

October 22, 2010

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Hillridge Facilities, Inc. 2010 Rate Case Filing

Dear Sirs:

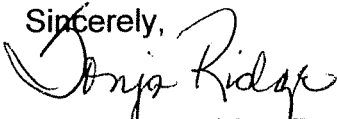
Attached please find an original and 10 copies of Hillridge Facilities, Inc.'s Alternative Rate Filing, including customer notice and mailing verification. Please incorporate by reference in this case our annual reports on file at the PSC, and note that Hillridge filed its articles of incorporation and any amendments in Case No. 89-347 ("The Application Of Hillridge Facilities, Inc. For A Rate Adjustment Pursuant To The Alternative Rate Filing Procedure For Small Utilities").

In this case, Hillridge is requesting PSC approval of both a 34.7% general rate increase and a surcharge of \$11.19 per month for 36 months. The surcharge is necessary to address Inflow and Infiltration issues typical for a facility of Hillridge's age and to avoid sanctions from the Kentucky Division of Water. Because of the urgent nature of this situation, Hillridge respectfully requests expedited PSC approval of the surcharge request.

Hillridge is proposing that the new rates become effective on November 29, 2010, and has provided a proposed tariff to that effect at Exhibit 2 of this filing. In addition, Hillridge 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 Hillridge 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 Hillridge believes reduction of the estimated rate case expenses included within this application is in the best interests of all parties. Therefore, we respectfully request that the Commission Staff perform a field review rather than issuing data requests to process this case.

Sincerely,



Sonja Ridge, Vice-President and Treasurer
Hillridge Facilities, Inc.

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

Hillridge Facilities, Inc., c.o. Sonja Ridge (VP-Treasurer)

Name of Utility

17825 Bradbe Road

Fisherville, KY 40023

Business Mailing Address

Telephone Number 502 / 267-7091
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: Jack Kaninberg, Consultant
Address: 13005 Middletown Industrial Blvd., Suite J
Louisville, KY 40243
Telephone Number: (502) 742-9325

- | | | | |
|----|---|-----|----|
| 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, which includes a restated income statement and a pro forma income statement.**

<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	\$ _____	\$ _____	\$ _____

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>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
Residential	\$24.13 per month	\$32.50 per month	34.7%
Surcharge	<u>\$ 0.00 per month</u>	<u>\$11.19 per month</u>	N/A
Total	\$24.13 per month	\$43.69 per month	81.1%

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).

Hillridge's sewer plant dates to 1965, and requires repairs typical for a facility of its age - especially as relates to Inflow and Infiltration issues - as discussed throughout this application.

- 2) Total number of Customers as of the date of filing: 720
- 3) Total amount of increased revenue requested: \$72,317 per year (general rates), plus \$96,667 in surcharge revenue per year for 3 years

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 None \$ or %? (If unknown, state the reason).
- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Hillridge has not had a rate increase since early 2002, its expenses have increased, and its monthly rate of \$24.13 is lower than average. In addition, its plant is aging – it dates back to 1965, making it one of the oldest sewers regulated by the PSC - and is experiencing Inflow and Infiltration issues typical for a facility of its age that must be addressed pursuant to directives of the Kentucky Division of Water.

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.

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

Jonis U. Ridge

Officer of the Company

Title

Vice Pres - Treasurer

Date

October 15, 2010

Hillridge Facilities Exhibit Index

1. Attachment A – Pro Forma Income Statement and Restatements
2. Proposed Tariff
3. Customer Notice & Written Statement Verifying Customer Notice Mailed
4. Documentation of Debt (per ARF form page 4)
5. Depreciation Schedule
6. Latest Federal and State Tax Returns
7. Documentation Supporting Proposed Expense Adjustments:
 - Electricity Increase.
 - Rate Case Consulting Contract for \$2,400.
 - 2010 Property Tax bill of \$1,759.32.
 - 4.5% water cost increase approved November 2009.
 - 2010 Repair bills over \$1,000
8. Surcharge Documentation
 - Surcharge Explanation and Calculation
 - Murphy Bid of \$290,000 to fix Inflow and Infiltration issues.
 - Other Competitive Bids

Attachment A - Hillridge Facilities Proforma Operations

	2009	'09 Restated	Adjustments	Ref	Adjusted
Flat Rate Revenues	\$211,503	\$211,503	(\$3,020)	A	\$208,483
Misc. Operating Revenues	\$6,000	\$6,000	(\$6,000)	B	0
Total Revenue	\$217,503	\$217,503	(\$9,020)		\$208,483
Owner/Manager Fee	0	0	\$21,575	C	\$21,575
Sludge Hauling	\$36,377	\$26,698	0		\$26,698
Utilities-Fuel & Water Expense	\$52,263	\$51,383	\$5,836	D	\$57,219
Chemicals	\$5,895	\$6,775	\$3,225	E	\$10,000
Routine Maintenance Fee (875)	\$45,036	\$58,803	(\$22,724)	F	\$36,079
Maint. of Structures & Improvements	\$9,880	\$9,880	0		\$9,880
Customer Records & Collection	\$7,516	\$7,516	0		\$7,516
Office Supplies & Other	\$3,022	\$3,022	0		\$3,022
Outside Services – Testing	\$16,098	\$12,010	0		\$12,010
Outside Services - Legal & Prof.	\$23,908	\$25,183	(\$3,183)	G	\$22,000
Insurance Expense	\$6,903	\$6,903	\$261	H	\$7,164
Miscellaneous General Expense	\$519	\$519	0		\$519
Maintenance Of General Plant	\$33,039	\$31,764	(\$18,910)	I	\$12,854
Total O&M Expenses	\$240,456	\$240,456	(\$13,920)		\$226,536
Depreciation Expense	\$20,036	\$20,036	\$9,603	J	\$29,639
Amortization Expense	0	0	\$8,640	K	\$8,640
Taxes Other Than Income	\$2,888	\$2,888	\$5,248	L	\$8,136
Income Taxes	\$175	\$175	(\$175)	M	0
Total Operating Expenses	\$263,555	\$263,555	\$9,396		\$272,951
NOI	(\$46,052)	(\$46,052)	(\$18,416)		(\$64,468)
Misc. Nonop. Income	\$8,164	\$8,164	(\$8,164)	N	0
Income Tax Refund	\$5,235	\$5,235	(\$5,235)	O	0
Other Interest Expense	(\$4,848)	(\$4,848)	0		(\$4,848)
Net Income	(\$37,501)	(\$37,501)	(\$31,815)		(\$69,316)

Amount	Revenue Requirement Calculation (not including proposed surcharge)
\$ 272,951	Operating Expenses before taxes
\$ / 88%	88% Operating Ratio
\$ 310,172	Revenue Requirement before Taxes and Interest Expense
(272,951)	Less: Pro Forma Operating Expenses before taxes
\$37,221	Net operating income allowed after taxes
X 1.251564456	Tax Gross Up Factor
\$ 46,585	Net operating income before taxes
\$ 272,951	Add: Pro Forma Operating Expenses
\$ 4,848	Add Interest Expense
\$324,384	Revenue Requirement
(\$ 208,483)	Normalized Revenue
\$ 115,901	Justified Increase (55.6% increase; results in \$37.55 rate)
\$72,317	Requested increase (34.7% increase; results in a \$32.50 rate)

Reference Notes

A. Sales Revenues were reduced by \$3,020 to reflect normalized revenues of \$208,483. At the end of 2009, this sewer system had a total of 720 customers paying a \$24.13 monthly rate.

B. Miscellaneous Operating Revenues were reduced by \$6,000 to eliminate sewer tap fees from the normalized revenue calculation.

C. Owner/Manager Fee has been adjusted to a proposed level of \$21,575. The 2009 PSC Annual Report shows zero expense for this account, although some compensation was paid to the owner/managers during 2009. This compensation and other payments were removed from 2009 expenses by Hillridge's CPA and recorded as Notes Payable to Stockholders in the 2009 Annual Report.

In Hillridge's last rate case (Case No. 2001-062), the rates approved by the PSC based on Staff recommendations included an owner/manager fee of \$3,600; an annual fee of \$6,000 for bookkeeping, secretarial, and office work; and annual rent of \$3,575 – a total of \$13,175. The latter two expenses were paid to Palmetto Land Company, a Hillridge affiliate at the time that is no longer in business. In addition there were other payments made to Hillridge's owner for operations and maintenance expenses which were included in the revenue requirement in the prior rate case. To cite one example, the PSC Staff Report dated November 26, 2001 at page 6 discusses \$11,300 paid to Palmetto Land Company for quarterly cleaning of diffusers. Therefore, the readily-identifiable amounts paid to compensate Hillridge's owner in 2001 were at least \$24,475.

In this case, and to simplify the pro forma income statement, Hillridge proposes a pro forma expense level of \$21,575 consisting of an owner/manager fee of \$12,000, a bookkeeping fee of \$6,000, and annual rent of \$3,575. Due to Hillridge's age and size, its owners are investing a substantial amount of time and money to operate and maintain the system, and they should be properly compensated for their time. Sonja Ridge, who is the active manager of the system, physically spends an average of 20 hours per week at the plant (or 1,040 hours per year), not counting drive time and time spent on bookkeeping and other duties performed away from the plant. Hillridge is one of the largest privately owned sewer systems regulated by the PSC, with 712 customers and a plant capacity of 326,500 gallons per day. In addition, the system dates back to 1965, making it one of the oldest – if not the oldest – of such privately owned sewer systems. Accordingly, Hillridge experiences significant Inflow and Infiltration issues due to its age, and needs a rate increase and significant management attention to fix these problems.

D. Fuel & Power Expense was adjusted by \$5,836 to reflect increased electricity and water costs. First, in July 2010, new electricity rates became effective for LG&E, Hillridge's electricity provider. According to news reports, these rates reflected an increase of approximately 9.6% for a typical residential customer. Since Hillridge's 2009 general ledger records electricity charges of \$35,967 at the old rates, a 9.6% increase results in a revised electricity expense of \$39,420, or an increase of \$3,453.

Second, Hillridge paid 5 bi-monthly water bills totaling \$11,680.21 for plant operations in 2009. Since 6 such bills are normally paid annually, an adjustment of \$1,777.46 was made to include the first bill paid in 2010. This results in normalized 2009 water cost of \$13,457.67 (or \$13,458 rounded).

Third, the normalized 2009 water cost of \$13,458 was adjusted by \$605 to reflect total pro forma water costs of \$14,063, based on a 4.5% increase approved in November 2009 (see Exhibit 7).

E. Chemicals Expenses were adjusted to \$10,000, a pro forma increase of \$3,225. Reported chemicals expenses were abnormally low in 2009, and the prior rate case allowed Chemicals Expense of \$13,361. PSC Annual Reports show this expense has exceeded \$10,000 in each of the past 6 years, as follows:

Reported Chemicals Expense	Amount
2008	\$10,630
2007	\$13,645
2006	\$16,155

2005	\$16,363
2004	\$12,737
2003	\$13,132

In addition, chemicals expenses paid thus far in 2010 total \$5,982 for 8 months, or \$8,973 when annualized. Therefore, \$10,000 is a reasonable, conservative estimate of pro forma chemicals expense.

F. Routine Maintenance Fees were adjusted by \$22,724 for two reasons. First, Hillridge has removed any 2009 individual charges over \$1,000, and requested recovery for them over a multi-year period in depreciation expense. As one of the oldest and largest privately-owned sewer systems regulated by the PSC, Hillridge higher maintenance and repair bills, and must spend significant sums of money in an effort to comply with environmental mandates of the Kentucky Division of Water. It is therefore critical that the Commission allow a sufficient level of routine maintenance expense to produce the cash flow needed to pay these high bills on an ongoing basis.

Second, Hillridge has removed from this account a large bill of \$11,033.69 related to the unusual ice storm in the latter part of January 2009, which caused power outages and required Hillridge to rent portable generators to keep the sewer plant functioning. Its recovery has been requested in amortization expense, although at a reduced level because the amount billed was disputed by Hillridge.

It should be noted that Hillridge changed certified plant operators during 2009, and this changed the fee structure. The previous operator billed a monthly fee of \$900 for routine maintenance, but routinely billed a high amount of other expenses. The current operator (Covered Bridge Utilities) bills a higher monthly fee of \$1,650 for routine operations, but Hillridge expects other billings to be somewhat reduced.

A breakdown of the 2009 bills from the two operators, and a list of large charges removed, is as follows:

#	Date	Plt Operator	Amt.	Mo. Fee	Indiv. Chg. > \$1,000	Other
3082	1/26	Sanders	\$4,699.00	\$900.00	0	\$3,799.00
3109	3/16	Sanders	\$4,431.12	\$900.00	0	\$3,531.12
3144	4/15	Sanders	\$11,033.69	0	\$11,033.69	0
3208	6/11	Sanders	\$2,706.88	\$900.00	0	\$1,806.88
3270	8/13	Sanders	\$4,952.81	\$900.00	\$1,072.50	\$2,980.31
3301	9/4	Sanders	\$997.22	\$900.00	0	\$97.22
3302	9/4	Sanders	\$650.00	0	0	\$650.00
3148	9/23	Sanders	\$1,843.00	\$900.00	0	\$943.00
3150	10/2	Cov. Bridge	\$1,815.00	\$1,650.00	0	\$165.00
3137	10/9	CB	\$1,149.40	0	\$1,149.40	0
3329	10/30	Sanders	\$541.31	0	0	\$541.31
3335	11/10	CB	\$2,389.02	\$1,650.00	0	\$739.02
3349	11/10	CB	\$270.15	0	0	\$270.15
3354	12/4	CB	\$4,796.08	0	\$4,796.08	0
3381	12/15	CB	\$1,650.00	\$1,650.00	0	0
		Total disbsmts.	\$43,924.68			
		CPA adjustmts.	\$ 1,111.32			
			\$45,036.00			
3185	5/25	Sanders	\$9,679.05	\$900.00	\$1,540.00	\$4,106.48
					\$3,132.57	
3244	7/12	Sanders	\$4,088.28	\$900.00	0	\$3,188.28
			\$58,803.33		\$22,724.24	

G. Outside Services Employed was reduced by \$3,183 to a pro forma level of \$22,000, which includes \$19,000 for legal fees and \$3,000 for CPA fees. Hillridge admittedly has very high legal bills given the circumstances it faces with the Kentucky Division of Water and the Metropolitan Sewer District, including

the Inflow and Infiltration issues that have arisen due to the age of the system and the ongoing threat of fines and penalties. While Hillridge would prefer to resolve these issues informally, it is being required to pay attorneys to address them on an ongoing basis, and believes this requirement will continue for at least the next three years. It is therefore reasonable to include pro forma legal fees of \$19,000 in this case.

H. Insurance Expense of \$6,903 was increased by \$261 to \$7,164 to reflect current insurance policies held with the Cincinnati Indemnity Company through its agent Wells Fargo Insurance Services, which bills and receives payments. The current premiums are paid quarterly and the current rates are as follows:

Insurance Category	Quarterly pymt.	Annual Premium
Commercial Package	\$1,600	\$6,400
Workers Compensation and Employers Liability Insurance	\$191	764
Total	\$1,791	\$7,164

I. Maintenance of General Plant Expense was adjusted by \$18,910 to remove any 2009 nonrecurring charges over \$1,000 and to request recovery for these charges over a multi-year period in depreciation expense. As one of the oldest and largest privately-owned sewer systems regulated by the PSC, Hillridge higher maintenance and repair bills, and must spend increased sums of money in an effort to comply with environmental mandates of the Kentucky Division of Water. A breakdown of these charges over \$1,000 is as follows:

Ck. #	Date	Maint. of General Plant	Bills over \$1,000
3064	1/15	Murphy Excavating	\$4,675.00
3128	4/13	Parr Excavating – Drain Easement	\$1,120.79
3143	4/15	Murphy – Modesto Road	\$1,440.00
3200	6/11	Murphy Excavating	\$2,150.00
3234	7/2	Parr Excavating	\$1,698.30
3241	7/11	Murphy	\$2,040.00
3276	8/13	Parr – kneewall pump room	\$1,695.50
3138	10/9	Parr –rock and new walk	\$1,765.00
		AJE-6 Sonja Ridge loan for tree removal	\$3,000.00
		Subtotal	\$19,584.59
		Adjust for annual recurring charge for rock (10/9 amount)	(\$675.00)
		Adjustment	\$18,909.59

J. Depreciation Expense was adjusted by \$9,603 for two reasons. First, Hillridge has included a \$6,120 adjustment to reflect depreciation expense on 2009 maintenance and repair bills removed from the Routine Maintenance Fees account and the Maintenance of General Plant account, as follows.

Description	Amount	Yrs	Annual Deprec.
Routine Maintenance Fees over \$1,000 (was \$22,724.24 from Adjustment F; subtract ice storm bill of \$11,033.69)	\$11,690.55		
Maintenance of General Plant charges over \$1,000	\$18,909.59		
Total of the above adjustments	\$30,600.14	5	\$6,120

Second, Hillridge has included a \$3,483 adjustment to reflect a 5-year recovery of certain 2010 maintenance and repair bills over \$1,000, as follows:

#	Date	Vendor	2010 bill	Life	Adjustment
3431	1/25	Derby City Pump	\$2,270.81		
3454	2/10	Derby City	\$1,335.13		
3455	2/10	Derby City	\$1,312.50		

3491	3/8	Derby City	\$1,125.00		
3507	4/14	Derby City	\$1,209.08		
3536	5/18	Derby City	\$1,000.00		
3554	6/14	Murphy	\$1,000.00		
3566	7/10	Murphy	\$2,700.00		
3586	8/12	Murphy	\$2,725.00		
	10/7	Dauenhauer Plumbing	\$2,735.00		
			\$17,412.52	5 years	\$3,482.51

K. Amortization Expense was adjusted by \$8,640 for two reasons. First, Hillridge has included estimated rate case expenses of \$17,400 spread over 3 years, an annual amount of \$5,800. Hillridge hired a consultant to prepare the application at a cost of \$2,400, and the additional \$15,000 estimate is for legal fees if this case is heavily litigated. However, Hillridge wishes to reduce these fees, and requests that the Commission Staff do a field review rather than data requests to help reduce these costs.

Second, Hillridge has included amortization expense of \$2,840 to reflect a three-year amortization of the above-mentioned ice storm bill. The bill at issue totaled \$11,033.69, but was disputed by Hillridge, and ultimately resolved for a lesser amount of \$8,519.37, which when spread over three years equals \$2,840.

L. Taxes Other Than Income was adjusted by \$5,248 for two pro forma increases. First, Hillridge is billed annually for property taxes by the Jefferson County Sheriff, and it made no payments for said tax in 2009. In January 2010, two such tax bills totaling \$4,426.70 were paid. Second, Hillridge recently received a 2010 property tax bill from the Commonwealth of Kentucky in the amount of \$1,759.32 (attached at Exhibit 7), which was \$821.32 higher than the \$938.00 bill received and paid in 2009, so the \$938 increase should be included in pro forma expenses.

M. Income Taxes of \$175 were removed for purposes of this table, and the tax effect has been included in the revenue requirement calculation.

N. Miscellaneous Nonoperating Income of \$8,164 was removed as this income – an insurance refund - does not recur annually.

O. Income Tax Refund of \$5,235 was removed as a nonrecurring item that does not reflect pro forma income taxes. In 2009, Hillridge received this refund based on amending 2005 and 2006 returns for a 2007 net operating loss carryback.

Hillridge Restated Income Statement

	2009	Restated	Ref.	Restated
Total Revenue	\$217,503	0		\$217,503
Sludge Hauling	\$36,377	(\$9,679)	A	\$26,698
Utilities-Fuel & Water Expense	\$52,263	(\$880)	B	\$51,383
Chemicals	\$5,895	\$880	C	\$6,775
Routine Maint. Fee (875)	\$45,036	\$9,679 \$4,088	D	\$58,803
Mt. of Structures & Improv.	\$9,880			\$9,880
Customer Records & Collection	\$7,516			\$7,516
Office Supplies & Other	\$3,022			\$3,022
Outside Services Employed	\$40,006	(\$4,088) \$1,275	E	\$37,193
Insurance Expense	\$6,903			\$6,903
Misc. General Expense	\$519			\$519
Maint. Gen. Plt (873-Extra Mt.)	\$33,039	(\$1,275)	F	\$31,764
<i>Total O&M Expenses</i>	<i>\$240,456</i>	<i>0</i>		<i>\$240,456</i>
Depreciation Expense	\$20,036	0		\$20,036
Taxes OTI (Licenses/Taxes)	\$2,888	0		\$2,888
Income Taxes	\$175	0		\$175
Total Op. Expenses	\$263,555			\$263,555
<i>NOI</i>	<i>(\$46,052)</i>	<i>0</i>		<i>(\$46,052)</i>
Misc. Nonop. Income	\$8,164	0		\$8,164
Income Tax Refund	\$5,235	0		\$5,235
Other Interest Expense	(\$4,848)	0		(\$4,848)
<i>Net Income</i>	<i>(\$37,501)</i>	<i>0</i>		<i>(\$37,501)</i>

Restatement Notes

A. Sludge Hauling Expense was restated from \$36,377 to \$26,698 to remove a charge from Hillridge's plant operator totaling \$9,679 that was unrelated to sludge hauling.

B. Utilities Expense was restated from \$52,263 to \$51,383 to remove an \$880 chemicals charge that was mistakenly recorded in Utilities.

C. Chemicals Expense was restated to \$6,775 to include the above-mentioned \$880 charge.

D. Routine Maintenance Fees were increased by \$13,767 to reflect two charges from the plant operator that were recorded in other accounts in 2009; one was for \$9,679 recorded in Sludge Hauling Expense, the second was for \$4,088 recorded in Testing Expenses.

E. Outside Services Employed was adjusted to remove the above-mentioned plant operator charge of \$4,088 from Testing Expense, and also to include a legal bill of \$1,275 that had been included in Maintenance of General Plant Expenses.

F. Maintenance of General Plant was adjusted to remove the \$1,275 legal bill from this account.

FOR Jefferson County, KY
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Hillridge Facilities, Inc.
(Name of Utility)

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

_____ SHEET NO. _____

CONTENTS

Schedule of Rates

Monthly Flat Rate: \$32.50 per month

Monthly Surcharge: \$11.19 per month for 36 months, or until \$290,000 has been collected

DATE OF ISSUE October 22, 2010
Month / Date / Year

DATE EFFECTIVE November 29, 2010

ISSUED BY *Donna W. Ridge* Oct 15 10
Month / Date / Year
(Signature of Officer)

TITLE Vice-President/Treasurer

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

NOTICE

Hillridge Facilities, Inc. has filed an application with the Public Service Commission proposing to increase its monthly sewer rate from \$24.13 to \$32.50, an increase of 34.7%. Hillridge believes it could justify a rate increase of 55.6% based upon its operating costs, but has requested the much lower increase to reduce the burden upon its customers. Hillridge is also proposing to begin charging a surcharge of \$11.19 per month for 36 months to pay for sewer line repairs and replacements mandated by the Kentucky Division of Water. The proposed effective date of the change is November 29, 2010.

Monthly Rate:

<u>Current</u> Flat Rate	\$24.13	<u>Proposed</u> Flat Rate	\$32.50
Surcharge	\$ 0.00	Surcharge	\$11.19
<u>MONTHLY USAGE</u>	<u>MONTHLY BILL AT CURRENT RATE</u>	<u>MONTHLY BILL AT PROPOSED RATE</u>	<u>PERCENT INCREASE</u>
ALL USAGE	\$24.13	\$32.50	34.7%
SURCHARGE	<u>\$ 0.00</u>	<u>\$11.19</u>	N/A
TOTAL BILL	\$24.13	\$43.69	81.1%

The rates contained in this notice are the rates proposed by Hillridge Facilities, Inc.. 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, 211 Sower Boulevard, Post Office Box 615, 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 Hillridge Facilities, Inc., P.O. Box 100, Fisherville, KY 40023. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

Hillridge Facilities, Inc.

Written Statement of Verification

I, Sonja Ridge, being the Vice-President of Hillridge Facilities, Inc., do hereby verify that the attached notice of proposed rate increase was mailed to Hillridge's sewer customers on 27th Oct, 2010.

Sonja Ridge - V. President
Sonja Ridge, Vice-President

Oct 27, 2010
Date

Subscribed and sworn to before me by Sonja Ridge, Vice-President of Hillridge Facilities, Inc. on this 27th day of Oct, 2010

My Commission Expires July 26, 2014

Lisa S. Pan
Notary Public
In and for said County and State
Jefferson County, Ky



PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Hillridge Facilities, Inc. (hereinafter referred to as "maker"), having its principal office at 17825 Bradbe Road, Fisherville, Kentucky 40223, hereby promises and agrees to pay to the order of Sonja Ridge ("lender"), an individual whose principal office is located at 17825 Bradbe Road, Fisherville Kentucky 40223, so much thereof as may be advanced hereunder up to the aggregate principal sum of Two Hundred Thousand Dollars (\$200,000.00) together with interest thereon as hereinafter provided, in lawful money of the United States of America, as hereinafter provided. Lender has no obligation to lend Maker any amounts hereunder and the decision to lend such money lies in the sole and complete discretion of the Lender. Donald Ridge, Sr. ("Guarantor") for himself, and his heirs, successors (including, without limitation, by operation of law) and assigns, hereby unconditionally and jointly and severally (together with any other guarantor of the obligations hereinafter described, whether or not such guarantor is a party to this agreement) guarantees to lender, and lender's assigns, including each and every holder or owner of any obligations of maker set forth in this note (each reference to lender shall be construed to refer to each such holder or owner), the prompt payment when due.

This note evidences, the renewal of the \$54,985.90 initial indebtedness between the maker and lender dated October 1, 2008 and subsequent indebtedness incurred between the maker and lender all of which was to be due September 30, 2010. Maker and the holder(s) of this note agree this note is not intended to be and shall not be construed as a novation of the indebtedness evidenced from which it is derived.

Principal and interest of this note shall bear interest on the unpaid balance thereof at a rate of five percent (5%). Interest shall be calculated based on the principal balance as may be adjusted from time to time to reflect additional advances made hereunder. Interest on the unpaid balance of this Note shall accrue monthly but shall not be due and payable until such time as when the principal balance of this Note becomes due and payable. This note and interest shall be payable IMMEDIATELY UPON DEMAND made by lender at any time. The effective date of this note shall be September 29, 2010. All outstanding principal and interest of this note shall be paid no later than September 28, 2012.

Any payment on this note that is overdue for more than 15 days from its due date shall be increased by an amount equal to 5% of the amount of the overdue payment unless such amount exceeds the maximum amount permitted under applicable law in such circumstances, in which event the amount of the overdue payment shall be increased by such lesser maximum amount as legally may be allowed, and lender's entitlement to such sum shall be in addition to, and not in lieu of, all other rights and remedies available to lender as a result of such overdue payment.

Principal of this note may be repaid in whole or in part without penalty or premium at any time prior to demand; provided, however, that in such event (or in any event) lender shall have no obligation to advance, and maker shall have no right to reborrow, any amounts so repaid. All payments of principal and interest and any other sums due under this note shall be made in immediately available funds to lender at the address for lender first set forth in this note or to such other person or at such other address as may be designated in writing by the holder of this note.

Whenever there is a default under this note the entire principal balance of and all accrued interest on this note and all other existing or hereafter created or arising liabilities, indebtedness, and obligations of maker to lender (however acquired or evidenced) shall, at the option of lender, become forthwith due and payable, without presentment, notice, protest, or demand of any kind (all of which are hereby expressly waived by maker). Upon the occurrence of any such default, in addition, the rate of interest applicable to

the entire unpaid principal balance of this note shall be increased by an increment of an additional 5% per annum, unless such increase exceeds the maximum increase permitted by applicable law in such circumstances, in which event said rate of interest shall be increased by that increment which is the maximum increase permitted by law in such circumstances.

Failure of the holder of this note to exercise any of its rights and remedies shall not constitute a waiver of the right to exercise the same at that or any other time. All rights and remedies of the holder for default under this note shall be cumulative to the greatest extent permitted by law. Time shall be of the essence in the payment upon demand of interest and principal on this note and the performance of maker's other obligations under this note.

If there is any default under this note, and this note is placed in the hands of an attorney for collection, or is collected through any court, including any bankruptcy court, maker promises to pay to the holder hereof its reasonable attorney fees and court costs incurred in collecting or attempting to collect or securing or attempting to secure this note or enforcing the holder's rights in any collateral securing this note, provided the same is legally allowed by the laws of the Commonwealth of Kentucky or any state where the collateral or part thereof is situated.

If any one or more of the provisions of this note, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this note and all other applications of any such provision shall not be affected thereby. In the event such provision(s) cannot be modified to make it or them enforceable, the invalidity or unenforceability of any such provision(s) of this note shall not impair the validity or enforceability of any other provision of this note.


This note has been delivered in, and shall be governed by and construed in accordance with the laws of, the Commonwealth of Kentucky. This Note and/or the following Guarantee shall not be assigned by Maker or Guarantor without the expressed written consent of Lender.

Maker and any other party who may become primarily or secondarily liable for any of the obligations of maker hereunder hereby waive presentment, demand, notice of dishonor, protest, notice of protest, and nonpayment, and further waive all exemptions to which they may now or hereafter be entitled under the laws of this or any other state or of the United States, and further agree that the holder of this note shall have the right, without notice, to deal in any way, at any time, with maker, or any guarantor of this note or with any other party who may become primarily or secondarily liable for any of the obligations of maker under this note without waiving any rights the holder of this note may have hereunder or by virtue of the laws of this state or any other state of the United States.

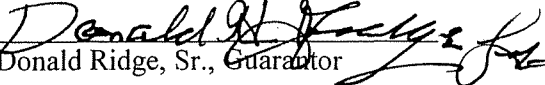
To the fullest extent necessary or appropriate in order to comply with KRS 371.065, the unconditional guaranty of payment following the signature of maker and guarantor below is by this reference incorporated herein, and shall be deemed to be a part of this note and written hereon.

(SIGNATURES ON SUBSEQUENT PAGE)

HILLRIDGE FACILITIES, INC.


Donald Ridge, Sr., President

Date: September 29, 2010


Donald Ridge, Sr., Guarantor

Date: September 29, 2010

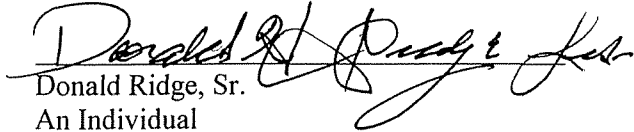
UNCONDITIONAL GUARANTY OF PAYMENT

In consideration of the loan evidenced by this note, the undersigned, and each of them: (A) (jointly and severally, if more than one) irrevocably, absolutely, and unconditionally guarantee prompt payment of the principal of and all interest on and any other sums, including interest due after default and late charges, due under this note (together with all fees payable by maker in connection therewith, and all costs and expenses of collection, including reasonable attorney fees, of any sums due under this note) in full, when due, whether by acceleration or otherwise, to lender, its successors, endorsees, or assigns, irrespective of the genuineness, validity, or enforceability of this note, or of the existence of any security for payment of this note; (B) consent and agree to be bound by all the terms and conditions of this note (as the same may be extended or renewed), which are incorporated herein by reference, and consent and agree to be bound by any and all amendments or modifications of any of the provisions thereof at any time made thereto; (C) waive any and all rights of subrogation with respect to this note or any property securing the payment of this note and any and all rights of reimbursement, indemnity, or other recourse until all obligations, indebtedness, or liabilities of the maker of this note, or of any other party to this note and any guarantor of this note are paid in full and satisfied; and (D) waive any right to require that any notice be given to or any action be brought against any of the undersigned, any guarantor or maker of, or any other party to, this note or any right to require that resort be had (but if such resort be had, waive any right to object to the manner of such recourse) to any security for payment of this note, and waive presentment, demand, notice of dishonor, protest, notice of protest, and nonpayment, acceptance and notice of acceptance, and further waive any other defenses available to a surety or guarantor under any applicable law. If a separate guaranty agreement has been executed and delivered by any of the undersigned to the lender and is presently in effect then, as to each of the undersigned who is a party to any such guaranty agreement, this guaranty shall be deemed supplemental to such guaranty agreement, and in the event of any conflict between the terms of this guaranty and the terms of the guaranty agreement, the guaranty agreement shall control, unless for any reason the guaranty agreement is adjudicated to be unenforceable, in which event this guaranty shall control.

Lender shall have the right to set off at any time after default by maker with respect to any of the obligations, without notice to guarantor, any and all deposits or other sums at any time or times credited by or due from lender to guarantor, whether or not held by lender in a special account or other account or represented by a certificate of deposit (whether or not matured), which deposits and other sums shall at all times constitute additional security for the obligations and the obligations and warranties arising under this guaranty. Guarantor hereby grants to lender a lien on and a continuing security interest in all instruments, documents, securities, cash, chattel paper, general intangibles, deposits, certificates of deposit, all other property, and the proceeds of any of the foregoing, owned by guarantor or in which guarantor has an interest, all of which shall at all times constitute additional security for the obligations

and the obligations and warranties arising under this guaranty, and all of which may be applied at any time after default with respect to any of the obligations, without notice to borrower or to guarantor to the obligations of maker in such order as lender may determine.

GUARANTOR

A handwritten signature in black ink, appearing to read "Donald H. Ridge, Sr.", written over a horizontal line.

Donald Ridge, Sr.

An Individual

Date: September 29, 2010

Depreciation Detail Listing

FORM 1120S

2009

PAGE 1

For your records only

Name(s) as shown on return

Social security number/EIN

HILLRIDGE FACILITIES, INC

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	COLLECTION SEWERS FOR	19790601	5,245		100.00		5,245	50	S/L HY	2	105	3,201			105
2	FILTER	19910901	25,500		100.00		25,500	20	S/L HY	5	1,275	23,269			1,275
3	LIFT STATION	19790601	10,448		100.00		10,448	50	S/L HY	2	209	6,376			209
4	PUMPING EQUIPMENT	19790601	13,604		100.00		13,604	10		0		13,604			
5	TWO DOORS	19881001	565		100.00		565	6		0		565			
6	SEWERE-FORCE	19650601	9,400		100.00		9,400	50	S/L HY	2	188	8,369			188
7	LIFT STATIONS	19750601	10,820		100.00		10,820	50	S/L HY	2	216	7,464			216
8	PLANT/FILTER	19750601	246,671		100.00		246,671	50	S/L HY	2	4,933	170,260			4,933
9	PLANT/FILTER	19660601	92,970		100.00		92,970	50	S/L HY	2	1,859	80,913			1,859
10	PUMPING EQUIPMENT	19750601	15,038		100.00		15,038	10		0		15,038			
11	PRESSURE WASHER	19960901	733		100.00		733	7		0		733			
12	PRESSURE WASHER	19961001	654		100.00		654	7		0		654			
13	GRAVITY	19680601	15,760		100.00		15,760	50	S/L HY	2	315	13,083			315
14	GRAVITY	19710601	57,663		100.00		57,663	50	S/L HY	2	1,153	44,415			1,153
15	GRAVITY	19720601	41,055		100.00		41,055	50	S/L HY	2	821	30,800			821
16	GRAVITY	19730601	49,957		100.00		49,957	50	S/L HY	2	999	36,479			999
17	GRAVITY	19740601	68,056		100.00		68,056	50	S/L HY	2	1,361	48,336			1,361
18	GRAVITY	19750601	19,684		100.00		19,684	50	S/L HY	2	394	13,590			394
19	GRAVITY	19790601	70,901		100.00		70,901	50	S/L HY	2	1,418	43,263			1,418
20	GRA/AERATOR TIME CLOC	19880901	358		100.00		358	6		0		358			
21	GRA/AIR VALVE ON SCRI	19880301	468		100.00		468	6		0		468			
22	COLLECTION SEWERS GRA	19650601	193,255		100.00		193,255	50	S/L HY	2	3,865	172,065			3,865
23	GRAVITY EQUIPMENT	19660601	52,337		100.00		52,337	10		0		52,337			
24	GRAVITY EQUIPMENT	19750601	87,300		100.00		87,300	10		0		87,300			
25	GRAVITY MOTOR	19880101	362		100.00		362	6		0		362			
26	RETENTION TANK COVER	19880901	384		100.00		384	6		0		384			
27	SLUDGE RETURN BLOWER	19880501	1,542		100.00		1,542	6		0		1,542			
28	SLUDGE RETURN LINE MO	19880301	389		100.00		389	6		0		389			
29	SLUDGE RETURN MOTOR	19880301	363		100.00		363	6		0		363			
30	SLUDGE TANK MOTOR	19880101	526		100.00		526	6		0		526			

Depreciation Detail Listing

FORM 1120S

2009

PAGE 2

For your records only

Name(s) as shown on return

Social security number/EIN

HILLRIDGE FACILITIES, INC

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
31	LAND	19640601	15,000	15,000	100.00		0	36		0					
32	LAND	19730601	21,000	21,000	100.00		0	27		0					
33	INSTALL 2 DIFFUSER DR	20000128	866		100.00		866	10	S/L HY	10	83	866			87
34	INSTALLED VALVES	20000307	2,321		100.00		2,321	10	S/L HY	10	232	2,320			232
35	INST EXHAUST FAN, HYDR	20000817	393		100.00		393	10	S/L HY	10	39	390			39
36	DEHUMIDIFIER, PUMP PK	20000210	314		100.00		314	5		0		314			
37	CK VALVES, NEW PKG	20000217	457		100.00		457	10	S/L HY	10	43	457			46
38	GRAINGER-BLOWER	20000816	100		100.00		100	10	S/L HY	10	10	100			10
39	NEW MOTOR, REPLACE VA	20001012	688		100.00		688	5		0		688			
40	NEW CIRCUIT BREAKER	20001116	1,727		100.00		1,727	20	S/L HY	5	86	860			86
41	DRAG CHAIN, DRIVE CHA	20001117	6,805		100.00		6,805	20	S/L HY	5	340	3,400			340
42	QUALITY ELEC-HYDRO PU	20000601	1,985		100.00		1,985	5		0		1,985			
43	QUALITY ELEC-HYDRO PU	20000601	777		100.00		777	5		0		777			
44	LEGAL FEES	20000601	10,498		100.00		10,498	3		0		10,498			
45	DESK CHAIR	20090701	922		100.00		922	5	S/L HY	10	92	92			46
Totals			1,155,861	36,000			1,119,861				20,036	899,253			19,997

Land Amount
Net Depreciable Cost

1,155,861

ST ADJ:

COPY

FOR TAX YEAR 2009

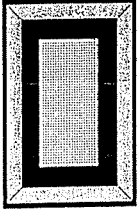
HILLRIDGE FACILITIES INC.

WILLIAM W HOLLISTER PSC

7607 PRESTON HIGHWAY

Louisville, KY 40219

(502)969-6115



WILLIAM W HOLLISTER PSC
7607 PRESTON HIGHWAY
Louisville, KY 40219
Phone: (502)969-6115

March 30, 2010

HILLRIDGE FACILITIES INC.
17825 BRADBE ROAD
Fishersville, KY 40023

HILLRIDGE FACILITIES INC.:

Enclosed is the 2009 Form 1120, U.S. Corporation Income Tax Return, prepared for HILLRIDGE FACILITIES INC. from the information provided. This return will be electronically filed with the IRS once we receive a signed Form 8879-C, IRS e-file Signature Authorization for Form 1120.

The corporation's federal return reflects neither a refund nor a balance due.

Enclosed is the 2009 Kentucky income tax return, prepared for HILLRIDGE FACILITIES INC. from the information provided. The original should be signed, dated, and mailed on or before October 15, 2010, to the following address:

Kentucky Department of Revenue
Frankfort, KY 40620
(Payable to Kentucky State Treasurer)

The corporation's Kentucky income tax return reflects a balance due of \$175.

Make this payment on or before October 15, 2010. Check the state's Web site for electronic payment options available. If not paying by electronic means, include the payment with the return.

Enclosed is the 2009 Louisville income tax return, prepared for HILLRIDGE FACILITIES INC. from the information provided. The original should be signed, dated, and mailed on or before April 15, 2010, to the following address:

Louisville Metro Revenue Commission
P.O. Box 35410
Louisville, KY 40232-5410

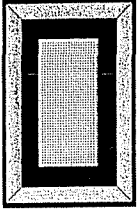
The corporation's Louisville income tax return reflects neither a refund nor a balance due.

If enclosed, your 2010 Tangible Property Tax return should be filed by May 15, 2010. Do not send payment with this return. You will be billed for this return by the end of the year.

Thank you for the opportunity to be of service. For further assistance with your tax needs, please do not hesitate to contact this office at (502)969-6115.

Sincerely,

William W Hollister PSC



WILLIAM W HOLLISTER PSC
7607 PRESTON HIGHWAY
Louisville, KY 40219
Phone: (502)969-6115

March 30, 2010

HILLRIDGE FACILITIES INC.
17825 BRADBE ROAD
Fishersville, KY 40023

We value you as our client, and your privacy is important to us. Please read our privacy policy below.

We collect nonpublic personal information about you from various sources, including the following:

- * Information we receive from interviews regarding your tax situation;
- * Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security number, dependents, income, and other tax-related data; and
- * Information from tax-related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions, etc.

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to nonpublic personal information concerning you, except to employees who need access to such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

If you have any questions about our privacy policy, please contact us.

Sincerely,

WILLIAM W HOLLISTER PSC

U.S. Corporation Income Tax Return

For calendar year 2009 or tax year beginning _____, 2009, ending _____, 20
 See separate instructions.

OMB NO. 1545-0047

2009

- A Check if:**
- 1a Consolidated return (attach Form 851)
 - b Life/nonlife consolidated return
 - 2 Personal holding co. (attach Sch. PH)
 - 3 Personal service corp. (see instructions)
 - 4 Schedule M-3 attached

Use IRS label. Otherwise, print or type.

Name: **HILLRIDGE FACILITIES INC.**

Number, street, and room or suite no. If a P O box, see instructions: **17825 BRADBE ROAD**

City or town, state, and ZIP code: **FISHERVILLE KY 40023**

B Employer identification number
 [REDACTED]

C Date incorporated
 09-01-1965

D Total assets (see instructions)
 \$ 236,726

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income	1a	Gross receipts or sales	202,068	b	Less returns and allowances		c Bal	1c	202,068
	2	Cost of goods sold (Schedule A, line 8)						2	
	3	Gross profit Subtract line 2 from line 1c						3	202,068
	4	Dividends (Schedule C, line 19)						4	
	5	Interest						5	
	6	Gross rents						6	
	7	Gross royalties						7	14,164
	8	Capital gain net income (attach Schedule D (Form 1120))						8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)						9	
	10	Other income (see instructions - attach schedule)						10	
	11	Total income. Add lines 3 through 10						11	216,232
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)						12	
	13	Salaries and wages (less employment credits)						13	
	14	Repairs and maintenance						14	2,232
	15	Bad debts						15	
	16	Rents						16	
	17	Taxes and licenses			ATT. CTL.			17	3,063
	18	Interest						18	
	19	Charitable contributions						19	
	20	Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)						20	1,454
	21	Depletion						21	
Tax, Refundable Credits, and Payments	22	Advertising						22	
	23	Pension, profit-sharing, etc., plans						23	
	24	Employee benefit programs						24	
	25	Domestic production activities deduction (attach Form 8903)						25	
	26	Other deductions (attach schedule)			Statement # 5.			26	230,205
	27	Total deductions. Add lines 12 through 26						27	236,954
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11						28	(20,722)
	29	Less: a Net operating loss deduction (see instructions)	29a					29c	
	b Special deductions (Schedule C, line 20)	29b							
30	Taxable income. Subtract line 29c from line 28 (see instructions)						30	(20,722)	
31	Total tax (Schedule J, line 10)						31	0	
32a	2008 overpayment credited to 2009	32a							
b	2009 estimated tax payments	32b							
c	2009 refund applied for on Form 4466	32c	()						
d	Tax deposited with Form 7004					d Bal	32d		
e	Credits: (1) Form 2439 (2) Form 4136						32e		
f	Refundable credits from Form 3800, line 19c, and Form 8827, line 8c						32f		
g	Estimated tax penalty (see instructions). Check if Form 2220 is attached						32g		
33	Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						33		
34	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						34		
35	Enter amount from line 35 you want. Credited to 2010 estimated tax						35		
36	Refunded						36		

Sign Here 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.

Signature of officer: _____ Date: _____ Title: **VICE PRESIDENT**

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

Paid Preparer's Use Only

Preparer's signature: *William W Hollister CPA* Date: 03-30-2010 Check if self-employed: Preparer's SSN or PTIN: [REDACTED]

Firm's name (or yours if self-employed), address, and ZIP code: **WILLIAM W HOLLISTER PSC
 7607 PRESTON HIGHWAY
 Louisville KY 40219** EIN: [REDACTED] Phone no. (502) 969-6115

Schedule A Cost of Goods Sold (see instructions)

Table with 8 rows for Schedule A: 1 Inventory at beginning of year, 2 Purchases, 3 Cost of labor, 4 Additional section 263A costs, 5 Other costs, 6 Total, 7 Inventory at end of year, 8 Cost of goods sold.

- 9a Check all methods used for valuing closing inventory. (i) Cost, (ii) Lower of cost or market, (iii) Other. b Check if there was a writedown of subnormal goods. c Check if the LIFO inventory method was adopted. d If the LIFO inventory method was used, enter percentage of closing inventory. e If property is produced or acquired for resale, do the rules of section 263A apply. f Was there any change in determining quantities, cost, or valuations.

Schedule C Dividends and Special Deductions (see instructions)

Table for Schedule C with columns: (a) Dividends received, (b) %, (c) Special deductions (a) x (b). Rows 1-20 listing various dividend sources and special deductions.

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more

Table for Schedule E with columns: (a) Name of officer, (b) Social security number, (c) Percent of time devoted to business, (d) Common, (e) Preferred, (f) Amount of compensation. Rows 1-4 for officer compensation details.

Name(s) as shown on return

HILLRIDGE FACILITIES INC.

FEIN



OTHER INCOME

Description	Amount
SEWER TAPS	\$ 6,000
INSURANCE REFUND	8,164
Total:	\$ 14,164

Federal Supporting Statements

2009 PG 1

Name(s) as shown on return

FEIN

HILLRIDGE FACILITIES INC.

~~XXXXXXXXXX~~

FORM 1120 PAGE 1

Statement # 5

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Bank charges	99
Insurance	6,903
Legal and professional	19,157
Miscellaneous	520
Office expense	2,925
Outside services and independent contractors	4,750
Utilities	50,030
Chemicals	5,391
Monthly Maintenance	78,075
Testing	16,098
Sludge Hauling	36,377
Sewer Repairs	9,880
TOTAL	230,205

Taxes and Licenses Attachment

Note: This information does not transmit to the IRS with e-filed returns.
Including with a paper filed return is optional

2009

CORPORATION NAME

HILLRIDGE FACILITIES INC.

EIN

~~XXXXXXXXXX~~

Taxes and Licenses

Form 1120

Page 1, Line 17

1	State income taxes	1	175
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Local property taxes	5	
6	Intangible property taxes	6	
7	Payroll taxes	7	
8	Less: credit from Form 8846	8	
9	Foreign taxes paid	9	
10	Occupancy taxes	10	
11	Other miscellaneous taxes	11	
12	Licenses	12	2,888
13	Total to Form 1120, Page 1, Line 17	13	3,063

Federal Supporting Statements

2009 PAGE 1

Name(s) as shown on return

FEIN

HILLRIDGE FACILITIES INC.

Statement # 8

FORM 1120, SCHEDULE L, LINE 6

Other current assets

<u>DESCRIPTION</u>	<u>BEGINNING OF TAX YEAR</u>	<u>END OF TAX YEAR</u>
NOTE REC-DSR	101,881	102,531
TOTALS:	<u>101,881</u>	<u>102,531</u>

PG01
Statement # 17

Schedule M-1 Line 7

<u>DESCRIPTION</u>	<u>AMOUNT</u>
FEDERAL INCOME TAX REFUNDS	5,235
TOTAL:	<u>5,235</u>

PG01
Statement # 1

WE ELECT UNDER SECTION 172 (b) (3) TO RELINGUISH THE ENTIRE CARRYBACK PERIOD FOR OUR 2008 NOL.

FORM 1120, LINE 29a, NOL DEDUCTION

2009
ATT_NOL

Name
HILLRIDGE FACILITIES INC.

Employer ID Number
[REDACTED]

Year	Loss Carryover/ Carryback	Increase of NOL Due to Sec 170(d)(2)(B) Contribution Reduction*	Loss Applied to 2009	Unused Loss	Unused Sec 170(d)(2)(B)
1989				Expired	Expired
1990					
1991					
1992					
1993					
1994					
1995					
1996					
1997					
1998					
1999					
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008	60,072			60,072	
	Current year NOL		Applied to Prior Years	Remaining 2009 NOL carryover	
2009	20,722		20,722		
	Future years NOL		Applied to 2009		
Future Years					
TOTALS	80,794		20,722	60,072	0

* A corporation having a net operating loss (NOL) carryover from any taxable year must apply the special rule of § 170(d)(2)(B). The rules are designed to prevent a double tax benefit through interaction of NOL and charitable contribution carryovers. The excess charitable deduction can reduce taxable income only once. Under these rules, a corporation's charitable contributions carryover (but not the NOL carryover) must be reduced, to the extent the charitable contribution deduction, in computing the taxable income of an intervening year, would increase the NOL to a succeeding year.

Depreciation and Amortization (Including Information on Listed Property)

2009

Attachment Sequence No. 67

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

HILLRIDGE FACILITIES INC.

FORM 1120

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Part I. Line 1: Maximum amount. Line 2: Total cost of section 179 property placed in service. Line 3: Threshold cost of section 179 property before reduction in limitation. Line 4: Reduction in limitation. Line 5: Dollar limitation for tax year.

Table with 13 rows for Part I continuation. Line 6: Description of property, Cost, Elected cost. Line 7: Listed property. Line 8: Total elected cost. Line 9: Tentative deduction. Line 10: Carryover of disallowed deduction. Line 11: Business income limitation. Line 12: Section 179 expense deduction. Line 13: Carryover of disallowed deduction to 2010.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

Table with 3 rows for Part II. Line 14: Special depreciation allowance. Line 15: Property subject to section 168(f)(1) election. Line 16: Other depreciation (including ACRS) with value 1,322.

Part III MACRS Depreciation (Do not include listed property) (See instructions.)

Section A

Table with 2 rows for Part III Section A. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2009. Line 18: If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

Table with 10 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

Table with 6 columns: (a) Class life, (b) 12-year, (c) 40-year, (d) Recovery period, (e) Convention, (f) Method. Rows include Class life, 12-year, and 40-year.

Part IV Summary (see instructions)

Table with 3 rows for Part IV. Line 21: Listed property. Line 22: Total. Line 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

**Application for Automatic Extension of Time To File Certain
 Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► File a separate application for each return.
 ► See separate instructions.

**Type or
 Print**

File by the due date for the return for which an extension is requested. See instructions

Name	HILLRIDGE FACILITIES INC.	Identifying number	
Number, street, and room or suite no. (If P O box, see instructions.)	17825 BRADBE ROAD		
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code))	FISHERVILLE	KY	40023

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate)	04
Form 8804	31	Form 1041 (trust)	05

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below) 1 2

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-PC	21
Form 706-GS(T)	02	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36
Form 1120-ND (section 4951 taxes)	20		

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
- If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 09, or tax year beginning _____, 20 __, and ending _____, 20 __

- b Short tax year. If this tax year is less than 12 months, check the reason:
- Initial return Final return Change in accounting period Consolidated return to be filed

6 Tentative total tax	6	0
7 Total payments and credits (see instructions)	7	0
8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions)	8	0

Schedule J		Tax Computation (see instructions)	
1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	▶	<input type="checkbox"/>
2	Income tax. Check if a qualified personal service corporation (see instructions)	▶	<input type="checkbox"/>
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		0
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834, line 29	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	0
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31	10	0

Schedule K		Other Information (see instructions)			
1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶			Yes	No
2	See the instructions and enter the:				
a	Business activity code no. ▶ XXXXXXXXXX				
b	Business activity ▶ SANITATION				
c	Product or service ▶ SEWER				
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶				X
4	At the end of the tax year:				
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)				X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)				X
5	At the end of the tax year, did the corporation:			Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).				X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

Schedule K Continued

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including any entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv)

Table with 4 columns: (i) Name of Entity, (ii) Employer Identification Number (if any), (iii) Country of Organization, (iv) Maximum Percentage Owned in Profit, Loss, or Capital. The table is currently empty.

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316) X
If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? X
For rules of attribution, see section 318. If "Yes," enter:
(i) Percentage owned (i) _____ and (ii) Owner's country (ii) _____
(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached (c) _____ 0
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount
If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.
9 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) 1
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a) \$ 60,072
13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. \$ _____

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		(1,150)		(697)
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)	Statement # 8	101,881		102,531
7	Loans to shareholders		59,191		53,177
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	283,533		284,455	
b	Less accumulated depreciation	(237,286)	46,247	(238,740)	45,715
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		36,000		36,000
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets		242,169		236,726
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		54,985		65,029
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
b	Common stock	500	500	500	500
23	Additional paid-in capital				
24	Retained earnings-Appropriated (attach schedule)				
25	Retained earnings-Unappropriated		186,684		171,197
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		()		()
28	Total liabilities and shareholders' equity		242,169		236,726

Schedule M-1		Reconciliation of Income (Loss) per Books With Income 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	(15,487)	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains			Statement # 17 5,235	
4	Income subject to tax not recorded on books this year (itemize):			5,235	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$				
6	Add lines 1 through 5	(15,487)	9	Add lines 7 and 8	5,235
			10	Income (page 1, line 28)-line 6 less line 9	(20,722)

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1	Balance at beginning of year	186,684	5	Distributions a Cash	
2	Net income (loss) per books	(15,487)		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize)	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	171,197	8	Balance at end of year (line 4 less line 7)	171,197

720

Kentucky

A

41A720

UNBRIDLED SPIRIT

Kentucky Corporation/LLET Account Number

Department of Revenue



KENTUCKY CORPORATION 2009 INCOME TAX AND LLET RETURN

Taxable period beginning 01-01-2009, and ending 12-31-2009

Form header section containing identification numbers, company name (HILLRIDGE FACILITIES INC.), address (17825 BRADBE ROAD, FISHERVILLE, KY 40023), and filing status options.

Table for PART I - LLET COMPUTATION with columns for line number, description, and amount. Includes items like Schedule LLET, recycling/composting equipment tax credit, and LLET liability.

Table for PART II - TAXABLE INCOME COMPUTATION with columns for line number, description, and amount. Includes federal taxable income, additions, and subtractions.

Table for PART III - INCOME TAX COMPUTATION with columns for line number, description, and amount. Includes income tax, recycling/composting equipment tax credit recapture, and net income tax liability.

TAX PAYMENT SUMMARY table with columns for LLET and INCOME, listing amounts for LLET due, penalty, interest, and subtotal.

Final summary and instructions section including 'Make check payable to: Kentucky State Treasurer' and 'Mail return with payment to: Kentucky Department of Revenue'.



SCHEDULE Q-KENTUCKY CORPORATION/LLET QUESTIONNAIRE

IMPORTANT: Questions 4-13 must be completed by all corporations. If this is the corporation's initial return or if the 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.

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. _____

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 corporation, enter the date qualified to do business in Kentucky. _____

4. If change of accounting period, Item F 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 52/23 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 _____

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 Options 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.

5 The corporation's books are in care of: (name and address)
 WILLIAM W HOLLISTER PS
 7607 PRESTON HWY
 Louisville, KY 40219

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

7. Was the corporation a partner of member in a pass-through entity doing business in Kentucky? Yes No If yes, attach schedule listing name and federal I.D. number of the pass-through entity. _____
 Was the corporation doing business in Kentucky, outside of its interest in a pass-through entity? Yes No

8. Are related party costs made to related members as defined in KRS 141 205(1)(l) included in this return? Yes No. If yes, list name, federal I.D. and/or Kentucky Corporation/LLET account number of the individual or entity. _____

9. Did the corporation at any time during the taxable year do business in Kentucky and own 80 percent or more of the voting stock of another corporation doing business in Kentucky?
 Yes No. If yes, list name, address and federal I.D. number of the entity. _____

10. Was 80 percent or more of the corporation's voting stock owned by any corporation doing business in Kentucky at any time of the year? Yes No. If yes, list name, address and federal I.D. number of the entity. _____

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

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

13. Is the 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 the department, check here and file an amended return. See Instructions 2009 Kentucky Corporation Income Tax and LLET Return, page 6 or information regarding amended returns. Attach a copy of the final determination to the amended return.

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

Attach a schedule listing the name, home address and Social Security number of the vice president, secretary and treasurer.

Has the attached officer information changed from the last return filed? Yes No

President's Name DONALD RIDGE
 President's Social Security Number _____
 Date Became President _____

President's Home Address 17825 BRADBE ROAD
 Fishersville, KY 40023

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete

Signature of principal officer or chief accounting officer
 William W Hollister PSC
 Name of person or firm preparing return

Date
 03-30-2010
 SSN, PTIN or FEIN

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

E-mail Address: _____

Telephone Number: 502-969-6115

SCHEDULE LLET

41A720LLET (10-09)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

12 / 2009

Mo Yr

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 HILLRIDGE FACILITIES INC.	Kentucky Corporation/LLET Account Number [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	1	202,068 00	202,068	00
2. Returns and allowances	2	00		00
3. Gross receipts after returns and allowances (line 1 minus line 2 or amount from Schedule LLET-C)	3	202,068 00	202,068	00
4. Cost of goods sold	4	00		00
5. Gross profits (line 3 minus line 4 or amount from Schedule LLET-C)	5	202,068 00	202,068	00

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	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) - [\$2,850 x $\frac{(\$6,000,000 - \text{Column A, line 3})}{\$3,000,000}$] but in no case shall the result be less than zero	2		00	
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	3		00	
4. Enter the amount from line 2 or line 3	4		00	

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	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) - [\$22,500 x $\frac{(\$6,000,000 - \text{Column A, line 5})}{\$3,000,000}$] but in no case shall the result be less than zero	2		00	
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	3		00	
4. Enter the amount from line 2 or line 3	4		00	

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	1	175	00	
--	---	-----	----	--

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

LOUISVILLE METRO REVENUE COMMISSION
OCCUPATIONAL LICENSE TAX RETURN

CHECK IF "FINAL RETURN" Date Operations Ceased: _____ (Required to close account.) CHECK IF "NO ACTIVITY" FOR YEAR

CHECK IF CHANGE IN ADDRESS IS BELOW CHECK IF AMENDED RETURN

Name HILLRIDGE FACILITIES INC. ACCOUNT NUMBER [REDACTED]
 Address 17825 BRADBE ROAD FOR YEAR ENDING
 City FISHERVILLE State KY Zip 40023 MM DD YY
 Federal ID [REDACTED] Phone No. _____ Ext _____ 12 31 09

* THE QUESTIONS BELOW MUST BE ANSWERED *

- A. Principal business activity: SANITATION
- B. During the past year, did Federal Authorities change or propose to change net income reported for that year or any prior year? YES NO
If YES, which year(s) was adjusted? _____ (Attach statement of changes)
- C. Corporation's Principal Administrative Officer: SONJA RIDGE Social Security Number: [REDACTED]
Address: 17825 BRADBE ROAD, FISHERVILLE, KY
- D. Did you file a consolidated federal return? YES NO (If YES, see instructions.)
- E. Was there a change in ownership in the past year? YES NO (If YES, when did the change occur?) _____
Please write name and address of new owner: _____

YES NO Did you make payments in the sum of \$600.00 or more to any individual for services rendered in Louisville Metro, Kentucky, other than an employee? IF YES, YOU ARE REQUIRED TO FILE FORM 1099-SF.

* PAGE 2 MUST BE COMPLETED PRIOR TO COMPLETING THIS NEXT SECTION *

25. Enter Adjusted Net Profit (From Line 20 on page 2 of this form):			\$ (20,547)	
Occupational License Tax Computations		COLUMN A Louisville Metro & Mass Transit Tax Rate = (.0145)	COLUMN B School Boards Tax Rate = (.0075)	IMPORTANT!
26. Enter Apportionment Factor from Line 24		EXEMPT	DO NOT COMPLETE COLUMN B IF NON-RESIDENT INDIVIDUAL	Please write your account number on your check or money order and make payable to:
27. Net Profits Allocation (Line 25 x Line 26) Enter in Columns A & B	\$	UNDER	\$	
28. Enter result of Line 1(e)	\$	KRS	\$	
29. Enter the sum of Line 27 + Line 28 or Line 28, whichever is greater	\$	136.120	\$	Louisville Metro Revenue Commission
30. Tax Calculations - [Line 29, Column A x .0145] & [Line 29, Column B x .0075] Enter in proper column	\$		\$	
31. TOTAL OCCUPATIONAL TAX DUE - Sum of Columns A & B of Line 30 (If Line 31 is greater than \$5,000.00, see Exhibit "A" under Specific Instructions.)			\$	
32. Enter any credit due:	(a) Prepayment of tax: \$	(b) Refund Due: \$	(c) Credit to next year: \$	
33. BALANCE OF OCCUPATIONAL LICENSE TAX DUE [Line 31 minus Line 32(a)]			\$	
34. PENALTY AND INTEREST (See Instructions):			\$	
35. AMOUNT TO BE PAID (Add Lines 33 and 34):			\$	

I hereby certify, under penalty of perjury, that the information provided and the attached supporting schedules are true, correct, and complete to the best of my knowledge

William W. Hollister CPA 03-30-2010
 Preparer's Signature (Return must be signed.) Date
William W Hollister PSC [REDACTED] Signature of Licensee (Return must be signed.) Date
 Print Name Federal ID Print Name Title
7607 PRESTON HIGHWAY Loui 502-969-6115 HILLRIDGE FACILITIES INC.
 Address Phone No Social Security Number

ATTENTION: Federal ID Numbers and Social Security Numbers must be supplied for both the Tax Preparer and the Licensee.

Lines 1(a) through 1(e) apply only to individuals with income reported on Federal Form W-2 from which no occupational taxes were withheld.

1(a) Gross salaries, wages, tips, etc. reported on the Federal Form W-2 from which no occupational taxes were withheld, plus deferred compensation from 401 (K), 403 (B) or 457 plans	1(a)	-
1(b) Related employee business expenses per Federal Form 2106 (Attach Form W-2 and Form 2106)	1(b)	
1(c) Line 1(a) minus Line 1(b)	1(c)	
1(d) If you did not own or operate a business during the year, compute the apportionment below for time spent in Louisville Metro, carrying calculation out five (5) decimal places. <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center;">÷</div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center;">=</div> </div> <p style="text-align: center; margin-top: 5px;">Total Days Worked in Louisville Metro Total Days Worked Everywhere</p>	1(d)	
1(e) Multiply Line 1(c) by Line 1(d) and enter on Line 28, Columns A and B on page 1 Note: If you are a non-resident of Louisville Metro, Kentucky, leave Line 28, Column B blank.	1(e)	

COMPLETE THE APPLICABLE COLUMN AND ATTACH CORRESPONDING FEDERAL SCHEDULES

	INDIVIDUAL	PARTNERSHIP	CORPORATION
2) Non-employee compensation as reported on Form 1099-Misc reported as "other income" on Federal Form 1040 (Attach Page 1 of Form 1040 and Form 1099)			
3) Net profit or (loss) per Federal Schedule C of Form 1040 (Attach Schedule C, Pages 1 and 2, Schedule C-EZ)			
4) Capital gain from Federal Form 4797 or Form 6252 reported on Schedule D of Form 1040 (Attach Form 4797, Pages 1 and 2 or Form 6252)			
5) Rental income or (loss) per Federal Schedule E of Form 1040 (Attach Schedule E)			
6) Net farm profit or (loss) per Federal Schedule F of Form 1040 (Attach Schedule F, pages 1 and 2)			
7) Ordinary gain or (loss) on the sale of property used in a trade or business per Federal Form 4797 (Attach Form 4797, Pages 1 and 2)			
8) Ordinary income or (loss) per Federal Form 1065 (Attach Form 1065, Pages 1, 2 and 3, Schedule of Other Deductions, and Rental Schedule(s), if applicable)		8)	
9) Taxable income or (loss) per Federal Form 1120 or 1120A or Ordinary income or (loss) per Federal Form 1120S (Attach Form 1120 or 1120A, Pages 1 and 2 or 1120S, Pages 1, 2 and 3, Schedule of other Deductions, and Rental Schedule(s), if applicable.)			9) (20,722)
10) State Income Taxes and Occupational Taxes deducted on Federal Schedule C, E, F, or Form 1065, 1120, 1120A, or 1120S		10)	10) 175
11) Additions from Schedule K of Form 1065 or Form 1120S (Attach Schedule K of Form 1065 or 1120S and Rental Schedule(s), if applicable)		11)	11)
12) Net Operating Loss deducted on Form 1120			12)
13) Total Income - Add Lines 2 through Line 12		13)	13) (20,547)
14) Subtractions from Schedule K of Form 1065 or Form 1120S (Attach Schedule K of Form 1065 or 1120S and Rental Schedule(s), if applicable)		14)	14)
15) Alcoholic Beverage Sales Deduction (Attach Computation Sheet)		15)	15)
16) Other Adjustments (Attach Schedule)		16)	16)
17) Non-Taxable Income (Attach Schedule)		17)	17)
18) Professional Expenses not reimbursed by the Partnership (Attach Schedule of Expenses)		18)	18)
19) Total Deductions - Add Lines 14 through Line 18		19)	19)
20) Adjusted Net Profit - Subtract Line 19 from Line 13 Enter here and on Line 25 on page 1 [Do not include the amount from Line 1(e)]		20)	20) (20,547)

COMPUTATION OF APPORTIONMENT FACTORS

All licensees who conducted a business activity in Louisville Metro, Kentucky must complete this part, regardless of profit or loss. NOTE: All Factors in Column C should be carried out five (5) decimal places.

COLUMN C =
Column A ÷ Column B

APPORTIONMENT CALCULATION	COLUMN A LOUISVILLE METRO, KY	COLUMN B TOTAL OPERATIONS EVERYWHERE	COLUMN C LOUISVILLE METRO FACTOR
21) Gross receipts from sales made and/or services rendered	21(a) \$	21(b) \$	21(c)
22) Gross wages, salaries, and other compensation paid to all employees (See Instructions before completing)	22(a) \$	22(b) \$	22(c)
23) TOTAL APPORTIONMENT FACTOR for Louisville Metro, KY Add Lines (21c) and (22c)			23(c)
24) APPORTIONMENT FACTOR - [If both Lines 21(b) and 22(b) are greater than zero, divide entry on Line 23(c) by 2 Enter here and on Line 26 on page 1 If either Line 21(b) or Line 22(b) is zero, enter the amount from Line 23(c) here and on Line 26 on page 1.]			24(c)

courier-journal.com

PSC grants modified rate increase to LG&E and KU

By Tom Loftus and Patrick Howington • The Courier-Journal • July 30, 2010

Residential customers of LG&E will see monthly electric bills increase by about \$7 and gas bills go up about \$4 under rate increases approved Friday by the Kentucky Public Service Commission.

The commission also approved a rate increase for Kentucky Utilities, LG&E's sister company, which serves 77 Kentucky counties. A typical KU residential customer's monthly electric bill will go up by \$7.31.

The increases are about 25 percent smaller than what the two utilities initially sought in January partly to recover costs of repairing damage after the September 2008 wind storm and the January 2009 ice storm.

The new rates, which take effect Saturday, match the levels numerous consumer, business and government agreed to in a settlement last month.

Still, Rev. James Tennyson, executive director of the Justice Resource Center, said the rates are "going to be a hardship on the customer."

Kentucky Attorney General Jack Conway, whose office opposed any increase for the two utilities, said in a statement it is studying "whether or not to appeal the (PSC's) decision to Franklin Circuit Court."

E.ON U.S., the parent company of LG&E

and KU, said in a statement that the new rates are "a fair outcome," though less than the company sought.


In addition to approving the new rates, the PSC ordered a review of the utilities' billing, collection and customer-service operations, in response to consumer complaints in the past year.

The complaints stemmed from a new system that changed many customers' billing dates and resulted in some getting two bills in the same calendar month — pinching customers on fixed incomes.

In its decision Friday, the PSC approved one change that could make billing dates more predictable.

Starting next year, LG&E and KU will reduce the window for a customer's meter to be read to three days, from the current span of five days. The meter reading determines when a bill is mailed and when it will be due.

Advertisement




Mom Dilemma #36:
Your daughter insists on wearing her princess costume to the grocery store. Allow it or not?

YES, at least she's dressed!

NO, I have some rules!

momslike.me
where it's all about moms

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courier-journal.com

The billing and customer-service review will be done by an independent consultant hired by the PSC and paid by the utilities.

E.On U.S. said in a statement that it has "a record of national award-winning customer satisfaction" and welcomes any insights the consultant and PSC might have for improvement.

The groups that agreed on the new rates in last month's settlement included large industrial and commercial businesses, the Kentucky School Boards Association, advocates for low-income customers, and other groups.

E.On U.S. also signed the agreement.

Conway's office was the only party to the rate cases that did not join the settlement. It has sought to prevent any rate increase while the sale of E.On U.S. to Pennsylvania-based PPL Corp. for \$7.6 billion is pending.

Conway said the new owner should have to defend the request for higher rates. He also said PPL's strong finances could mean a rate increase isn't needed.

The sale itself requires PSC approval.

In its original application, LG&E asked to increase its annual electric base revenue by \$95 million and its yearly natural gas base revenue by \$22.6 million.

But the commission approved smaller increases — \$74 million in electric revenue and \$17 million in revenue from its gas


operations.

KU, which provides only electric service, had originally sought an annual revenue increase of \$135.2 million. The commission approved an increase of \$98 million.


As part of the approved rate changes, the flat monthly service charge for both gas and electric service will increase, though not as much as LG&E and KU initially asked.

The electric charge for residential customers of both utilities will go up to \$8.50 from \$5. LG&E's gas service will be \$12.50, up from \$9.50.

In addition to the flat charges, customers pay fees based on how much gas or electricity they use. Those charges also increase.

The net effect will be a 9.6 percent  increase in electric rates for a typical LG&E residential customer, compared with about


Advertisement



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12 percent under the original proposal. Residential gas rates will go up about 7 percent rather than 9 percent.

Kentucky Utilities residential rates will rise about 9 percent, instead of nearly 14 percent.

In addition to recovering costs from the two historic storms, LG&E said it needed higher rates to replace aging gas mains and cover other rising expenses. And KU said it needed to recover some of the cost of building a \$1.2 billion electricity-generating plant in Trimble County.

Reporter Tom Loftus can be reached at (502) 875-5136. Reporter Patrick Howington can be reached at (502) 582-4229.

Advertisement



Mom Dilemma #36:

Your daughter insists on wearing her princess costume to the grocery store. Allow it or not?

YES, at least she's dressed!

NO, I have some rules!

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Consulting Contract

This agreement is made this 15TH day of OCT^{BER}, 2010, by and between Kentucky Small Utility Consulting, LLC, 8105 Parkshire Court, Louisville, KY 40220 (hereinafter referred to as the "Contractor"), and Hillridge Facilities, Inc., whose address is 17825 Bradbe Road, Fisherville, KY 40223 (hereinafter referred to as "Utility") for consulting services.

- (1) Contractor shall render the services as set forth in Attachment A, 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. Contractor's 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 Gonja U Rudge.
- (3) The Utility shall provide Contractor with full and adequate access to all the information in Utility's possession needed by Contractor to perform the services set out in Attachment A. Utility shall give prompt attention to all requests for documentation, information and action made by Contractor, so as to not delay Contractor's work on this project. 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 represents that it has access to the experience and has the 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 to obtain a tariff increase, Contractor will only be liable to Utility for 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 it 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 until payment in full has been made by Utility, 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 under the Contract.

- (7) This contract shall be interpreted under the laws of the Commonwealth of Kentucky and choice of venue shall be Jefferson County, Kentucky. If there is a dispute, good faith mediation is required as a condition precedent prior to either party filing any complaint in any court.
- (8) Neither Contractor nor Utility may assign any part of this contract without the written consent of the other party.
- (9) Contractor agrees to keep all of Utility's information confidential and at all times allow the Utility access to Utility's 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 agrees is sufficient.

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

CONTRACTOR:

Jack Kaninberg
Jack Kaninberg

UTILITY:

Hillridge Facilities, Inc.

BY: Lonja Ubulof

TITLE: Vice Pres./Treasurer

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. Contractor agrees that it will review the Commission Staff’s Report concerning the rate application. In the event that Contractor is requested to prepare a substantive response to the report indicating disagreement with all or a portion of the report, Contractor shall be paid at the hourly rate of \$25.00 to prepare the response.

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 Contractor’s work responding to data requests, and \$50 per hour for Contractor’s testimony and any preparation related thereto.

(2) Contract time

(a) Commencement date: August 3, 2010

(b) Estimated Completion Date: July 30, 2011

(3) Contract Payment - \$2,400 in total, unless the Utility and the Contractor agree to additional hourly charges as described under Task C above.

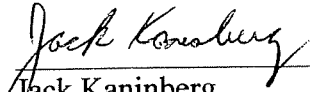
TASK A – 50% of Total Contract Amount, or \$1,200, due upon completion of Task A as described above. (Prepaid on August 3, 2010.)

TASK B – Additional 25% (or \$600) of Total Contract Amount, due after the Commission has deemed the case filed. (Prepaid on August 3, 2010.)

TASK C – Final 25% (or \$600) of Total Contract Amount, due upon completion of the rate case. (Prepaid on August 3, 2010.)

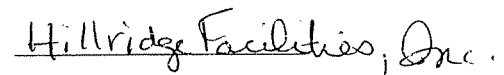
HAVE SEEN AND AGREED:

CONTRACTOR:

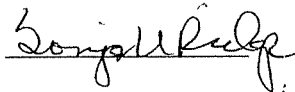


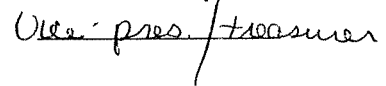
Jack Kaninberg

UTILITY:



Hillridge Facilities, Inc.

BY: 

TITLE: 

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

NOTICE DATE 08/12/2010	PERIOD 01/01/2010-12/31/2010	CASE 610977430035	TAX PUBLIC SERVICE COMPANY
NOTICE # 105509897	RETURN VAL# 000007335	TAXPAYER-ID 610977430	TAXPAYER NAME HILLRIDGE FACILITIES INC

FOR QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT:

UMAMAHESWARI JAGANATHAN
DEPARTMENT OF REVENUE
STATION NUMBER 32
501 HIGH ST, STATION 32
FRANKFORT KY 40620

TEL: (502) 564-7105
FAX: (502) 564-8192
OFFICE HOURS: 8:00 A.M. TO 5:00 P.M. EASTERN TIME

EXPLANATION OF NOTICE

THE PUBLIC SERVICE COMPANY RETURN WAS RECEIVED AND THE
PROPERTY TAX DUE HAS BEEN CALCULATED. LOCAL PROPERTY
TAXES WILL BE BILLED SEPARATELY BY LOCAL JURISDICTIONS.
KRS 136.180(2)

TAX LIABILITY		TAX LIABILITY 1,759.32
TOTAL LIABILITY		TOTAL LIABILITY 1,759.32
TOTAL DUE:	TOTAL AMOUNT OF TAX 1,759.32 TOT	BALANCE DUE 1,759.32

<<<< EXPLANATION OF NOTICE CONTINUED ON NEXT PAGE >>>>

DETACH VOUCHER AND RETURN WITH PAYMENT. MAKE CHECK PAYABLE TO KENTUCKY STATE TREASURER.

NOTICE OF TAX DUE

00000175932

VALIDATING NUMBER

CASE NUMBER

000007335

610977430035

#BWNCSLW
#108BJ 5457 207553 3#

* TOTAL DUE AS OF: *
* 09/26/2010 * \$1,759.32

* HILLRIDGE FACILITIES INC
ATTN DON RIDGE
17825 BRADBE RD
FISHERVILLE KY 40023-9708

ENTER AMOUNT PAID:

10A5009911 KENTUCKY DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

99999 610977430 4 035 105509897 2 00000175932 20101231 7

LouisvilleWater.com Newsroom

Board of Water Works Approves 2010 Budget

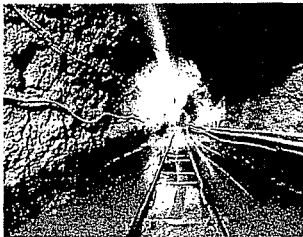
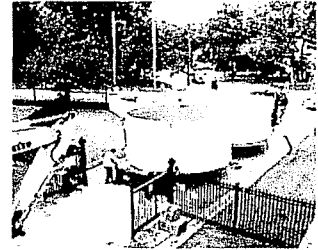
Tuesday November 10, 2009

Board of Water Works Approves 2010 Budget

Budget Continues a Commitment to High Quality Drinking Water Amidst Tough Economic Conditions

Louisville Water Company's (LWC) Board of Water Works approved the company's 2010 budget at its regular meeting November 10. The budget emphasizes investing in LWC's aging infrastructure and meeting upcoming drinking water regulations.

The budget includes \$97.9 million for capital spending. A large component involves the Crescent Hill Filtration Plant, the state's largest water treatment plant and the plant that serves 70% of LWC's customers. LWC is renovating the 100-year-old facility. Work in 2010 will focus on installing a new filtration system, upgrading the softening basins, and bringing an on-site chlorine generation facility on-line.



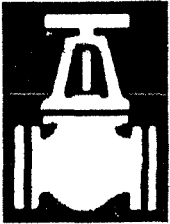
The capital budget also includes finishing the Riverbank Filtration System at the B.E. Payne Treatment Plant in Prospect, installing new transmission mains throughout our service area, and improving pumping and storage facilities.

Like other businesses, the recession has impacted LWC. Water sales and interest income have dropped sharply. Water consumption is at its lowest level since 1993. Sales are down by 5.5% overall in 2009 and nearly 14% for industrial customers. LWC has significantly cut operation and maintenance expenses and also reduced the workforce. The 2010 budget includes a small increase in water sales (less than 1%); labor expenses are flat, and operations and maintenance expenses are increasing only 1.5% from 2009. "LWC has successfully managed through a challenging year," said Greg Heitzman, President and CEO of LWC. "As we look ahead, we have prepared a budget that meets the dim economic forecast for 2010 while remaining true to our company's mission of providing safe, high quality drinking water."

The 2010 budget does include \$4.8 million interest expense for a bond issue in the 4th quarter of 2009. LWC will issue bonds in December for \$120 million and refinance \$76.5 million of existing bonds at a lower rate to fund the capital program. When the economic downturn began in 2008, LWC delayed issuing the bonds; it is now necessary to proceed and finance infrastructure improvements for the next three years. A portion of the bonds will fund the renovation at the Crescent Hill Filtration Plant in order to meet the EPA's Enhanced Surface Water Treatment Rule by April 2012.

The Board of Water Works approved a 4.5% rate increase to primarily fund the interest expense on the bond issue. This is at the lower end of a 4.5 to 5.5% increase recommended by LWC staff. The rate increase means an average residential water bill will increase in January by 94 cents a month or about 3 cents a day to \$21.81.





Derby City Pump & Valve Service, Inc.

2760 Millers Lane
Louisville, KY 40216
Phone: (502) 778-4145
Fax: (502) 778-5403

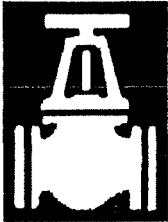
Invoice

Date	Invoice #
12/31/2009	3666

Bill To

Don Ridge Service Company
ATTN: Accounts Payable
17825 Bradbe Road
Fisherville, KY 40023

P.O. No.		Terms	Job Number	Job Location	
		Net 30		Hill Ridge WWTP	
Item	Qty	Description		Unit Price	Amount
Parts - T	1	Hill Ridge WWTP - Fixed Pipe thru Wall, remove hose & reattached, install new check valve		868.69	868.69T
Labor0	18	4" Lever & Weight Check Valve w/gaskets Labor		75.00	1,350.00
<p><i>Paid Jan 25, 2010</i> <i>Received Bill on Jan 22, 2010</i> <i>Ch # 3431 * 2270.81</i></p>					
Please remit to the above address. Thank you for your business.				Subtotal	\$2,218.69
A Service Charge of 1-1/2% per Month (A.P.R. 18%) will be charged on all past due Accounts. Minimum charge \$1.00. Reasonable collection and attorneys fees will be assessed to all accounts placed for collection.				Sales Tax (6.0%)	\$52.12
				Total	\$2,270.81



Derby City Pump & Valve Service, Inc.

2760 Millers Lane
Louisville, KY 40216
Phone: (502) 778-4145
Fax: (502) 778-5403

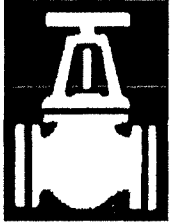
Invoice

Date	Invoice #
1/25/2010	3708

Bill To

Hillridge Facilities, Inc.
ATTN: Accounts Payable
17825 Bradbe Road
Fisherville, KY 40023

P.O. No.		Terms	Job Number	Job Location	
		Net 30		Hill Ridge WWTP	
Item	Qty	Description		Unit Price	Amount
Labor0	6.75	01/19/10 - Removed #1 pump & base, flapper broken Labor		75.00	506.25
N-P04-ABX1-...	2	01/20/10 - Install rebuilt power frame ← <i>Rotation</i>		54.33	108.66T
6309-LL	2	P04-1.500 CAR/CER/NITRILE Radial Ball, 62/63 Series, NTN		39.48	78.96T
Misc. Supplies	1	Misc. hardware, gaskets, clean, paint, etc.		30.00	30.00
Labor0	8	Labor		75.00	600.00
<i>Feb 10 - 2010 Ch # 3454 \$ 1,335.13</i>					
Please remit to the above address. Thank you for your business.				Subtotal	\$1,323.87
A Service Charge of 1-1/2% per Month (A.P.R. 18%) will be charged on all past due Accounts. Minimum charge \$1.00. Reasonable collection and attorneys fees will be assessed to all accounts placed for collection.				Sales Tax (6.0%)	\$11.26
				Total	\$1,335.13



Derby City Pump & Valve Service, Inc.

2760 Millers Lane
Louisville, KY 40216
Phone: (502) 778-4145
Fax: (502) 778-5403

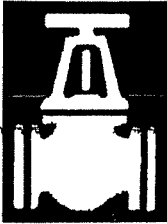
Invoice

Date	Invoice #
2/5/2010	3714

Bill To

Hillridge Facilities, Inc.
ATTN: Accounts Payable
17825 Bradbe Road
Fisherville, KY 40023

P.O. No.		Terms	Job Number	Job Location	
		Net 30		Bigalow Station	
Item	Qty	Description		Unit Price	Amount
Labor0	13.5	02/02/10 - Check operation of both pumps, (1) not pumping & (1) leaking. Unclogged #1 pump & installed packing (customer supplied), tighten packing on #2 Pump		75.00	1,012.50
Confined Spac...		Labor Confined Space Entry Charge		300.00	300.00
<i>Ask for John Brown's Dad.</i>					
Please remit to the above address. Thank you for your business.				Subtotal	\$1,312.50
A Service Charge of 1-1/2% per Month (A.P.R. 18%) will be charged on all past due Accounts. Minimum charge \$1.00. Reasonable collection and attorneys fees will be assessed to all accounts placed for collection.				Sales Tax (6.0%)	\$0.00
				Total	\$1,312.50



Derby City Pump & Valve Service, Inc.

2760 Millers Lane
Louisville, KY 40216
Phone: (502) 778-4145
Fax: (502) 778-5403

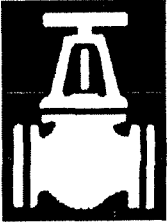
Invoice

Date	Invoice #
2/15/2010	3719

Bill To

Hillridge Facilities, Inc.
ATTN: Accounts Payable
17825 Bradbe Road
Fisherville, KY 40023

P.O. No.		Terms	Job Number	Job Location	
		Net 30		Hill Ridge WWTP	
Item	Qty	Description		Unit Price	Amount
Labor7	4	02/08/10 - Remove power frame from #2 pump & install a power frame supplied by Larry Smither, disassembled pump to determine why pump would not prime, removed flapper to back flush, install again, test run, pump OK. Overtime (Time 5:30pm - 9:30pm)		112.50	450.00
Labor0	3	02/10/10 - Clarifier grit collector not working, drive chain & gears in bad shape, take one link out of chain, will last this way for short time, need to replace chain & gears. Labor		75.00	225.00
Labor0	6	02/12/10 - #2 Constant speed pump not pumping, pull suction hose, clean & remove basket strainer, reprime pump, test run OK. Labor		75.00	450.00
<i>paid March 8-2010 \$ 1,125.00</i>					
Please remit to the above address. Thank you for your business.				Subtotal	\$1,125.00
A Service Charge of 1-1/2% per Month (A.P.R. 18%) will be charged on all past due Accounts. Minimum charge \$1.00. Reasonable collection and attorneys fees will be assessed to all accounts placed for collection.				Sales Tax (6.0%)	\$0.00
				Total	\$1,125.00



Derby City Pump & Valve Service, Inc.

2760 Millers Lane
Louisville, KY 40216
Phone: (502) 778-4145
Fax: (502) 778-5403

Invoice

Date	Invoice #
3/11/2010	3746

Bill To

Hillridge Facilities, Inc.
ATTN: Accounts Payable
17825 Bradbe Road
Fisherville, KY 40023

P.O. No.		Terms	Job Number	Job Location	
		Net 30		Hill Ridge WWTP	
Item	Qty	Description		Unit Price	Amount
		03/03/10 - Install fresh air Blower in lift station, replace float switch			
Parts - T	1	New Fresh Air Blower		115.13	115.13T
30ftNOWW	1	Mercury Float Switch N.O. 30 ft cord		34.95	34.95T
Labor0	10	Labor		75.00	750.00
Confined Spac...		Confined Space Entry Charge		300.00	300.00
<p>Paid April 14-2010 en# 3507 1209.08</p>					
Please remit to the above address. Thank you for your business.				Subtotal	\$1,200.08
A Service Charge of 1-1/2% per Month (A.P.R. 18%) will be charged on all past due Accounts. Minimum charge \$1.00. Reasonable collection and attorneys fees will be assessed to all accounts placed for collection.				Sales Tax (6.0%)	\$9.00
				Total	\$1,209.08

#1239

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
7-7—10

HILLRIDGE FACILITIES
REPAIR WORK AT TREATMENT PLANT

INVOICE FOR SERVICES

- PUMP DOWN TANK, DISCONNECT ALL CHANGING SPROCKETS FOR SLUDGE TANK & REINSTALL—PER LARRY SMITHERS.
- 6-23-10: 3 MEN & EQUIP.—8HRS.-----\$ 800.00
- 6-24-10: 2 MEN & EQUIP.—4HRS.-----\$ 400.00
- 7-1-10: 3 MEN & EQUIP.—7HRS.-----\$ 700.00
- 7-2-10: 2 MEN & EQUIP.—8HRS.-----\$ 800.00
- TOTAL ALL DAYS-----\$2,700.00

TWO THOUSAND, SEVEN HUNDRED DOLLARS

THANK YOU

JOE MURPHY

paid *Chk#*
3566
July 9, 10 *2700.⁰⁰*

#1246

\$ 2725.⁰⁰

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
8-5—10

HILLRIDGE FACILITIES
4107 COTTAGE HILL

INVOICE FOR SERVICES

- FOR WORK COMPLETED ON 7-19-10
- CAMERA CHECK CUSTOMER'S LINE TO MAIN, PER SONYA RIDGE.
- PROBLEM WAS AT CONNECTION FROM CUSTOMER'S LINE TO P.S.C----- CUSTOMER MADE BAD CONNECTION TO P.S.C.
- 2 MEN & EQUIP.-----\$250.00

TWO HUNDRED & FIFTY DOLLARS

THANK YOU

JOE MURPHY

paid Aug 12. 10
Ch #3586
\$2725.⁰⁰

#1247

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
8-5—10

HILLRIDGE FACILITIES
4203 SAN MARCUS

INVOICE FOR SERVICES

- FOR EMERGENCY WORK COMPLETED ON 7-19-10
- CUSTOMER WITHOUT SERVICE, PER SONYA RIDGE.
- AUGER & RESTORED SERVICES
- 2 MEN & EQUIP.-----\$300.00

THREE HUNDRED DOLLARS

THANK YOU

JOE MURPHY

#1248

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
8-5—10

HILLRIDGE FACILITIES
TREATMENT PLANT

INVOICE FOR SERVICES

- FOR EMERGENCY WORK COMPLETED ON 7-20-10
- INSTALL AN EMERGENCY PUMP, WORK WITH SHANE—HAD TO GET PLANT STABLELIZED AFTER HEAVY DOWNPOUR.
- CLEAN UP—HOSE OFF PLANT.
- 1 MAN-PUMPS & HOSES-----6HRS.-----\$300.00

THREE HUNDRED DOLLARS

THANK YOU

JOE MURPHY

#1249

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
8-5—10

HILLRIDGE FACILITIES
TREATMENT PLANT

INVOICE FOR SERVICES

- FOR WORK COMPLETED ON 8-3-10.
- WORK WITH HEADON SEPTIC SERVICE----INSTALL PUMPS,
BYPASS ALL WATER & CLEAN OUT WET WELL.
- 2 MEN & EQUIP.-----6HRS.-----\$600.00

SIX HUNDRED DOLLARS

THANK YOU

JOE MURPHY

#1250

MURPHYS EXCAVATING

379 BROOKSVIEW CR.

BROOKS, KY. 40109

PHONE-9573775-MOBIL-7733526-FAX-9576185

HILLRIDGE FACILITIES

4111 SAMOSET

INVOICE FOR SERVICES

- FOR WORK COMPLETED ON 7-28-10----REPAIR P.S.C.
- EXCAVATE & REMOVE APPROX. 10FT. OF P.S.C., REPLACE WITH NEW 6" P.V.C. PIPING & INSTALL CLEANOUT T.
- INSTALL PROPER GRILLAGE, BACKFILL, CONTOUR--SEED & STRAW.
- WORK WAS UNDER WATER & GAS UTILITIES & WAS ABOUT 7FT. DEEP.
- 2 MEN & EQUIP.-----11HRS. TOTAL-----\$1,100.00
- PARTS: PIPING, GRAVEL, SEED & STRAW-----\$ 175.00
- TOTAL-----\$1,275.00

ONE THOUSAND, TWO HUNDRED & SEVENTY FIVE DOLLARS

THANK YOU
JOE MURPHY

Hillridge Facilities Surcharge Explanation and Calculation

-Hillridge Facilities is requesting PSC approval of a monthly surcharge of \$11.19 per month for an estimated 36 months to pay for sewer line repairs which are critically needed to avoid fines and sanctions from the Kentucky Division of Water. The repairs are needed to address Inflow and Infiltration problems revealed by a video survey of the lines.

-Hillridge has received competitive bids (attached) for the repair work, and intends to use Murphy Excavating at a cost of \$290,000 to do this work.

-Hillridge has approximately 720 customers, and a surcharge of \$11.19 per month over 36 months will produce the revenue needed to pay the \$290,000 cost.

-Due to the urgency associated with this situation and Hillridge's desire to avoid DOW sanctions, Hillridge respectfully requests expedited PSC review and approval of the surcharge request.

-Upon PSC approval of the surcharge request, Hillridge will begin accumulating any surcharge proceeds and will expend revenues immediately as they are collected to fix the highest-priority problem areas.

-Hillridge will accumulate any surcharge proceeds in a separate account; will use those proceeds only for their intended purpose; and will provide whatever written monitoring reports the PSC deems necessary to account for the money spent.

MURPHYS EXCAVATING
379 BROOKSVIEW CR.
BROOKS, KY. 40109
PHONE-9573775-MOBIL-7733526-FAX-9576185
2-26-10

HILLRIDGE FACILITIES INC.

BID PROPOSAL FOR:
REPAIRING SEWER LINES & STOPPING INFILTRATION & INFLOW OF WATER
PAGE 1

- 3905 LETHBOROUGH CT— REPAIR BROKEN PIPING BELOW MANHOLE, HAS LARGE HOLE APPROX. 2FT. LONG— REPLACE APPROX. 6FT. OF BROKEN TERRA COTTA PIPE.
- 8517 OLD WATTERSON TRAIL— REPLACE BROKEN PIPING JUST BELOW MANHOLE
- 3400 LA FOLLETTE— LARGE AMOUNT OF BROKEN PIPE & WATER INFILTRATION, REPLACE APPROX. 10FT. OF TERRA COTTA PIPE.
- 3904 BONAFAY CT.—REPLACE BAD T CONNECTION & BROKEN PIPING.—BAD I & I.
- 3700 MODESTO— BROKEN PIPING, REPLACE 5FT.
- 3913 SAN MARCOS— APPROX. 15FT. OF PIPING BROKEN, LARGE AMOUNT OF HOLES, GRAVEL & INFILTRATION.
- 4111 STONEY BROOK— DROPPED & SEPARATED PIPING—REPLACE 1 SECTION.
- 8" MAIN BETWEEN STONEY BROOK & THE LIFT STATION AT KIRBY LN.—LARGE HOLE IN PIPING, NEXT TO CREEK.—REPLACE 1 SECTION.
- 8900 STONEY BROOK—LARGE HOLE IN PIPING, WATER INFILTRATION
- 8808 AVONDALE— BROKEN PIPES & DROPPED & MISALIGNED PIPES.
- 8807 KIRBY LN.—JUST BEFORE LIFT-STATION: CRACKED & BROKEN PIPING—7 LOCATIONS.

PAGE 2

- 3716 BRISTOL OAKS—LARGE AMOUNT OF ROOTS & INFLITERATION AT 5 LOCATIONS.
- 3913 BONAFAY CT.—MULTIPLE FRACTURES ABOVE & BELOW MANHOLE--- ROOTS & WATER INFLITERATION.
- 9102 LETHBOROUGH—CRACKED PIPES & LARGE AMOUNT OF ROOTS.
- 9211 LETHBOROUGH—LARGE AMOUNT OF ROOTS AT 56FT. DOWNSTREAM FROM MANHOLE.
- LARGO CT.— LARGE AMOUNT OF ROOTS AT 6 LOCATIONS, DOWNSTREAM FROM MANHOLE.
- WAKULLA CT.—WATER COMING IN AT 4 LOCATIONS, JUST BEFORE LIFTSTATION.
- 4003 STONYBROOK RD.— ROOTS AT 5 LOCATIONS.
- 4002 STONYBROOK RD.— BAD ROOTS AT 3 LOCATIONS.
- 3822 SHANNON RUN TRAIL— 8" MAIN RUNNING TO LIFT STATION & NEXT TO CREEK, BAD I & I AT 3 LOCATIONS.
- INTERSECTION OF LACOSTA & COLLINGWOOD— ROOTS & CRACKED PIPES RUNNING ENTIRE LEGNTH.
- LARGE 15IN. MAIN, JUST BELOW SAN MARCUS & WATTERSON TRAIL, HAS LARGE AMOUNT OF ROOTS IN MANHOLE & IN EVERY OTHER SECTION OF PIPE---176 FT. LONG.
- FROM MANHOLE AT THE END OF LETHBROUGH CT. TO 8IN. MAIN IN DITCHLINE, ROOTS & CRACKED PIPE 200FT. LONG.

- FULL LABOR PRICE OF ALL REPAIRS----- \$196,600.00
- PARTS: PAVEMENT, CONCRETE, PIPING
PERMITS & BONDING-----\$ 93,400.00
- TOTAL-----\$290,000.00

TWO HUNDRED NINETY THOUSAND DOLLARS

THANK YOU

JOSEPH MURPHY

QND Bid repairs

P.O. Box 137
Crestwood, KY 40014
502-241-4809
502-241-7943 Fax

**Camden
Environmental
Service Co., Inc.**

Quote

To: Hill Ridge Facilities Inc.

From: Larry Smither

Date: 9/10/10

Pages:

Re: Sewer main repairs that help eliminate some of the infiltration and inflow

I am please to present our quote to make sewer main repairs at the following locations: (Note: The following locations were taken from a list supplied by Hill Ridge Facilities, Inc.)

- **3905 Lethborough Ct.**
 - **8517 Old Watterson Trail**
 - **3400 LaFollette**
 - **3904 Bonafay Ct.**
 - **3700 Modesto**
 - **3913 San Marcos**
 - **4111 Stoneybrook**
 - **Sewer main between Stoneybrook and the Kirby Lane lift station**
 - **8900 Stoneybrook**
 - **8808 Avondale**
 - **8807 Kirby Ln.**
 - **3716 Bristol Oaks**
-

September 10, 2010

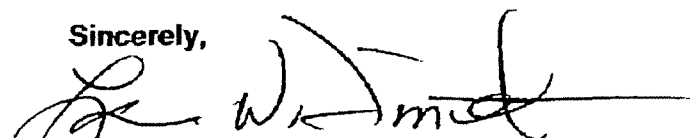
- 3913 Bonafay Ct.
- 9102 Lethborough
- Largo Ct.
- Wakulla Ct.
- 4003 Stoneybrook Road
- 4002 Stoneybrook Road
- 3822 Shannon Run Trail
- Intersection of LaCosta & Collingwood
- San Marcus & Watterson Trail
- 200' of 8" sewer main at the end of Lethborough

Total Cost for the above repairs and replacements -- \$333,500.00

Thanks for the opportunity to quote you on this project.

If you have questions or need additional information please call.

Sincerely,



Lawrence W. Smither

BLAND PLUMBING & PIPING

8306 ARNOLDTOWN RD.

LOU. KENTUCKY

PHONE-9356172

HILLRIDGE UTILITIES

BID PROPOSAL

REPAIR WORK PER INFO

8-5-2010

3905 LETHBOROUGH REPLACE BAD SEC. PIPING	6,500.00
8517 OLD WATERSON TRAIL — REPLACE BAD PIPING 8FT DOWNSTREAM FROM MANHOLE	4,600.00
3400 LA FOLLETTE REPLACE BAD SEC PIPING 10 TO 12 FT. IN ROAD	7,600.00
3904 BONAFAY CT REPLACE BAD T CON. AND ALL BROKEN PIPING IN STREET	18,900.00
3700 MODESTO REPLACE ONE BAD SEC. PIPING IN STREET	4,800.00
3913 SAN MARCOS REPAIR 15FT OF BAD PIPING UNDER STREET	12,800.00
4111 STONEY BROOK REPAIR DROPPED AND SEPERATED PIPING, UNDER STREET	9,600.00
8INCH MAIN BETWEEN STONEYBROOK AND LIFT STATION AT KIRBY LANE REPAIR LARGE HOLE IN PIPING, NEXT TO CREEK	6,750.00
8900 STONEY BROOK REPAIR LARGE HOLE IN PIPING IN STREET	8,600.00
8808 AVONDALE REPAIR BROKEN AND MISALIGNED PIPING	11,500.00
8807 KIRBY LANE REPAIR PIPING JUST BEFORE LIFT STATION IN 7 LOCAT.	28,700.00
3716 BRISTOL OAKS REPAIR BAD PIPING AND INFLITERATION—5 LOCATIONS	18,900.00
3913 BONAFAY COURT MULTIPLE FRACTURES IN FRONT & BELOW MANHOLE	16,500.00
4003 STONEYBROOK RD. ROOTS AT 5 LOCATIONS	28,600.00

4002 STONEYBROOK RD. BAD PIPING AT 3 LOCATIONS	26,850.00
3822 SHANNONRUN TRAIL BAD PIPING, LARGE AMT. I & I	12,800.00
INTERSECTION OF LA COSTA & COLLINGWOOD, CRACKED & BROKEN PIPIN ENTIRE SECTION	27,500.00
LARGE 15" MAIN, SAN MARCOS & WATERSON TRAIL—LARGE AMT. ROOTS IN EVERY OTHER SECTION	26,500.00
AT THE END OF LETHBROUGH CT., BROKEN PIPING - NEXT TO DITCHLINE 12-14 LOCATIONS	28,700.00

TOTAL—PARTS & LABOR—————\$306,700.00

THREE HUNDRED SIX THOUSAND, & SEVEN HUNDRED DOLLARS

THANKS-RALPH BLAND