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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH SHORE WATER)
WORKS CO. FOR AN ORDER APPROVING) CASE NO. 2012-_____
A TRANSFER OF OWNERSHIP AND CONTROL)

APPLICATION

South Shore Water Works Co. ("South Shore") hereby applies to the Public Service Commission of Kentucky ("Commission") for approval pursuant to KRS 278.020(5) of a transfer of ownership and control of a jurisdictional utility, and any other approval necessary to effectuate a proposed transaction with the City of South Shore, Kentucky ("City"). In support of this application, South Shore states as follows:

The Applicant

1. South Shore is a privately-owned public utility organized and existing under the laws of the Commonwealth of Kentucky and is regulated under Chapter 278 of the Kentucky Revised Statutes. South Shore is engaged in the construction, operation, and maintenance of a water production and distribution system providing water and water services for domestic, commercial, and industrial customers in the City of South Shore and other localities in Greenup County, Kentucky.

2. South Shore's post office address is 809 Main Street, P.O. Box 485, South Shore, Kentucky 41175.

3. A certified copy of South Shore's Articles of Incorporation, including all amendments thereto, was filed with the Commission in Case NO. 94-134, *Application for Authority to Sell Water Works*.

4. Copies of all orders, pleadings, and other communications regarding this application should be directed to:

R. Benjamin Crittenden
Stites & Harbison, PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
(502) 209-1216

George J. Hannah
President
South Shore Water Works Co.
809 Main Street
P.O. Box 485
South Shore, Kentucky 41175
(606) 932-3531

The Proposed Transaction

5. South Shore proposed to transfer to the City, and the City proposes to acquire, all of the utility assets and liabilities of South Shore pursuant to an agreement between the two parties ("Proposed Transaction"). The Proposed Transaction is a transfer within the meaning of KRS 278.020(5).

6. The specific terms and conditions of the Proposed Transaction are set out in the Asset Purchase Agreement and Collection Agreement executed on July 2, 2012. Copies of the Asset Purchase Agreement and Collection Agreement are attached as Exhibits 1 and 2.

KRS 278.020(5) Transfer Requirements

7. The Commission should approve the transfer by South Shore to the City pursuant to KRS 278.020(5).

8. KRS 278.020(5) provides:

No person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by sale of assets, transfer of stock, or otherwise, or abandon the same, without prior approval by the commission. The commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.

9. The City possesses the financial, technical, and managerial abilities to provide reasonable service to the current customers of South Shore following the Proposed Transaction.

10. Prior to the closing of the Proposed Transaction, South Shore will continue to operate the utility and otherwise bear all responsibility for the operation and maintenance of the facilities.

11. Following the closing of the Proposed Transaction, the City will operate the South Shore utility facilities, receive all income, pay all expenses, and otherwise bear all responsibility for the operation and maintenance of the facilities. The City has not made final decisions on employment issues, but it is considering retaining Greg Hall, the South Shore employee presently responsible for overseeing the operations of the utility facilities. Additionally, the City will rely upon the experience and expertise of Chad Clark, who currently operates the City's wastewater system. Mr. Hall and Mr. Clark have the technical knowledge to operate the facility on a day-to-day basis. Additionally, they are both licensed to operate the facility and attend continuing education classes each year to maintain their licenses. Moreover, George Hannah, South Shore's President, has agreed to consult with the City should any questions or issues arise concerning the operation of the system.

12. In addition to this technical and managerial knowledge and expertise, the City also possesses the financial ability to provide reasonable service to the customers presently served by South Shore.

13. Following the closing of the Proposed Transaction, South Shore customers will continue to be charged in accordance with the rates, charges, and classifications set forth in the tariff currently on file with the Commission. A rate change is not a part of the Proposed Transaction, and the City does not have any existing plan in place to change rates going forward.

14. South Shore acknowledges that the Commission retains jurisdiction over South Shore and its facilities until this application is approved. Accordingly, South Shore agrees that it will continue to comply with all Commission statutes and regulations pending approval of this application.

Conclusion

WHEREFORE, South Shore requests an Order from the Commission within sixty days of the filing of this Application that:

(1) Grants approval pursuant to KRS 278.020(5) for the transfer from South Shore to the City of ownership and control of the South Shore utility assets set forth in the Proposed Transaction; and

(2) Declares that no other Commission approval is necessary for the Proposed Transaction or, in the alternative, grant any other approval necessary.

Respectfully submitted,

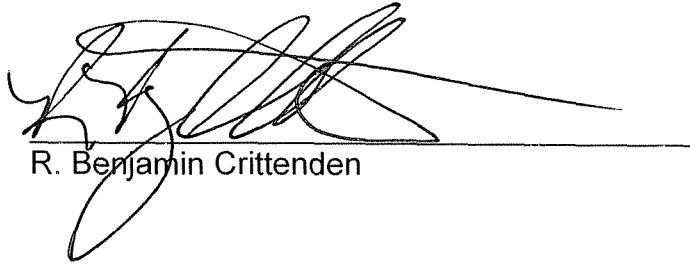
A handwritten signature in black ink, appearing to read 'R. Benjamin Crittenden', written over a horizontal line.

R. Benjamin Crittenden
STATES & HARBISON, PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 209-1216
COUNSEL FOR SOUTH SHORE WATER
WORKS CO.

CERTIFICATE OF FILING AND MAILING

I hereby certify that on October 25, 2012, the original and ten (10) copies of this Application were hand delivered to Jeff R. Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602, and that a copy was sent by First Class United States Mail, postage prepaid, to:

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



R. Benjamin Crittenden

SOUTH SHORE WATER WORKS CO. ASSET PURCHASE AGREEMENT

Between

The City of South Shore, Kentucky,
By and Through its Mayor, Cheryl Moore

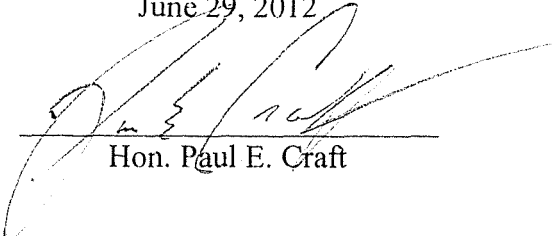
And

The South Shore Water Works

And

George J. Hannah, individually

Prepared By
McBrayer, McGinnis, Leslie & Kirkland
June 29, 2012



Hon. Paul E. Craft

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("agreement") is made and entered into this 2ND day of July 2012 by and between **THE SOUTH SHORE WATER WORKS COMPANY** (herein after "the Water Works" or "Seller" or "Corporation"), a Kentucky corporation, and **GEORGE J. HANNAH**, individually (hereinafter "Hannah") AND the **CITY OF SOUTH SHORE, KENTUCKY**, a Kentucky municipal corporation (herein after the "City" or "Purchaser").

WITNESSETH:

WHEREAS, the Water Works desires to cease operation of its business by sale of all assets associated therewith; and

WHEREAS, the owner of the same, Hannah, desires to retire from work in the same and cease all work associated therewith and any other similar company or enterprise; and

WHEREAS, the Water Works desires to sell and the City, for the benefit of its citizens, desires to purchase the assets employed by the Water Works in the operation thereof as a going concern (the "business") in accordance with and subject to the terms and provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained in this agreement, and intending to be legally bound, the Seller and Purchaser agree as follows:

(A) Purchase and sale of assets

At the closing (as defined in section (D) of this agreement), the Water Works shall sell to the City, and the City shall purchase from the Water

Works, the following assets employed in the business (the "assets"), subject to the liabilities specified in section (B) of this agreement:

(1) The governmental authorizations listed on Schedule I to this agreement, together with any renewals, extensions or modifications thereof and applications therefore;

(2) The real property described on Schedule II to this agreement;

(3) The personal property described on Schedule III to this agreement (subject to disposals and consumption thereof in the ordinary course of business between the date of this agreement and the closing date) or replacements thereof and alterations thereto in the ordinary course of business between the date of this agreement and the closing date;

(4) (a) All of the written contracts, agreements, commitments, understandings or instruments relating to the business, and (b) all written agreements, commitments, and benefits relating or payable to employees of the business, whether earned before or after the closing date (collectively, the "contracts") to which Water Works is a party or by which it is bound, including without limitation the contracts listed in Schedule V to this agreement, except for those contracts listed on Schedule VI to this agreement (collectively, the "excluded contracts"), which are specifically excluded from the assets;

(5) All trademarks, service marks and trade names relating to the business;

(6) All books and records of the corporation relating to the assets and the business, except as excluded below in this section (A-8);

(7) All goodwill associated with the business; and

(8) The assets shall not include any of the following:

- (a) The excluded contracts of Schedule V;
- (b) Any and all life insurance contracts; and
- (c) Any and all insurance proceeds paid in satisfaction or settlement of or relating to any claim made by the corporation with any insurance carrier prior to the closing date.

(B) Non assumption of liabilities

Purchaser shall not assume, or otherwise be obligated on, any past, current or future liabilities of the Water Works, unless specifically articulated herein. Seller specifically agrees to indemnify and hold harmless Purchaser in the event a third party attempts or is successful in attributing any liability above described to Purchaser. Indemnification of Purchaser shall include, but not be limited to, attorney fees and costs associated with any defense of the above-described liabilities. This paragraph shall provide remedy to Purchaser in addition to (K) below and not in lieu of.

(C) Purchase price

The aggregate purchase price for the assets shall be \$1,400,000.00 (ONE MILLION FOUR HUNDRED THOUSAND AND 00/100, (the "purchase price"), plus or minus any adjustments required by the prorations made under section (L) of this agreement. The City shall tender to the Water Works the amount of \$10,000.00 earnest money on or before July 2, 2012, The City shall receive credit for said earnest money against the purchase price. The purchase price shall be paid by the City to the Seller in immediately available funds at

the closing. Any adjustments required by the prorations made under section (L) of this agreement shall be paid at the times provided in section (L). In further consideration of the purchase price, Seller shall pay, perform, assume and discharge the liabilities of Water Works, described in section (B) of this agreement, above.

(D) Closing; best efforts

The closing of the transaction contemplated by this agreement (the "closing") shall take place at a date and time certain, to be set by agreement, at the law office of McBrayer McGinnis Leslie and Kirkland, Greenup, Kentucky. However, the parties shall close the transaction within 180 (ONE HUNDRED EIGHTY) calendar days from the date the City of South Shore receives the funds for purchase, whatever the source. The Seller and Purchaser covenant and agree that each of them shall use its best efforts to consummate the transactions contemplated by this agreement on the closing date. At the closing, concurrently with the discharge of the other party's respective closing obligations:

(1) Seller's closing items

The Seller shall deliver to Purchaser:

(a) A deed or deeds, in proper form for any real or personal property subject to this agreement, a bill of sale for all personal property and an assignment to effect the sale, conveyance and transfer of good and marketable title to the assets of Water Works to Purchaser, free and clear of all liens, mortgages, security interests, pledges, charges and encumbrances.

(2) Purchaser's closing items

Purchaser shall deliver to the corporation:

(a) Immediately available funds in the amount of the purchase price less the earnest money deposit;

(b) The opinion of counsel and certificates required by sections (G)(1), (G)(2) and (G)(3) of this agreement.

(E) Representations and Warranties of the Seller

The Seller represents and warrants to Purchaser and acknowledges Purchaser relies on such representations and warranties in entering into and proceeding under this agreement, that:

(1) Corporate standing

Water Works is a corporation, duly organized, validly existing, and in good standing under the laws of Kentucky with full corporate power and authority to own or hold under lease the properties it now owns or holds under lease and employed in the business, to carry on the business presently being conducted by it, to enter into this agreement and all other agreements contemplated by this agreement, and to consummate the transactions contemplated hereunder and thereunder.

(2) Authorization, execution, and delivery of this agreement

This agreement has been duly authorized by all necessary corporate action of the Water Works and has been duly executed. Copies of same shall be delivered by the Water Works to the City within 30 days of the signing of this agreement. Failure to comply with this provision shall constitute breach and result in the return of any monies posted by the City as earnest money. The return of said monies shall not limit the City from seeking any and all

remedies available under Kentucky law.

The Seller represents the execution and delivery by the Water Works of this agreement and the consummation by the corporation of the transactions contemplated hereby will not conflict with or constitute a violation of the articles of incorporation or bylaws of the corporation or conflict with or constitute a violation, breach or default under any material contract, trust agreement, mortgage, indenture or other agreement or instrument to which the corporation is a party or by which it is bound or to which the corporation or any of its properties is subject.

(3) Consents

No provision of the articles of incorporation or bylaws of the corporation or of any material contract, trust agreement, mortgage, indenture or other agreement or instrument to which the corporation is a party or by which it is bound or to which the corporation or any of its properties is subject requires the consent or authorization of any other person or entity as a condition precedent to the consummation of the transactions contemplated by this agreement.

(4) Brokers

No person or entity is entitled to any brokerage or finder's fee or commission or other like payment in connection with the negotiations relating to or the transactions contemplated by this agreement, based on any agreement, arrangement or understanding with the corporation or any of the corporation's respective officers, directors, agents or employees.

(5) Subsidiaries

The corporation has no subsidiaries and does not own or control any shares or other securities of, or have any other proprietary interest in, any corporation, partnership, joint venture or other business association or entity relating to the business.

(6) Current litigation

There are no claims of any kind or any actions, suits or proceedings threatened or pending in any court or before any governmental commission or agency against Water Works or against the assets, which are material to the business and the corporation is aware of no facts, conditions or circumstances that could provide a basis for any such claims, actions, suits or proceedings. Water Works has complied in all material respects with and is not in material violation of any order, writ, injunction or decree of any court, agency or instrumentality relating to the business.

(7) Personal property

Water Works owns and has good title to the personal property, plant and equipment employed in the business free and clear of any defects of title, mortgages, pledges, liens (except for assessments for taxes not yet due and payable), conditional sales agreements or encumbrances which do not individually or in the aggregate materially affect the operations of the business.

(8) Real property

It is the intent of the parties to transfer, as part of this agreement, any and all real estate, easements, leases, interest in real estate, or the like, whether owned by the Water Works or owned by James E. Hannah Reality

Corporation, which are used for the production and distribution of water by the Water Works. Schedule II to this agreement describes all leases, easements and deeds with respect to real property leased or owned by the corporation on the date of this agreement and employed in the business, as represented by the Water Works and James E. Hannah Realty Corporation (herein after Realty Corp.) It is understood some or all of the real estate listed is currently owned by the Realty Corp.

It is understood by the parties this schedule is provided by the Water Works. It is further understood due to the cost of title examinations and/or a full property search, the City will not, at the time of the signing of this agreement, have had the benefit of performing the same. Rather, the examination will occur after the obtaining of financing by the City. Accordingly it is understood by the parties there may be real estate owned by the Water Works or James E. Hannah Realty Corporation which is intended to be transferred, but not specifically listed in this schedule. Therefore this schedule should be interpreted as including the real estate described therein but not being specifically limited to.

At closing, Seller shall either have secured ownership and transfer the real estate listed to the City, or cause the same to be transferred. This shall include any real estate described by the intent of the parties above, whether specifically listed or not. Failure to acquire and transfer the real property to the City shall result in breach of this agreement by Seller.

The corporation has paid and shall keep current all rentals, royalties or other payments due under such leases through the

date of this. Since the date of each respective conveyance of real property owned by the corporation, there are no unreleased liens, mortgages, restrictions, encumbrances or claims incurred or imposed on such property. The Water Works and or the Realty Corp shall transfer said real estate by general warranty deed and shall be required to resolve any title defect (lien, claim, mortgage, or otherwise) before purchaser shall be required to purchase pursuant to this agreement. Seller shall be responsible for any and all property taxes due through the date of closing.

(9) Environmental matters

The Corporation is in compliance with all applicable federal, state and local laws, rules, regulations, ordinances and requirements relating to the environment. The Corporation has never generated, transported, treated, stored or disposed of any "hazardous wastes" (as hereinafter defined) on any real property owned or leased by the Corporation for use in its business and such real property and assets do not contain any hazardous wastes. "Hazardous wastes" for purposes of this agreement shall include, without limitation: (1) hazardous substances or hazardous wastes, as those terms are defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C.A. § 6901 et seq., and any other applicable federal, state or local law, rule, regulation, ordinance or requirement, all as amended or hereafter amended; (2) petroleum, including without limitation crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute); (3) any

radioactive material, including without limitation any source, special nuclear or by-product material as defined in 42 U.S.C.A. § 2011 et seq.; and (4) asbestos or any asbestiform minerals in any form or condition.

Further, that no environmental audits are known to Water Works, either current or threatened.

(10) Governmental authorizations

The Corporation has all material governmental licenses, franchises, permits, privileges, immunities, approvals and other governmental authorizations (the "governmental authorizations") necessary to permit it to conduct the business as that business is now being conducted by it. The corporation shall use its best efforts to cause the governmental authorizations to continue in effect through and including the closing date.

(11) Insurance

Attached as schedule IV to this agreement is a list of all material policies of insurance which insure the assets or the business, setting forth the types and amounts of coverage. The Corporation will use its best efforts to keep in effect until the closing date policies of insurance which insure the assets and the business, with such amounts of coverage as are reasonably available.

(12) Tax matters

The Corporation has timely filed all tax-related documents including, but not limited to, employment and sales and use tax returns, tax information returns and reports required to be filed through the date of this agreement, and has paid all employment, sales and use taxes which have become due pursuant

to such returns and reports or pursuant to any assessment received by it, which taxes or assessments, if not paid by the Corporation, would become the liability of purchaser, except for taxes the validity of which the Corporation may be contesting in good faith in appropriate proceedings, and the Corporation will file all such returns and pay all such taxes through the closing date.

(13) Employee benefit plans

Purchaser is not acquiring any benefit plan, as part of this purchase unless specifically stated in Schedule VII. Purchaser is not obligated to hire or continue the employee of seller.

(14) Labor matters

There are no pending unfair labor practice complaints against the corporation or any threatened legal or administrative complaints regarding labor issues against Water Works.

(15) Contracts

Except for this agreement or any agreement contemplated hereby, and agreements, contracts and commitments listed in schedule *V & VI* the corporation is not a party to any:

- (a) Written employment contract for the employment of any officer or employee relating to the business which is not terminable without penalty and without payment for unperformed future services thereunder on 30 days' (or less) notice;
- (b) Collective bargaining agreement or other agreement with any labor union or labor organization;

(c) Agreement, indenture or other instrument relating to the business for the borrowing of money or the guaranty of any obligation for the borrowing of money;

(d) Contract for the purchase of inventory, materials, supplies, services, equipment or any capital item or items relating to the business and involving a consideration of more than \$500.00 per contract or series of related contracts and continuing over a period of more than three months from the date of this agreement.

(F) Circumstances prior to closing

From the date of this agreement until the closing date, Purchaser shall promptly notify the Seller, and the Seller shall promptly notify Purchaser, upon receipt of actual notice or knowledge of any fact which would make any representation or warranty contained in this agreement untrue in any material respect.

(1) Obligations of the Water Works prior to closing

From the date of this agreement until the closing date, the Corporation shall use its best efforts to:

(a) Afford purchaser, its accountants, counsel, technical advisors and other representatives free and reasonable access during normal business hours to the offices, equipment, facilities, records, files, contracts, agreements, books of account and tax returns of the Corporation relating to the assets and the business and furnish Purchaser with all information concerning the assets and the business as Purchaser shall reasonably request;

(b) Use its best efforts to continue in force policies of insurance which insure the assets and the business with such amounts of coverage as are reasonably available, and continue in force all bonds, surety contracts or guaranties relating to the business set forth in any schedule to this agreement;

(c) Not enter into any employment agreement relating to the business with any person unless the Water Works has the right to terminate such employment agreement without liability;

(d) Not knowingly take any action or omit to take any action which will result in the material violation by the Water Works of any law applicable to this transaction or cause a material breach by the Water Works of any of the representations and warranties of the Water Works set forth in this agreement or any lease, agreement, contract or commitment to which the Corporation is a party;

(e) Use its best efforts to obtain prior to closing all consents by third parties required to be obtained by the Water Works with respect to its performance of this agreement and cooperate fully with Purchaser in connection with Purchaser's requests and applications for the governmental authorizations which are necessary for the ownership and operation of the business following the closing date;

(f) Give Purchaser written notification of any material changes taking place after the delivery of any schedules and other documents which would have been reflected in such documents had such changes occurred prior to the time such documents were first

delivered.

(2) Obligations of the City prior to closing

From the date of this agreement until the closing date, the City shall:

(a) Not knowingly take any action or omit to take any action which will result in the material violation by Purchaser of any law applicable to this transaction or cause a material breach by Purchaser of any of the representations and warranties of Purchaser set forth in this agreement; and

(b) Use its best efforts to obtain prior to closing all consents by third parties and all governmental authorizations which are necessary for Purchaser's performance of this agreement or for Purchaser's ownership and operation of the business following the closing date.

(G) Conditions to Purchaser's Obligation

The obligation of Purchaser to consummate on the closing date the transactions contemplated by this agreement will be subject to the satisfaction of each of the following conditions on or prior to the closing date, unless expressly waived by Purchaser:

(1) Opinion of counsel for the City

Purchaser shall have received the written opinion of the City Attorney, Hon. Paul E. Craft, or another attorney with McBrayer, McGinnis, Leslie and Kirkland as to the acceptability of the transaction, confirming legality thereof.

(2) Representations and warranties

The representations and warranties of the Water Works contained in section (E) of this agreement shall be true and correct in all material

respects on and as of the closing date as if made on and as of the closing date, except for changes resulting from the ordinary course of the Water Works' business, or as contemplated by this agreement, and the Water Works shall have delivered to Purchaser a certificate, in a form complying to the format of this agreement, signed by the chief executive officer of the Water Works and dated the closing date.

(3) Performance of this agreement

The Water Works shall have performed and observed in all material respects its covenants and obligations as set forth in this agreement prior to or on the closing date, and Water Works.

(4) Litigation

There shall be no injunction, decree or order issued by any court, governmental agency or authority, or any litigation instituted by any governmental agency or authority challenging or seeking to prohibit or enjoin any of the transactions contemplated by this agreement.

(5) Condition of assets

A material portion of the assets shall not have been damaged or destroyed by fire, flood or other casualty which is not covered by the Water Work's insurance.

(6) Material claims

No material claim shall have arisen, of which the Water Works is aware or reasonably should have been aware, that is not adequately covered by insurance policies maintained by the Corporation. The Corporation shall have delivered a certificate to that effect signed by the chief executive officer of the Corporation and

dated as of the closing date.

(7) Financing

Purchaser shall obtain financing for the purchase at a rate of 1.0% fixed rate or lower for a term of no less than 30 years, within 270 days (approximately 9 months) from signing of this agreement. The inability of Purchaser to obtain said rate shall create the option for Purchaser to void this agreement. Purchaser however may waive this provision in its discretion.

(8) Title Examination

(a) Purchaser shall obtain a title opinion from McBrayer, McGinnis, Leslie & Kirkland reflecting the absence of encumbrance (financial or otherwise) on any real estate conveyed.

(b) Purchaser shall obtain a title opinion from McBrayer, McGinnis, Leslie & Kirkland reflecting ownership by the water company of any and all easements, as well as the absence of encumbrance on the same, conveyed in this transaction.

(9) Abatement of Violations

Purchaser shall be provided by Seller within 30 days of closing verification by the applicable state authority, documenting the absence of any violations (water quality, compliance, or otherwise) of Water Works. Further, that Seller shall provide documentation demonstrating abatement of any violation in the past 5 years.

(10) Corporate Solvency

Purchaser shall receive a letter by a Certified Public Accountant of its choosing verifying the solvency, profitability and viability of the Water Works and recommending its acquisition.

(11) PSC

The Purchaser shall receive a copy of the approval of the Public Service Commission when obtained by Seller.

(12) That should any of the condition set forth in 1-11 in the sole judgment of Purchaser fail to occur, Petitioner, in its sole discretion, may be released from any obligation herein and Water Works shall return the earnest money of \$10,000.00.

(H) Conditions to the Water Work's obligation

The obligation of the Seller to consummate on the closing date the transactions contemplated by this agreement will be subject to the satisfaction of each of the following conditions on or prior to the closing date, unless expressly waived by the corporation:

(1) Performance of this agreement

Purchaser shall have performed and observed in all material respects its covenants and obligations under this agreement prior to or on the closing date.

(2) Litigation

There shall be no injunction, decree or order issued by any court, governmental agency or authority, or any litigation instituted by any

governmental agency or authority, challenging or seeking to prohibit or enjoin any of the transactions contemplated by this agreement.

(I) Tax returns

The Corporation and Purchaser agree to file all federal, state and local tax returns, and to pay all taxes, interest and penalties in a manner consistent with the allocation of the purchase price set.

(J) Survival of representations, warranties and covenants

All representations, warranties and covenants contained in this agreement by any party to this agreement and any certificate or other instrument delivered by or on behalf of any party pursuant to this agreement shall be continuous and shall survive the closing for a period of two (2) years following the closing date.

(K) Indemnification

(1) After the closing date, the Water Works shall indemnify and hold harmless Purchaser against and in respect of:

(a) Any damage, deficiency or costs resulting from any misrepresentation or breach of warranty or any nonfulfillment of any covenant or agreement on the part of the Corporation under this agreement;

(b) Any damage, deficiency or costs resulting from claims accruing prior to the closing date by a person, firm or corporation other than a party to this agreement; and

(c) Any claim, action, suit, proceeding, demand, judgment, assessment, cost and expense, including reasonable counsel fees, incident to any of the foregoing.

(L) Prorations and Adjustments

(1) Expenses

All current rents, security deposits, contract deposits or advance payments, property and payroll taxes, assessments, utility charges, insurance premiums and any other prepaid or deferred expenses relating to the operation of the business shall be prorated or reimbursed, as the case may be, as of the closing date. Water Works shall be responsible for all expenses and liabilities allocable to the period prior to the closing date, including payments due prior to the closing date under such prorated contracts, and Purchaser shall receive all revenues and shall, to the extent agreed hereunder, be responsible for all expenses and liabilities allocable to the period subsequent to the closing date.

(2) Time of prorations and adjustments

The prorations and adjustments contemplated by this section, to the extent practicable, shall be made on the closing date. As to those prorations and adjustments not capable of being ascertained on the closing date, any adjustment and proration shall be made within 90 calendar days of the closing date.

(3) Disputes

In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in section (L)(2), and such disputes shall be determined by an independent

certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by the corporation and one-half by Purchaser.

(M) Records and further assurances

After the closing, the Corporation and Purchaser shall make available to the other on reasonable request such books and records of that party as may be appropriate for use in connection with their respective tax returns, including any review thereof, and for any other reasonable purpose. Such books and records shall be retained for a period of 10 years; provided, however, that after 3 years any portion of such books and records may be destroyed in whole or in part, by the party in possession thereof upon 30 days' notice to the other party, unless the party to whom such notice is given shall object, in which event the objecting party shall be given such records in lieu of destruction thereof. Either party shall, at the other party's request, execute and deliver such other instruments of conveyance and transfer and take such other actions as may be reasonably requested to effectively carry out the terms and provisions of this agreement.

(N) Public statements

The parties recognize the approval and purchase contemplated by this document is subject to public disclosure at least as to its occurrence and the City of South Shore is subject to the Open Records Act and Open Meetings Act, and other disclosure requirements of KRS Chapter 61 and other applicable Kentucky law. Other than requests for document and law, all public statements shall be joint and preapproved by both parties.

(O) Confidentiality

(1) Prior to closing

Unless and until the closing of the transactions contemplated by this agreement shall have occurred, and except as otherwise required by applicable law, specifically, but not limited to, the provisions cited in (N), Purchaser shall, and shall cause its employees, agents and representatives to maintain in confidence and not disclose, documents and data furnished to it, or to any person or entity on its behalf, by the Water Works in connection herewith.

(2) Failure to close

If the closing of the transactions contemplated by this agreement does not occur on the closing date, Purchaser shall return all written information, documents and data furnished to Purchaser or to any person or entity on its behalf and all copies thereof. Notwithstanding anything else in this agreement to the contrary, if the transactions contemplated by this agreement are not closed, Purchaser's agreement to maintain in confidence all information received by it shall continue in perpetuity and none of such information shall be used by Purchaser, its employees, agents or representative in the business operations of any such person, except to the extent that such information is elsewhere available to the public or otherwise rightfully obtained without violation of Purchaser's covenant of confidentiality contained in this section (O). This provision is subject, however, to any obligation of the City to comply with Kentucky Law.

(3) Remedies

Purchaser hereby acknowledges there may not be an adequate remedy at law for the breach of section (O) and, in addition to any other remedies

available to the Corporation, injunctive relief may be granted to the Water Works for such breach.

(P) Notices

All notices, requests, consents and other communications under this agreement shall be in writing and shall be mailed by first class, registered or certified mail, postage prepaid, Cheryl Moore, Mayor of South Shore, PO BOX 516, South Shore, KY 41176. If to the Seller, to George J. "Joe" Hannah, PO Box 485, South Shore, KY 41176 (Address) or to such other address of which the addressee shall have notified the sender in writing. Notices mailed in accordance with this section shall be deemed given when mailed, and notices sent by overnight courier service shall be deemed given when placed in the hands of a representative of such service.

(Q) Third-party rights

It is the intention of the parties that nothing in this agreement shall be deemed to create any right with respect to any person or entity not a party to this agreement.

(R) Parties in interest; assignment

All covenants and agreements contained in this agreement by or on behalf of any of the parties to this agreement shall bind and inure to the benefit of their respective heirs, executors, successors and assigns, whether so expressed or not. No party to this agreement may assign its rights or delegate its obligations under this agreement to any other person or entity without the express prior written consent of the other party, except that purchaser may assign its rights and delegate its obligations to a subsidiary or affiliated

corporation of Purchaser, provided that such assignment and delegation shall not relieve Purchaser of its obligations under this agreement.

(S) Construction; governing law; venue

The table of contents and section headings contained in this agreement are inserted as a matter of convenience and shall not affect in any way the construction of the terms of this agreement. This agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky. The Parties stipulate the Greenup County, Kentucky Circuit Court shall be the proper venue should any litigation arise regarding any aspect of this contract.

(T) Entire agreement; amendment and waiver

This agreement, including the schedules hereto, constitutes and contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes any prior writing by the parties. The parties may, by mutual agreement in writing, amend this agreement in any respect, and any party, as to such party, may in writing (1) extend the time for the performance of any obligations of any other party; (2) waive any inaccuracies in representations and warranties by any other party; (3) waive performance of any obligations by any other party; and (4) waive the fulfillment of any condition that is precedent to the performance by such party of any of its obligations hereunder. No such waiver shall be deemed to constitute the waiver of any other breach of the same or of any other term or condition of this agreement. Any such amendment or waiver must be signed by an officer of the parties or party to such amendment or waiver.

(U) Severability

The invalidity or unenforceability of any provision of this agreement shall not affect the validity or enforceability of the remaining provisions.

V) Counterparts

This agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party but all of which taken together shall constitute one and the same agreement.

(W) Expenses

Each party to this agreement shall pay any and all fees and expenses that such party may incur in connection with the negotiation, execution or closing of this. Notwithstanding the foregoing, Water Works shall pay any local and state taxes and fees assessed or due in connection with the sale of the assets to purchaser, including any transfer and sales taxes (other than income taxes).

(X) Schedules

The schedules attached to this agreement constitute a part of this agreement and are incorporated herein by reference in their entirety as if fully set forth in this agreement at the point where first mentioned.

(Y) Time of essence

Time is of the essence to the performance of the obligations set forth in this agreement.

(Z) Termination

Anything contained in this agreement to the contrary notwithstanding, this agreement may be terminated at any time prior to the date of closing:

(1) By the mutual consent of Water Works and the City of South Shore.

(2) By either party to this agreement if the other party to this agreement shall have materially breached any of the representations and warranties of such other party set forth in this agreement and providing, however, such other party shall have failed to cure such breach within 30 days after receipt of written notice of such breach.

(AA) Remedies

The Purchaser and Seller represent and acknowledge that, because of the unique nature of the business and the assets, failure of either party to carry out its obligation to perform this agreement on the closing date would cause irreparable injury; the Purchaser and Seller accordingly agree that, in addition to any other remedies available to the Corporation and Purchaser, any such failure by either party to perform this agreement shall be subject to the remedy of specific performance.

(BB) George J. Hannah

That George J. Hannah, individually, shall be personally liable for any and all representations, warranties and covenants provided by the Water Works.

(CC) George J. Hannah Employment

That George J. Hannah shall not be employed with or operate, consult with or own any part of a water company or water service provider that is allocated or providing service in Greenup, Lewis or Carter Counties, Kentucky, for a period of twenty (20) years after closing.

IN WITNESS WHEREOF, the Corporation and Purchaser have caused this Asset Purchase Agreement to be executed by their duly authorized officers as of the day and year first written above.

THE SOUTH SHORE WATER WORKS COMPANY ("Water Works")

7-2-12
DATE

BY: [Signature]
George J. Hannah, President Works

7-2-12
DATE

[Signature]
George J. Hannah, Individually

CITY OF SOUTH SHORE, KENTUCKY

7-2-12
DATE

BY: Cheryl Moore
Cheryl Moore, Mayor

STATE OF KENTUCKY:

COUNTY OF Greenup :

Acknowledged, subscribed and sworn to before me by George J. Hannah on behalf of THE SOUTH SHORE WATER WORKS COMPANY who first stated he/she is the President of The South Shore Water Works Company and that he/she is authorized to execute the foregoing document and the execution of same is his/her free, voluntary and true act on behalf of said company and the free, voluntary and true act of said company, on this 2 day of July 2012.

Kathy Gester
NOTARY PUBLIC

My Commission expires: 12-31-14

STATE OF KENTUCKY:

COUNTY OF Greenup :

Acknowledged, subscribed and sworn to before me by GEORGE J.

HANNAH on this 2 day of July 2012.

Kathy Jeser
NOTARY PUBLIC

My Commission Expires: 12-31-14

STATE OF KENTUCKY:

COUNTY OF Greenup :

Acknowledged, subscribed and sworn to before me by

Cheryl Moore, on behalf of the CITY OF SOUTH SHORE,
KENTUCKY who first stated she is the Mayor of the City of South Shore,
Kentucky and that she is authorized to execute the foregoing document and the
execution of same is her free, voluntary and true act on behalf of said City and
the free, voluntary and true act of said City, on this 2 day of

July 2012.

Kathy Jeser
NOTARY PUBLIC

My Commission expires: 12-31-14

EXHIBIT I
Governmental Authorizations:

May 29, 2012

Paul Graft Council for City of South Shore, Ky

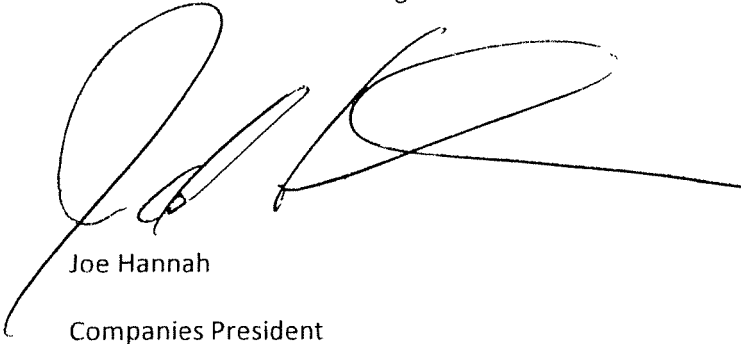
Dear Paul.

Pursuant to you request, letter of May 25, 2012

Our PSI Public service ID number Ky0450410. Permit to withdraw public water 0079. These are not transferable and the city will need to make application to Ky Division of Water. The city is not regulated by the Ky PSC.

Our property/liability insurance and bond allowing us to operate on public right of ways are purchased from Ky Fair Plan, Midland ins. And CAN Surety

Attached hereto are binding resolutions from the water company and the realty company.

A handwritten signature in black ink, appearing to read 'Joe Hannah', with a long horizontal flourish extending to the right.

Joe Hannah

Companies President

EXHIBIT II

Real Property:
Attached hereto

Being all the land and land rights owned, reserved, easements granted to or withheld, including all road and land rights to lay, maintain, replace, and drill and maintain water lines and wells and all other rights in the conducting and operating of a water system in any land that was owned and rights withheld or granted in favor of the James E. Hannah Realty Corporation, its successors or assigns, being, but not limited to:

1. Unplatted land north of South Shore First Allotment and extending to the Ohio River. Being the same land that water wells #5 and # 6 are located being Tract 3 Deed Book 147 page 91 Dec. 26, 1955.

And hereby conveying a easement withheld for water wells and lines in a portion deeded to James R. Williams dated Feb. 20 1967 on land that Well #10 is located.

2. Unplatted land north of South Shore First Allotment and extending to the Ohio River including the abandoned street north of lots 136 to 140, excepting land conveyed in Deed Book 416 page 209 July 14, 1993 in which an easement is granted for Well #1.

3. Unplatted land north of South Shore Forth Allotment and extending to the Ohio River being the same land Well #3 is located and being the same land. in Deed Book 142 page 397 an easement is granted. And an easement granted upon that plat in which Well #4 is located in Plat Book 2 page 127 dated Oct. 18, 1952 and located on the north side of an abandoned street. Excepting land conveyed in deed Book 431 page 590 dated March 14, 1995 in which an easement is granted for Well #11. And excepting land conveyed on the north side of an easement in which Well #12 is located in Deed Book 431 page 592 dated April 21, 1995. And excepting land conveyed to Keith Ison Feb. 16, 1995 in which an easement was granted for a future water well.

4. Being all the rights withheld for a water distribution system on the land known as Coney Island, being the land conveyed to T.L.Gilbert dated July 30, 1957 north and west of South Shore Forth Allotment and extend to the Ohio River

5. Granting hereto all reservations for water lines recorded in plats developed by the Realty including but not limited to: South Shore Addition, Second Addition, Third Addition, Forth Addition, Forth Addition Second Section, Forest Heights, and Forest Heights Section Second Section

6. All CSX railroad crossing easement leases.

7. A list of other easements hereby conveyed, and any other easement granted or reserved by the Realty, and any and all other easements whether recorded or not and whether enumerated in this instrument or not.

For the purpose to reiterate major land and land rights now in possession of the water company are as follows but are not limited to the land and land rights listed, and the Realty hereby relinquish any and all claims

- a. South Shore First Allotment, lots 136, 137, 138, 139, 140 Deed book 142 page 18 November 26, 1954. Location of water plant and Wells 2, 8, 9
- b. Tract 1 and 2 Deed Book 142 page 20 April 27, 1946 Location of Fullerton storage tank
- c. Windy Hill tank easement. Deed Book 414 page 559 June 2, 1993.
- d. Morton Hill tank lease Misc Book 16 page 361 Jan 22, 1974
- e. Kellon Hollow tank lease Misc, Book 42 page 453 Dec. 1, 1997.
- f. Maloneton tank lease Misc Book 43 page 117 July 27, 1998
- g. Land, equipment, easements Deed Book 142 page 591
- h. All other real estate owned by the Waterworks, which may not be specifically listed herein, including, but not limited to, the office building, parking lot and physical plant currently occupied by the the South Shore Waterworks.

Water Line Easements to be assigned:

1. Deed Book 141 page 278. McKell heirs. Sept. 22, 1954.
2. Deed Book 141 page 284. Eddie Cooper. Jan. 30, 1954.
3. Deed Book 141 page 286. R.C. McElhaney. March 3, 1954
4. Deed Book 141 page 285. Clyde A. Stevenson. Feb. 30, 1954.
5. Deed Book 152 page 199. D.M. Henderson. Jan. 10, 1957
6. Deed Book 155 page 405. Nellie Burris. Aug. 6, 1957.
7. Deed Book 155 page 467. T.L. Gilbert. Aug. 21, 1957.
8. Deed Book 160 page 165. Henderson Tract. June 10, 1958.
9. Deed Book 193 page 578. Cecil Stephenson. Nov. 26, 1963.
10. Deed Book 193 page 584. Clinton Foreman. Nov. 1, 1963.
11. Deed Book 193 page 585. Delbert Fannin. Oct. 31, 1963.
12. Deed Book 193 page 588. Homer Williams. Oct. 16, 1963.
13. Deed Book 218 page 171. Robert Lawson. Aug. 18, 1966.
14. Deed Book 218 page 177. William Biggs. Sept. 15, 1966.
15. Deed Book 229 page 471. Cecil Stephenson. Oct. 25, 1967.
16. Deeded Lawrence Balzan dated Jan. 19, 1955.
17. Deeded Robert Metcalf dated Oct. 29, 1955.
18. Agreement Estil Bentley dated Feb. 21, 1957.
19. Deed to T.L. Gilbert dated July 30, 1957.
20. Deeded Edward Carter dated March 24, 1959.
21. Greenup County School Board dated March 29, 1960.
22. Deeded Donald R. Moore Aug. 7, 1964.
23. Deeded William Click dated June 17, 1967.
24. Deeded Donald R. Moore dated Sept. 8, 1969.
25. Deeded Nellie B. Johnson 1973.
26. R.S. Shepard dated Nov. 14, 1966.
27. Norman Bentley dated Aug. 12, 1971.
28. Edward Williams dated Aug. 12, 1971.
29. Gary Greathouse dated Aug. 12, 1971.
30. Roland Webb Sr. and Roland Webb Jr. dated Aug. 12, 1971.
31. Lawrence Pack dated Aug. 12, 1971.
32. Edward Glockner and Glockner Chevrolet Co. dated Aug. 12, 1971.
33. Harold Veach dated Aug. 8, 1971.
34. William Egerton dated March 23, 1973.
35. Rt. 7 Leroy Stone May 1, 1974, July 10, 1974, Virgie Murray, Grace Quillen July 10, 1974
36. Ruth Setser Jan. 22, 1975.
37. Morris Allen Jan. 22, 1975.
38. Deeded Ellis Holcomb 1976.
39. Blaine Ext. Charles Smith, William Holcomb, Jerome Holcomb, William Nunley, Levi Blaine, Gary Angle dated Aug. 10, 1976.
40. Shultz Ext. John Conley Aug. 19, 1976, Willard Boggs Aug. 20, 1976, Ronald Clark Aug. 20, 1976, David L. Fox Aug. 20, 1976, Ralph Keibler Aug. 28, 1976, David Fox Aug. 28, 1976, Della Brown Sept. 22, 1976, Milford Hunt Sept. 23, 1976.

41. Keith Ison deed dated Oct. 22, 1976.
42. Flat Hollow Ext. 1977. Ira Clark, Carl Lybrook, John Dillow, Janet Timberlake, Robert Evans, Darlema Ratliff, Ray Woloschek, Mrs Thomas Austin.
43. Flat Hollow Ext. 1977. W.M. Forbes, Wayne Fitch, Argetta Alexander, Christine Harr, Clifford Gammon, Carl Brown, Raymond Lybrook, Roger Clark.
44. Deeded Kermit Stone dated Sept. 19, 1994.
45. Deeded Keith Ison dated Feb. 16, 1995.
46. Deeded Donald R. Moore dated March 14, 1995.
47. Deeded Crawford S. Stevenson dated April 21, 1995.
48. Breeding Ext. Edward Stephens, Kenneth Morgan, Ronald Smith, Irvin Breeding, Wesley Breeding

EXHIBIT III

Personal Property:
Attached herto

The South Shore Water Works Company
Depreciation Schedule
ending 12/31/11

PSC

Description	Acquired	Cost/Basis	Life yrs	Prior Dep.	Dep.
Land					
Land & Rights		4529		0	0
Total Land		\$4,529.00		0	0
Water Wells					
Well #1	1/1/1952	3084	50	3084	0
Well #2	1/1/1957	3653.82	50	3652.82	0
Well #3	1/1/1964	5805.05	50	5456.7	116.1
Well #4	1/1/1975	5734	50	4128.48	114.68
Well #5	9/1/1976	12085	50	8819.5	271.7
Well #6	9/1/1977	20462.88	50	13914.84	409.26
Overhaul	11/1/1978	2690.67	50	1775.73	53.81
Major Repair	9/1/1978	1798.65	50	1187.01	35.97
Well #7	1/1/1978	22833	50	15069.78	456.66
Major Repair	8/1/1980	5389.75	50	3341.49	107.79
Well #8	11/3/1983	7140.8	15	7140.8	0
Well #9	12/5/1983	6960.8	15	6960.8	0
Water Well	9/27/1984	8402.1	15	8402.1	0
Well Structure	3/13/1985	205	15	205	0
Improvement	3/29/1985	1370.5	15	1370.5	0
W. Pump	7/19/1985	1631.4	15	1631.4	0
W. Pump	9/16/1985	126.6	15	126.6	0
Wells	8/19/1986	208.92	15	208.92	0
Major Repair	9/16/1986	13236.12	50	6618	264.72
Wells	10/15/1986	343.6	15	343.6	0
Wells	4/1/1987	3682.8	15	3682.8	0
Wells	7/15/1987	829.48	15	829.48	0
Wells	5/1/1991	11210	15	11210	0
Wells	5/15/1992	3201	15	3201	0
Wells	8/14/1992	1600.5	15	1600.5	0
Wells	0/0/94	20479.95	40	8704	512
Well #11	0/0/95	22782.85	40	9114.98	569.68
Well #12 E.E.	4/15/1996	830.2	20	664.16	41.51
Well #12 E.E.	4/15/1996	754.95	20	566.25	37.75
Well #12	5/15/1996	19517.35	40	7339.4	489.96
Well #12 pump	5/15/1996	2706.45	10	2706.45	0
Well Sup. line	5/15/1996	1152.25	40	432.15	28.81
Pump Well #6	5/15/1998	3910.85	10	3910.85	0
Pump Well #5	9/15/1998	4737.5	10	4737.5	0
Wells	4/15/1999	4941	10	4941	0
Wells	8/13/1999	11884.85	10	11884.85	0
Wells	9/15/1999	1120	10	1120	0
Motor Well #10	4/14/2000	2000	10	2000	0
Pump Well 5,6	6/15/2000	5824.8	10	5824.8	0
Motor Well #12	8/15/2000	2005	10	2005	0
Pump Well #3	9/15/2000	3129	10	3129	0
Pump Well #11	10/13/2000	4184	10	4184	0
Improvement 1,2,3	12/18/2000	5354	10	5354	0
Pump Unit W1	3/15/2001	3079	7	3079	0

Pump Unit W9	8/15/2001	2380	7	2380	0
Pump Unit W6	8/16/2002	2419	5	2419	0
Pump Unit W	1/15/2003	3091	10	2472.8	309.1
Pump Unit W12	3/14/2003	4506	10	3604.8	450.6
Units W5,6,8	4/15/2003	7449	10	5959.2	744.9
Motor Well 4	6/13/2003	1856	7	1856	0
Pump Well 12	10/15/2003	2982	7	2982	0
Pump Unit W 1	1/15/2004	2613.75	7	2613.73	0.02
Pump Unit W 12	3/15/2005	4142.6	7	3550.8	591.8
Pump Unit W 2	5/13/2005	3236	7	2773.74	462.29
Pump Unit W 3	9/15/2005	3373	7	2891.26	481.86
Pump Unit W 5	10/14/2005	2650	7	2271.42	378.57
Pump Unit W 11	12/15/2005	3975	7	3407.16	567.86
Pump Unit W 4	3/15/2006	3429.25	5	3429.25	0
Piping Well 6	8/15/2006	930.41	5	930.1	0.31
Pump Unit W 6	9/1/2006	3490.7	5	3490.7	0
P Units W1-2-8	4/20/2007	8487	5	6779.6	1697.4
Pump Unit W 9	7/2/2007	3683.8	5	2947.04	736.76
Pump Unit W 5	9/1/2007	4030.91	5	3224.72	806.18
Pump Unit W8	2/15/2008	3966.91	5	2380.14	793.38
Pump Unit W3	5/15/2008	2829	5	1697.4	565.8
Pump Unit W6	8/15/2008	3466.12	5	2079.66	693.22
Units W9-10	2/15/2009	7859.2	5	3143.68	1571.84
Unit w1	3/15/2009	3002.2	5	1200.88	600.44
Unit W5	7/15/2009	3955.66	5	1586.26	791.13
Motor W10	7/15/2009	2906.2	5	1162.48	581.24
Unit W12	10/15/2009	3978.06	5	1591.22	795.61
Unit W1	10/15/2009	3241.06	5	1296.42	648.21
Unit W 9	1/15/2010	4837.48	5	967.5	967.5
Unit W 3	2/15/2010	3655.7	5	731.14	731.14
Unit W 8	2/15/2010	3537.2	5	707.44	707.44
Pump W 2	6/15/2010	2297.2	5	459.44	459.44
Unit W3, 11	8/13/2010	6465.9	5	1313.18	1313.18
Wells	2/15/2011	824.28	7	0	117.75
P units W 1 & 6	2/15/2011	7436.34	7	0	1062.33
Motor W 2	3/15/2011	2855.74	5	0	571.15
Motor W 12	5/15/2011	4203.2	5	0	840.64
Motor W 6	6/15/2011	3789.8	5	0	757.96
New Well 1	8/15/2011	34450	50	0	689
New Well 1	9/15/2011	31159.04	50	0	623.18
Unit W 2	10/14/2011	4952.6	7	0	707.51
Total Wells		\$478,474.75		\$275,959.40	\$27,327.14

Building

Pump House	1/1/1945	2807.79	40	2807.79	0
Pump House	1/1/1953	532.44	40	532.44	0
Pump House	1/1/1963	6817.98	40	6817.98	0
Pump House	1/1/1972	6015.13	40	5864.82	150.38
Pump House	1/1/1973	3969.05	40	3770.74	99.23
Pump House	9/1/1976	697.44	40	610.4	17.44
Pump House	2/21/1986	240.76	40	150.5	6.02
Pump House	3/31/1986	938	40	586.25	23.45
New Roof	12/1/1991	24005	40	12002.6	600.13
Garage door	4/8/2002	398.3	15	238.95	26.55

Building Improver	9/18/2003	750	15	400	50
Building Improver	9/25/2003	750	15	400	50
Clearwell Building	10/21/2005	10000	40	1500	250
Clearwell Building	11/23/2005	7000	40	1050	175
Clearwell Building	2/15/2006	31000	40	3875	775
Clearwell Building	3/6/2006	5000	40	625	125
Clearwell Building	3/16/2006	2500	40	312.5	62.5
Clearwell Building	3/22/2006	2500	40	312.5	62.5
Clearwell Building	5/15/2006	500	15	166.65	33.33
Room addition	7/15/2009	532.8	20	53.28	26.64
Room addition	9/15/2009	511.97	20	51.2	25.6
Room addition	10/15/2009	1034.39	20	103.44	51.72
Room addition	11/13/2009	717.4	20	71.74	35.87
Room addition	11/15/2009	501.89	20	50.18	25.09
Room addition	12/18/2009	887.52	20	88.76	44.38
BW Sewer Tap	10/12/2010	1000	40	25	25
BW Sewer	11/15/2010	444.04	20	22.2	22.2
BW Sewer	12/15/2010	293.39	20	14.67	14.67
BW Sewer	12/15/2010	2713.7	40	67.84	67.84
Imp	2/15/2011	538.17	15	0	35.88
Imp	7/15/2011	542.46	15	0	36.16
Imp	10/18/2011	2024.85	15	0	134.99
Imp	12/30/2011	599.25	15	0	39.95
Total Building		\$118,763.72		\$42,572.43	\$3,092.52

Description	Acquired	Cost/Basis	life yrs.	Prior Dep.	Dep
Elec.Pump Equipment					
Elec Pump Eq	1/1/1953	2250.07	20	2550.07	0
EPE	1/1/1957	1698.35	20	1698.35	0
EPE	1/1/1958	1192.68	20	1192.68	0
EPE	1/1/1960	815.55	20	815.65	0
EPE	1/1/1962	1421.4	20	1421.4	0
EPE	1/1/1964	1115.57	20	1115.57	0
EPE	1/1/1966	462.79	20	462.79	0
EPE	1/1/1971	1553.25	20	1553.25	0
EPE	1/1/1971	1946.43	20	1946.43	0
EPE	1/1/1972	715.85	20	715.85	0
EPE	1/1/1972	640.88	20	640.88	0
EPE	1/1/1975	525	20	525	0
EPE	9/1/1976	4005.75	20	4005.75	0
EPE	12/1/1976	4749.08	20	4749.08	0
EPE	4/1/1977	913.5	20	913.5	0
EPE	6/1/1978	3125.85	20	3125.85	0
EPE	1/1/1981	1153.32	20	1153.32	0
EPE	6/1/1981	1007.55	20	1007.55	0
EPE	10/1/1982	1113	20	1113	0
EPE	8/11/1983	1397.76	20	1397.76	0
EPE	10/28/1983	960.6	20	960.96	0
EPE	12/29/1983	2853.78	20	2853.78	0
EPE	3/19/1982	1234.13	20	1234.13	0
EPE	2/10/1984	1372.26	20	1372.26	0
EPE	3/9/1984	1920.39	20	1920.39	0
EPE	4/20/1984	1542.71	20	1542.71	0
EPE	5/10/1985	1376.84	20	1376.84	0
EPE	10/15/1985	1155	20	1155	0

EPE	4/10/1985	1443.75	20	1443.75	0
EPE	6/13/1986	183.55	20	183.55	0
EPE	6/10/1987	485	20	485	0
EPE	2/15/1988	2053.61	20	2053.61	0
EPE	3/15/1988	4038.26	20	4038.26	0
EPE	8/26/1988	133.76	20	133.76	0
Pumps	3/1/1991	8767.2	20	8761.2	6
Pressure Recd	4/15/1992	530.25	20	503.69	26.51
Pumps	9/15/1992	4121.5	20	3915.52	206.08
Pumps	10/15/1992	4047	20	3844.65	202.35
Pump Filter	5/30/1997	2714.66	10	2714.66	0
Pump 3 Recon	5/30/1997	461.01	10	461.01	0
Pump	10/15/1997	917.94	10	917.94	0
Booster Pump	6/15/1998	2178.43	10	2178.43	0
Booster Acces	6/15/1998	1467.2	10	1467.2	0
Booster Install	6/15/1998	1200	10	1200	0
Booster E. Eq.	7/15/1998	493.97	10	493.97	0
Booster E. Eq.	7/15/1998	439.25	10	439.25	0
Booster E. Eq.	7/15/1998	832.28	10	832.28	0
Pump #2 Acce	8/14/1998	2796.15	10	2796.15	0
Pump Eq.	4/15/1999	875	10	875	0
Pump Eq.	10/15/1999	1091.8	10	1091.8	0
Pump Eq.	11/15/1999	1170.55	10	1170.55	0
E. P. Q. filter	2/15/2001	552.92	7	552.92	0
E. P. Q.	7/16/2001	543.88	7	543.88	0
Capacitor	6/4/2002	5970	20	2686.5	298.5
Safety Box p-2	10/15/2002	961.83	15	577.08	64.12
EPE	3/14/2003	913.09	10	730.48	91.31
EPE	6/13/2003	334.47	5	334.47	0
Hi Svc pump 2	3/15/2004	2898.37	20	1014.44	144.92
Safy Box pump7	7/20/2004	874.07	20	305.9	43.7
EPE	2/15/2005	1034.15	15	413.64	68.94
EPE	8/15/2005	879.36	15	351.72	58.62
Hi Svc pump 2	11/15/2005	3551	20	1065.3	177.55
Timers	12/15/2005	245.6	5	245.6	0
Pump 7 foot valve	1/13/2006	815.12	10	407.55	81.51
Imp unit pump 2	12/15/2006	2782.52	5	2782.5	0.02
Brass floats	12/14/2007	355.78	5	284.64	71.16
Imp unit pump 1	12/14/2007	2190.67	5	1752.52	438.13
Pump Imp. Impro	7/15/2008	2881.87	10	864.57	288.19
Imp. Imp P7	9/15/2008	3550.62	10	1065.18	355.06
5 Pump clocks	9/15/2008	949.09	5	569.46	189.82
HiSvcpump3Verti	11/14/2008	12353.46	20	1853.01	617.67
Starter pump 1	12/15/2008	1168.13	15	233.64	77.88
Filter Pump	1/15/2009	3319.03	15	442.54	221.27
EPE	4/15/2009	691.81	15	92.24	46.12
Starter W6	9/15/2009	793.29	15	105.78	52.89
EPE	12/18/2009	826.89	15	110.26	55.13
2 Chem pumps	5/14/2010	1350.54	5	270.11	270.11
2 Starters	6/15/2010	1241.73	15	82.78	82.78
Filter Clock Drive	7/15/2010	1378	5	275.6	275.6
EPE	8/13/2010	330.83	5	66.17	66.17
EPE	1/15/2011	801.55	15	0	53.44
EPE	2/15/2011	290.97	7	0	41.57
EPE	2/15/2011	584.5	15	0	38.97
EPE	3/15/2011	758.86	15	0	50.59

EPE	4/15/2011	3211.8	15	0	214.12
EPE	5/15/2011	353.26	7	0	50.47
EPE	5/20/2011	514.54	15	0	34.3
EPE	6/15/2011	827.94	15	0	55.2
EPE	6/15/2011	660.98	15	0	44.07
EPE	9/15/2011	396.71	7	0	56.67
EPE	12/15/2011	1808.33	15	0	120.56
Total E.P. Eq.		\$152,609.02		\$106,601.51	\$5,338.07

Description	Acquired	Cost/Basis	Life yrs	Prior Dep.	Dep
Treatment Equipment					
Chlorinator	1/1/1959	1260.58	50	1260.58	0
Fixtures	1/1/1973	1783.4	20	1783.4	0
Fixtures	1/1/1975	250	20	250	0
Treatment Eq.	9/16/1986	674.63	50	337.25	13.49
Sand Filter	9/16/1986	44700.4	50	22350.25	894.01
Treatment Eq.	3/6/1987	2614.96	20	2614.96	0
Treatment Eq.	5/15/1987	1908.62	20	1908.62	0
Treatment Eq.	2/2/1988	25292.39	20	25292.39	0
Test Eq.	3/15/1993	575	20	517.5	28.75
Gasoline pump	6/15/1995	6358.94	20	5405.15	317.95
Chlorinator	2/15/1997	6167.54	10	6167.54	0
Chemical pump	11/14/1997	700.3	10	700.3	0
Chemical pump	12/15/1997	862.01	10	862.01	0
CL2 test Eq.	9/15/2000	663.95	10	663.95	0
pH test Eq.	11/15/2000	483.98	10	483.98	0
filter pump unit	2/15/2001	2884.04	7	2884.04	0
T. Eq. CL2	2/15/2001	507.74	7	507.74	0
Filter 3 Media	4/11/2003	1168.68	10	934.96	116.87
KMNO4 pump	7/20/2004	512.06	7	512.05	0.01
Treatment Eq.	7/15/2004	428.93	7	428.96	-0.03
3 Filter Clocks	4/15/2005	6663	15	2665.2	444.2
Foot Valve #7	7/1/2005	915.51	10	549.3	91.55
pH Meter	8/15/2005	617.87	7	529.62	88.27
Repairs Filter 3	9/30/2005	600	10	360	60
Media Filter 3	11/15/2005	6317.98	10	3690.8	631.8
Diffuser Filter 3	12/15/2005	3655.22	15	1462.08	243.68
Filter Media	1/13/2006	9047.1	10	4523.55	904.71
KMNO4 pump	5/17/2006	947.45	5	947.45	0
Filter 2 Piolet Unit	8/15/2006	1531.18	10	765.6	153.12
Chlorinator	12/1/2006	3225.58	10	1612.8	322.56
Filter Pump Unit	12/15/2006	3498.92	7	2499.85	499.85
Filter Pump Unit	12/29/2006	5426	7	3875.7	775.14
cl2 gas detector	2/15/2008	2057.26	10	617.19	205.73
Treat. Ep.	3/14/2008	781.34	5	468.81	156.27
KMnO4 pump	4/15/2008	1023.33	5	614.01	204.67
Fe & mn Tester	5/16/2008	956.62	7	409.98	136.66
Chem drum pump	7/15/2008	933.67	5	560.19	186.73
Filter Media	9/15/2008	8268	7	3543.42	1181.14
Felter Media	10/15/2008	3637.92	7	1559.1	519.7
100 lb Cl2nator	10/15/2008	1678.82	10	503.64	167.88
Filter Pump Unit	11/14/2008	7118	5	4270.8	1423.6
Comp. Fil. Pump	2/15/2009	3235.99	15	431.46	215.73
Filter Repair	4/15/2009	735	7	210	105
Filter Media	4/15/2009	5090.12	7	1454.32	727.16

Cont.cl2 Analyzer	12/15/2009	7897	10	1579.4	789.7
Cont.cl2 Analyzer	12/18/2009	1248.15	15	166.42	83.21
Pump Harness	12/15/2009	1115.12	20	111.52	55.76
T Eq	7/15/2011	1265.77	15	0	84.38
Florde Tester	8/15/2011	827.03	7	0	118.15
T Eq	8/15/2011	1430.55	15	0	95.37
T Eq	9/15/2011	293.8	7	0	41.97
T Eq	10/25/2011	1010.02	15	0	67.33
T Eq	11/15/2011	525.87	7	0	75.12
Total Treat Eq		\$193,373.34		\$115,847.84	\$12,227.19

Description	Acquired	Cost/Basis	Life yrs.	Prior Dep.	Dep
Reservoirs					
Reservoir	1/1/1946	3224.71	50	3224.71	0
Reservior	1/1/1957	7186.48	50	7186.48	0
Reservior	1/1/1958	6494.48	50	6494.48	0
Reservior	1/1/1968	6189.01	50	5322.54	123.78
Reservior	1/1/1985	20045.2	40	13029.38	501.13
Reservior	11/1/1987	550	20	550	0
Tanks	7/1/1991	21670.94	50	6868.4	443.42
Reservior	11/1/1991	1275	20	1275	0
Tank	3/31/1992	652.5	50	247.95	13.05
Reservior	3/31/1992	1567.2	50	595.46	31.34
Tank	4/30/1992	6340	50	2409.2	126.8
PVC	4/15/1992	216.31	50	82.27	4.33
SVC	4/15/1992	735.92	50	279.68	14.72
Tank	7/17/1992	3120	50	1185.6	62.4
Clean Clearwell	11/14/1997	5550	10	5550	0
K. Hollow Resv	1/2/1998	2470	40	802.75	61.75
K. Hollow Res	6/10/1998	1060	40	344.5	26.5
K. Hollow Res.	6/15/1998	7850	40	2552.25	196.25
K. Hollow Res.	6/15/1998	12570	40	4085.25	314.25
K. Hollow Res.	7/15/1998	29330	40	9532.25	733.25
Grav. road	9/15/1998	480	10	480	0
Maloneton Resv	10/15/1998	15000	40	4875	375
Maloneton Res.	10/15/1998	1233.75	40	400.92	30.84
Maloneton Res.	10/15/1998	33786	40	10980.45	844.65
Maloneton Res.	11/13/1998	16893	40	5590.29	422.33
Grav. road	11/13/1998	545	10	545	0
Mal. R. painting	12/15/1998	5631	10	5631	0
Reservior	5/14/1999	1657.59	40	497.28	41.44
Fullerton Res.	1/15/2001	2437.47	15	1625	162.5
Fullerton Res.	6/14/2002	493.65	15	295.19	32.91
Fullerton Res.	6/14/2002	7000	15	4200.03	466.67
Fullerton Res.	7/15/2002	6635	15	3980.97	442.33
Morton Res	10/15/2002	2500	15	1501.03	166.67
Morton Res	11/15/2002	1584.2	15	950.49	105.61
Morton Res	11/15/2002	9190.5	15	5514.3	612.7
K. H. Float Gage	8/15/2003	475	15	253.35	31.67
Mal. Float G. Imp	6/15/2004	895	15	417.69	59.67
Morton Harness	6/15/2006	790.4	15	263.45	52.69
Total Reserviors		\$245,325.31		\$119,619.59	\$6,500.65

Description	Acquired	Cost/Basis	Life yrs.	Prior Dep.	Dep.
Distribution Mains					

Main #1		1/1/1941	824.02	50	824.02	0
	2	1/1/1945	653.5	50	653.5	0
	3	1/1/1946	2647.99	50	2647.99	0
	4	1/1/1947	2100.74	50	2100.74	0
	5	1/1/1948	109.17	50	109.17	0
	6	1/1/1950	1017.36	50	1037.36	0
	7	1/1/1953	1621.07	50	1621.07	0
	8	1/1/1954	2483.83	50	2483.83	0
	9	1/1/1955	629.15	50	629.15	0
	10	1/1/1956	187.92	50	187.92	0
	11	1/1/1957	3783.85	50	3783.85	0
	12	1/1/1960	819.41	50	819.41	0
	13	1/1/1961	67.22	50	67.5	-0.28
	14	1/1/1963	544.75	50	523.2	10.9
	14	1/1/1963	47.06	50	45.12	0.94
	15	1/1/1964	217.9	50	204.92	4.36
	16	1/1/1965	655.52	50	603.06	13.11
	17	1/1/1966	2188.12	50	1969.2	43.76
	18	1/1/1966	28215	50	25393.5	564.3
	19	1/1/1970	1862.26	50	1527.25	37.25
	20	1/1/1971	4573.95	50	3659.2	91.48
	20	1/1/1971	959.74	50	767.6	19.19
	21	1/1/1972	153.62	50	119.73	3.07
	22	1/1/1973	8740.17	50	6642.4	174.8
	23	1/1/1974	4370.23	50	3175.1	87.4
	24	1/1/1975	1187.6	50	855	23.75
Schultz Main		10/1/1976	334.88	50	234.5	6.7
Main #25		5/1/1977	4140.14	50	2898	82.8
	26	6/1/1977	4006.95	50	2694.76	80.14
New Line		6/1/1978	1040.82	50	687.26	20.84
T&DM		4/13/1984	401.89	50	217.08	8.04
TDM		12/10/1984	567.41	50	306.03	11.32
TDM		12/14/1984	2863.82	50	1546.56	57.28
TDM		12/20/1984	119.7	50	64.53	2.39
TDM		12/20/1984	419.87	50	226.8	8.4
TDM		12/31/1984	225.72	50	121.77	4.51
TDM		12/31/1984	997.5	50	468.65	19.95
TDM		12/31/1984	213.75	50	115.56	4.28
TDM		12/31/1984	68.4	50	37	1.37
TDM		1/1/1985	11292.31	50	7340.06	282.31
Mains		3/7/1986	534.09	50	267	10.68
Mains		4/16/1986	87.75	50	44	1.76
Mains		5/16/1986	2735.22	50	1367.5	54.7
Mains		7/8/1986	626.98	50	313.5	12.54
Mains		7/25/1986	369.93	50	185	7.4
Mains		9/15/1987	458.02	50	219.84	9.16
T&DM		5/13/1988	702.58	50	323.15	14.05
TDM		6/17/1988	865.4	50	398.13	17.31
TDM		7/8/1988	4985.6	50	2293.33	99.71
TDM		8/5/1988	2870.95	50	1251.66	54.42
TDM		10/21/1988	689.26	50	215.85	13.79
Mains		1/1/1966	6323.4	50	5691.16	126.47
Pit Main		3/13/1992	843.6	50	320.53	16.87
Pit Main		4/15/1992	78.55	50	29.83	1.57
Mains		4/15/1993	460.62	50	174.99	9.21
Mains		5/7/1993	271.89	50	97.92	5.44

Mains	9/15/1993	1787.62	50	643.5	35.75
Mains	0/0/95	2649.08	40	1062.68	66.23
Mains	7/15/1996	205.77	40	77.1	5.14
Mains	8/15/1996	891.9	40	334.5	22.3
Mains	8/15/1996	452.84	40	169.8	11.32
Mains	11/15/1997	19330.17	40	6765.5	483.25
Mains	11/15/1997	4000	40	1400	100
Mains	12/1/1997	1800	40	630	45
Mains	12/15/1997	14300	40	4905	357.5
Mains	12/15/1997	4337	40	1518.02	108.43
Mains	12/15/1997	615.42	40	218.46	15.39
Mains	12/15/1997	8366.84	40	2928.58	209.17
Bank Closing	12/15/1997	668	20	467.6	33.4
PSC 94-188	0/0/93	392	10	392	0
PSC 94-188	0/0/93	639	10	639	0
PSC 94-188	0/0/93	2728	10	2728	0
PSC 94-188	0/0/93	10676	10	10676	0
PSC 97-321	0/0/96	1720	40	645.15	43.01
Mains	11/14/1997	409.9	40	143.5	10.25
W. Oak Main	1/1998	5470	40	1777.5	136.75
Fullerton Main	3/6/1998	3630	40	1179.75	90.75
Fullerton Main	3/20/1998	822.87	40	285.41	20.57
SS Drive Alley	3/24/1998	6377.78	40	2074.72	159.44
K. Hollow Main	3/30/1998	2061	40	669.89	51.53
K. Hollow Main	3/30/1998	3646.3	40	1184.08	91.16
Mains	1/14/2000	606.14	40	166.65	15.15
Mains	1/14/2000	1396.11	40	386.6	34.9
Mains	3/24/2000	135	40	37.18	3.38
Mains	3/24/2000	420	40	115.5	10.5
Main Rt 7	4/19/2000	3000	40	825	75
Main Rt 7	5/10/2000	9066.21	40	2493.26	226.66
Main Rt 7	5/10/2000	10000	40	2750	250
Main Rt 7	5/22/2000	5450	40	1498.75	136.25
Main 4th Street	5/30/2000	1565	40	430.43	39.13
Main Mal. Tank	6/15/2000	4264.06	40	1172.6	106.6
Main Mal. Tank	6/9/2000	4904	40	1348.6	122.6
Main Rt 7	6/15/2000	5450	40	1498.75	136.25
Main Rt 7	6/15/2000	3500	40	962.5	87.5
Main Adv.	6/13/2003	736.48	40	147.28	18.41
Main Adv.	5/14/2004	300	40	52.5	7.5
Mains	12/15/2004	1245.64	40	217.98	31.14
Mains	7/1/2006	1472.93	40	184.1	36.82
Mains	10/1/2007	1019.25	40	101.92	25.48
Mains	4/15/2009	1210.8	40	60.54	30.27
Mains	7/15/2009	432.63	40	21.64	10.82
Mains	8/15/2009	1200	40	60	30
Mains	9/15/2009	1074.37	40	57.72	26.86
Mains	2/15/2010	407.68	40	10.19	10.19
Mains	3/15/2011	616.34	40	0	15.41
Mains	4/15/2011	398.98	40	0	9.97
Mains	4/15/2011	2203.12	40	0	55.08
Mains	4/15/2011	541.05	40	0	13.53
Mains	4/20/2011	1222.83	40	0	30.57
Mains	5/15/2011	1125.58	40	0	28.14
Mains	5/15/2011	914.03	40	0	22.85
Mains	6/15/2011	871.17	40	0	21.78

Total Mains* **\$284,985.04** **\$150,718.17** **\$5,884.52**

*note: CIAC Mains separate, see Detailed Description of CIAC

Description	Acquired	Cost/Basis	Life yrs	Prior Dep.	Dep.
Hydrants & Services					
Hydrants	1/1/1947	650	50	650	0
Hydrants	1/1/1966	480.97	50	432.9	9.62
Hydrant	10/1/1978	632.63	50	417.45	12.65
Hydrant	10/30/1985	489.14	15	489.14	0
Services	2/21/1986	122.28	50	61.25	2.45
Services	5/16/1986	929.42	50	474.75	18.59
Hydrants	3/28/1986	3167.64	50	557.48	63.35
Hydrants	5/16/1986	1129.58	50	564.75	22.59
Labor	9/30/1986	1208	50	603.9	24.16
Labor	4/30/1987	536.09	50	257.28	10.72
Labor	6/10/1987	1374.63	50	659.76	27.49
Labor	7/15/1987	1456.67	50	699.12	29.13
Labor	8/14/1987	1372.23	50	658.26	27.44
Labor	9/1/1987	1029.84	50	494.4	20.6
Labor	10/9/1987	1794.6	50	861.36	35.89
Labor	11/13/1987	841.38	50	403.92	16.83
Labor	12/15/1987	657.5	50	315.6	13.15
Services	6/15/1988	248.33	50	114.31	4.97
Services	7/15/1988	3172.45	50	1459.35	63.45
Services	8/5/1988	3230.43	50	1486.04	64.61
Services	9/15/1988	2375.91	50	1092.96	47.52
Hydrants	9/15/1988	1326.54	50	610.19	26.53
Services	10/14/1988	541.6	50	249.09	10.83
Hydrants	10/14/1988	1747.73	50	803.85	34.95
Hydrants	11/15/1988	1662.92	50	764.98	33.26
Hydrants	3/13/1992	1520.01	15	1520.01	0
Service	7/15/1992	824.75	15	824.75	0
Hydrants	9/15/1992	319.84	15	319.84	0
Services	5/15/1996	1253.29	40	469.95	31.33
Service	6/15/1996	684.21	40	256.65	17.11
Service	7/15/1996	533.2	40	199.65	13.33
Service	9/15/1996	1312.61	40	232.32	32.82
Service	4/15/1997	1019.3	40	356.72	25.48
Service	5/30/1997	1155.92	40	404.6	28.9
Service	7/15/1997	560.5	40	196.14	14.01
Service	8/15/1997	386.16	40	135.1	9.65
Service	9/15/1997	410.93	40	144.23	10.27
Service	9/15/1997	3296.92	40	1153.88	82.42
Service	10/15/1997	751.16	40	262.92	18.78
Service	10/15/1997	600	40	210	15
Service	11/14/1997	706.3	40	244.24	17.66
Service	12/15/1997	6671.91	40	2335.2	166.8
Services	1/2/1998	600	40	195	15
Services	1/9/1998	125	40	40.69	3.13
Services	1/15/1998	286.95	40	92.23	7.17
Services	1/15/1998	900	40	292.5	22.5
Services	3/16/1998	566.79	40	184.21	14.17
Services	4/15/1998	2276.06	40	739.7	56.9
Services	7/15/1998	1125	40	365.69	28.13
Services	7/15/1998	1102.65	40	388.41	27.57

Services	10/15/1998	1061.17	40	344.89	26.53
Services	1/15/2002	1075.13	40	241.83	26.87
Services	1/15/2002	918.86	40	206.73	22.97
Services	6/14/2002	469.18	40	105.57	11.73
Services	8/15/2002	903.36	40	204.22	22.58
2 Flush Hyds	9/13/2002	865.01	40	194.67	21.63
Services	11/15/2002	863.68	40	194.31	21.59
Services	12/13/2002	560	40	126	14
Services	12/20/2002	800	40	180	20
CIAC	Yr 2002	-7310	40	-1644.75	-182.75
Services	2/14/2003	679.57	40	135.92	16.99
Services	5/15/2003	700	40	140	17.5
Services	5/15/2003	1117.21	40	223.44	27.93
Services	6/13/2003	784.15	40	156.8	19.6
Services	7/15/2003	601.36	40	120.24	15.03
Services	7/15/2003	430	40	86	10.75
Svc & Hyd	9/15/2003	3236.1	40	647.28	80.91
CIAC	Yr 2003	-4000	40	-760	-80
Services	11/14/2003	628.09	40	125.6	15.7
Services	12/19/2003	478.91	40	95.36	11.92
Services	2/13/2004	360	40	63	9
Services	3/15/2004	1038.6	40	181.79	25.97
Services	5/14/2004	380	40	66.5	9.5
Services	8/13/2004	480.93	40	84.14	12.02
F. Hyd. Main St.	9/15/2004	1323	40	231.56	33.08
Services	10/15/2004	592.67	40	103.74	14.82
Services	10/21/2004	361.95	40	63.35	9.05
CIAC	Yr 2004	-5600	40	-980	-140
Services	4/15/2005	607.47	40	91.14	15.19
Services	5/13/2005	248.04	40	37.2	6.2
Services	5/13/2005	300	40	45	7.5
Services	7/15/2005	862.89	40	129.42	21.57
Services	9/15/2005	716.83	40	107.52	17.92
Services	12/23/2005	600.96	40	90.12	15.02
CIAC	Yr 2005	-8950	40	-1342.5	-223.75
Services	4/14/2006	1524.92	40	190.6	38.12
Services	6/1/2006	1011.08	40	126.4	25.28
Services	6/15/2006	803.8	40	100.4	20.08
Services	9/1/2006	1459.33	40	182.4	36.48
F Hyd & comps.	10/13/2006	1867.23	40	233.4	46.68
CIAC	Yr 2006	-9460	40	-1182.5	-236.5
F Hyd & comps	1/12/2007	1023.36	40	102.32	25.58
Services	2/15/2007	400.99	40	40.08	10.02
Services	3/20/2007	697.52	40	69.76	17.44
Services	4/20/2007	810.63	40	81.08	20.27
Services	5/9/2007	775.49	40	77.56	19.39
Hyd&components	6/15/2007	1466.33	40	146.64	36.66
Services	7/3/2007	1154.85	40	115.48	28.87
Services	7/13/2007	638.41	40	63.84	15.96
Services	8/1/2007	855.74	40	85.56	21.39
Services	9/15/2007	1031.93	40	103.2	25.8
CIAC	Yr 2007	-6050	40	-605	-151.25
Services	2/15/2008	3233.55	40	242.52	80.84
Services	7/15/2008	3720.42	40	279.03	93.01
CIAC	Yr 2008	-2400	40	-180	-60
Services	1/15/2009	898.41	40	44.92	22.46

Services	4/15/2009	609.72	40	30.48	15.24
Services	6/15/2009	1336.74	40	66.84	33.42
Services	7/15/2009	1139.08	40	56.96	28.48
Services	11/15/2009	785.78	40	39.28	19.64
CIAC	yr 2009	-2800	40	-140	-70
Services	4/15/2010	810.27	40	20.26	20.26
Services	4/15/2010	3252.82	40	81.32	81.32
Services	8/13/2010	1885.23	40	47.13	47.13
Services	11/15/2010	1803.48	40	45.09	45.09
CIAC	Yr 2010	-7270	40	-363.5	-181.75
Services	2/14/2011	1356.31	40	0	33.91
Services	5/15/2011	298.92	40	0	7.47
Services	6/15/2011	957.18	40	0	23.93
Services	10/15/2011	1210.56	40	0	30.26
Services-Hyds	12/18/2011	2321.88	40	0	58.05
CIAC	Yr 2011	-5670	40	0	-141.75
Total Hyds Ser*		\$66,845.05		\$27,044.36	\$1,440.76

* note: see Detailed Description of CIAC for information, CIAC Mains and Services

Description	Acquired	Cost/Basis	Life yrs.	Prior Dep.	Dep.
Meters					
Meter 1	1/1/1950	175	25	175	0
Meters 2	1/1/1954	4529.56	25	4529.56	0
3	1/1/1955	9746.19	25	9746.19	0
4	1/1/1956	7583.78	25	7538.78	0
5	1/1/1957	1823.01	25	1823.01	0
6	1/1/1959	1585	25	1585	0
7	1/1/1959	2431.89	25	2431.89	0
8	1/1/1960	2103.64	25	2103.64	0
10	1/1/1962	787.98	25	787.98	0
11	1/1/1963	1707.71	25	1717.71	0
12	1/1/1964	1770.33	25	1770.33	0
13	1/1/1965	3557.74	25	2557.74	0
14	1/1/1969	3112.01	25	3112.01	0
15	1/1/1971	2772.21	25	2772.21	0
16	1/1/1972	2071.15	25	2071.15	0
17	1/1/1973	4076.67	25	4076.67	0
18	1/1/1974	2592	25	2592	0
19	1/1/1975	9426	25	9426	0
24 Meters	2/1/1976	528	25	528	0
36 Meters	3/1/1976	792	25	792	0
2 Meters	5/1/1976	276.1	25	276.1	0
Meter	5/1/1976	353.09	25	356.09	0
Meter	5/1/1976	259.19	25	259.19	0
Meters	7/1/1976	200	25	200	0
36 Meters	7/1/1976	900	25	900	0
30 Meters	10/1/1976	762.04	25	762.04	0
Meter Acc.	4/1/1976	824.58	25	824.58	0
Meters	5/1/1976	1158.37	25	1158.37	0
Meters	10/1/1976	10141.99	25	10141.99	0
Meters	10/1/1976	488.51	25	488.51	0
Meters	11/1/1976	4130.27	25	4130.27	0
Meters	12/1/1976	348.46	25	348.46	0
Meters	6/1/1977	2478.36	25	2478.36	0
Meters	2/1/1978	468	25	468	0

Meters	6/1/1978	487.22	25	487.22	0
Meters	8/1/1978	482.4	25	482.4	0
Meters	9/1/1978	496.8	25	496.8	0
Meters	4/1/1979	273.61	25	273.61	0
18 Meters	5/1/1979	528.9	25	528.9	0
Meters	8/1/1979	349.44	25	349.44	0
Meters	9/1/1979	349.44	25	349.44	0
Meters	10/1/1979	397	25	397	0
Meters	4/1/1980	363.72	25	363.72	0
Meters	5/1/1980	171.24	25	171.24	0
Meters	6/1/1980	3422.5	25	3322.5	0
Meters	9/1/1980	226.2	25	266.2	0
Meters	10/1/1980	989.18	25	989.18	0
Meters	12/1/1980	586.84	25	586.84	0
Meters	3/1/1981	1082.23	25	1082.23	0
Meters	8/1/1980	857.04	25	857.04	0
Meters	8/11/1983	288.66	25	288.66	0
Meters	11/15/1983	825.66	25	825.66	0
Meters	4/10/1985	289.08	15	289.08	0
Meters	8/19/1985	1485.59	15	1485.59	0
Meters	12/9/1985	371.47	15	371.47	0
Meters	5/16/1986	937.67	15	937.65	0
Meters	10/27/1987	260	15	260	0
Meters	11/15/1988	955.8	15	955.8	0
Meters	2/1/1991	1101.63	15	1101.63	0
Test Bench	1/1/1992	9750	15	9750	0
Meters	1/1/1961	1794.69	25	1794.69	0
Meters	2/15/1993	181.33	25	130.5	7.25
Meters	3/15/1993	199.99	25	144	8
Meters	7/15/1993	397.82	25	286.38	15.91
Meters	11/16/1993	109.39	25	78.84	4.38
Meters 36	2/15/1996	1139.4	20	854.55	56.97
Meters 18	3/15/1996	569.22	20	426.9	28.46
Meters 60	4/15/1996	2010.28	20	1507.65	100.51
Meters 18	5/15/1996	570.24	20	427.65	28.51
Meters 42	6/15/1996	1361.84	20	1021.35	68.09
Meters 18	7/15/1996	570.24	20	427.65	28.51
Meters 18	8/15/1996	566.8	20	435.1	28.34
Meters 18	9/15/1996	572.76	20	429.6	28.64
Meters 18	10/15/1996	576.65	20	432.45	28.83
Meters 18	11/15/1996	572.76	20	429.6	28.64
Meters 18	12/15/1996	572.76	20	469.6	28.64
Meters 18	1/15/1997	572.76	20	410.96	28.64
Meters 18	2/15/1997	572.76	20	400.54	28.61
Meters 18	3/15/1997	566.1	20	396.34	28.31
Meters 18	4/15/1997	570.09	20	399	28.5
Meters 18	5/15/1997	566.1	20	391.34	28.31
Meters 18	5/30/1997	569.67	20	398.72	28.48
Meters 18	7/15/1997	570.09	20	399	28.5
Meters 18	8/15/1997	569.67	20	398.72	28.48
Meters 18	9/15/1997	570.09	20	399	28.5
Meters 18	10/15/1997	569.67	20	398.72	28.48
Meters 18	11/14/1997	550.98	20	385.7	27.55
Meters 18	12/15/1997	570.09	20	399	28.5
Meters		365.48		365.48	0
18 Meters	1/15/1998	573.52	20	372.84	28.68

1inch Meters 4	7/15/1998	351.25	20	228.28	17.56
4" Plant Meter	7/15/1998	1184.04	10	1184.04	0
Meters 6	4/15/1999	195.44	20	117.24	9.77
Meters 12	5/14/1999	387.1	20	232.32	19.36
Meters 12	7/15/1999	426.1	20	236.72	21.31
Meters 6	8/13/1999	214.94	20	129	10.75
Meters 12	10/15/1999	429.87	20	257.88	21.49
Meters 12	11/15/1999	430.2	20	258.12	21.51
Meters 12	12/15/1999	429.88	20	257.88	21.49
24 Meters	4/14/2000	854.64	20	470.06	42.73
12 Meters	7/14/2000	442.32	20	243.32	22.12
12 Meters	8/15/2000	442.32	20	343.32	22.12
12 Meters	9/15/2000	438.54	20	241.23	21.93
Meters 6	5/15/2001	179.04	20	89.5	8.95
12 Meters	7/13/2001	427.32	20	213.7	21.37
12 Meters	1/15/2002	438.16	20	197.19	21.91
2 Plant Meters	2/22/2002	2920.68	10	2628.63	292.07
18 Meters	6/14/2002	680.53	20	306.27	34.03
12 Meters	8/15/2002	439.05	20	198.55	21.95
18 Meters	11/15/2002	661.18	20	297.54	33.06
18 Meters	6/13/2003	666.33	20	266.56	33.32
24 Meters	9/15/2003	879.14	20	351.48	43.96
24 Meters	12/15/2003	879.59	20	351.84	43.98
36 Meters	7/15/2004	1272.64	20	445.41	63.63
24 Meters	9/15/2004	893.34	20	312.69	44.67
12 Meters	10/21/2004	471.71	20	165.13	23.59
12 Meters	12/15/2004	472.11	20	165.27	23.61
18 Meters	5/13/2005	682.74	20	204.84	34.14
18 Meters	8/15/2005	671.39	20	201.42	33.57
18 Meters	11/15/2005	640.98	20	192.3	32.05
2 Plant Meters	11/15/2005	3068.7	5	3068.7	0
24 Meters	12/15/2005	882.66	20	264.78	44.13
Plant Meter	1/13/2006	840.26	5	540.25	168.05
36 Meters	4/14/2006	1337.42	20	334.35	66.87
36 Meters	5/19/2006	1341.13	20	335.3	67.06
42 Meters	8/15/2006	1495.62	20	373.9	74.78
48 Meters	9/1/2006	1709.28	20	427.3	85.46
42 Meters	9/15/2006	1569.62	20	392.4	78.48
42 Meters	10/2/2006	1573.19	20	393.3	78.66
42 Meters	11/15/2006	1605.93	20	401.5	80.3
48 Meters	4/1/2007	1696.32	20	339.28	84.82
36 Meters	9/15/2007	1209.75	20	241.96	60.49
48 Meters	2/15/2008	1944.66	20	291.69	97.23
54 Meters	5/15/2008	2250.55	20	337.59	112.53
37 Meters	7/15/2008	1781.54	20	267.24	89.08
36 Meters	8/15/2008	1692.21	20	253.83	84.61
Meters	7/10/2009	596.49	20	59.64	29.82
Meters	4/15/2010	1196.26	20	59.81	59.81
Meters	7/15/2010	857.34	20	42.87	42.87
Meters	11/15/2010	571.56	20	28.58	28.58
2 Plant 4" Meters	11/15/2010	2611.84	5	522.37	522.37
Plant Meter 6"	12/31/2010	3310.38	5	662.08	662.08
Meters	10/15/2011	631.87	20	0	31.59
Total Meters		\$188,090.54		\$147,436.45	\$4,570.89

Description	Acquired	Cost/Basis	Life yrs.	Prior Dep.	Dep
Office Equipment					
Office Eq	1/1/1957	444.7	20	444.7	0
Office Eq	1/1/1958	544.34	20	544.34	0
Office Eq	1/1/1962	182.24	20	182.24	0
Office Eq	1/1/1963	200.83	20	200.83	0
Office Eq	1/1/1965	206	20	206	0
Office Eq.	1/1/1966	159.4	20	159.4	0
W. Talkie	3/17/1970	327.51	20	327.51	0
Safe	3/1/1971	60	20	60	0
Scribe 75	1/1/1972	238.5	20	238.5	0
Desk Top	11/1/1974	67.5	20	67.5	0
Office Eq.	1/1/1975	282.45	20	282.45	0
Victor Ca.	5/1/1976	156.98	20	156.98	0
Calculator	10/1/1978	104.95	20	104.95	0
Furnace	2/22/1985	990.53	20	990.53	0
Furnace	10/1/1991	1294	20	1293.9	0.1
Computer	7/9/1993	5245	10	5245	0
Computer	11/15/1996	2925.6	7	2925.6	0
Printer	12/15/1996	947.64	7	947.64	0
Parking Lot	1/1/1965	2830.89		2830.89	0
Storage	1/1/1966	478.86		478.86	0
Improvement	1/1/1966	419.45		419.45	0
Furniture	4/15/1997	3045.13	15	2842.13	203.01
Copier	12/15/1997	1533	7	1533	0
Office Eq.	3/15/1999	292.86	7	292.86	0
Comp. System	1/14/2000	2936.47	10	2936.47	0
Printer	8/15/2002	724	7	724	0
Copier A1551cs	11/15/2002	949.99	7	949.99	0
Comp. Eq.	1/13/2004	162.5	7	162.47	0.03
Billing Program	1/15/2004	2904	15	1355.2	193.6
Comp. Ep.	1/16/2004	217.97	7	217.98	-0.01
Comp. Eq.	1/23/2004	712.96	7	712.95	0.01
Billing Computer	2/13/2004	5204.94	10	3643.43	520.49
Billing Program	3/15/2004	3310.61	15	1544.97	220.71
Billing Printer	7/15/2004	447.32	7	447.3	0.02
Cash Register	6/9/2006	274	5	219.2	54.8
Comp. Eq	1/26/2007	669.96	5	535.96	133.99
Comp lap top	2/15/2008	1509.92	5	905.94	301.98
Comp. hard drive	11/19/2009	1006.19	7	287.48	143.74
Off Eq	1/15/2011	943.67	7	0	134.81
Copier	10/25/2011	948.37	7	0	135.48
Total Off. Eq		\$45,901.23		\$37,418.60	\$2,042.76

Description	Acquired	Cost/Basis	Life yrs.	Prior Dep	Dep
Tools & Equipment					
P. Hole Digger	1/1/1962	250	20	250	0
Bush Hog	1/1/1962	217	20	217	0
Welder	1/1/1963	511.31	20	511.31	0
14 ft boat	1/1/1964	194.67	20	194.67	0
Pressure gage	1/1/1964	13.84	20	13.84	0
Power Mower	1/1/1969	57.63	20	57.36	0
1972 ford	2/1/1971	4380.84	5	4380.84	0
Pipe push	1/1/1971	855.75	20	855.75	0

Utility	1/1/1973	933.21	5	933.21	0
Dynamark	1/1/1973	429	20	429	0
Fire Ext.	11/1/1974	133.35	20	133.35	0
Tools	5/27/1982	914.33	20	914.33	0
Chemicals	2/15/1985	220.5	20	220.5	0
Pipe Cutter	10/11/1985	79.79	20	79.79	0
Battery	12/9/1985	51.4	10	51.4	0
Tools	8/19/1986	218.12	20	218.12	0
Copier	3/20/1992	1035	10	1035	0
Cash Register	3/20/1992	110	10	110	0
Lawn Mower	6/15/1992	1059.94	7	1059.94	0
Tools	10/15/1997	590.61	10	590.61	0
Pressure Rec.	4/15/1998	618.83	7	618.83	0
Pressure switch	9/15/1998	146.92	7	146.92	0
JD tractor	4/2/1999	7420	7	7420	0
Tools	7/15/1999	823.36	7	823.36	0
pump part	5/10/2000	240	10	240	0
Tractor Mower	5/15/2002	960.51	10	864.55	96.05
Dickson Recorder	10/15/2003	608	7	608	0
JD 300E B-Hoe	8/20/2004	32500	15	15166.69	2166.67
2003 GMC	10/28/2005	9093.03	5	9093.03	0 Sold
2003 GMC	10/28/2005	9093.03	5	9093.03	0
Truck Transmissi	11/21/2005	2266.42	5	2266.42	0
Hyd pump B-hoe	8/1/2009	705.18	5	282.08	141.04
Truck Springs	10/2009	486.08	5	194.44	97.22
2009 Chev. truck	9/14/2009	17763.5	5	7105.4	3552.7
2009 Chev. truck	11/6/2009	1065.81	5	426.32	213.16
2010 Nissan	11/20/2009	27356.6	5	10942.64	5471.32
2010 Nissan	12/15/2009	1735.4	5	694.16	347.08
2010 Nissan	12/18/2009	1000	5	400	200
Concrete Saw, push	2/19/2010	1100	5	220	220
Tractor Mower	4/15/2010	1149.97	5	229.99	229.99
Office A/C	6/18/2010	2629	10	262.9	262.9
2011 Chev Truck	11/22/2010	17080	5	3416	3416
Pressure Rec	6/17/2011	617.13	7	0	88.16
Backhoe part	9/1/2011	605.31	7	0	86.47
Ford	12/10/2011	43148	5	0	8629.6
Total Tools & Eq		\$192,468.37		\$82,770.78	\$25,218.36
Sub Total		\$1,971,365.37		\$1,105,989.13	\$93,642.86

**The South Shore Water Works Company
Detailed Description of CIAC**

Description	Acquired	Cost/Basis	Life yrs	Prior Amz.	Amz.
Contributions In Aid of Construction					
CIAC Mains	1/1/1941	2067.29	50	2067.29	0
	1/1/1945	1639.49	50	1639.49	0
	1/1/1946	6643.21	50	6643.21	0
	1/1/1947	5270.29	50	5270.29	0
	1/1/1948	273.88	50	273.88	0
	1/1/1950	2552.32	50	2552.32	0

1/1/1953	4066.88	50	4066.88	0
1/1/1954	6231.35	50	6231.35	0
1/1/1955	1578.41	50	1578.41	0
1/1/1956	471.44	50	471.5	0
1/1/1957	9492.8	50	9492.8	0
1/1/1960	2055.73	50	2055.73	0
1/1/1961	169.89	50	170	-0.11
1/1/1963	1366.65	50	1311.84	27.33
1/1/1963	118.08	50	113.28	2.36
1/1/1964	546.67	50	514.21	10.93
1/1/1965	1644.56	50	1512.94	32.89
1/1/1966	5489.51	50	4940.55	109.79
1/1/1966	70785	50	63706.5	1415.7
1/1/1970	4671.98	50	3831.04	93.44
1/1/1971	11474.99	50	9250	229.5
1/1/1971	2407.78	50	1926.4	48.16
1/1/1972	385.38	50	300.69	7.71
1/1/1973	21927.11	50	16664.52	438.54
1/1/1974	10963.92	50	8113.36	219.28
1/1/1975	2979.4	50	2145.24	59.59
1/1/1976	840.12	50	534	16.8
5/1/1977	10386.66	50	7062.82	207.73
6/1/1977	10052.53	50	6836.15	201.05
6/1/1978	2611.19	50	1723.26	52.22
4/13/1984	1008.25	50	544.59	20.17
12/10/1984	1423.5	50	818.69	28.47
12/14/1984	7184.68	50	4149.63	143.69
12/20/1984	300.3	50	162.27	6.01
12/20/1984	1053.37	50	568.89	21.07
12/31/1984	566.28	50	305.91	11.33
12/31/1984	2502.5	50	1351.35	50.05
12/31/1984	536.25	50	289.71	10.73
12/31/1984	171.6	50	92.61	3.43
1/1/1985	28329.83	50	18414.5	708.25
3/7/1986	1339.91	50	670	26.8
4/16/1986	220.15	50	110	4.4
5/16/1986	6862.05	50	3431	137.24
7/8/1986	1572.95	50	786.5	31.46
7/25/1986	928.07	50	464	18.56
9/15/1987	1149.07	50	551.52	22.98
5/13/1988	1762.6	50	807.75	35.25
6/17/1988	2171.08	50	998.66	43.42
7/8/1988	12507.74	50	5753.66	250.15
8/5/1988	7202.56	50	3313.15	144.05
10/21/1988	1729.19	50	795.34	34.58
1/1/1966	15863.96	50	14277.6	317.28
3/13/1992	2116.4	50	804.27	42.33
4/15/1992	197.05	50	74.86	3.94
4/15/1992	1155.59	50	415.98	23.11
5/7/1993	682.11	50	245.52	13.64
9/15/1993	4484.74	50	1614.42	89.69
0/0/95	6645.92	40	2658.4	166.15
7/15/1996	516.23	40	193.65	12.91
8/15/1996	2187.4	40	910.35	64.69
8/15/1996	1802.16	40	676.2	45.05
7/4/1997	325	40	113.82	8.13

	8/15/1997	510.7	40	178.78	12.77
?	8/15/1997	1525	40	1525	0
	9/15/1997	6000	40	2100	150
	9/15/1997	2313.74	40	809.76	57.84
	10/3/1997	350	40	123.5	8.75
	10/15/1997	1048.61	40	367.08	26.22
	10/15/1997	3750	40	1312.5	93.75
	10/15/1997	3000	40	980	75
	10/15/1997	780.95	40	273.28	19.52
	10/20/1997	924	40	323.4	23.1
	10/31/1997	2500	40	875	62.5
	10/31/1997	2500	40	875	62.5
	11/14/1997	5310.9	40	1858.68	132.77
	11/14/1997	3920	40	1372	98
	11/14/1997	315	40	110.32	7.88
	11/14/1997	6152	40	2153.2	153.8
	11/14/1997	13990.1	40	4896.5	349.75
K. Hollow Main	3/30	1017.02	40	330.46	25.42
K. Hollow Main	3/30/1998	3435	40	1116.44	85.88
SS Drive Alley	4/8/1998	1594.44	40	518.18	39.86
K. Hollow Main	4/14/1998	1205	40	391.69	30.13
Mains	4/15/1998	2196.32	40	774.09	54.91
Mains	4/15/1998	526.1	40	170.95	13.15
Mains	4/15/1998	1701.07	40	552.89	42.53
W. Oak Main	5/15/1998	2508	40	815.1	62.7
Booster Main	8/14/1998	816.54	40	261.82	20.14
Booster Main	8/14/1998	1594.31	40	518.18	39.86
Booster Main	8/14/1998	1780	40	578.5	44.5
Mains	9/15/1998	917.47	40	613.59	22.93
Grant Ext.	12/15/1998	4445	40	1444.69	111.13
Grant Ext.	12/15/98	3670.73	40	1193.01	91.77
Grant Ext.	12/15/1998	4100	40	1330.5	102.5
Grant Ext.	12/31/1998	972	40	315.9	24.3
Mains	2/15/1999	201.4	40	60.48	5.04
Mains	10/15/1999	2210	40	683	55.25
Mains	11/15/1999	6954.35	40	2086.32	173.86
Mains	12/15/1999	4556.19	40	1366.8	113.9
Services	2/15/1999	579.19	40	173.76	14.48
	3/15/1999	504.32	40	151.32	12.61
	6/15/1999	560.26	40	168.12	14.01
	7/15/1999	1185.98	40	355.8	29.65
	8/13/1999	1228.12	40	368.4	30.7
	9/15/1999	5172.88	40	1551.84	129.32
	10/15/1999	1395.65	40	418.68	34.89
	11/15/1999	224.3	40	67.28	5.61
	12/15/1999	175.7	40	52.68	4.39
Reservior	5/14/1999	201.66	40	60.48	5.04
Services	3/15/2000	1189.1	40	327.03	29.73
Main Mal. Tank	6/15/2000	6334.18	40	1741.75	158.35
Services	8/15/2000	731.36	40	201.08	18.28
Services	9/15/2000	595.36	40	163.68	14.88
Services	1/15/2001	270	40	67.5	6.75
Services	2/15/2001	798.14	40	122.8	12.28
Services	4/15/2001	1700.99	40	425.2	42.52
Services	4/18/2001	240	40	60	6
Meters	5/15/2001	466.16	20	233.1	23.31

Services	8/15/2001	1476.83	40	369.2	36.92
Services	11/15/2001	800	40	200	20
Services	12/14/2001	757.88	40	191.3	18.95
Services	1/31/2002	800	40	180	20
Services	6/28/2002	1200	40	270	30
Services	7/31/2002	800	40	180	20
Services	8/30/2002	800	40	180	20
Greenup 2 Taps	9/13/2002	5000	40	1125	125
Services	9/30/2002	800	40	180	20
Services	10/31/2002	1710	40	384.75	42.75
Services	11/30/2002	400	40	90	10
Services	12/31/2002	800	40	180	20
Services	1/31/2003	400	40	80	10
Services	5/31/2003	800	40	160	20
Services	6/30/2003	400	40	80	10
Services	8/30/2003	400	40	80	10
Services	9/30/2003	1200	40	240	30
Services	10/31/2003	800	40	160	20
Services	1/31/2004	1200	40	210	30
Services	2/29/2004	1250	40	218.75	31.25
Services	2/29/2004	400	40	70	10
Services	3/31/2004	50	40	8.75	1.25
Services	3/31/2004	400	40	70	10
Services	5/31/2004	400	40	70	10
Services	7/30/2004	1500	40	262.5	37.5
Services	11/30/2004	400	40	70	10
Services	yr 2005	8950	40	1342.5	223.75
Services	yr 2006	9460	40	1182.75	236.55
Services	yr 2007	6050	40	605	151.25
Services	yr 2008	2400	40	180	60
Services	yr 2009	2800	40	140	70
Services	yr 2010	7270	40	181.75	181.75
Cust. Advances	12/31/2011	6040.59	40	0	151.01
Services	yr 2011	5670	40	0	141.75
Total CIAC		\$516,093.59		\$290,274.09	\$10,638.31

Total Plant \$2,487,458.96 \$1,396,463.22 \$104,270.28

**The South Shore Water Works Company
Detailed Description of Amortization Expense
For Rate Making Purposes Only**

Description	Date	Amount	yrs.	Prior Amz.	Amz.
Reservoir Maint.					
Fullerton Resv.	7/15/2002	17475	10	15727.5	1747.5
Morton Resv.	9/20/2002	850	10	765	85
Morton Resv.	10/15/2002	5778	10	4632.4	577.8
Morton Resv.	11/15/2002	3216.4	10	2894.76	321.64
Morton Resv.	11/15/2002	12659.5	10	11393.55	1265.95
Morton Resv.	11/15/2002	6000	10	5400	600
Morton Resv.	7/15/2003	7900	10	6320	790
Windy Hill Resv.	9/15/2003	13080	10	10464	1308
Maloneton Int.	5/15/2009	9468	10	1893.6	946.8

All except Windy	10/15/2010	5500	10	550	550
All except windy	11/15/2010	15750	10	1575	1575
Reservior Total		\$97,676.90		\$61,615.81	\$9,767.69

Accounting					
PSC #2007-0199	11/15/2007	750	3	750	\$0.00
Total Accounting					

Legal

PSC #2003-003	1/14/2005	4304.9	3	4304.9	0
2003-003	2/15/2005	7768.1	3	7768.1	0
2003-003	6/1/2005	35.5	3	35.5	0
2003-003	7/1/2005	6419.6	3	6419.6	0
2003-003	10/14/2005	165.4	3	165.4	0
2003-003	11/15/2005	486.8	3	486.8	0
PSC #2003-003	2/1/2006	725	3	725	0
2003-003	4/1/2006	638	3	638	0
2003-003	4/14/2006	554.2	3	554.2	0
2003-003	5/19/2006	1272.3	3	1272.3	0
2003-003	7/1/2006	67.5	3	67.5	0
2003-003	8/15/2006	227.6	3	227.6	0
2003-003	10/2/2006	756.1	3	756.1	0
PSC #2007-0199	6/15/2007	166.5	3	166.5	0
PSC #2007-0199	7/13/2007	333	3	333	0
PSC #2007-0199	6/22/2007	3285.1	3	3285.1	0
PSC #2007-0199	8/15/2007	57	3	57	0
2007-0199	12/31/2007	602.5	3	602.5	0
2007-0199	3/14/2008	2507.2	3	2507.19	0
2007-0199	5/15/2008	62.6	3	62.6	0
PSC#2009-00247	3/13/2009	332.2	3	221.46	110.73
2009-00247	4/15/2009	88.1	3	58.74	29.37
2009-00247	5/15/2009	1937.2	3	1291.46	645.73
2009-00247	7/15/2009	5018.2	3	3345.46	1672.73
2009-00247	8/14/2009	1813.5	3	1209	604.5
2009-00247	10/15/2009	1345.6	3	897.06	448.53
PSC#2009-0047E	12/15/2009	1245.3	3	830.2	415.1
2009-00475	1/15/2010	791.7	3	263.9	263.9
2009-00475	2/15/2010	132	3	44	44
2009-00475	5/18/2010	100	3	33.33	33.33
PSC#2009-00247	2/15/2010	3359.6	3	1119.87	1119.87
2009-00247	3/15/2010	5197.9	3	1732.63	1732.63
2009-00247	9/18/2010	103	3	34.33	34.33
2009-00247	6/21/2010	3908.4	3	1326.8	1326.8
2009-00247	7/15/2010	314.9	3	104.97	104.97
2009-00247	11/15/2010	450	3	150	150
2011-0039	00/00/2011	11979.45	3	0	3993.15
Total Legal		\$68,551.95		\$43,098.10	\$12,729.67

Well Cleaning

Well 6	5/15/1995	4165	5	4165	0
Well 9	12/19/1995	4177.5	5	4177.5	0
Well 10	5/17/1996	2125	5	2125	0
Well 4	1/15/1997	3307.5	5	3307.5	0
Well 3	5/15/1997	4190	5	4190	0

Well 5	5/15/1998	5312.85	5	5312.85	0
Well 2	4/15/1999	4941	5	4941	0
Well 9	8/15/2000	3650	5	3650	0
Well 11 & 12	9/15/2000	4930	5	4930	0
Muriatic Acid	8/15/2000	400	5	400	0
Well 2	12/15/2000	1350	5	1350	0
Well 1	12/15/2000	1350	5	1350	0
Well 8	12/15/2000	1350	5	1350	0
Muriatic Acid	11/15/2000	270.04	5	270.04	0
Muriatic Acid	11/15/2000	169.18	5	169.18	0
Muriatic Acid	11/15/2000	169.18	5	169.18	0
Muriatic Acid	11/15/2000	169.18	5	169.18	0
Muriatic Acid	1/15/2001	777.58	5	777.58	0
Well 9	8/15/2001	1450	5	1450	0
Muriatic Acid	6/15/2001	300	5	300	0
Muriatic Acid	8/15/2002	616.52	5	616.52	0
Well 4	8/16/2002	2639.25	5	2639.25	0
Well 5	8/16/2002	2952.75	5	2952.75	0
Well 6	8/16/2002	2668.37	5	2668.37	0
Well 1	1/15/2004	2400	5	2400	0
Muriatic Acid	2/13/2004	471.5	5	471.5	0
Well 12	2/27/2004	3410	5	3410	0
Well 2	5/13/2005	3000	5	3000	0
Acid	9/15/2005	338.35	5	338.35	0
Acid	10/14/2005	338.35	5	338.38	0
Well 4	10/14/2005	2556	5	2556	0
Well 5	10/14/2005	2548	5	2548	0
Well 11	12/15/2005	2565	5	2565	0
Wells 1-2-8 Acid	4/13/2007	999.42	5	799.52	199.88
Wells 1-2-8	4/20/2007	12121.12	5	9696.88	2424.22
Acid	5/15/2008	756.12	5	453.66	151.22
Wells 3 & 9	5/15/2008	10426.36	5	6255.81	2085.27
Acid	8/15/2008	387.93	5	232.77	77.59
Well 6	8/15/2008	4640	5	2784	928
Acid	4/15/2009	859.39	3	572.92	286.46
Well 1-2	4/15/2009	10669.22	3	7112.82	3556.41
Well 5	7/15/2009	5655	4	2827.5	1413.75
Powered cl2 W12	7/15/2009	212.93	5	85.18	42.59
Acid	8/15/2009	631.69	5	252.68	126.34
Acid	10/15/2009	248.39	5	99.36	49.68
Well 12	10/15/2009	6670	5	2668	1334
Total Well Cleaning		\$125,335.67		\$104,899.23	\$12,675.41

Vehicle Lease Termination Fees

PSC #2003-0044	2/14/2003	2344	3	2344	0
PSC #2003-0044	2/14/2003	2389	3	2389	0
PSC #2003-0044	2/14/2003	2996	3	2996	0
Excess Mileage	12/5/2006	1844.23	3	1844.23	0
Excess Mileage	10/28/2009	1784.26	3	1189.5	594.75
Fees Total		\$11,357.49		\$10,762.73	\$594.75

Treatment Filters

PSC #2003-0044	2003	1980	10	1584	198
Filters Maint.	4/11/2003	5980	10	4784	598

Filters Total		\$7,960.00		\$6,368.00	\$796.00
Other Amortization					
PSC #2003-0044	2003	1267	40	253.44	31.68
PSC #2007-0199	2007	2910	3	2910	0
Total Other Amz		4177		3163.44	31.68
Total Amz. Expense					\$33,818.67

personal property shall include all
 Maps and MYLARS.

P.C.

cm

EXHIBIT IV

All contracts for insurance currently in effect as of the signing of this agreement. Seller specifically agrees to tender an itemized list and deck sheet within 30 days of the signing of this agreement.

EXHIBIT V

NONE

EXHIBIT VI

NONE



EXHIBIT VII

NONE

EXHIBIT VIII

NONE

COLLECTION AGREEMENT

WHEREAS, the South Shore Water Works Company has entered into an Asset Purchase Agreement with the City of South Shore; and

WHEREAS, the City of South Shore has agreed to purchase the assets of the South Shore Water Works Company; and whereas the South Shore Water Works Company will no longer be participating in the business of providing and or selling water; and

WHEREAS, once the purchase of the assets has been completed the provision of services provided by the South Shore Water Works Company will stop; however

WHEREAS, customers will need to pay their monthly water bill in the month preceding the sale, for services previously rendered,

NOW, THEREFORE, in consideration of the mutual agreements contained in this agreement, and intending to be legally bound, the Seller and Purchaser agree as follows:

1. The City hereby agrees to take payments for any amounts due to the South Shore Water Works Company, and make itself available to receive the same, from any water customer of the South Shore Water Works Company.
2. The City of South Shore shall receive one half of all amounts received by it, as compensation for its services. The remaining amounts shall be forwarded to The South Shore Water Works Company.
3. Nothing in this agreement shall be construed to relieve the South Shore Water Works Company of any and all debts, or liability incurred by it up and through the date of transfer of said assets, or after.
4. This agreement is specifically designed to allow the City of South Shore to receive any and all payments made to the South Shore Water Works Company, by its customers. Moreover it is designed to compensate the City one half of all amounts they handle or receive on behalf of the South Shore Water Works Company.

5. It is contemplated by the parties this agreement will encompass approximately one month (the month prior to or during the closing).
6. This agreement is not designed to create an open ended obligation by the City to collect or receive amounts due the South Shore Water Works Company. Nor is it designed to create an obligation to do so prior to the closing of the sale of assets and the operation of the water facility by the City.
7. If for any reason the Asset Purchase Agreement, which is contemplated by this contract, is not signed, fails to be completed, or is otherwise not finalized, this agreement shall be null and void.

IN WITNESS WHEREOF, the Corporation and Purchaser have caused this Asset Purchase Agreement to be executed by their duly authorized officers as of the day and year first written above.

**THE SOUTH SHORE WATER
WORKS COMPANY ("Water Works")**

7-2-12
DATE

BY: [Signature], President Works

CITY OF SOUTH SHORE, KENTUCKY

7-2-12
DATE

BY: Cheryl Moore
CHERYL MOORE, Mayor

STATE OF KENTUCKY:
COUNTY OF Greenup :

Acknowledged, subscribed and sworn to before me by George J. Blannan, on behalf of THE SOUTH SHORE WATER WORKS COMPANY who first stated he/she is the President of The South Shore

Water Works Company and that he/she is authorized to execute the foregoing document and the execution of same is his/her free, voluntary and true act on behalf of said company and the free, voluntary and true act of said company, on this 2 day of July 2012.

Kathy Jensen
NOTARY PUBLIC

My Commission expires: 12-31-14

STATE OF KENTUCKY:

COUNTY OF Greenup:

Acknowledged, subscribed and sworn to before me by Cheryl Moore, on behalf of the CITY OF SOUTH SHORE, KENTUCKY who first stated she is the Mayor of the City of South Shore, Kentucky and that she is authorized to execute the foregoing document and the execution of same is her free, voluntary and true act on behalf of said City and the free, voluntary and true act of said City, on this 2 day of July 2012.

Kathy Jensen
NOTARY PUBLIC

My Commission expires: 12-31-14

Subject: Re: Acquisition of Water System
From: George Hannah (ghannah001@yahoo.com)
To: bryan@cedainc.net;
Date: Friday, July 6, 2012 9:40 AM

Forgot the attachments

From: George Hannah <ghannah001@yahoo.com>
To: Bryan Kirby <bryan@cedainc.net>
Sent: Friday, July 6, 2012 9:39 AM
Subject: Re: Acquisition of Water System

Attached is the water rate schedule, Tap fee schedule with nonrecurring charges, the tap fee for larger than 1 inch is actual cost.

Greenup has refused to enter into a contract with this company because they would be under PSC jurisdiction on rates and service to a regulated utility. Keeping in mind the customers are the 3rd party beneficiary of a government grant for this connection. We are currently nothing more than a customer. South Shore City would not be under the PSC, so perhaps a contract with them may be possible. At this time there is not need for Greenup emergency supply due to a new larger water well replacing one that was aged last year.

Should you need anything else, let me know.

Joe Hannah

From: George Hannah <ghannah001@yahoo.com>
To: Bryan Kirby <bryan@cedainc.net>
Sent: Thursday, July 5, 2012 8:05 PM
Subject: Re: Acquisition of Water System

Bryan, I will copy and email you the info requested in the morning. Just happen to be checking email at 8 PM.

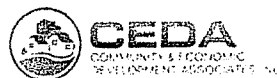
From: Bryan Kirby <bryan@cedainc.net>
To: ghannah001@yahoo.com
Cc: coss@zoomnet.net
Sent: Thursday, July 5, 2012 3:23 PM
Subject: Acquisition of Water System

Mr. Hannah, our firm is assisting the City with the application for the KIA funds to be used to purchase the water system. We just need a couple of items from you:

- Rate schedule, residential & commercial
- Tap fee schedule, residential & commercial
- Copy of the SSWWC & Greenup water purchase agreement

Just for your information, once we receive this information, we will be ready to submit this application to KIA and get things moving on the financing. Call with any questions. Thanks

Bryan Kirby



P.O. Box 855
Richmond, KY 40476
Phone: 859-624-3396
Fax: 859-575-4175
www.cedainc.net