

RECEIVED
OCT 11 2010
PUBLIC SERVICE
COMMISSION

October 8, 2010

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

2010-00397

Re: Center Ridge Water District, Inc. 2010 Rate Case Filing

Dear Sirs:

Attached please find an original and 10 copies of Center Ridge Water District's Alternative Rate Filing, including a newspaper notice to customers which will be published once a week for three consecutive weeks starting this week. We will provide an affidavit of publication as soon as it becomes available. In addition, please incorporate by reference in this case Center Ridge's annual reports on file with the PSC, and note that Center Ridge previously filed its articles of incorporation and any amendments in Case No. 2003-00424 ("Application Of Center Ridge Water District, Inc. For An Adjustment of Rates Pursuant To The Alternative Rate Filing Procedure For Small Utilities").

Center Ridge is proposing that the new rates become effective on November 15, 2010, and has provided a proposed tariff to that effect after Attachment A of this filing. In addition, Center Ridge has attempted to the best of its ability to fully comply with the Commission's ARF filing requirements. However, please consider this a request for waiver of any filing requirements which we may have inadvertently overlooked, on the grounds that all relevant information has been provided to allow the processing of this case to begin.

Finally, please note that Center Ridge has very low cash levels, and would greatly appreciate anything the Commission can do to expedite this proceeding. In particular, we respectfully request that the Commission Staff perform a field review rather than issuing data requests to process this case, as we believe such a field review would both expedite our case and would also reduce our rate case expense, which is in the best interests of all concerned.

Sincerely,



Bill Duncan, President
Center Ridge Water District, Inc.

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Center Ridge Water District, Inc.

Name of Utility

69 Marguerite Blvd.

New Concord, KY 42076

Business Mailing Address

Telephone Number 270 1 474-8267 436-6304
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: Mr. William Duncan, President

Address: 69 Marguerite Blvd.

New Concord, KY 42076

Telephone Number: (270) 474-8267 436-6304

- | | | | |
|----|---|-----|----|
| 1) | Do you have 500 customers or fewer? | Yes | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? | Yes | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | Yes | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | Yes | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2009.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount. – **Please See Attachment A**

<u>Item Per Annual Report</u>	<u>Amount Per Annual Report</u>	<u>Increase (Decrease)</u>	<u>Adjusted Amount</u>
<u>Revenues:</u>	\$	\$	\$
Total Revenues	\$ _____	\$ _____	\$ _____
<u>Expenses:</u>			
Total Expenses	\$ _____	\$ _____	\$ _____
Revenues Less Expenses	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Please see Attachment A

c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Cust. Class</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>% Increase</u>
All	\$18.66 + 3% tax = \$19.22/mo.	\$26.05 + 3% tax = \$26.84/mo.	39.6%

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

Center Ridge has extremely low cash levels. In addition, it has no recoverable depreciation expense for ratemaking purposes, which restricts its ability to produce positive cash flow. Due to its poor cash flow, Center Ridge is at risk in the event of any unforeseen emergency events, and is also unable to afford critically needed general liability insurance.

The Commission Staff should note that Center Ridge charges a flat rate for water service, so no billing analysis is required.

- 2) Total number of Customers as of the date of filing: 345 residential
- 3) Total amount of increased revenue requested: \$30,607 per year
- 4) Please circle Yes or No:
 - a) Does the utility have any outstanding indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.
 - b) Were all revenues and expenses listed in the Annual Report for 2009 incurred and collected from January 1 to December 31 of that year? Yes No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2009 and the amount shown on this schedule. **Attached**
 - 6) If utility is a sewer utility:
 - a) Attach a copy of the latest State and Federal Income Tax Returns. **Attached.**
 - b) How much of the utility plant was recovered through the sale of lots or other contributions 100% \$ or %? (If unknown, state the reason).
- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Center Ridge has very low water rates, has not had a rate increase since early 2004, and its costs have increased. In addition, Center Ridge is unique because it has 4 entirely separate water production and distribution systems, all of which require daily monitoring and testing visits. This requires significant transportation expenses, and transportation expenses have increased since the 2004 rate case decision because of the addition of System #4 in 2006.

In addition, three of Center Ridge's four systems date back to the 1950s (the fourth dates back to the 1970s), and require significant monitoring and leak repairs because of their ages.

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

- a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
 432 Bills
 518,400 gallons used
 All bills use 2,000 gallons or less, therefore, all usage
 is recorded in Column 4.

Step2: Next 3,000 gallons rate level
 1,735 Bills
 4,858,000 gallons used
 1st 2,000 minimum x 1,735 bills = 3,470,000 gallons –
 record in Column 4.
 Next 3,000 gallons – remainder of water over 2,000 =
 1,388,000 gallons – record in Column 5.

Step3: Next 10,000 gallons rate level
 1,830 Bills
 16,268,700 gallons used
 1st 2,000 minimum x 1,830 bills = 3,660,000 gallons –
 record in Column 4.
 Next 3,000 gallons x 1,830 bills = 5,490,000 gallons –
 record in Column 5.
 Next 10,000 gallons – remainder of water over 3,000
 = 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level
 650 Bills

15,275,000 gallons used
 1st 2,000 minimum x 650 bills = 1,300,000 gallons –
 record in Column 4.
 Next 3,000 gallons x 650 bills = 1,950,000 gallons –
 record in Column 5.
 Next 10,000 gallons x 650 bills = 6,500,000 gallons –
 record in Column 6.
 Next 25,000 gallons – remainder of water over 10,000
 = 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level
 153 Bills
 9,975,600 gallons used
 1st 2,000 minimum x 153 bills = 306,000 gallons –
 record in Column 4.
 Next 3,000 gallons x 153 bills = 459,000 gallons –
 record in Column 5.
 Next 10,000 gallons x 153 bills = 1,530,000 gallons –
 record in Column 6.
 Next 25,000 gallons x 153 bills = 3,825,000 gallons –
 record in Column 7.
 Over 40,000 gallons – remainder of water over 25,000
 = 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

Revenue from Present/Proposed Rates
 Test Period from 01-01-XX to 12-31-XX

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		\$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding. **Filed in Case No. 2003-00424 (see cover letter)**

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Office of Rate Intervention
Office of the Attorney General
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed

William Dunbar

Officer of the Company

Title

owner & operator

Date

10-9-10

Center Ridge Water District
Exhibit Index

1. Attachment A – Pro Forma Income Statement with Explanations
2. Proposed Tariff
3. Customer Notice
4. Depreciation Schedule
5. Latest Federal and State Tax Returns
6. Documentation of 2009 Transportation Expense
7. Documentation Supporting Proposed Expense Adjustments:
 - January 2010 Electric Bill payment
 - Rate Case Consulting Contract for \$2,850.
 - Documentation of Nonrecurring Testing Fees

Center Ridge Attachment A – Pro Forma Income Statement

	2009	Adjustment	Ref.	Adjusted
Total Op. Revenue	\$77,692	(\$440)	A	\$77,252
Employee Salaries	\$6,000	\$6,000	B	\$12,000
Purchased Power	\$13,175	\$1,146	C	\$14,321
Chemicals	\$940	0		\$940
Materials/Supplies	\$3,815	0		\$3,815
Contract Services	\$24,100	0		\$24,100
Water Testing	\$3,729	\$1,601	D	\$5,330
Rents	0	\$1,200	E	\$1,200
Transportation Expense	\$26,125	0	F	\$26,125
Insurance	0	0	G	0
Miscellaneous Expense	\$2,764	0		\$2,764
O&M Expenses	\$80,648	\$9,947		\$90,595
Depreciation Expense	\$1,618	(\$1,618)	H	0
Amortization Expense	\$122	\$950	I	\$1,072
Taxes Other Than Income	\$5,097	(\$1,848)	J	\$3,249
Utility Op. Expenses	\$87,485			\$94,916
Net Income				

Revenue Requirement Calculation

\$ 94,916 - Proforma Operating Expenses

\$107,859 - Revenue Requirement (88% Operating Ratio)

(\$ 77,252) - Normalized Revenues

\$ 30,607 - Requested Increase (39.62% increase; Monthly Bill of \$26.05 + 3% school tax)

Explanatory Notes

A. Sales Revenues were reduced by \$440 to reflect normalized revenues of \$77,252. At the end of 2009, Center Ridge had 345 customers paying a flat monthly rate of \$18.66, excluding a 3% school tax which is collected and remitted to taxing authorities.

B. Employee Salaries Expense was adjusted by \$6,000 to \$12,000, to include a \$9,000 salary for the owner/manager and \$3,000 for bookkeeping and office work.

C. Electricity Expense was adjusted by \$1,146 to include a full 12 months of electricity bills from West Kentucky RECC, because the reported expense in 2009 included only 11 bills.

D. Water Testing Expense was adjusted by \$1,601 to include certain testing requirements done on a nonrecurring basis. Center Ridge has included at Exhibit 7 a copy of the 2010 SDWA Monitoring Schedule from McCoy & McCoy Laboratories, showing the costs of nonrecurring testing requirements for SOCs (every three years) and lead and copper (every 5 years). The SOCs cost of \$4,620 amortized over three years equals \$1,540 per year; while the lead and copper cost of \$305 over 5 years equals \$61. This results in a total adjustment of \$1,601.

E. Rents Expense was adjusted by \$1,200 to include a \$100 monthly rental allowance.

F. Transportation Expense of \$26,125 was not adjusted, but requires detailed documentation because of its magnitude. This documentation is provided as Exhibit 6 of this application.

G. Insurance Expense of zero was not adjusted. However, general liability insurance is critically needed given the nature of Center Ridge's business, but Center Ridge is unable to afford it given its low rates and

inadequate cash flow. If the Commission provides a sufficient rate increase in this case, Center Ridge will undertake to purchase this insurance.

H. Depreciation Expense was adjusted to remove depreciation expense on contributed property, in accordance with PSC practices.

I. Amortization Expense was adjusted by \$950 to include a three-year amortization of rate case expenses of \$2,850, in accordance with the consulting contract attached at Exhibit 8.

J. Taxes Other Than Income was adjusted by \$1,848 to remove the 3% school tax which was included in this account.

FOR Southeast Calloway County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Center Ridge Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

Schedule of Rates

\$26.05 flat rate per month + 3% School Tax = \$26.84

DATE OF ISSUE October 8, 2010
Month / Date / Year

DATE EFFECTIVE November 15, 2010

ISSUED BY William Duncan
Month / Date / Year
(Signature of Officer)

TITLE Owner & operator

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

NOTICE

Center Ridge Water District has filed an application with the Public Service Commission to increase its rates for water service. Center Ridge has not requested a general rate increase since 2003, and its costs have increased since then. The proposed effective date of the change is November 15, 2010.

Monthly Rate:

Current:

\$18.66 + 3% School Tax = \$19.22

Proposed

\$26.05 + 3% Tax = \$26.84

<u>MONTHLY USAGE</u>	<u>MONTHLY BILL AT CURRENT RATE</u>	<u>MONTHLY BILL AT PROPOSED RATE</u>	<u>PERCENT INCREASE OVER CURRENT</u>
All Usage	\$18.66 + 3% School Tax = \$19.22	\$26.05 + 3% Tax = \$26.84	39.6%

The rates contained in this notice are the rates proposed by Center Ridge Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, 211 Sower Blvd., Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the utility office at Center Ridge Water District, 69 Marguerite Blvd., New Concord, KY 42076. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

Center Ridge Water District

CARRY LEEGER & TIMES

RECEIPT		DATE <u>10/8</u>	No. <u>298160</u>
RECEIVED FROM <u>Center Ridge Water District</u>		\$ <u>267.75</u>	
		DOLLARS	
<input type="radio"/> FOR RENT <input type="radio"/> FOR <u>Class display legal ad</u>		<u>10/11, 10/18, 10/25</u>	
ACCOUNT		<input type="radio"/> CASH <input checked="" type="radio"/> CHECK <input type="radio"/> MONEY ORDER <input type="radio"/> CREDIT CARD	FROM _____ TO _____
PAYMENT		BY <u>Am</u>	
BAL. DUE			

Center Ridge Depreciation Schedule

Note – Center Ridge's Plant is 100% contributed, so no depreciation expense is claimed for ratemaking purposes. A summary of the plant and depreciation is as follows:

Plant Account	End of 2008	Additions	Retiremts.	End of 2009	2009 Expense	Accumulated Depreciation
Land & Land Rights	\$2,000			\$2,000		
Structures & Improvements	\$2,991			\$2,991	0	\$2,991
Wells & Springs	\$1,110			\$1,110	\$5	\$1,052
Pumping Equipment	\$23,819	\$1,518	\$1,191	\$24,146	\$4,061	\$23,342
Water Treatment Equipment	\$180			\$180	0	\$180
Transmission & Distribution Mains	\$280,031	\$11,590		\$291,621	\$6,496	\$44,665
Services	\$9,250			\$9,250	\$221	\$1,422
Meters & Installations	\$8,412			\$8,412	\$84	\$8,206
Office Furniture and Equipment	\$1,740			\$1,740	\$175	\$1,571
Other Tangible Plant	\$300			\$300	0	\$300
Total Water Plant	\$329,833	\$13,108	\$1,191	\$341,750	\$11,042	\$83,729

Department of the Treasury
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.

For calendar year 2009 or tax year beginning _____, and ending _____

A S election effective date 05/09/2000	Use IRS label. Other- wise, print or type.	Name CENTER RIDGE WATER DISTRICT INC	D Employer identification number ██████████
B Business activity code number (see instructions) 221300		Number, street, and room or suite no. If a P.O. box, see instructions. 69 MARGUERITE BLVD	E Date incorporated 05/09/2000
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code NEW CONCORD, KY 42076	F Total assets (see instructions) \$ 30,199.

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 77,692.	b Less returns and allowances	c Bal	1c	77,692.
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	77,692.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			4	
	5 Other income (loss) (attach statement)			5	
	6 Total income (loss). Add lines 3 through 5			6	77,692.
Deductions (See instructions for limitations)	7 Compensation of officers			7	6,000.
	8 Salaries and wages (less employment credits)			8	
	9 Repairs and maintenance			9	
	10 Bad debts			10	
	11 Rents			11	
	12 Taxes and licenses	STATEMENT 1		12	5,097.
	13 Interest			13	210.
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)			14	1,618.
	15 Depletion (Do not deduct oil and gas depletion.)			15	
	16 Advertising			16	
	17 Pension, profit-sharing, etc., plans			17	
	18 Employee benefit programs			18	
	19 Other deductions (attach statement)	STATEMENT 2		19	74,560.
	20 Total deductions. Add lines 7 through 19			20	87,485.
	21 Ordinary business income (loss). Subtract line 20 from line 6			21	-9,793.
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a			
	b Tax from Schedule D (Form 1120S)	22b			
	c Add lines 22a and 22b			22c	
	23 a 2009 estimated tax payments and 2008 overpayment credited to 2009	23a			
	b Tax deposited with Form 7004	23b			
	c Credit for federal tax paid on fuels (attach Form 4136)	23c			
	d Add lines 23a through 23c			23d	
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			24	
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27 Enter amount from line 26 Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			27		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here William Duncan 1/10-1-10 **DIRECTOR**

Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instr.)? Yes No

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code		EIN	
	CTA SERVICES, INC. 4303 ROCKWOOD DR. LOUISVILLE, KY 40220		Phone no. (502) 458-9244	

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) <input type="text"/>		
2 See the instructions and enter the: (a) Business activity <input type="text" value="WATER DISTRICT"/> (b) Product or service <input type="text" value="WATER"/>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		X
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years <input type="text" value="\$"/> \$		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year <input type="text" value="\$"/> \$		
8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1 <input checked="" type="checkbox"/>		X

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	-9,793.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) <input type="text" value="3a"/>		
	b Expenses from other rental activities (attach statement) <input type="text" value="3b"/>		
	c Other net rental income (loss). Subtract line 3b from line 3a <input type="text" value="3c"/>	3c	
	4 Interest income <input type="text" value="4"/>	4	
	5 Dividends: a Ordinary dividends <input type="text" value="5a"/>	5a	
	b Qualified dividends <input type="text" value="5b"/>		
	6 Royalties <input type="text" value="6"/>	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) <input type="text" value="7"/>	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) <input type="text" value="8a"/>	8a		
b Collectibles (28%) gain (loss) <input type="text" value="8b"/>			
c Unrecaptured section 1250 gain (attach statement) <input type="text" value="8c"/>			
9 Net section 1231 gain (loss) (attach Form 4797) <input type="text" value="9"/>	9		
10 Other income (loss) (see instructions) Type <input type="text"/>	10		

		Shareholders' Pro Rata Share Items (continued)	Total amount	
Deductions	11	Section 179 deduction (attach Form 4562)	11	
	12a	Contributions	12a	
	b	Investment interest expense	12b	
	c	Section 59(e)(2) expenditures (1) Type ▶	12c(2)	
		(2) Amount ▶	12d	
	d	Other deductions (see instructions) Type ▶		
Credits	13a	Low-income housing credit (section 42(j)(5))	13a	
	b	Low-income housing credit (other)	13b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d	Other rental real estate credits (see instructions) Type ▶	13d	
	e	Other rental credits (see instructions) Type ▶	13e	
	f	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g	Other credits (see instructions) Type ▶	13g	
Foreign Transactions	14a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	14b	
	c	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level		
	d	Passive category	14d	
	e	General category	14e	
	f	Other (attach statement)	14f	
		Deductions allocated and apportioned at shareholder level		
	g	Interest expense	14g	
	h	Other	14h	
		Deductions allocated and apportioned at corporate level to foreign source income		
	i	Passive category	14i	
	j	General category	14j	
	k	Other (attach statement)	14k	
	Other information			
	l	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m	Reduction in taxes available for credit (attach statement)	14m	
	n	Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a	Post-1986 depreciation adjustment	15a	47.
	b	Adjusted gain or loss	15b	
	c	Depletion (other than oil and gas)	15c	
	d	Oil, gas, and geothermal properties - gross income	15d	
	e	Oil, gas, and geothermal properties - deductions	15e	
	f	Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a	Tax-exempt interest income	16a	
	b	Other tax-exempt income	16b	
	c	Nondeductible expenses	16c	
	d	Property distributions	16d	3,639.
	e	Repayment of loans from shareholders	16e	
Other Information	17a	Investment income	17a	
	b	Investment expenses	17b	
	c	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)		
Reconciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18	-9,793.

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		393.		2,222.
2 a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.)				
7	Loans to shareholders		47.		
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)				
10 a	Buildings and other depreciable assets	21,941.		22,268.	
b	Less accumulated depreciation	14,874.	7,067.	15,301.	6,967.
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		8,500.		20,090.
13 a	Intangible assets (amortizable only)	2,615.		2,615.	
b	Less accumulated amortization	1,843.	772.	1,965.	650.
14	Other assets (att. stmt.)	STATEMENT 4	270.		270.
15	Total assets		17,049.		30,199.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. stmt.)				
19	Loans from shareholders				14,042.
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (att. stmt.)				
22	Capital stock		1,000.		1,000.
23	Additional paid-in capital		7,083.		7,083.
24	Retained earnings	STATEMENT 6	8,966.		8,074.
25	Adjustments to shareholders' equity (att. stmt.)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		17,049.		30,199.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	2,747.	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
			STMT 5	12,540.	12,540.
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$				
4	Add lines 1 through 3	2,747.	7	Add lines 5 and 6	12,540.
			8	Income (loss) (Schedule K, line 18). Line 4 less line 7	-9,793.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	8,966.	
2	Ordinary income from page 1, line 21		
3	Other additions STATEMENT 3	12,540.	
4	Loss from page 1, line 21	(9,793.)	
5	Other reductions	()	
6	Combine lines 1 through 5	11,713.	
7	Distributions other than dividend distributions	3,639.	
8	Balance at end of tax year. Subtract line 7 from line 6	8,074.	

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

Attach to your tax return.

Name(s) shown on return

Identifying number

CENTER RIDGE WATER DISTRICT INC

[Redacted]

1 Enter the gross proceeds from sales or exchanges reported to you for 2009 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss) Subtract (f) from the sum of (d) and (e). Row 1: 2WELL PUMP, 060600, 040109, 0., 1,191., 1,191., 0.

- 3 Gain, if any, from Form 4684, line 43
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
6 Gain, if any, from line 32, from other than casualty or theft
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.
8 Nonrecaptured net section 1231 losses from prior years (see instructions)
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss) Subtract (f) from the sum of (d) and (e). (Empty rows)

- 11 Loss, if any, from line 7
12 Gain, if any, from line 7 or amount from line 8, if applicable
13 Gain, if any, from line 31
14 Net gain or (loss) from Form 4684, lines 35 and 42a
15 Ordinary gain from installment sales from Form 6252, line 25 or 36
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824
17 Combine lines 10 through 16
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
a If the loss on line 11 includes a loss from Form 4684, line 39, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

JWA For Paperwork Reduction Act Notice, see separate instructions.

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126	29a			
b	Enter the smaller of line 24 or 29a	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 37. Enter the portion from other than casualty or theft on Form 4797, line 6	32

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation (see instructions)	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35



FORM 1120S	TAXES AND LICENSES	STATEMENT	1
DESCRIPTION		AMOUNT	
KENTUCKY TAXES - BASED ON INCOME		4,922.	
		175.	
TOTAL TO FORM 1120S, PAGE 1, LINE 12		5,097.	

FORM 1120S	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
AMORTIZATION		122.	
CHLORINE		940.	
LABS		3,729.	
LEGAL AND PROFESSIONAL		1,077.	
OFFICE EXPENSE		1,171.	
OUTSIDE SERVICES		24,100.	
SUPPLIES		2,644.	
TELEPHONE		1,477.	
TRAVEL (47,500 MILES @ \$.55 PER MILE)		26,125.	
UTILITIES		13,175.	
TOTAL TO FORM 1120S, PAGE 1, LINE 19		74,560.	

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS	STATEMENT	3
DESCRIPTION		AMOUNT	
STATE GRANT		12,540.	
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)		12,540.	



SCHEDULE L	OTHER ASSETS	STATEMENT	4
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
DEPOSITS	270.	270.	
TOTAL TO SCHEDULE L, LINE 14	270.	270.	

SCHEDULE M-1	INCOME RECORDED ON BOOKS THIS YEAR NOT INCLUDED ON SCHEDULE K	STATEMENT	5
DESCRIPTION		AMOUNT	
STATE GRANT		12,540.	
TOTAL TO SCHEDULE M-1, LINE 5		12,540.	

SCHEDULE L	ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS	STATEMENT	6
DESCRIPTION		AMOUNT	
BALANCE AT BEGINNING OF YEAR		8,966.	
NET INCOME PER BOOKS		2,747.	
DISTRIBUTIONS		-3,639.	
OTHER INCREASES (DECREASES)			
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)		8,074.	

Schedule K-1
(Form 1120S)

2009

Final K-1 Amended K-1

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____
ending _____

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See separate instructions.

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss) -9,793.	13	Credits
2	Net rental real estate inc (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured sec 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative min tax (AMT) items 47.
11	Section 179 deduction	16 D	Items affecting shareholder basis 3,639.
12	Other deductions		
		17	Other information

Part I Information About the Corporation

A Corporation's employer identification number
██████████

B Corporation's name, address, city, state, and ZIP code

CENTER RIDGE WATER DISTRICT INC
69 MARGUERITE BLVD
NEW CONCORD, KY 42076

C IRS Center where corporation filed return
CINCINNATI, OH

Part II Information About the Shareholder

D Shareholder's identifying number
██████████

E Shareholder's name, address, city, state and ZIP code

WILLIAM M. DUNCAN
281 MORRIS RD.
DEXTER, KY 42036

F Shareholder's percentage of stock
ownership for tax year 100.000000%

For IRS Use Only

*See attached statement for additional information.

720S
41A720S

Kentucky
UNBRIDLED SPIRIT



Department of Revenue

A ~~XXXXXXXXXX~~
Kentucky Corporation/LLET Account Number

KENTUCKY S CORPORATION
INCOME TAX AND LLET RETURN

2009

Taxable period beginning JAN 1, 2009, and ending DEC 31, 2009 ▶ See separate instructions.

B Check applicable box(es):
 LLET Receipts Method
 Gross Receipts
 Gross Profits
 \$175 minimum
 Nonfiling Status Code _____
 Enter Code _____

D Federal Identification Number ~~XXXXXXXXXX~~
 Name of S Corporation (Print or type)
CENTER RIDGE WATER DISTRICT INC
 Number and Street
69 MARGUERITE BLVD
 City State ZIP Code Telephone Number
NEW CONCORD KY 42076

Taxable Year Ending **12 / 09**
 Mo. Yr.
 State and Date of Incorporation
KY 05/09/2000
 Principal Business Activity in KY
WATER DISTRICT
 NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov)
221300

C Income Tax Return
 Nonfiling Status Code _____
 Enter Code _____

E Check if applicable: Qualified investment pass-through entity LLC Initial return Final return (attach explanation)
 Short-period return (attach explanation) Amended return Change of name Change of address Change of accounting period

F Number of Shareholders (Attach K-1s) ▶ **1**
 Number of QSSSs Included in This Return (Attach Schedule) ▶

PART I - ORDINARY INCOME (LOSS) COMPUTATION			PART III - INCOME TAX COMPUTATION		
1. Federal ordinary income (loss) (see instructions)	1	-9,793	8. Extension payment	8	
ADDITIONS			9. Prior year's tax credit	9	
2. State taxes STMT 1	2	175	10. Income tax overpayment from Part III, line 11	10	
3. Federal depreciation (do not include Section 179 expense deduction)	3	1,618	11. LLET due (line 6 less lines 7 through 10)	11	175
4. Related party expenses	4		12. LLET overpayment (lines 7 through 10 less line 6)	12	
5. Other (attach Schedule O-PTE)	5		13. Credited to 2009 income tax	13	
6. Total (add lines 1 through 5)	6	-8,000	14. Credited to 2010 LLET	14	
SUBTRACTIONS			15. Amount to be refunded	15	
7. Federal work opportunity credit	7				
8. Kentucky depreciation (do not include Section 179 expense deduction)	8	1,678	1. Excess net passive income tax	1	
9. Other (attach Schedule O-PTE)	9		2. Built-in gains tax	2	
10. Kentucky ordinary income (loss) (line 6 less lines 7 through 9)	10	-9,678	3. Tax installment on LIFO recapture	3	
			4. Total income tax liability (add lines 1, 2 and 3)	4	
PART II - LLET COMPUTATION			5. Estimated tax payments	5	
1. Schedule LLET, Section D, line 1	1	175	<input type="checkbox"/> Check if Form 2220-K attached	5	
2. Recycling/composting equipment recapture	2		6. Extension payment	6	
3. Total (add lines 1 and 2)	3	175	7. Prior year's tax credit	7	
4. Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4		8. LLET overpayment from Part II, line 13	8	
5. Nonrefundable tax credits (Schedule TCS)	5		9. Tax due (line 4 less lines 5 through 8)	9	
6. LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	6	175	10. Tax overpayment (lines 5 through 8 less line 4)	10	
7. Estimated tax payments	7		11. Credited to 2009 LLET	11	
			12. Credited to 2010 income tax	12	
			13. Amount to be refunded	13	

TAX PAYMENT SUMMARY (Round to nearest dollar)			
LLET		INCOME	
1. LLET due (Part II, line 11)	\$ 175	1. Income tax due (Part III, line 9)	\$
2. Penalty	\$	2. Penalty	\$
3. Interest	\$	3. Interest	\$
4. Subtotal	\$ 175	4. Subtotal	\$
TOTAL PAYMENT (Add Subtotals)	▶ \$ 175		

▶ Federal Form 1120S, all pages and any supporting schedules must be attached.
 Make check payable to: Kentucky State Treasurer
 Mail return with payment to: Kentucky Department of Revenue Frankfort, Kentucky 40620

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



SCHEDULE Q - KENTUCKY S CORPORATION QUESTIONNAIRE

IMPORTANT: Questions 4 - 10 must be completed by all S corporations. If this is the S corporation's initial return or if the S corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request for a delinquent return.

d. Change from a Calendar Year to a Fiscal Year (52/53 week filer):
New Year End:

Month _____ and Day of week _____

If a 52/53 week filer: (Choose one of the options below.)

- i. Option A: Ends on the same day of the week and whatever date this same day of the week last occurs in a calendar month.
- ii. Option B: Ends on the same day of the week and whatever date this same day of the week falls that is the nearest to the last day of the calendar month.

1. Indicate whether: (a) new business; (b) successor to previously existing business which was organized as: (1) corporation; (2) partnership; (3) sole proprietorship; or (4) other

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.

5. The S corporation's books are in care of: (name and address)

THE COMPANY

281 MORRIS ROAD DEXTER, KY 42036

6. Are disregarded entities included in this return? Yes No
If yes, list name, address and federal I.D. number of the entity.

7. Is the S corporation a partner or member in a pass-through entity doing business in Kentucky? Yes No
If yes, list name and federal I.D. number of the pass-through entity(ies).

Was the S corporation doing business in Kentucky, other than its interest held in a pass-through entity doing business in Kentucky?

Yes No

8. Was this return prepared on: (a) cash basis, (b) accrual basis, (c) other

9. Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2010? Yes No

10. Is the S corporation currently under audit by the Internal Revenue Service? Yes No
If yes, enter years under audit _____

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this department, check here and file an amended Form 720S for each year adjusted and attach a copy of the final determination.

2. List the following Kentucky account numbers. Enter N/A for any number not applicable.

Employer Withholding _____
 Sales and Use Tax Permit _____
 Consumer Use Tax _____
 Unemployment Insurance _____
 Coal Severance and/or Processing Tax _____

3. If a foreign S corporation, enter the date qualified to do business in Kentucky.

4. If change of accounting period, Item E on page 1, is checked, complete the following information.

Year End before the change:

Month _____ and Day _____

- a. Change from a Fiscal Year to a Calendar Year (NOT a 52/53 week filer):
- b. Change from a Calendar Year to a Fiscal Year (NOT a 52/53 week filer):
New Year End:
Month _____ and Day _____
- c. Change from a Fiscal Year to a Calendar Year (52/53 week filer):

New Year End: December and Day of week _____

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Has the officer information entered below changed from the last return filed?

Yes No

President's Name: WILLAM M. DUNCAN

Treasurer's Name: _____

President's Home Address: 281 MORRIS RD.

Treasurer's Home Address: _____

DEXTER KY 42036

President's Social Security Number: ~~XXXXXXXXXX~~

Treasurer's Social Security Number: _____

Date Became President _____

Vice President's Name: _____

Secretary's Name: _____

Vice President's Home Address: _____

Secretary's Home Address: _____

Vice President's Social Security Number: _____

Secretary's Social Security Number: _____

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

William M. Duncan
Signature of principal officer or chief accounting officer

10-1-10
Date

CTA SERVICES, INC.
Name of person or firm preparing return

~~XXXXXXXXXX~~
SSN, PTIN or FEIN

Date

May the DOR discuss this return with the preparer?
 Yes No

E-mail Address: _____

Telephone Number: (502) 458-9244



SCHEDULE K - SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I	(a) Pro Rata Share Items	(b) Total Amount
Income (Loss) and Deductions		
1. Kentucky ordinary income (loss) from trade or business activities (page 1, Part I, line 10)	1	<9,678>
2. Net income (loss) from rental real estate activities (attach federal Form 8825)	2	
3. (a) Gross income from other rental activities	3(a)	
(b) Less expenses from other rental activities (attach schedule)	(b)	
(c) Net income (loss) from other rental activities (line 3a less line 3b)	3(c)	
4. Portfolio income (loss):		
(a) Interest income	4(a)	
(b) Dividend income	(b)	
(c) Royalty income	(c)	
(d) Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)	(d)	
(e) Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)	(e)	
(f) Other portfolio income (loss) (attach schedule)	(f)	
5. Section 1231 net gain (loss) (other than due to casualty or theft) (attach federal and Kentucky Forms 4797)	5	
6. Other income (loss) (attach schedule)	6	
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7	
8. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)	8	
9. Deductions related to portfolio income (loss) (attach schedule)	9	
10. Other deductions (attach schedule)	10	
Investment Interest		
11. (a) Interest expense on investment debts	11(a)	
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	
(2) Investment expenses included on line 9 above	(2)	
Tax Credits		
12. Skills Training Investment Tax Credit (attach copy of certification(s))	12	
13. Certified Rehabilitation Tax Credit (attach copy of certification(s))	13	
14. Kentucky Unemployment Tax Credit (attach Schedule UTC)	14	
15. Recycling and Composting Equipment Tax Credit (attach Schedule RC)	15	
16. Kentucky Investment Fund Tax Credit (attach KEDFA notification)	16	
17. Coal Incentive Tax Credit (attach Schedule CI)	17	
18. Qualified Research Facility Tax Credit (attach Schedule QR)	18	
19. GED Incentive Tax Credit (attach Form DAEL-31)	19	
20. Voluntary Environmental Remediation Tax Credit (attach Schedule VERB)	20	
21. Biodiesel Tax Credit (attach Schedule BIO)	21	
22. Environmental Stewardship Tax Credit (attach Schedule KESA)	22	



Commonwealth of Kentucky
DEPARTMENT OF REVENUE

SCHEDULE K - SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I - continued	(a) Pro Rata Share Items	(b) Total Amount
Tax Credits - continued		
23. Clean Coal Incentive Tax Credit (attach Schedule CCI)	23	
24. Ethanol Tax Credit (attach Schedule ETH)	24	
25. Cellulosic Ethanol Tax Credit (attach Schedule CELL)	25	
Schedule 5695-K Pass-through Amounts (attach Form 5695-K)		
26. Energy efficiency products credit from Form 5695-K, line 6	26	
27. Energy efficiency products credit from Form 5695-K, line 12	27	
28. Energy efficiency products credit from Form 5695-K, line 18	28	
29. Energy efficiency products credit from Form 5695-K, line 36	29	
30. Energy efficiency products credit from Form 5695-K, line 36	30	
31. Energy efficiency products credit from Form 5695-K, line 51	31	
32. Energy efficiency products credit from Form 5695-K, line 51	32	
33. Energy efficiency products credit from Form 5695-K, line 57	33	
34. Energy efficiency products credit from Form 5695-K, line 63	34	
Other Items		
35. (a) Type of Section 59(e)(2) expenditures ▶	35(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	
36. Tax-exempt interest income	36	
37. Other tax-exempt income	37	
38. Nondeductible expenses	38	
39. Total property distributions (including cash) other than dividends reported on line 41 below	39	3,639
40. Other items and amounts required to be reported separately to shareholders (attach schedule)	40	
41. Total dividend distributions paid from accumulated earnings and profits	41	
Recapture of Tax Credits		
42. Recapture of Recycling and Composting Equipment Tax Credit (attach Sch. RC-R)	42	
SECTION II - Pass-through Items		
1. S corporation's Kentucky sales from Schedule A, Section I, line 1	1	
2. S corporation's total sales from Schedule A, Section I, line 2	2	
3. S corporation's Kentucky property from Schedule A, Section I, line 5	3	
4. S corporation's total property from Schedule A, Section I, line 6	4	
5. S corporation's Kentucky payroll from Schedule A, Section I, line 8	5	
6. S corporation's total payroll from Schedule A, Section I, line 9	6	
7. S corporation's Kentucky gross profits from Schedule LLET, Section A, Column A, line 5	7	
8. S corporation's total gross profits from all sources from Schedule LLET, Section A, Column B, line 5	8	
9. Limited liability entity tax (LLET) nonrefundable credit from page 1, Part II, the total of lines 4 and 6, less \$175	9	

SCHEDULE LLET

41A720LLET (10-09)



Taxable Year Ending

1 2 / 0 9

Mo. Yr.

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

**LIMITED LIABILITY ENTITY TAX
KRS 141.0401**

Member of a Combined Group
Reason Code

- ▶ See instructions.
- ▶ Attach to Form 720, Form 720S, Form 725 or Form 765.

Name of Corporation/Limited Liability Entity CENTER RIDGE WATER DISTRICT INC	Kentucky Corporation/LLET Account No. [REDACTED]
--	--

If the corporation or limited liability pass-through entity is a partner, member or shareholder of: (i) a limited liability pass-through entity; or (ii) a general partnership organized or formed as a general partnership after January 1, 2006, check this box and complete Schedule LLET-C and enter the total amounts from Schedule LLET-C in Section A of this form.

Section A - Computation of Gross Receipts and Gross Profits

	Column A Kentucky	Column B Total
1. Gross receipts	77,692	77,692
2. Returns and allowances		
3. Gross receipts after returns and allowances (line 1 minus line 2 or amount from Schedule LLET-C)	77,692	77,692
4. Cost of goods sold		
5. Gross profits (line 3 minus line 4 or amount from Schedule LLET-C)	77,692	77,692

Section B - Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) - $\left[\frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	0	
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	0	
4. Enter the amount from line 2 or line 3	0	

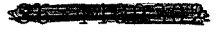
Section C - Computation of Gross Profits LLET

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) - $\left[\frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	0	
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	0	
4. Enter the amount from line 2 or line 3	0	

Section D - Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line or if -0-, enter \$175 on this line and on Form 720, Part I, line 1; and for Form 720S, 725, or 765, enter on Part II, line 1	175	
--	-----	--

STOP Mark the applicable Receipts Method box on Form 720, Form 720S, Form 725 or Form 765, page 1, Item B.



KY FORM 720S

STATE TAXES

STATEMENT 1

DESCRIPTION

AMOUNT

KENTUCKY TAXES - BASED ON INCOME

175.

TOTAL TO 720S, PART I, LINE 2

175.



For calendar year 2009 or fiscal year
 beginning **JAN 1** 2009, ending **DEC 31** 2009

**SHAREHOLDER'S SHARE OF
 INCOME, CREDITS, DEDUCTIONS, ETC.**

Shareholder's identifying number ▶	S corporation's FEIN ▶	Kentucky corporation/LLET account number ▶
---	-------------------------------	---

Shareholder's name, address and ZIP code WILLIAM M. DUNCAN 281 MORRIS RD. DEXTER, KY 42036	S corporation's name, address and ZIP code Check if applicable: <input type="checkbox"/> Qualified investment pass-through entity CENTER RIDGE WATER DISTRICT INC 69 MARGUERITE BLVD NEW CONCORD, KY 42076
--	---

- A. Shareholder's percentage of stock ownership for tax year▶ **100.000000%**
- B. (1) Resident shareholder's taxable percentage of pro rata share items▶ **100%**
 (2) Nonresident shareholder's taxable percentage of pro rata share items (see Schedule A, Section I, line 12)▶ %
- C. What type of entity is this shareholder? Individual Estate Trust Single Member LLC
- D. Check the box if nonresident shareholder's income is reported on:
 Kentucky Nonresident Income Tax Withholding on Net Distributive Share Income Transmittal Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)
- E. Check if applicable: (1) Final K-1 (2) Amended K-1

IMPORTANT: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.

		(b) Amount
(a) Pro Rata Share Items		
Income (Loss)		
1. Ordinary income (loss) from trade or business activities	1	<9,678>
2. Net income (loss) from rental real estate activities	2	
3. Net income (loss) from other rental activities	3	
4. Portfolio income (loss):		
(a) Interest	4(a)	
(b) Dividends	(b)	
(c) Royalties	(c)	
(d) Net short-term capital gain (loss)	(d)	
(e) Net long-term capital gain (loss)	(e)	
(f) Other portfolio income (loss) (attach schedule)	(f)	
5. Net gain (loss) under Section 1231 (other than due to casualty or theft)	5	
6. Other income (loss) (attach schedule)	6	
Deductions		
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7	
8. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky converted Form 4562)	8	
9. Deductions related to portfolio income (loss) (attach schedule)	9	
10. Other deductions (attach schedule)	10	
Investment Interest		
11. (a) Interest expense on investment debts	11(a)	
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	
(2) Investment expenses included on line 9 above	(2)	
Tax Credits		
12. Skills Training Investment Tax Credit	12	
13. Certified Rehabilitation Tax Credit	13	
14. Kentucky Unemployment Tax Credit	14	
15. Recycling and Composting Equipment Tax Credit	15	
16. Kentucky Investment Fund Tax Credit	16	
17. Coal Incentive Tax Credit	17	



Commonwealth of Kentucky
DEPARTMENT OF REVENUE

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Pro Rata Share Items (continued)	(b) Amount
Tax Credits - continued	
18. Qualified Research Facility Tax Credit	18
19. GED Incentive Tax Credit	19
20. Voluntary Environmental Remediation Tax Credit	20
21. Biodiesel Tax Credit	21
22. Environmental Stewardship Tax Credit	22
23. Clean Coal Incentive Tax Credit	23
24. Ethanol Tax Credit	24
25. Cellulosic Ethanol Tax Credit	25
Schedule 5695-K Pass-Through Amounts	
26. Energy efficiency products amount (Enter on Form 5695-K, line 3)	26
27. Energy efficiency products amount (Enter on Form 5695-K, line 9)	27
28. Energy efficiency products amount (Enter on Form 5695-K, line 15)	28
29. Energy efficiency products amount (Enter on Form 5695-K, line 29)	29
30. Energy efficiency products amount (Enter on Form 5695-K, line 32)	30
31. Energy efficiency products amount (Enter on Form 5695-K, line 44)	31
32. Energy efficiency products amount (Enter on Form 5695-K, line 47)	32
33. Energy efficiency products amount (Enter on Form 5695-K, line 54)	33
34. Energy efficiency products amount (Enter on Form 5695-K, line 60)	34
Other Items	
35. (a) Type of Section 59(e)(2) expenditures ▶	35(a)
(b) Amount of Section 59(e)(2) expenditures	(b)
36. Tax-exempt interest income	36
37. Other tax-exempt income	37
38. Nondeductible expenses	38
39. Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	39 3,639
40. Supplemental information required to be reported to each shareholder (attach schedules)	40
41. Total dividend distributions paid from accumulated earnings and profits	41
Recapture of Tax Credit	
42. Recapture of Recycling and Composting Equipment Tax Credit	42
LLET Pass-through Items	
43. Shareholder's share of S corporation's Kentucky sales from Schedule K, Section II, line 1	43
44. Shareholder's share of S corporation's total sales from Schedule K, Section II, line 2	44
45. Shareholder's share of S corporation's Kentucky property from Schedule K, Section II, line 3	45
46. Shareholder's share of S corporation's total property from Schedule K, Section II, line 4	46
47. Shareholder's share of S corporation's Kentucky payroll from Schedule K, Section II, line 5	47
48. Shareholder's share of S corporation's total payroll from Schedule K, Section II, line 6	48
49. Shareholder's share of Kentucky gross profits from Schedule K, Section II, line 7	49
50. Shareholder's share of total gross profits from all sources from Schedule K, Section II, line 8	50
51. Shareholder's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9	51
Resident Shareholder Adjustment	
52. Combination of Kentucky Schedule K-1, lines 1 through 5, 8 and portions of lines 6 and 10. Add income amounts and subtract (loss) and deduction amounts (see instructions)	52 <9,678>
53. Combination of federal Schedule K-1, lines 1 through 9, 11 and portions of lines 10 and 12. Add income amounts and subtract (loss) and deduction amounts (see instructions)	53 <9,793>
54. Enter the difference of lines 52 and 53 here and on appropriate line on Schedule M (see instructions)	54 115

Center Ridge 2009 Transportation Expense

-Center Ridge Water District is unique compared to most if not all other PSC-regulated water utilities in that it consists of four separate distributions systems, three of which are miles apart from each other.

-William Duncan, the owner of Center Ridge Water District, is required by the Kentucky Division of Water to visit each of the four Center Ridge systems on a daily basis to do chlorine tests. (The attached MORs document that this trip occurs daily.)

-On a normal round trip, Mr. Duncan drives 120 miles daily, and may drive more if he has to take lab samples to the outside testing labs or if he has to purchase plant materials. The tax returns included with the application document the 47,500 miles driven in 2009 on behalf of Center Ridge Water District.

-In a normal year, Mr. Duncan may also fix 40 to 50 water leaks per year at the four systems, requiring additional mileage over and above the daily route.

-Attached are Google maps showing the rough distances between the four Center Ridge systems. While Mr. Duncan's route may vary depending upon circumstances, his normal daily route takes him from Center Ridge System #3 to System #2, which are near each other. Next is the longest portion of his route, which requires him to reach System #1 by driving approximately 25 miles southwest and then northeast because there are no area bridges across the Kentucky Lake inlets. Next, Mr. Duncan travels approximately 11 miles to System #4, which is located south of Kenlake State Park in the Ledbetter Shores Subdivision.

-The distances on the Google maps are rough indicators of the point-to-point distances between Systems 2, 1, and 4, and in fact understate the total mileage driven daily to do testing and to drive the subdivisions monitoring for leaks.

-The 2009 transportation expense of \$26,125 was calculated by taking the 47,500 miles driven times the 2009 IRS-approved reimbursement rate of 55 cents a mile, as follows:

Category	Miles per trip	Trips per year	Totals
Daily Visits – required by the Kentucky Division of Water for all 4 water systems	120 miles round-trip	365	43,800 miles
Laboratory Visits – required sampling is done twice a month at each system, and samples are then taken to an outside lab.	130 miles round-trip	24	3,120 miles
Other - Leak repairs (40-50 per year) -PSC and DOW Inspections	Variable depending upon leak location	Variable	580 miles
		2009 Total	47,500 miles

- Mr. Duncan invites Commission Staff to visit the area and travel the route with him if there are any questions about Center Ridge's daily route.

**KENTUCKY DIVISION OF WATER
DRINKING WATER BRANCH**

Revised 7/1/06

MONTHLY OPERATION REPORT (MOR)--ALL WATER SYSTEMS

MONTH & YEAR OF: 10/2009

DEP Form 4012--Revised 07/2006

PWS ID:	<u>Ky0183106</u>	PLANT ID:	<u>A</u>	PLANT NAME:	
PWS NAME:	<u>Center Ridge Water # 4</u>	PLANT CLASS:		DIST. CLASS:	
AGENCY INTEREST (AI):	<u>33835</u>	DATE MAILED:	<u>10-7-09</u>	COUNTY:	<u>Calloway</u>
SOURCE NAME:	<u>Well</u>				
OPERATOR(S) IN RESPONSIBLE CHARGE		CLASS	CERTIFICATION NUMBER		
WTP SHIFT 1:	<u>William Duncan</u>	<u>1 B-D</u>	<u>02102</u>		
WTP SHIFT 2:					
WTP SHIFT 3:					
DISTRIBUTION:					

**THIS REPORT MUST BE RECEIVED BY THE DIVISION OF WATER AND APPLICABLE FIELD OFFICE
NO LATER THAN 10 DAYS AFTER THE END OF THE MONTH.**

TREATMENT PLANTS COMPLETE:

1. DESIGN CAPACITY (gpm):	<u>35</u>	
2. TYPE OF FILTRATION USED:		
3. DESIGN FILTRATION RATE (gpm/sq. ft.):		
4. PERCENT BACKWASH WATER USED:		
5. DATE FLOCCULATION BASIN(S) LAST CLEANED:		
6. DATE SETTLING BASIN(S) LAST CLEANED:		

I certify under penalty of law that I have personally examined and am familiar with the information submitted herein. Based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. See KRS 224.99-010 and 401 KAR 8:020. (Penalties under this statute and regulation may include fines up to \$25,000 per violation or by imprisonment for not more than one year, or both).

William Duncan
SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT

10-7-09
DATE

KENTUCKY DIVISION OF WATER - DRINKING WATER BRANCH
 WATER TREATMENT PLANT - MONTHLY OPERATING REPORT

PWS ID: 018 3106
 PLANT ID: A

REPORT MONTH/YEAR: 09-09
 PAGE 1 OF 11

APPLICABLE TO ALL PLANTS

DAY	RAW WATER TREATED GALLONS	HOURS PLANT OPERATED	COAGULANT		COAGULANT		pH ADJUSTMENT		DISINFECTANT		DISINFECTANT	
			LBS	PPM	LBS	PPM	Pre		Pre		Post	
							LBS	PPM	LBS	PPM	LBS	PPM
1	6900											
2	6100											
3	7100											
4	7500									1		
5	13400											
6	12300											
7	6900											
8	6500											
9	5900											
10	6800											
11	7500									1		
12	11700											
13	10800											
14	7800									1		
15	7100											
16	6400											
17	6900											
18	7700									1		
19	11200											
20	12300											
21	8100											
22	7800											
23	7100											
24	6900											
25	7300									1		
26	10900											
27	12500											
28	7900											
29	6400											
30	7100									1		
TOTAL	250,800									654		
AVERAGE	8,360											
MAX	13,400											

NUMBER DAYS IN OPERATION 30

**KENTUCKY DIVISION OF WATER
DRINKING WATER BRANCH**

Revised 7/1/06

MONTHLY OPERATION REPORT (MOR)--ALL WATER SYSTEMS

MONTH & YEAR OF: **10 9 0 0 9**

DEP Form 4012--Revised 07/2006

PWS ID:	Ky0183106	PLANT ID:	A	PLANT NAME:	
PWS NAME:	Center Ridge Water # 4	PLANT CLASS:		DIST. CLASS:	
AGENCY INTEREST (AI):	33835	DATE MAILED:	11-9-09	COUNTY:	Calloway
SOURCE NAME:	Well				
OPERATOR(S) IN RESPONSIBLE CHARGE		CLASS	CERTIFICATION NUMBER		
WTP SHIFT 1:	William Duncan	1 B-D	02102		
WTP SHIFT 2:					
WTP SHIFT 3:					
DISTRIBUTION:					

**THIS REPORT MUST BE RECEIVED BY THE DIVISION OF WATER AND APPLICABLE FIELD OFFICE
NO LATER THAN 10 DAYS AFTER THE END OF THE MONTH.**

TREATMENT PLANTS COMPLETE:

1. DESIGN CAPACITY (gpm): 35
2. TYPE OF FILTRATION USED: _____
3. DESIGN FILTRATION RATE (gpm/sq. ft.): _____
4. PERCENT BACKWASH WATER USED: _____
5. DATE FLOCCULATION BASIN(S) LAST CLEANED: _____
6. DATE SETTLING BASIN(S) LAST CLEANED: _____

I certify under penalty of law that I have personally examined and am familiar with the information submitted herein. Based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. See KRS 224.99-010 and 401 KAR 8:020. (Penalties under this statute and regulation may include fines up to \$25,000 per violation or by imprisonment for not more than one year, or both).

William Duncan
SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT

11-9-09
DATE

KENTUCKY DIVISION OF WATER - DRINKING WATER BRANCH
 WATER TREATMENT PLANT - MONTHLY OPERATING REPORT

PWS ID: 018 3106
 PLANT ID: A

REPORT MONTH/YEAR: 10-09
 PAGE 1 OF 11

APPLICABLE TO ALL PLANTS

DAY	RAW WATER TREATED GALLONS	HOURS PLANT OPERATED	COAGULANT		COAGULANT		pH ADJUSTMENT		DISINFECTANT		DISINFECTANT	
			LBS	PPM	LBS	PPM	Pre LBS	Pre PPM	Pre LBS	Pre PPM	Post LBS	Post PPM
1	7500											
2	7900											
3	11600											
4	10800											
5	7300											
6	6800									1		
7	6100											
8	7100											
9	7900											
10	12100											
11	13400											
12	7800									1		
13	6900											
14	6400											
15	7200											
16	7700											
17	12900											
18	12100											
19	8100											
20	7100									1		
21	6600											
22	6500											
23	7900											
24	10700											
25	11900											
26	7900									1		
27	7200											
28	6500											
29	6900											
30	7500											
31	11700									1		
TOTAL	266000									5		
AVERAGE	8,580											
MAX	13,400											

NUMBER DAYS IN OPERATION 31

KENTUCKY DIVISION OF WATER
DRINKING WATER BRANCH

Revised 7/1/06

MONTHLY OPERATION REPORT (MOR)--ALL WATER SYSTEMS

MONTH & YEAR OF: 11 9 2008

DEP Form 4012--Revised 07/2006

PWS ID:	Ky0183106	PLANT ID:	A	PLANT NAME:	
PWS NAME:	Center Ridge Water # 4	PLANT CLASS:		DIST. CLASS:	
AGENCY INTEREST (AI):	33835	DATE MAILED:	12-9-09	COUNTY:	Calloway
SOURCE NAME:	Well	OPERATOR(S) IN RESPONSIBLE CHARGE:	William Duncan	CLASS:	1 B-D
				CERTIFICATION NUMBER:	02102
WTP SHIFT 1:					
WTP SHIFT 2:					
WTP SHIFT 3:					
DISTRIBUTION:					

THIS REPORT MUST BE RECEIVED BY THE DIVISION OF WATER AND APPLICABLE FIELD OFFICE
NO LATER THAN 10 DAYS AFTER THE END OF THE MONTH.

TREATMENT PLANTS COMPLETE:

- DESIGN CAPACITY (gpm): 35
- TYPE OF FILTRATION USED:
- DESIGN FILTRATION RATE (gpm/sq. ft.):
- PERCENT BACKWASH WATER USED:
- DATE FLOCCULATION BASIN(S) LAST CLEANED:
- DATE SETTLING BASIN(S) LAST CLEANED:

I certify under penalty of law that I have personally examined and am familiar with the information submitted herein. Based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. See KRS 224.99-010 and 401 KAR 8:020. (Penalties under this statute and regulation may include fines up to \$25,000 per violation or by imprisonment for not more than one year, or both).

William Duncan

SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT

12-9-09

DATE

KENTUCKY DIVISION OF WATER - DRINKING WATER BRANCH
 WATER TREATMENT PLANT - MONTHLY OPERATING REPORT

PWS ID : 018 3106
 PLANT ID : A

REPORT MONTH/YEAR: 11-09
 PAGE 1 OF 11

APPLICABLE TO ALL PLANTS

DAY	RAW WATER TREATED GALLONS	HOURS PLANT OPERATED	COAGULANT		COAGULANT		pH ADJUSTMENT		DISINFECTANT		DISINFECTANT	
			LBS	PPM	LBS	PPM	Pre	PPM	Pre	PPM	Post	PPM
1	12200											
2	7500									1		
3	6900											
4	6100											
5	8800											
6	7100									1		
7	12900											
8	11300											
9	8100											
10	7100											
11	6500											
12	6900											
13	7800									1		
14	11900											
15	10300											
16	7800											
17	6900											
18	7100											
19	7700											
20	8900									1		
21	10900											
22	12100											
23	7900											
24	7100											
25	6300											
26	6800									1		
27	7500											
28	12700											
29	10100											
30	7300									1		
31												
TOTAL	252500									6		
AVERAGE	8417											
MAX	12900											

NUMBER DAYS IN OPERATION 30

KENTUCKY DIVISION OF WATER
DRINKING WATER BRANCH

Revised 7/1/06

MONTHLY OPERATION REPORT (MOR)--ALL WATER SYSTEMS

MONTH & YEAR OF: 11 9 2009

DEP Form 4012--Revised 07/2006

PWS ID:	<u>Ky0183106</u>	PLANT ID:	<u>A</u>	PLANT NAME:	_____
PWS NAME:	<u>Center Ridge Water # 4</u>	PLANT CLASS:	_____	DIST. CLASS:	_____
AGENCY INTEREST (AI):	<u>33835</u>	DATE MAILED:	<u>1-9-10</u>	COUNTY:	<u>Calloway</u>
SOURCE NAME:	<u>Well</u>	OPERATOR(S) IN RESPONSIBLE CHARGE:	<u>William Duncan</u>	CLASS:	<u>1 B-D</u>
WTP SHIFT 1:	_____	CERTIFICATION NUMBER:	<u>02102</u>	_____	_____
WTP SHIFT 2:	_____	_____	_____	_____	_____
WTP SHIFT 3:	_____	_____	_____	_____	_____
DISTRIBUTION:	_____	_____	_____	_____	_____

THIS REPORT MUST BE RECEIVED BY THE DIVISION OF WATER AND APPLICABLE FIELD OFFICE
NO LATER THAN 10 DAYS AFTER THE END OF THE MONTH.

TREATMENT PLANTS COMPLETE:

- 1. DESIGN CAPACITY (gpm): 35
- 2. TYPE OF FILTRATION USED: _____
- 3. DESIGN FILTRATION RATE (gpm/sq. ft.): _____
- 4. PERCENT BACKWASH WATER USED: _____
- 5. DATE FLOCCULATION BASIN(S) LAST CLEANED: _____
- 6. DATE SETTLING BASIN(S) LAST CLEANED: _____

I certify under penalty of law that I have personally examined and am familiar with the information submitted herein. Based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. See KRS 224.99-010 and 401 KAR 8:020. (Penalties under this statute and regulation may include fines up to \$25,000 per violation or by imprisonment for not more than one year, or both).

William Duncan

1-9-10

SIGNATURE OF PRINCIPAL EXECUTIVE OFFICER OR AUTHORIZED AGENT

DATE

KENTUCKY DIVISION OF WATER - DRINKING WATER BRANCH
 WATER TREATMENT PLANT - MONTHLY OPERATING REPORT

PWS ID: 018 3106
 PLANT ID: A

REPORT MONTH/YEAR: 12-09
 PAGE 1 OF 11

APPLICABLE TO ALL PLANTS

DAY	RAW WATER TREATED GALLONS	HOURS PLANT OPERATED	COAGULANT		COAGULANT		pH ADJUSTMENT		DISINFECTANT		DISINFECTANT	
			LBS	PPM	LBS	PPM	Pre LBS	Pre PPM	Pre LBS	Pre PPM	Post LBS	Post PPM
	6900											
	6200											
	6800											
	7300								1			
	10508											
	11300											
	7400								1			
	7100											
	6400											
	6900											
	7400											
	12300											
	10100											
	7200								1			
	6800											
	6100											
	7100											
	7700								1			
	9800											
	11300											
	7100								1			
	6300											
	5900											
	6500											
	7500											
	10100											
	11700											
	7300								1			
	6800											
	6200											
	7100											
TOTAL	245,100								6			
AVERAGE	7906											
MAX	12,300											

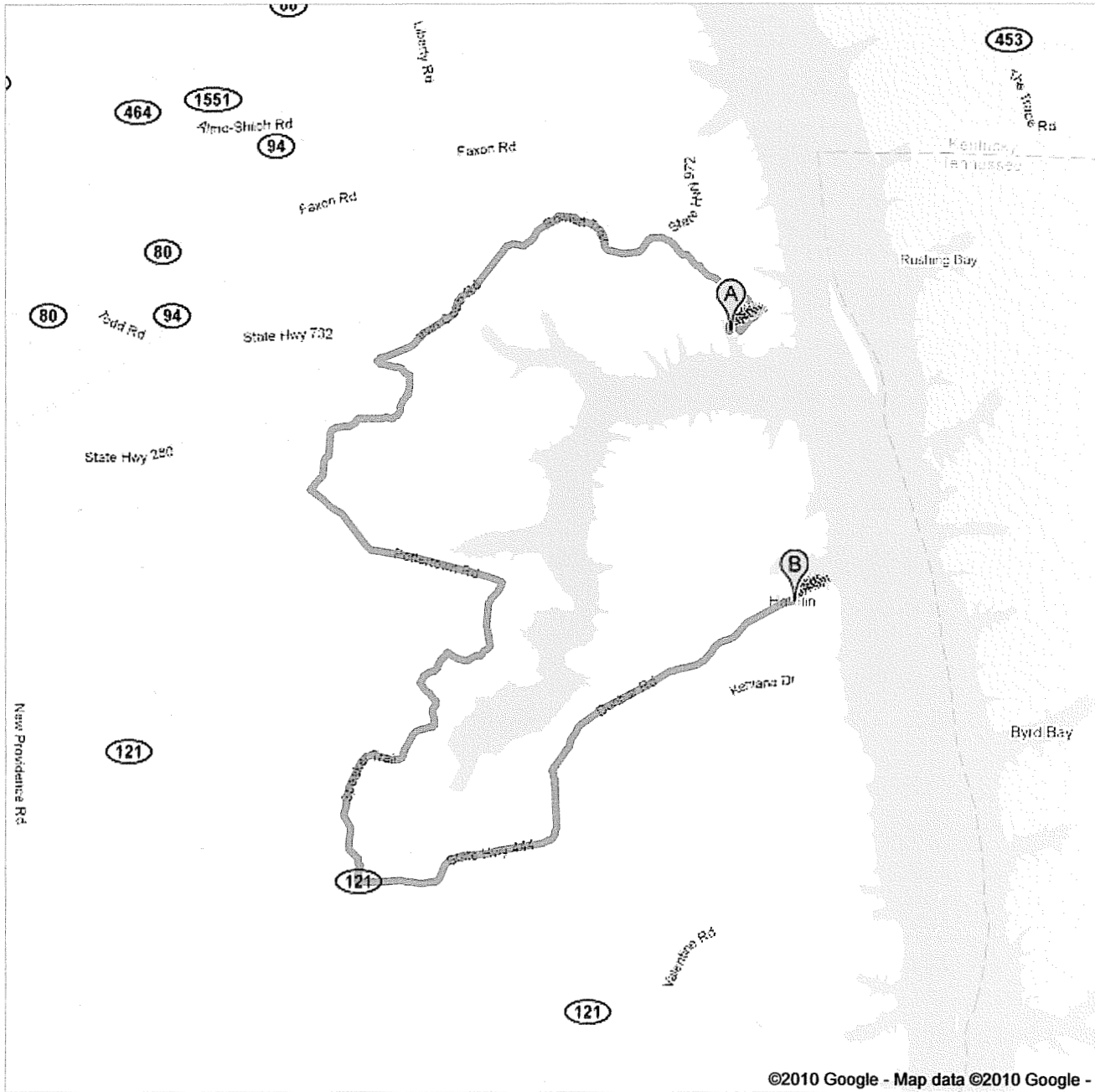
NUMBER DAYS IN OPERATION 31













Directions to Hamlin, Kentucky
24.5 mi – about 43 mins


Save trees. Go green!

Download Google Maps on your phone at google.com/gmm



 **Kentucky Beach Resort**
270 Lynnhurst Dr, Murray, KY 42071-4968 - (270) 436-2345

- | | | |
|---|--|-----------------------------------|
| | 1. Head north on Lynnhurst Dr toward Rowlett Trail
About 1 min | go 0.5 mi
total 0.5 mi |
|  | 2. Take the 1st left onto Rowlett Trail
About 8 mins | go 3.9 mi
total 4.4 mi |
| | 3. Continue onto Irvin Cobb Rd
About 3 mins | go 2.2 mi
total 6.6 mi |
|  | 4. Keep left at the fork to continue toward Beane Rd | go 259 ft
total 6.6 mi |
|  | 5. Turn left at Beane Rd
About 1 min | go 0.5 mi
total 7.1 mi |
|  | 6. Take the 1st right to stay on Beane Rd
About 5 mins | go 2.2 mi
total 9.3 mi |
|  | 7. Turn left at Pottertown Rd
About 5 mins | go 2.7 mi
total 12.0 mi |
|  | 8. Turn right at Speaker Trail
About 8 mins | go 5.3 mi
total 17.3 mi |
|  | 9. Turn left at KY-121 S
About 2 mins | go 1.0 mi
total 18.3 mi |
|  | 10. Take the 1st left onto Dunbar Rd
About 8 mins | go 6.2 mi
total 24.5 mi |
|  | 11. Turn right | go 79 ft
total 24.5 mi |

 **Hamlin, Kentucky**

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2010 Google

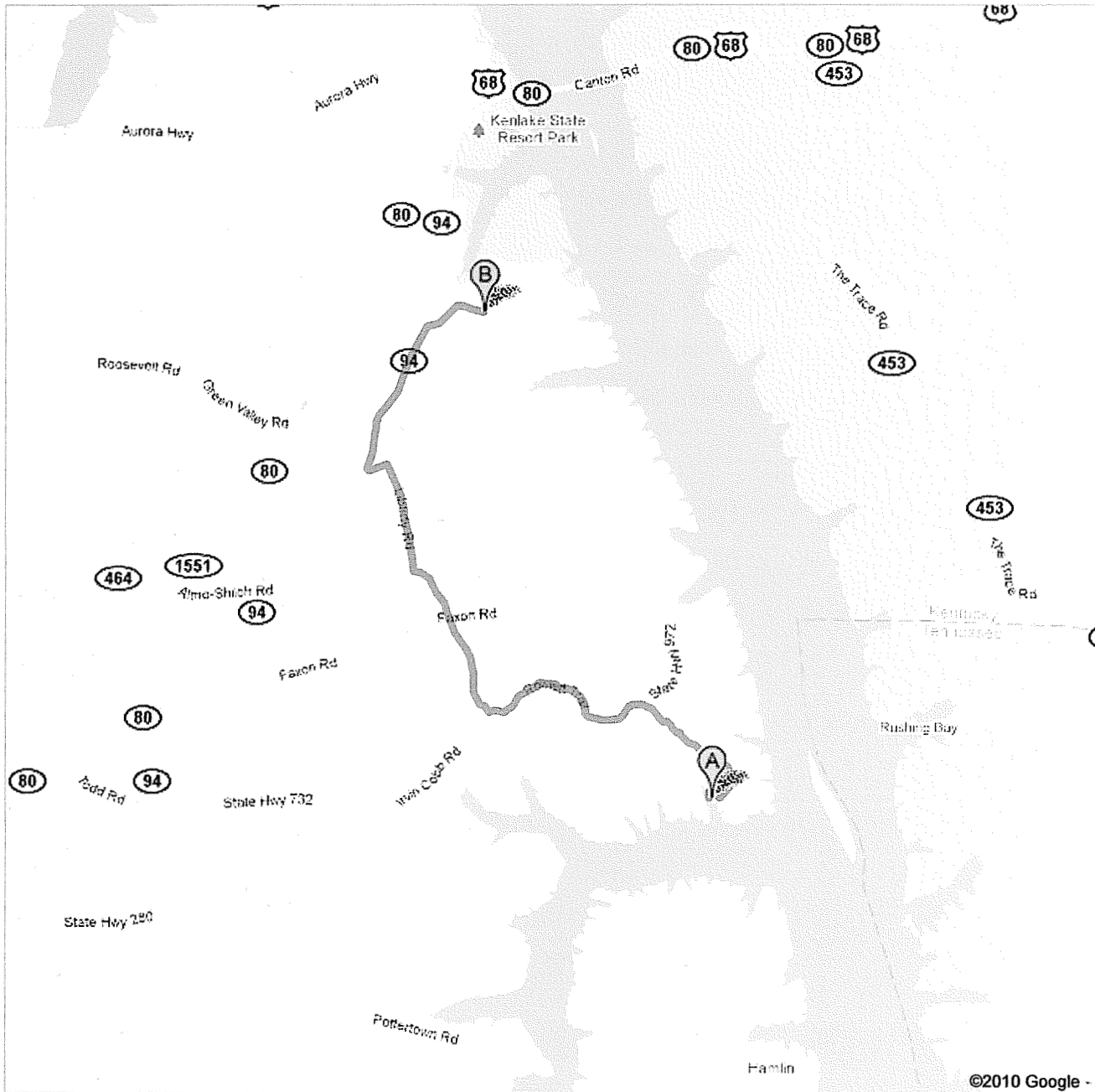
Directions weren't right? Please find your route on maps.google.com and click "Report a problem" at the bottom left.








Directions to Lancaster Rd, Murray, KY 42071
10.9 mi – about 22 mins

Save trees. Go green!

Download Google Maps on your phone at google.com/gmm



A Kentucky Beach Resort
 270 Lynnhurst Dr, Murray, KY 42071-4968 - (270) 436-2345

- | | |
|---|--|
| <p>1. Head north on Lynnhurst Dr toward Rowlett Trail
 About 1 min</p> | <p>go 0.5 mi
 total 0.5 mi</p> |
| <p> 2. Take the 1st left onto Rowlett Trail
 About 8 mins</p> | <p>go 3.9 mi
 total 4.4 mi</p> |
| <p> 3. Turn right at Liberty Rd
 About 7 mins</p> | <p>go 3.4 mi
 total 7.9 mi</p> |
| <p> 4. Turn left at Highland Rd
 About 1 min</p> | <p>go 0.3 mi
 total 8.1 mi</p> |
| <p> 5. Take the 1st right onto KY-94 E
 About 3 mins</p> | <p>go 1.9 mi
 total 10.1 mi</p> |
| <p> 6. Turn right at Lancaster Rd
 About 2 mins</p> | <p>go 0.8 mi
 total 10.9 mi</p> |

B Lancaster Rd, Murray, KY 42071

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route

Map data ©2010 Google

Directions weren't right? Please find your route on maps.google.com and click "Report a problem" at the bottom left.

Consulting Contract

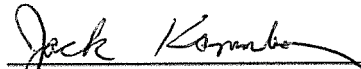
This agreement is made this 1ST day of OCTOBER, 2010, by and between Kentucky Small Utility Consulting, LLC, 8105 Parkshire Court, Louisville, KY 40220 (hereinafter referred to as the "Contractor"), and Center Ridge Water District, Inc., whose address is 69 Marguerite Blvd., New Concord, KY 42076 (hereinafter referred to as "Utility") for consulting services.

- (1) Contractor shall render the services, for the compensation set forth in Attachment "A" (hereinafter referred to as the "Services). The Services may be changed only by the prior written agreement of the Contractor and the Utility and if changed the time of performance shall be adjusted accordingly. Invoices shall be paid by Utility without setoff or deduction, upon receipt. Contractor has the option of suspending or terminating its performance for non-payment.
- (2) The party with complete authority to act under this contract for Contractor is Jack Kaninberg. The party with complete authority to act under this contract for Utility is William Duncan.
- (3) The Utility shall provide Contractor to full and adequate access to all the information needed by Contractor to fulfill the services set out in Attachment A. Utility shall give prompt attention to all documentation and requests for information and action by Contractor, so as to not delay Contractor's work. When applicable, Contractor shall have access to Utility's private property to complete its work.
- (4) The Contractor shall furnish the necessary qualified personnel to complete the Services and Contractor represent that is has access to the experience and capability necessary to and agrees to perform the Services with reasonable skill and diligence. This undertaking does not imply and guarantee a perfect project and in the event of failure, Contractor will only be liable to its failure to exercise diligence, reasonable care and professional skill. Contractor's fee under this agreement shall be the only measure of damages. There are no other representations or warranties expressed or implied and Utility agrees to hold Contractor harmless and indemnify from any claims not related to liability from the negligence or willful misconduct of Contractor.
- (5) All documents (hard copy or electronic) prepared by Contractor in connection with this project are the sole property of Contractor and payment to Contractor under Attachment A shall be a condition precedent to use of any documentation of Contractor. Contractor cannot guarantee or be liable for the integrity of any electronic information.
- (6) Any default in performance caused by a natural catastrophe or civil unrest (force majeure) shall not constitute a default of the Contract.

- (7) This contract shall be interpreted under the laws of the Commonwealth of Kentucky and choice of venue shall be Jefferson County. If there is a dispute, good faith mediation is required as a condition precedent of either party filing any complaint in any court.
- (8) Neither Contractor nor Utility may assign any part of this contract without written authority of the other party.
- (9) Contractor agrees to keep all of Utility's information confidential and at all times allow the Utility access and information to make sure its information is being protected.
- (10) This Contract and Attachment A, is the entire agreement between the parties and it supersedes any and all other oral or prior agreement between them. The Contract may be amended only by a written amendment, signed by both parties.
- (11) If any portion of this Contract is deemed unenforceable, it shall not affect the remaining portions. The consideration for this Contract is the mutual agreement contained herein, which each party by its signature agree is sufficient.

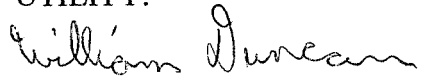
THE PARTIES EXPRESSLY ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS LIMITATION OF LIABILITY PROVISIONS RESTRICTING RIGHT FOR RECOVERY OF DAMAGES.

CONTRACTOR:



Jack Kaninberg

UTILITY:



BY: _____

TITLE: owner & operator

CONSULTING CONTRACT
ATTACHMENT "A"

This Attachment details the Services, contract time, price, forming part of the Contract:

(1) Services: Contractor shall perform the following services:

TASK A -- SCOPE OF SERVICES – A review using 2009 Public Service Commission (“PSC”) Income Statement numbers as the test period, in order to make appropriate pro forma adjustments for material, known, and measurable revenue and expense changes, and arrive at a recommended revenue increase that meets with the Utility’s approval.

TASK B – SCOPE OF SERVICES – Upon the Utility’s approval of a proposed revenue increase, Contractor will prepare the rate increase application and the necessary supporting documentation to justify it, and will forward it to the utility for its review, approval, and submittal to the PSC.

TASK C – SCOPE OF SERVICES – Between the submittal of the rate application and a PSC Final Order on the rate application and proposed revenue increase, Contractor will remain available to advise the utility in responding to requests for information and otherwise supporting the application.

However, Contractor is not responsible for responding to PSC or other data requests or providing testimony in the case unless the Utility and the Contractor so agree after the issuance of any data requests or requirements to provide testimony. If the Utility and the Contractor agree to make the Contractor responsible, in full or in part, for any data requests or testimony, the Utility agrees to pay the Contractor an hourly rate of \$25 per hour for work responding to data requests, and \$50 per hour for testimony and any preparation related thereto. Due to Center Ridge’s limited cash and cash flow, any such payments may be deferred until after the PSC has issued a Final Order in the case, upon mutual agreement between the Contractor and the Utility.

(2) Contract time

(a) Commencement date: October 1, 2010

(b) Estimated Completion Date: August 31, 2011

(3) Contract Payment - \$2,850 in total, unless the Utility and the Contractor agree to additional hourly charges as described under Task C above.

TASK A – 25% of Total Contract Amount, or \$712.50, due upon completion of Task A as described above.

TASK B – Additional 25% (or \$712.50) of Total Contract Amount, due after the Commission has deemed the case filed.

-Additional 25% (or \$712.50) due 60 days after the case is deemed filed by the PSC.

TASK C – Final 25% (or \$712.50) of Total Contract Amount, due upon completion of the rate case.

HAVE SEEN AND AGREED:

CONTRACTOR:

Jack Kaninberg
Jack Kaninberg

UTILITY:

Center Ridge Water

BY:

William Duncan

TITLE:

owner & operator



McCOY & McCOY LABORATORIES, Inc.
 Providing Environmental Laboratory Services

SDWA MONITORING SCHEDULE FOR 2010

Group #1 - Required on or before September 10th

HAA & THM Analysis

Districts 1, 2, & 3

\$180.00 @ 3 districts

\$540.00 pd - 9-27-10

Items paid upfront

Lead & Copper Analysis

Districts 1 & 3 (5 sites per district)

\$152.50 @ 2 districts

\$305.00 - pd 9-22-10

Total \$845.00

*Full payment of \$845.00 due at time of sample submittal.

Group #2 - Required collection on or before November 26th

Items still to do

Secondary Analysis

Districts 1, 2, 3, & 4

\$276.75 @ 4 districts

\$1107.00

Nitrate Analysis

Districts 1, 2, 3, & 4

\$29.00 @ 4 districts

\$116.00

Inorganic Analysis

Districts 1, 2, & 3

\$214.50 @ 3 districts

\$643.50

Volatile Organic Compounds (VOC)

Districts 1, 2, & 3

\$275.00 @ 3 districts

\$825.00

Synthetic Organic Compounds (SOC)

Districts 1, 2, & 3

\$1540.00 @ 3 districts

\$4620.00

MMLI Sample Collection Services for Group #2

Hourly rate

(Estimated @ three hours)

\$42.00 @ 3 hours

\$126.00

Required Travel

(Travel from Paducah office to all districts)

\$100.00

Total \$7537.50

*Half of total payment (\$3768.75) due at sample collection. Remainder must be paid in full before data will be submitted to the State of KY Division of Water (January 10th).