 3" F-INDIAN HILL	4/23/04		2,470							2,470		S/L	41.2		40
72	700' OF 8" F-INDIAN HILL	4/23/04		4,322							4,322		S/L	41.2		70
73	38 MANHOLES	4/23/04		39,108							39,108		S/L	41.2		633
75	800' OF 6" G - PINHOOK	4/23/04		9,221							9,221		S/L	41.2		149
76	5,300' OF 8" G - PINHOOK	4/23/04		96,001							96,001		S/L	41.2		1,555
77	3,000' OF 3" F - PINHOOK	4/23/04		12,350							12,350		S/L	41.2		200
78	58 MANHOLES - PINHOOK	4/23/04		59,692							59,692		S/L	41.2		967
79	400' OF 3" F - PINHOOK II	4/23/04		3,293							3,293		S/L	41.2		53
80	900' OF 8" F -PINHOOK II	4/23/04		5,557							5,557		S/L	41.2		90
82	1,200' OF 4" F-LEE HI	4/23/04		4,906							4,906		S/L	37.2		88
83	3 MANHOLES - LEE HI	4/23/04		2,787							2,787		S/L	37.2		50
85	1,400' OF 6" F-SO COURT	4/23/04		8,781							8,781		S/L	48.3		121
86	6 MANHOLES-SO COURT	4/23/04		7,237							7,237		S/L	48.3		100
88	2,800' OF 8" F-CLAIBORNE	4/23/04		20,020							20,020		S/L	47.7		280
89	6 MANHOLES-CLAIBORNE	4/23/04		7,150							7,150		S/L	47.7		100
91	88' OF 8" G-BULL PEN AC	4/23/04		1,407							1,407		S/L	36.3		26
92	96' OF 4" F- BULL PEN AC	4/23/04		383							383		S/L	36.3		7
93	298' OF 8" F-BULL PEN AC	4/23/04		1,624							1,624		S/L	36.3		30
94	4 MANHOLES-BULL PEN AC	4/23/04		3,634							3,634		S/L	36.3		67
95	4,800' OF 3" F - BRADFORD	4/23/04		19,760							19,760		S/L	41.2		320
96	12 MANHOLES-BRADFORD	4/23/04		12,350							12,350		S/L	41.2		200
98	2,500' OF 3" F-HARVESTOR	4/23/04		10,417							10,417		S/L	41.7		167
99	35 MANHOLES-HARVESTORS	4/23/04		36,458							36,458		S/L	41.7		583

*Contributed
to City*

Exhibit C

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
103	11,500' OF 6" G-HARVESTOR	4/23/04		134,167							134,167		S/L	41.7		2,147
104	3,600' OF 8"G-MAPLE RIDGE	7/22/04		115,200							115,200		S/L	50		960
105	22 MANHOLES-MAPLE RIDGE I	7/22/04		33,000							33,000		S/L	50		275
106	3,387'- 8"G-CLAIBORN III	7/01/04		108,384							108,384		S/L	50		1,084
107	18 MANHOLES-CLAIBORN III	7/01/04		27,000							27,000		S/L	50		270
Total MAINS				2,678,981		0	0	0	0	0	2,678,981	0				40,879
PUMP STATIONS																
2	491 PUMP STATIONS	4/23/04		75,804							75,804		S/L	40		1,263
5	EADS PUMP STATION	4/23/04		27,162							27,162		S/L	26.3		687
18	DOWNTOWN PUMP STATION	4/23/04		37,107							37,107		S/L	40		618
29	BINGHAM PUMP STATION	4/23/04		26,717							26,717		S/L	26.3		677
30	RUSSELL ST PUMP STATION	4/23/04		22,264							22,264		S/L	26.3		563
31	CASE PUMP STATION	4/23/04		23,155							23,155		S/L	26.3		586
45	3 HP PUMP S -170 VINCENT	4/23/04		17,604							17,604		S/L	28.2		417
49	25 HP PUMP S-258 FAIRWAY	4/23/04		39,167							39,167		S/L	39.2		777
57	3 HP PUMP S-130 KYLEY ST	4/23/04		20,992							20,992		S/L	33.6		417
61	5 HP PUMP S-104 MILLER D	4/23/04		25,625							25,625		S/L	34.2		500
65	5 HP PUMP S-135 PEACHTREE	4/23/04		25,002							25,002		S/L	33.3		500
74	5 HP PS-8 DOVE LANE	4/23/04		23,375							23,375		S/L	31.2		500
81	5HP PS -112 TIMBERWOOD	4/23/04		23,375							23,375		S/L	31.2		500
84	3HP PS - 250 LEE HI ST	4/23/04		16,980							16,980		S/L	27.2		417
87	5HP PS-175 CRITTENDEN PL	4/23/04		28,729							28,729		S/L	38.3		417
90	15HP PS -CLAIBORNE	4/23/04		32,958							32,958		S/L	37.7		583
97	2HP PS-355 OAKWOOD DRIVE	4/23/04		19,480							19,480		S/L	31.2		417
100	15 HP PS -200 CRITT COURT	4/23/04		27,708							27,708		S/L	31.7		583

Contributed to City

2004 Contribution to GCSDD

Built by City

Contributed to City

Exhibit C

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
101	5HP PS-200 BARLEY CT	4/23/04		23,750							23,750		S/L	31.7		500
102	5HP PS-255 WHEAT CT	4/23/04		23,750							23,750		S/L	31.7		500
Total PUMP STATIONS				560,704		0	0	0	0	0	560,704	0				11,422
STRUCTURES & IMPROVEMENTS																
1	WASTE WATER TREAT PLANT	4/23/04		768,545							768,545		S/L	40		12,809
4	WASTE WATER TREAT PLANT	4/23/04		133,586							133,586		S/L	26.3		3,382
12	OFFICE & BLOWER BUILDING	4/23/04		111,320							111,320		S/L	40		1,855
13	RELOCATE & REP OLD WWTP	4/23/04		101,929							101,929		S/L	40		1,699
14	ADD'L PARK AREA WWTP	4/23/04		6,645							6,645		S/L	20		222
15	GRAVEL ACCESS AREA WWTP	4/23/04		5,439							5,439		S/L	20		181
16	ACCESS ROAD WWTP	4/23/04		19,872							19,872		S/L	20		662
17	CHAIN LINK FENCE - WWTP	4/23/04		15,516							15,516		S/L	20		517
28	GRAVEL RD & CULV-SCH TR L	4/23/04		1,590							1,590		S/L	20		53
Total STRUCTURES & IMPROVEM				1,164,442		0	0	0	0	0	1,164,442	0				21,380
TRANSPORTATION EQUIPMENT																
10	VACTOR TRUCK	5/20/04		11,624							11,624		S/L	5		1,356
Total TRANSPORTATION EQUIPME				11,624		0	0	0	0	0	11,624	0				1,356
Total Depreciation				4,459,002		0	0	0	0	0	4,459,002	0				75,618
Grand Total Depreciation				4,459,002		0	0	0	0	0	4,459,002	0				75,618

Contributed to City

Built by City

Purchased by GCSSD

Exhibit C

Grant County Sanitary Sewer District
 Original Project - Complete 8/27/90
 Cost Breakdown of Assets Constructed
 Total Project Cost

1,878,363.00

Asset #	Contractor Cost	% of Total Cost	Total Cost To Set Up	Depr'n Method & Life	13 Yrs & 8 Mo' Prior Depr'n	NEV	Remain Life
5 Eads Pump Station @ B P Acres	30,500.00	2.20%	41,259.41	SL 40	14,096.97	27,162	26.3
29 Bingham Pump Station	30,000.00	2.16%	40,583.03	SL 40	13,865.87	26,717	26.3
30 Russell St Pump Station	25,000.00	1.80%	33,819.19	SL 40	11,554.89	22,264	26.3
31 Case Pump Station (Shady Lane)	26,000.00	1.87%	35,171.96	SL 40	12,017.09	23,155	26.3
Disposed Pump Stations	82,000.00	5.91%	110,926.95	SL 40	37,900.04		
32 10" Gravity Sewer Main - 2249 LF	35,984.00	2.59%	48,677.99	SL 50	13,305.32	35,373	36.3
33 8" Gravity Sewer Line - 28,739 LF	437,652.35	31.52%	592,041.94	SL 50	161,824.80	430,217	36.3
34 6" Sewer Laterals - 510 LF	5,100.00	0.37%	6,899.12	SL 50	1,885.76	5,013	36.3
35 4" Sewer Laterals - 3405 LF	30,645.00	2.21%	41,455.56	SL 50	11,331.19	30,125	36.3
36 Manholes - 147	140,900.00	10.15%	190,604.96	SL 50	52,098.69	138,506	36.3
37 6" Forcemain - 15,822 LF	87,021.00	6.27%	117,719.19	SL 50	32,176.58	85,542	36.3
38 4" Forcemain - 7,618 LF	34,281.00	2.47%	46,374.23	SL 50	12,675.62	33,698	36.3
37 Air Release Valves - 5	2,500.00	0.18%	3,381.92	SL 50	924.39	2,458	36.3
40 Pipe Encasement	67,950.00	4.89%	91,920.56	SL 50	25,124.95	66,796	36.3
Contract 2 Totals	1,035,533.35						
4 150,000 gpd WWT Plant	150,000.00	10.80%	202,915.15	SL 40	69,329.34	133,586	26.3
Plant Disposed	203,000.00	14.62%	274,611.83	SL 40	93,825.71		
Contract 1 Totals	353,000.00						
Total Cost Of Project	1,388,533.35	100.00%	1,878,363.00		563,937.20		
Less Plant Disposed			385,538.78		131,725.75		
Total to Set Up			1,492,824.22		432,211.45		

Fixed Assets

Client: City of Crittenden

Year End: 6/30/03

ASSET CLASSIFICATION	Capital Cost			Accumulated Depreciation				N. B. V.
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Depreciation	Disposals	
Land	64,000			64,000				64,000
Buildings	110,573			110,573				110,573
Building Improvements	153,143			153,143				153,143
Furniture & Fixtures	3,133			3,133				3,133
Equipment	14,622			14,622				14,622
Construction in Progress								
New Sewer Plant		1,109,589		1,109,589				1,109,589
Vehicles	67,199		(48,739)	20,460				20,460
Other								
Sewer Plant	1,878,363	SL 35		1,878,363	635,549	53,668		889,317
Balance Per Financial Statements	2,291,038	1,109,589	(46,739)	3,953,883	635,549	53,668	-	2,664,566

As of 6/30/03 not complete yet

8/27/90 1371
101 1000

1,109,589 - 635,549 = 474,040
474,040 - 44,723 = 53,668
= 12
X 10
44723

EXHIBIT D

APPLICATION AND CERTIFICATE FOR PAYMENT AIA DOCUMENT C702 (Instructions on reverse side) **PAGE ONE OF TWO**

TO OWNER: CITY OF CRITTENDEN

PROJECT: B-87-DC-21-001

PAY ESTIMATE #14

Distribution to:

OWNER

ARCHITECT

CONTRACTOR

PERIOD TO:

ARCHITECTS

PROJECT NO:

CONTRACT DATE:

RICHMOND, KY 40475

136 BIG HILL AVE.

CONTRACT FOR: CRITTENDEN SANITARY SEWERS CONTRACT 1

FROM (CONTRACTOR): KARISH CONSTRUCTION CO. INC/VA (ARCHITECT): GMR/LUXON ENGINEERS

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY

Change Orders approved in previous months by Owner		TOTAL	
Number	Date Approved		
30,830.13	08/23/90	2,223.43	
TOTAL			
ADDITIONS	DEDUCTIONS		
Approved this Month		Net change by Change Orders	
			-28,606.70

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: *Karen K. King*
Date: 12-07-90

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

C702-198

AIA DOCUMENT C702 • APPLICATION AND CERTIFICATE FOR PAYMENT • MAY 1993 EDITION • AIA • © 1993
THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20004

AMOUNT CERTIFIED \$17,223.43
(Attach explanation if amount certified differs from the amount applied for)

By: *Karen K. King*
Date: 12/12/90

State of: *Kentucky*
County of: *Kenton*
Subscribed and sworn to before me this *7th* day of *December*, 19*90*

Notary Public: *Raymond O. Dodd*
My Commission Expires: *January 05, 1994*

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 983,888.02

8. CURRENT PAYMENT DUE \$ 17,223.43

9. BALANCE TO FINISH, PLUS RETAINAGE \$

6. TOTAL EARNED LESS RETAINAGE \$ 1,001,111.45

5. RETAINAGE (Column G on C703) \$ 0

4. TOTAL COMPLETED & STORED TO DATE \$ 1,013,161.45

3. CONTRACT SUM TO DATE (Line 1+2) \$ 1,013,161.45

2. Net change by Change Orders \$ -28,606.70

1. ORIGINAL CONTRACT SUM \$ 1,041,768.15

Liquidated Damages \$ -12,050.00

Total Retainage (Line 5a + 5b or Total in Column I of C703) \$ 12,050.00

(Column F on C703)

a. % of Completed Work \$ 0

b. % of Stored Material \$ 0

Pump Stations 193,500.00
Lines 819,000.00

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document C703, is attached.

CONTRACTOR: Karish Construction Company, Inc.

PERIODICAL ESTIMATE NO. 14

ARCHITECT: Christen Miller Woodford, Inc.

SHEET 2. OF 3

ITEM	DESCRIPTION OF WORK	BID AMOUNT	BREAKDOWN		QUANTITIES COMPLETED			MATERIALS STORED ON SITE	TOTAL COMPLETED TO DATE	REMARKS OR CORRECTIONS	
			BID UNIT/CHG	UNIT PRICE	PAST INT	THIS INT	TO DATE				
1	10" Sanitary Sewer Main	\$22,496.00	2131 LF	\$ 16.00	2262		2249		35,984.00		
2	8" Sanitary Sewer Main	\$443,919.36	28,250 LF	\$ 15.334	27816		27,531		422,160.35		
3	6" Sanitary Sewer Laterals	\$ 5,250.00	520 LF	\$ 10.00	510		510		\$5,100.00		
4	4" Sanitary Sewer Laterals	\$36,279.00	4031 LF	\$ 9.00	3353		3405		30,645.00		
5	Manhole Shallow Type	\$44,850.00	55	\$ 800.00	53		62		49,600.00		
6	Std. Manhole, 5'-8' Deep	\$27,200.00	32	\$ 850.00	43		34		28,900.00		
7	Std. Manhole, 8'-10' Deep	\$19,950.00	19	\$ 1,050.00	19		20		21,000.00		
8	Std. Manhole, 10'-12' Deep	\$11,000.00	10	\$ 1,100.00	10		8		8,800.00		
9	Std. Manhole, 12'-14' Deep	\$14,950.00	13	\$ 1,150.00	6		9		10,350.00		
10	Std. Manhole, 14'-16' Deep	\$ 6,250.00	6	\$ 1,250.00	6	Avg 1294	6		\$7,500.00	146	
11	Std. Manhole, 16'-18' Deep	\$ 8,200.00	6	\$ 1,350.00	1	1300	3		4,050.00	Manholes	
12	Std. Manhole, 18'-20' Deep	\$ 8,700.00	6	\$ 1,450.00	3		3		\$4,350.00		
13	Std. Manhole, 20'-22' Deep	\$ 1,600.00	0	\$ 1,600.00	2		0		\$0.00		
14	Std. Manhole, 24'-26'	\$ 1,800.00	1	\$ 1,800.00	1		1		\$1,800.00		
15	Drops at Manhole	\$ 4,500.00	9	\$ 500.00	7		7		\$3,500.00		
16	6" PVC Force Main CL 160	\$91,250.00	15,550 LF	\$ 5.50	15973		15822		87,021.00		
17	4" PVC Force Main CL 160	\$34,257.50	7618 LF	\$ 4.50	7932		7618		34,281.00		
18	Bullock Pen P.S.	\$30,500.00	1 ea.	\$30,500.00	100%		100%		\$30,500.00	30,500	
19	Bingham Lane P.S.	\$30,000.00	1 ea.	\$30,000.00	100%		100%		\$30,000.00	30,000	
									SUBTOTAL	\$815,541.35	

FROM: BULLOCK PEN WATER DIST

FAX NO. :

Oct. 07 2004 09:45AM P3

Exhibit

Contractor: Kerish Construction Co., Inc.

PERIODICAL ESTIMATE NO. 14

(Last Sheet)

CONTRACTOR: Christen-Miller-Woodward, Inc.

SHEET 3 OF 3

ITEM	DESCRIPTION OF WORK	BID AMOUNT	BREAKDOWN		QUANTITIES COMPLETED			MATERIALS STORED ON SITE	TOTAL COMPLETED TO DATE	REMARKS - OR CORRECTIONS
			BID QUANTITY	UNIT PRICE	PREV. EST.	THIS EST.	TO DATE			
20	Crittenden School P.S. <i>Conc</i>	\$25,000.00	1 ea.	\$25,000.00	100%		100%		25,000.00	25000
21	HWY 491 P.S. <i>Redone</i>	\$34,000.00	1 ea.	\$34,000.00	100%		100%		34,000.00	34000
22	Russell Ave. P.S.	\$25,000.00	1 ea.	\$25,000.00	100%		100%		25,000.00	25000
23	Steady Lane P.S.	\$26,000.00	1 ea.	\$26,000.00	100%		100%		26,000.00	26000
24	Downtown P.S. <i>Redone</i>	\$23,000.00	1 ea.	\$23,000.00	100%		100%		23,000.00	23000
25	8" Steel Encas. B&J.	\$ 4,200.00	105 LF	\$ 40.00	63		157		6,280.00	
26	10" Steel Encasement B&J.	\$ 5,500.00	110 LF	\$ 50.00	150		98		4,900.00	
27	12" Steel Encasement B&J.	\$12,550.00	211 LF	\$ 60.00	389		299		17,940.00	
28	14" Steel Encasement B&J.	\$ 4,200.00	60 LF	\$ 70.00	140	-60	80		5,600.00	
29	16" Steel Encasement B&J.	\$ 2,560.00	32 LF	\$ 80.00	40		40		3,200.00	
30	20" Steel Encasement B&J.	\$21,150.00	235 LF	\$ 90.00	300		300		27,000.00	
31	Air Release Valve	\$ 2,500.00	5 ea.	\$ 500.00	5		5		2,500.00	
32	Class B Concrete Encasement	\$ 4,500.00	75 CY	\$ 60.00	50.5		50.5		3,030.00	
33	No. 9 Crushed Stone	\$ 400.00	400 TN.	\$ 1.00						
34	8" SAN SEWER MAIN (INST. ONLY)		1000 LF	13.412	975		1000		13,412.00	
35	8" STAND. SEWER MAIN		LF	6.00	208		208		1,248.00	
36	10" STAND. SEWER MAIN		LF	10.50						
L-2	STANDARD MANHOLE 6-10" DEEP									
	TOTAL ALL COLUMNS	1,041,570.80								

193,500

FROM: BULLOCK PEN WATER DIST

FAX NO. :

Oct. 07 2004 09:45AM P4

Exhibit D

SIGNED: _____ DATE: 1/1
 Contractor

CHECKED: _____ DATE: 1/1
 Project Inspector

LESS RETAINAGE	0%	0
TOTAL DUE CONTRACTOR		1,035,533.35
LESS PREVIOUS PAYMENTS		958,726.07
AMOUNT DUE THIS ESTIMATE		

Exhibit D

CMW_{inc.}

FACSIMILE TRANSMITTAL

Fax: 859-623-0886

DATE: 10/19/04	TIME: 4:15
TO: Peggy Gamble	FROM: Kerry Odle
FIRM: Morris & Bressler	PROJECT: Grant Co San Sewer Dist
ROOM:	PROJECT NO: 0440401
FAX NO. 525-3373	REPLY: YES: NO: X

TOTAL NUMBER OF PAGES INCLUDING THIS TRANSMITTAL: 2

If total number of pages are not received, or transmission is illegible, please call CMW at 859-623-2966

Attached is final pay estimate for the sewer plant. The equipment still in use is approximately 75% of item # 2 - Wastewater Treatment Plant - \$200,000. for a total of \$150,000. If you have any questions, give me a call.

PROJECT: Bastin Construction Inc

CONTRACTOR: Christoper Miller Wolfend, Inc

ITEM	DESCRIPTION OF WORK	BID AMOUNT	BREAKDOWN		BID QUANTITY	UNIT PRICE	QUANTITIES COMPLETED			MATERIALS STORED ON SITE	TOTAL COMPLETED TO DATE	REMARKS OR CORRECTIONS
			PREV EST.	THIS EST.			TO DATE					
1	Site Work	\$46,040	1	LS	46,040	46,040	3,000	46,040		46,040		
2	Waste Water Treatment Plant	\$200,000	1	LS	200,000	200,000	0	200,000		200,000	150,000 still in use	
3	Sewer Line	\$3,960	88	LF	45.00	3,960	0	3,960		3,960		
4	Manhole	\$1,000	1	Eq.	1,000	1,000	0	1,000		1,000		
5	Building	\$70,000	1	LS	70,000	70,000	1,000	70,000		70,000		
6	Part 2											
7	Access Road	\$19,350.00	1	LS	19,350	19,350	2,000	19,350		19,350		
8	2" Water Line	\$5,250.00	350	LF	15.00	5,250	0	5,250		5,250		
9	Steel Encasement Pipe	\$2,500.00	50	LF	50.00	2,500	0	2,500		2,500		
10	8" x 2" Tapping Sleeve	\$2,500.00	1	Eq.	2,500	2,500	0	2,500		2,500		
11	2" Water Meters	\$2,400.00	1	Eq.	2,400	2,400	0	2,400		2,400		
TOTAL ALL COLUMNS												
LESS RETAINAGE												
TOTAL DUE CONTRACTOR												
LESS PREVIOUS PAYMENTS												
353,000												

Exhibit D

SIGNED: _____ DATE: 1/1
 CONTRACTOR

CHECKED: _____ DATE: 1/1
 PROJECT INSPECTOR

ACCOUNTING INSTRUCTIONS

of predecessor vendor companies with respect to utility plant previously acquired as operating units or systems and the difference between the original cost so determined, less accumulated depreciation and amortization and contributions in aid of construction recorded by the accounting utility, and the cost to the utility, with necessary adjustments for retirements for date of acquisition, shall be entered in account 114 - Utility Plant Acquisition Adjustments. Any difference between the cost of utility plant and its book cost, when not properly includible in other accounts, shall be recorded in account 116 - Other Utility Plant Adjustments.

19. Utility Plant - To be Recorded at Cost

A. All amounts included in the accounts for utility plant acquired as an operating unit or system, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other utility plant shall be included in the accounts at the cost incurred by the utility except as otherwise provided in the texts of the intangible plant accounts. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph (see Accounting Instruction 2E).

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the utility plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Utility plant accounts shall be charged with construction costs (estimated, if not known) of the utility plant contributed by others or constructed by the utility using contributed cash or its equivalent. For contributed utility plant, the accumulated depreciation or amortization account shall be charged with the estimated amount of depreciation or amortization applicable to the property at the time it was contributed to the utility. Account 271 -

Grant County Sanitary Sewer District
 2003-2004 Project
 Cost Breakdown of Assets Constructed
 Total Project Cost

Exhibit E

1,461,607.90

Asset #		Contractor Cost	% of Total Cost	Total Cost To Set Up		
18	Downtown Pump Station	35,000.00	2.54%	37,106.66	SL	40
19	8" Gravity Sewer Line - 290 LF	12,760.00	0.93%	13,528.03	SL	50
20	4" Forecmain - 2100 LF	42,000.00	3.05%	44,527.99	SL	50
21	Air Release Valve	1,200.00	0.09%	1,272.23	SL	50
22	Manholes	5,400.00	0.39%	5,725.03	SL	50
2	491 Pump Station	71,500.00	5.19%	75,803.61	SL	50
23	8" Gravity Sewer Line - 10 LF	2,500.00	0.18%	2,650.48	SL	50
24	6" Forcemain - 46 LF	1,380.00	0.10%	1,463.06	SL	50
25	Air Release Valves School Trunk Line	4,200.00	0.30%	4,452.80	SL	50
26	12" Gravity Sewer Line	192,192.00	13.94%	203,760.09	SL	50
27	18 Manholes & 59 Risers	38,165.00	2.77%	40,462.16	SL	50
28	Gravel Road & Culvert	<u>1,500.00</u>	0.11%	1,590.29	SL	50
Contract 2 Totals		<u>407,797.00</u>				
1	150,000 gpd WWTP Plant	724,911.83	52.58%	768,544.48	SL	40
12	Office & Blower Building	105,000.00	7.62%	111,319.98	SL	40
17	Chain Link Fence	14,635.00	1.06%	15,515.88	SL	20
14	Additional Parking Area	6,268.10	0.45%	6,645.38	SL	20
15	Graveled Access Area	5,130.00	0.37%	5,438.78	SL	20
16	Permanent Access Road	18,744.22	1.36%	19,872.44	SL	20
13	Relocate & Repair Old WWTP	<u>96,141.75</u>	6.97%	<u>101,928.55</u>	SL	40
Contract 1 Totals		<u>970,830.90</u>				
Total Cost Of Project		1,378,627.90	100.00%	1,461,607.90		

City of Crittenden, Contract #2

Sanitary Sewer System Modifications

APPLICATION NUMBER:	4/23/04
APPLICATION DATE:	4/23/04
PERIOD TO:	4/23/04
ENGINEER'S PROJECT NUMBER:	03-023
APPN. NO.:	Ten (10) Final

Item No.	Description of Work	Contract Amount	Work Completed	Pres. Stored	Materials Pres. Stored	Total Completed & Stored To Date	GIC to Finish	Balance	Retainage
Downtown Pump Station									
1	Downtown Pump Station (Complete)	35,000.00	0.00	0.00	0.00	35,000.00	100%	0.00	35,000.00
2	8" Sanitary Sewer 290LF	11,600.00	0.00	0.00	0.00	11,600.00	100%	0.00	0.00
3	Manholes 3	5,400.00	0.00	0.00	0.00	5,400.00	100%	0.00	0.00
4	4" Force Main 2100LF	33,600.00	0.00	0.00	0.00	33,600.00	100%	0.00	0.00
5	Air Release Valves 1	1,200.00	0.00	0.00	0.00	1,200.00	100%	0.00	0.00
6	Trench Restoration 2290	9,560.00	0.00	0.00	0.00	9,560.00	100%	0.00	0.00
491 Pump Station									
7	481 Pump Station (Complete)	67,500.00	0.00	0.00	0.00	67,500.00	100%	0.00	0.00
8	6" Wetwell Risers 4	1,000.00	0.00	0.00	0.00	4,000.00	100%	0.00	0.00
9	Air Release Valves 7	8,400.00	0.00	0.00	0.00	4,200.00	50%	0.00	0.00
10	8" Sanitary Sewer 5LF + 5 250.00	1,250.00	0.00	0.00	0.00	4,250.00	100%	0.00	0.00
School Trunk Line									
11	12" Sanitary Sewer 4576LF	178,464.00	0.00	0.00	0.00	178,464.00	100%	0.00	0.00
12	Manholes 18	31,500.00	0.00	0.00	0.00	31,500.00	100%	0.00	0.00
13	Trench Restoration 4576LF	13,728.00	0.00	0.00	0.00	13,728.00	100%	0.00	0.00
Change Order #1									
		9,130.00	0.00	0.00	0.00	9,130.00	100%	0.00	0.00
Change Order #1		9,130.00	0.00	0.00	0.00	9,130.00	100%	0.00	0.00
Additions;		9,130.00	0.00	0.00	0.00	9,130.00	100%	0.00	0.00
Deductions;		-4,200.00	0.00	0.00	0.00	-4,200.00	100%	0.00	0.00
Gravel Rd. (Culvert (Company Access))		1500.00	0.00	0.00	0.00	1500.00	100%	0.00	0.00
Manhole Risers 49		4165.00	0.00	0.00	0.00	4165.00	100%	0.00	0.00
Change Order #2		5,685.00	0.00	0.00	0.00	5,685.00	100%	0.00	0.00
Additions;		5,685.00	0.00	0.00	0.00	5,685.00	100%	0.00	0.00
TOTALS									
		397,202.00	400,219.00	3,378.00	0.00	407,797.00	103%	0.00	0.00

OK

Exhibit 3

**Change Order #2
City of Crittenden, Contract #2
Sanitary Sewer System Modifications**

<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
Additions:			
1. Gravel Road & Culvert (CInergy Access)	1	1,500.00	1,500.00
2. Manhole Risers (City & Johnson Properties)	49	85.00	4,165.00
	Total Additions;		\$6,665.00
Deductions:			
		0.00	0.00
		Total Deductions;	\$0.00
		Total Change Order #1;	\$5,665.00
		Percentage of Contract Amount;	1.43%

Bruce Spautack 01/08/04
 Contractor Date

[Signature] 1/7/04
 Engineer Date

Change Order #1 City of Crittenden, Contract #2 Sanitary Sewer System Modifications

Description	Quantity	Unit Price	Total
Additions:			
1. Wetwell Risers	4	1,000.00	4,000.00
2. Manhole Risers	10	250.00	2,500.00
3. 8" PVC Sanitary Sewer @ 491 Pump Station	5	250.00	1,250.00
4. 6" Forcemain @ 491 Pump Station	48	30.00	1,380.00
	Total Additions;		\$9,130.00
Deductions:			
5. Air Release Valves @ 491 Pump Station	1	4,200.00	4,200.00
	Total Deductions;		\$4,200.00
	Total Change Order #1;		\$4,930.00
	Percentage of Contract Amount;		1.24%

Lona Stoyback 10/13/03
Contractor Date

[Signature] 10/13/03
Engineer Date

APPLICATION AND CERTIFICATE FOR PAYMENT

TO: City of Crittenden
 104 North Main Street
 Crittenden, Kentucky 41030

FROM: Lonkard Construction Co.
 Post Office Box 123
 Union, Kentucky 41091

VIA (Project Engineers)
 Hicks & Mann, Inc.
 116 Humes Ridge Road
 Williamstown, Ky. 41097

DISTRIBUTION TO:

X Owner
 X Engineer
 X Contractor

Application No. Ten (10) Final
 Period To: 04/23/04
 Project No. 03-023

CONTRACT FOR: City of Crittenden, Contract #2
 Sanitary Sewer System Modifications

CONTRACT DATE: September 25, 2002

Application is made for payment, as shown below, in connection with Contract.

Contractor's Application for Payment

Change Order Summary	Addition	Deduction
Change Orders approved in previous months by owner	9,130.00	-4,200.00
Change Order #1	5,665.00	0.00
Change Order #2		
Total	14,795.00	-4,200.00

1. Original Contract Sum: 397,202.00
2. Net Change by Change Orders 10,595.00
3. Contract Sum to Date (line 1 + 2) 407,797.00
4. Total Completed & Stored To Date 407,797.00
5. Retainage: 5% of Completed Work & Stored to Date 0.00
6. Total Earned Less Retainage: 407,797.00
7. Less Previous Certificates for Payment 404,419.00
8. Current Payment Due 3,378.00
9. Balance to Finish, Plus Retainage 0.00

Approved This Month _____
 Number _____ Date Approved _____

Net Change by Change Order: _____

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Dana Shaylock
 By: *Dana Shaylock* Date: 4/23/04

AMOUNT CERTIFIED: \$3,378.00
 (Attach explanation if amount certified differs from the amount applied for)

By: *[Signature]* Date: 4/23/04

Engineers Certificate for Payment in accordance with the Contract Documents based on on-site observation and the data comprising the above application, the Engineer certifies to the Owner that to the best of his knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

M x 5. 6. + M

City of Crittenden, Contract #1		APPLICATION NUMBER:		Twelve (12), Final				
WWTP Expansion & Relocation		APPLICATION DATE:		9/15/04				
		PERIOD TO:		9/15/04				
		ENGINEER'S PROJECT NUMBER:		04-023				
Item No.	Description of Work	Contract Amount	Work Completed This Period	Materials Pres. Stored	Total Completed & Stored To Date	G/C	Balance to Finish	Retainage
1	150,000 Package WWTP Two 75,000 gpd Extended Aeration Plants, including Sludge Holding Tanks & Clarifiers	409,385.00	409,385.00	0.00	409,385.00	100%	17427.70	429,457.30
2	Centrifugal Blowers, Motors, Controls, & Accessories. (Reduction)	142,000.00	122,000.00	0.00	122,000.00	86%	(20,000)	122,000.00
3	12" Steel Air Lines	6,050.00	6,050.00	0.00	6,050.00	100%	0.00	6,050.00
4	6" Steel Air Lines	2,120.00	2,120.00	0.00	2,120.00	100%	0.00	2,120.00
5	4" Steel Air Lines	3,300.00	3,300.00	0.00	3,300.00	100%	318.00	3,418.00
6	Air Line Gate Valves w/box	5,250.00	5,250.00	0.00	5,250.00	100%	2178.00	7,428.00
7	Comminuter & Flow Control Box	9,000.00	9,000.00	0.00	9,000.00	100%	0.00	9,000.00
8	Chlorination & Deschlorination System	26,000.00	26,000.00	0.00	26,000.00	100%	0.00	26,000.00
9	1" Chemical Feed Lines	2,565.00	2,565.00	0.00	2,565.00	100%	1035.00	3,600.00
10	Chlorine Contact & Aeration Chamber	48,000.00	48,000.00	0.00	48,000.00	100%	0.00	48,000.00
11	6' Chainlink Fence w/barbed wire	6,885.00	0.00	6,885.00	0.00	100%	7750.00	14,635.00
12	Seeding & Mulching (Proposed WWTP)	2,250.00	0.00	2,250.00	0.00	100%	0.00	2,250.00
13	12" PVC Sanitary Sewer	2,500.00	2,500.00	0.00	2,500.00	100%	0.00	2,500.00
14	8" PVC Influent & Effluent Piping	8,750.00	8,750.00	0.00	8,750.00	100%	1995.00	10,745.00
15	8" Gate Valves w/box (Reduction)	6,200.00	4,650.00	0.00	4,650.00	75%	(1550.00)	4,050.00
16	12" PVC Effluent Piping	7,540.00	7,540.00	0.00	7,540.00	100%	2756.00	10,296.00
17	1.5" PE Water Service Line w/hydrants	4,050.00	3,367.50	682.50	4,050.00	100%	0.00	4,050.00
18	Office & Blower Building (Complete)	105,000.00	105,000.00	0.00	105,000.00	100%	0.00	105,000.00
19	Graveled Access Area	5,130.00	0.00	5,130.00	0.00	100%	0.00	5,130.00
20	Permanent Access Road	16,500.00	16,500.00	0.00	16,500.00	100%	2244.22	18,744.22
21	Temporary Access Road	35,000.00	35,000.00	0.00	35,000.00	100%	(7000.00)	28,000.00
22	Erosion Control	5,150.00	5,150.00	0.00	5,150.00	100%	0.00	5,150.00
23	Relocate Existing 150,000 gpd WWTP	85,000.00	80,000.00	5,000.00	85,000.00	100%	2519.89	91,766.75
24	Regrade Existing WWTP Site	2,500.00	0.00	2,500.00	0.00	100%	4355.84	2598.00
25	Seeding & Mulching (Existing WWTP)	1,875.00	0.00	1,875.00	0.00	100%	0.00	1,875.00
	Additional Parking Area						6268.10	6268.10
	Retainage for Damage to Indian Hill Drive							0.00
TOTALS		948,000.00	902,127.50	24,322.50	926,450.00	98%	0.00	0.00

970,830.90

7 * 5.5 + 7

Exhibit E

Change Order #1

City of Crittenden, Contract #1

WWTP Expansion & Relocation

Description	Quantity	Unit Price	Total
Additions:			
1 Chemical Feed Upgrade	1	2,425.00	2,425.00 <i>Bld</i>
2 Building Changes (Louver, Locks, & Elevation)	1	2,017.13	2,017.13 <i>Bld</i>
3 6" Steel Air Lines	6	53.00	318.00
4 4" Steel Air Lines	66	33.00	2,178.00
5 1" Chemical Feed Lines	115	9.00	1,035.00
6 8" PVC Influent & Effluent Piping	57	35.00	1,995.00
7 12" PVC Effluent Piping	53	52.00	2,756.00
8 Chemical Room Locks	1	475.00	475.00 <i>Bld</i>
Total Additions;			\$12,724.13
9 Deduction for changing the blowers	1	20,000.00	20,000.00
10 Deduction for Rebar	1	2,000.00	2,000.00 <i>Bld</i>
11 8" Gate Valves w/box	2	775.00	1,550.00
Total Deductions;			\$23,550.00
Total Change Order #1;			-\$10,825.87

Cameron Kenney
 Contractor *2/04/04*
Date

[Signature]
 Engineer *2/2/04*
Date

Change Order #2

City of Crittenden, Contract #1

WWTP Expansion & Relocation

Description	Quantity	Unit Price	Total
Additions:			
1 Grading & Stone for Additional Parking Area & Access Road	1	6,268.10	6,268.10 ✓
2 Channel Lining	1	687.68	687.68 Old
3 Additional Grading Borrow Area & Access Road	1	2,244.22	2,244.22 ✓
4 Additional Fencing	1	7,750.00	7,750.00 ✓
5 Additional Diffusers on Chlorine Contact Tank & Walkways	1	8,267.60	8,267.60 Old
6 Additional Airlines & Valves for Skimmers	1	495.00	495.00 Old
7 Relocate Yard Hydrant & Additional Waterline & Hydrant	1	473.37	473.37 Old
8 Removal of Sludge from Chlorine Tank & Clarifier	1	399.52	399.52 Old
9 Repairs to Digester Tanks	1	5,346.53	5,346.53 Old
10 Piping Repairs to Existing WWTP	1	2,510.89	2,510.89 ✓
11 Excavate & Removal of Surge, Nitrogen, & Chlorine Tanks at the Old WWTP Site.	1	4,255.86	4,255.86 ✓
12 Installation of Secondary Conductors (Additional Underground Electric)	1	1,958.00	1,958.00 Old
Total Additions;			\$40,656.77
Reductions:			
9 Deduction for temporary Access Road remaining	1	7,000.00	7,000.00
Total Deductions;			\$7,000.00
Total Change Order #2;			\$33,656.77

Cameron Kenney 6/25/04
 Contractor Date

[Signature]
 Engineer Date

APPLICATION AND CERTIFICATE FOR PAYMENT

TO: City of Crittenden
 104 North Main Street
 Crittenden, Kentucky 41030

FROM: Kenney, Inc.
 Post Office Box 1305
 Mt. Sterling, Kentucky 40353

VIA (Project Engineers)
 Hicis & Mann, Inc.
 116 Humes Ridge Road
 Williamstown, Ky. 41097

DISTRIBUTION TO:
 Owner
 Engineer
 Contractor

Application No. Twelve (12), Final
 Period To: 09/15/04
 Project No. 04-023

CONTRACT FOR: City of Crittenden, Contract #1
 WWTP Expansion & Relocation

CONTRACT DATE: October 21, 2002
 Application is made for payment, as shown below, in connection with Contract.

Contractor's Application for Payment

Change Order Summary	Addition	Deduction
Change Orders approved in previous months by owner		
Change Order #1	05/08/04 12,724.13	(23,550.00)
Change Order #2	06/14/04 40,656.77	(7,000.00)
Total		22,830.90

1. Original Contract Sum: 948,000.00
2. Net Change by Change Orders 2.4% 22,830.90
3. Contract Sum to Date (Line 1 + 2) 970,830.90
4. Total Completed & Stored To Date 970,830.90
5. Retainage: 10% of Completed Work & Stored to Date 0.00
6. Total Earned Less Retainage: 970,830.90
7. Less Previous Certificates for Payment 956,830.90
8. Current Payment Due 15,000.00
9. Balance to Finish, Plus Retainage 0.00

Approved This Month _____
 Number _____ Date Approved _____

Net Change by Change Order: _____

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: _____
 By: *[Signature]* Date: 9/15/04

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Engineers Certificate for Payment in accordance with the Contract Documents based on on-site observation and the data comprising the above application, the Engineer certifies to the Owner that to the best of his knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$15,000.00
 (Attach explanation if amount certified differs from the amount applied for)

By: *[Signature]* Date: 9/15/04

Exhibit F