

ORIGINAL

For

**Pre-Filed Testimony
Radcliff Sewer System
PSC Case No. 2013-00050**

Presented To:

**Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615**



Filed By:



1400 Rogersville Road
Radcliff, KY. 40160
Phone: 270-351-3222
Mr. Jim Bruce, General Manager

June 2013

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PUBLIC SERVICE
COMMISSION

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

June 19, 2013

Mr. Jeff Derouen
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

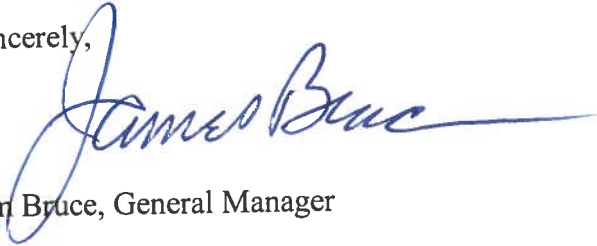
**SUBJECT: Filing of Pre-Filed Testimony - Application Addendum Document
Case 2013-00050**

Dear Director Derouen,

Enclosed please find an original and 10 copies of our pre-filed testimony along with exhibits to be considered part of our application for the above general rate case filing.

If you have any questions, please do not hesitate to call me or our attorney, Mr. David Wilson II (Phone: 270-351-4404).

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

Encl.

Pre-Filed Testimony Questions - Radcliff Sewer Rate Case

Case 2013-00050 By: Mr. Jim Bruce

1. How was notice to public made of this filing and amount of increase?

Answer Q#1: Public notice was made in accordance with KRS 278.185 by direct mailed notice to each customer. Verification and proof of printing and mailing will be provided to the Commission when available.

Witness: Mr. David T. Wilson II, Attorney

2. How many Board meetings was the need for increase, and approval of filing, discussed?

Answer Q#2: Specific discussions about the Radcliff sewer rates were discussed at 14 meetings, beginning at the June 16, 2009 meeting. Copies of the minutes from each of these meetings are included as **Exhibit 1**.

Witness: Mr. Jim Bruce, General Manager

3. Who completed the rate study?

Answer Q#3: Raftelis Financial Consultants ("RFC"), Inc. of Charlotte, North Carolina, performed most of the work on the study, rate model, analysis and provided several presentations to Hardin County Water District No.1 ("Hardin District") staff and Board. The lead analyst or person assigned to our study is Mr. Bart Kreps who has worked for RFC since 2002. His resume is attached as **Exhibit 2**.

Witness: Mr. Jim Bruce, General Manager

4. Why was this rate consultant selected, and how?

Answer Q#4: In early 2009, Hardin District issued a Request for Proposal (RFP) for the Radcliff Wastewater Cost of Service Study. This RFP was sent direct to several Kentucky-based engineering firms and consultants. An RFP advertisement was also published in two local papers. I met with several interested persons and firms prior to the RFP submittal deadline. One firm, Municipal Financial & Services Group, who had recently opened a Louisville office, met several times with me while working on their proposal. On the deadline date, the only proposal received was from RFC. Based on a review of the RFC proposal, and their extensive experience and history with cost of service utility studies, staff recommended, and the Board approved, proceeding using RFC for the study. (**Exhibit 17**)

Witness: Mr. Jim Bruce, General Manager

5. How long has it been since rates were adjusted?

Answer Q#5: From 1997 to 2004 the City of Radcliff implemented seven different sewer rate increases. Two were quite large (1998, 58.4% - 2002, 25%). The most recent rate increase by the City was a 2.4% increase in 2004. The agreement between the City and Hardin District imposed a new 3% franchise fee to be paid on sewer sales revenues, effective in 2008 when Hardin District took over ownership of the utility. In order to avoid an immediate cost increase to the customer, Hardin District *lowered* the city's sewer rates by 3%, offsetting the addition of the franchise fee which was added to the customer bill (as a pass through). This resulted in Hardin District operating the utility with 3% less revenues than what the City had been receiving. Other than the 3% decrease in 2008, rates have not changed since 2004.

Witness: Mr. Jim Bruce, General Manager

6. What type of rate design and changes is Hardin District proposing?

Answer Q#6: The Board was presented with multiple rate adjustment alternatives for consideration. Several of these options included variations of full cost recovery with the assumption of using reserves to help cash fund future capital improvements. However, the Board determined that any rate adjustment option under consideration should include 100% funding of depreciation. Ultimately, three rate options were presented.

The option selected by the Board was to maintain the current minimum charge structure and initiate a phase out of the declining block volumetric rate. Specifically, the current rate structure includes a minimum charge of \$17.11 with an allowance of 2,000 gallons of flow per month. Flows above 2,000 gallons but below 15,000 gallons are assessed the tier 1 volumetric rate of \$5.58 per 1,000 gallons (kgal). Flows above 15,000 gallons are assessed the tier 2 volumetric rate of \$4.47 per kgal, which is 20% less than the tier 1 rate.

The proposed rates increase the minimum charge to \$19.88 per month and maintain the 2,000 gallons minimum allowance. The tier 1 volumetric rate increases to \$6.48 per kgal while the tier 2 volumetric rate increases to \$5.84 per kgal or approximately 10% less than the tier 1 rate.

The phase-out of the declining block rate is consistent with cost of service principles and industry rate setting standards for sewer utilities. In terms of usage, the tier two rate captures mainly non-residential customers. Unlike residential water usage, which can exhibit seasonal peaks associated with elective consumption, non-residential sewer demand is related more closely to indoor water usage which tends to be more consistent on a month-to-month basis. As a result, from a unit cost perspective, there is little justification for a larger customer to benefit from a discounted volumetric rate since their flows tend to exhibit similar patterns of consumption. Further, it is unlikely that larger commercial customers in the Radcliff Utility service area deliver wastewater with strength concentrations less than domestic flows, which would support a lower unit cost of service for these customers. Rather, it is more likely that larger customers deliver wastewater with strength concentrations that are equal or above domestic levels. As a result, the proposed rates initiate a process of moving towards a uniform sewer volumetric rate while balancing the related impacts on large customers.

Witness: Mr. Bart Kreps, Rate Consultant

7. What rate design methodology or modeling was used?

Answer Q#7: The rate design methodology used was based on industry standard approaches as prescribed in the AWWA's Manual M1, Principles of Water Rates, Fees, and Charges and the WEF's Financing and Charges for Wastewater Systems. Analytics were developed in a Financial Planning and Cost of Service Model (Rate Model), which was developed in Microsoft Excel® - 2007.

Witness: Mr. Bart Kreps, Rate Consultant

8. Were any of the expenses included in revenue requirements adjusted to accrual basis from cash expenditures?

Answer Q#8: Revenue requirements include a three-year average for debt service, which includes projected principal payments. Annual rate funded cash capital is assumed to be equal to depreciation/amortization

Witness: Mr. Bart Kreps, Rate Consultant

9. What percent of total depreciation expense is included in the requested revenue requirement amount?

Answer Q#9: Several alternative options for recovery of depreciation expense were discussed with the Hardin District Board. These options included both partial (varying levels) and full (100%) recovery of depreciation in the revenue requirements. Ultimately, the Board determined that revenue requirements should include 100% of depreciation expressed in terms of rate funded, or pay-as-you-go, capital. The primary reasons included: (1) multiple years (2011 and 2012) reporting a financial loss before capital contributions; (2) significant and continued increase in annual depreciation due to capital investment. The majority of recent system investments have been funded through grants which will be exhausted fully by 2013; (3) limited leverage and related principal payments; and (4) the desire to use internal funds (rate funded capital and reserves) for system capital reinvestment in 2013 and the foreseeable future.

Witness: Mr. Bart Kreps, Rate Consultant

10. What historical test year did Hardin District use in its rate study?

Answer Q#10: The revenue requirements developed for this filing are based on audited financial results in 2012 with known and measurable adjustments. A copy of the 2012 audited financial report has been submitted with this filing. (**Exhibit 3, Appendix A**). Hardin District also prepares a Comparative Statement of Revenues, Expenses, and Changes in Net Assets that is submitted to the Kentucky PSC (**Exhibit 3, Appendix B**). The Comparative Statement ties to the audit in total, but it captures financial data in more detail which proved to be more useful for the cost of service analysis.

Hardin District's operating costs for the Radcliff Utility can be organized into five major categories: collection system labor, (2) customer service labor, (3) administrative labor, (4) contract services, and (5) all other expenses. The bulk of the Radcliff Utility costs are included under contract services, as Veolia Water, North America, South, LLC (Veolia) provides contract operations covering the wastewater treatment plant and collection system for the Radcliff Utility. Capital costs include both direct and allocated depreciation/amortization and a three-year average debt service payment. Revenue requirements were developed on a cash basis with funding of depreciation/amortization recognized in the form of annual rate funded capital. The Cost of Service Study report (**Exhibit 3, Appendix D**) provides detailed schedules including the depreciation of each Radcliff Utility asset, as well as allocated depreciation for certain shared facilities amongst Hardin District's five utilities.

Witness: Mr. Bart Kreps, Rate Consultant

11. How much does debt coverage requirement add to revenue requirements?

Answer Q#11: Revenue requirements do not include an adjustment for debt service coverage. The Radcliff Utility has only one outstanding debt obligation with a 1.0 times coverage requirement.

Witness: Mr. Bart Kreps, Rate Consultant

12. What types of adjustments is Hardin District applying to test year expenses, and what is the impact to revenue requirements of these adjustments?

Answer Q#12: Certain known and measurable adjustments were made to the test year to reflect more appropriately an adjusted revenue requirement for the Radcliff Utility for the purpose of determining any necessary rate adjustments. All of the adjustments to the test year are identified and explained in the report documenting the cost of service study (**Exhibit 3, Section 2, Pages 48-49 and Appendix E, Pages 146-157**). Total adjustments to the test year are \$435,619. I will address some of the more significant adjustments as part of this testimony.

Adjustments for personnel expenses reflect a 3.0% increase in salaries and wages for employees as approved by the Board at its December 6, 2012 meeting and documented in the Radcliff Utility 2013 Operating Budget. Although social security (OASDI) employee contribution percentages remained unchanged, the increase in salaries and wages translates into an increase in OASDI. In aggregate, salaries and benefits are adjusted to reflect additional costs of \$19,387.

The contract operating agreement between Hardin District and Veolia has a term of 17 years and 4 months. The annual cost to Hardin District is based on an Agreement Year, which is negotiated annually. The most recent negotiation between Hardin District and Veolia increased the total annual cost for services by \$79,391. This includes estimated overages which are allowed per the contract and included in the Radcliff Utility 2013 Operating Budget.

Hardin District will use a three year average for its debt service calculation. As such, interest expense of \$86,791 was reduced from the test year. The three year average debt service is \$348,955. The debt service coverage requirement on the Radcliff Utility's only outstanding indebtedness is 1.0 times.

The 2012 Audit includes a one-time loss on sale of \$99,903. Hardin District does not anticipate another loss on sale in assets in 2013 and therefore a recurring adjustment was not used.

Hardin District anticipates it will account for an additional \$5,075,948 in capital investment in 2013 for Radcliff Utility assets by the end of 2014. A substantial portion of the additional depreciation associated with these assets relates to sewer system improvements funded by \$3.75 million in grants associated with the Kentucky Base Realignment and Closure ("BRAC") grants through the Economic and Development Cabinet. In total, new capital investment in the system will result in additional depreciation of \$132,718.

Witness: Mr. Bart Kreps, Rate Consultant

13. What was the basis for the decision for the selected rate design?

Answer Q#13: The Board was presented with numerous possible rate designs starting with the first rate increase presentation in 2010. One of the options was intended to make the sewer rate design more consistent with Hardin District's water rates. This would have replaced a minimum bill with a customer charge, and leaving the declining block structure. At a September 13, 2012 meeting, Mr. Kreps and I presented the Board with seven different possible rate design options. **Exhibit 16** includes the slide presentation and explanation of the different options, and impacts to different types of customers.

At the meeting, the Board developed an eighth option and asked staff to see how this would impact customers. This option was approved at the September 18, 2012 meeting. The selected option kept the minimum bill, with a declining block, but changed the declining block discount at 15 kgals from a 20% decrease to a 10% decrease. At the March 13, 2013 Board meeting, staff presented the Board with a recommendation to discontinue allowing customers to receive a sewer credit by using a "yard meter" for outdoor water use during the summer. This discount was a practice by the City, continued by Hardin District, but is not in the tariff nor was in the City's sewer ordinance.

The Board asked staff to again revisit a rate option known as Winter Quarter Billing, for residential sewer customers. At the April 16, 2013 meeting, staff made a presentation of the updated impact of using Winter Quarter Billing as a rate option. The Board decided not to use this and the rate design presented in the application is the same as approved at the September 18, 2012.

Witness: Mr. Jim Bruce, General Manager

14. What method does Hardin District use to calculate depreciation on capital assets?

Answer Q#14: Hardin District applies the NARUC (National Association of Regulatory Utility Commissioners) Average Service Life guidelines to all assets purchased and capitalized. Hardin District attempts to take the range of the Average Service Life and consistently apply it to all assets within a specific class. For example, per the guidelines, Lift Stations Structures are to have an Average Service Life of 20-50 years. Hardin District depreciates Lift Station Structures on a 35 year useful life. However, if an asset is rebuilt or refurbished, we take into account the additional life expectancy the rebuild/refurbish adds to the asset and use this as the useful life.

Hardin District uses the Straight Line Method for depreciation which is annotated on our Depreciation Schedule as "SLMM". However, due to how assets were entered into our fixed asset software program years ago, it was noticed that certain assets had stopped depreciating. Therefore, for those few assets, we had to adjust from the Straight Line Method to a Remaining Value over Remaining Life Method, annotated as "RemVL" (**Exhibit 3, Appendix D**).

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

15. How much of added fixed assets since 2008 is funded by grants? Of the grant funded assets, how much depreciation expense related to those assets being added to rate base?

Answer Q#15: Since 2009, Hardin District has been awarded three separate Radcliff Sewer Grants known as "BRAC" grants totaling \$6,250,000— Inflow and Infiltration Grant (I&I Grant) at \$1,500,000; Lift Station Improvement Grant (LS Grant) at \$2,250,000; and the System Improvement Grant (SI Grant) at \$2,500,000. Of the \$4,235,774 of added assets since 2008 for Radcliff Sewer, approximately \$2,201,481 has been funded by these Grants. As of December 31, 2012, the I&I Grant has been fully expended while the LS and SI grants have remaining balances of \$1,694,777 and \$1,467,464 respectfully. A breakdown of Funded Assets that have been capitalized as well as funded assets that remain in Construction-In-Progress (CIP) accounts is attached as **Exhibit 4, Pages 158-160**.

Of the \$144,534 added to the rate base for depreciation and amortization, \$91,973 is attributable to grant funded assets. (**Exhibit 4, Page 161**)

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

16. How does Hardin District justify calculating depreciation on assets that were funded 100% by grants or contributed capital, when Hardin District had no cost of funds or borrowed funds?

Answer Q#16: The ownership, maintenance and replacement of all capital assets have become the responsibility and the cost of Hardin District regardless of how the asset was initially acquired or who paid for it. Depreciation expense on assets is a generally accepted accounting principal. Given the nature of the Radcliff system, with known problems with high inflow & infiltration, high number of lift stations with an aging wastewater treatment plant, an extensive capital replacement program is needed to address these problems and fund future replacements. Depreciation expense (if included in the rate base) is a major source of funds for capital projects. The Board was presented with options to include varying percentages of the calculated depreciation amount in the rate base, and chose to include 100% to provide adequate funding for the capital program. Hardin District's legal counsel also believes that *PSC v. DeWitt Water District* (720 S.W. 2d 725, 1986), **Exhibit 5**, provides a legal basis for Hardin District to include depreciation expense in its rate base, regardless of the nature or source of payment for the original asset.

Witness: Mr. Jim Bruce, General Manager

17. What would the impact be to customer bills if the requested rate increase were approved?

Answer Q#17: The vast majority of Hardin District's customers will see an increase of 15.2% if the requested rate increases are approved. Since the requested rates include a reduction in the rate differential provided to flows above 15,000 gallons, customers using above 15,000 gallons will see a larger increase which will increase commensurately with higher levels of flow. However, based on a bill frequency analysis developed as part of this study, almost 98% of Hardin District's customers use 15,000 gallons or less on a monthly basis. The bill frequency analysis was updated multiple times over a four-year period (2009, 2010, and 2011 data) with consistent results. The analysis identified the number of customers and annual flow for 1,000 gallon increments of water consumption. An analysis of customer bills and proposed impacts is provided in **Exhibit 3, Appendix E, Page 128**.

Witness: Mr. Bart Kreps, Rate Consultant

18. How did Hardin District allocate costs to the wholesale rate?

Answer Q#18: Based on Hardin District's objectives, available data, and our understanding of the Radcliff system, it was determined that the most appropriate methodology for developing a wholesale rate should include two cost components: (1) a proportionate share of the annual depreciation and interest expense associated with the assets that would provide service to a wholesale customer (e.g. wastewater treatment and conveyance); and (2) a proportionate share of the operating and maintenance expenses associated with these assets. A full description of the methodology used and resulting wholesale rate calculation is provided in Section 5 of the cost of service study report (**Exhibit 3, Section 5, Pages 58-61**)

Witness: Mr. Bart Kreps, Rate Consultant

19. For each capital construction project shown as an adjustment to test year, provide a table showing the starting date of construction, proposed in-service date and estimated cost of construction

Answer Q#19: **Exhibit 6**

Witness: Mr. Preston Pendley, Engineering Manager

20. What amount was used for the test year revenue amounts, and what was included?

Answer Q#20: The test year includes \$3,371,082 in revenue from sewer user charge sales (minimum charge and volumetric rates), \$24,123 in interest income, and \$87,352 in non-operating revenue.

Witness: Mr. Bart Kreps, Rate Consultant

21. What methods are used to allocate costs among the funds? Does Hardin District allocate general and administrative costs among its 5 funds?

Answer Q#21: As noted throughout the Rate Study for the Whitesburg Municipal Waterworks, issued September 2011 by the Commission, it is appropriate for a Utility to allocate a portion of various costs to other Divisions within the Company. Hardin District follows this methodology by allocating three major categories of costs to other funds - Labor, Depreciation and Other Allocated line items which include Customer Service and Administration expenses. These costs may be allocated across all five funds or only two or three funds as deemed appropriate by the General Manager and Finance and Accounting Manager based on the type of cost and activity and the benefit to multiple utilities from the activity or personnel. Following, are the methodologies used to allocate the three Cost categories:

| Cost Category | Methodology |
|------------------------------|---|
| Labor | The amount of time an employee spends on each fund is estimated during each budget process using time studies and interviewing employees |
| | Some employees such as CSR's and Meter Readers are based upon % of sales revenue total between County Water and Radcliff Sewer |
| | Commissioners and Staff Attorney are based upon the count of topics of discussion & Motions made in previous year |
| | Utility Billing Specialist is based on Revenue split as well with a small portion going to FK Sewer, FK Storm & FK Water as there is only 1 customer each for billing purposes |
| Depreciation - Shared Assets | Assets that were already booked on County Water system that were deemed to be shared by Other funds were determined by various methods including number of billings, total budgeted salaries, budgeted salaries & benefits for specific employees, number of megabytes the GIS system for each utility uses, the number of large meters in the City of Radcliff compared to total large meters and estimated use of asset between funds. These assets were put into separate "Classes" in order to break out the depreciation |
| Depreciation - Split Assets | Costs of New Shared Assets are now "Split" between Funds based upon same criteria. However, the costs are booked separately on each fund's depreciation schedule |
| Other Allocated Costs | Very similar to Labor Allocation methods |
| | % of Total Dollar Revenues billed with \$0 for FK Sewer & Storm |
| | Total Personnel Costs by Utility |
| | Occupancy % of Personnel devoted to Radcliff Sewer. This was based on Square Footage of Office Space and amount of time employees designate to Radcliff Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility with none to FK Sewer & Storm |

Please refer to **Exhibit 7**.

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

22. What Hardin District employees are allocated to Radcliff Sewer fund, total number of full time employees allocated to Radcliff Sewer fund, and how were these allocations determined?

Answer Q#22: Of the 49 total 2012 Budgeted employees, including Commissioners and Staff Attorney, 8 Full Time Equivalent (FTE) employees are allocated to the Radcliff Sewer Fund. For 2012, the following employees were allocated to the Radcliff Sewer Fund based on the allocation methods as described in Question #21 above: Customer Service Representatives; Customer Service Manager; Accountant; Accounting Specialist; Finance & Accounting Manager; Executive Assistant; Project Coordinator; General Manager; Commissioners; Staff Attorney; Meter Readers (Distribution Operators); Utility Billing Specialist; Meter Technician (Distribution Operator); GIS Planning Specialist; Operations Manager; and Distribution Supervisor. Please refer to **Exhibit 8** for specific allocations.

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

23. Are any Hardin District water or sewer charges expensed to the Radcliff Sewer fund?

Answer Q#23: Yes. Hardin District directly expenses water and sewer charges to the Radcliff Sewer Fund for three separate locations – Arlington Lift Station, Lincoln Lift Station and at 350 New Street East (WWTP). The two Lift Station self-billings are for water service for the wet wells and maintaining nearby Lift Stations. Our Radcliff Waste Water Treatment Plant is located at 350 New Street East. The 2012 total utility charges for these three locations was approximately \$2,754, as shown in **Exhibit 9**

Hardin District also allocates part of its service center utility costs to other funds. Total Utility costs attributable to the Service Center for 2012 were approximately, \$33,102, of which \$8,646 (26%) were allocated to Radcliff Sewer, as shown in **Exhibit 10**.

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

24. What portion of Hardin District central office costs are charged to the Radcliff sewer fund?

Answer Q#24: Of the approximately \$2,616,082 of total costs that are allocated, \$460,504 or 17.6% was allocated to Radcliff Sewer. These costs include Labor Costs, Depreciation Expense and other Customer Service and Administration Expenses. Please refer to **Exhibit 11** for a more detailed breakdown of Allocated Costs.

Witness: Mr. Scott Schmuck, Finance and Accounting Manager

25. The District has separate operating contracts with Veolia Water for both the Radcliff sewer and Ft. Knox sewer systems. Do these contracts allow interchange of equipment, labor or assets between the projects?

Answer Q#25: Yes. It is referred to as "cross utilization" in sections 4.20.7, 4.20.10 and 4.20.11 on page 11 of the District's Veolia / Radcliff operations agreement, **Exhibit 12**. Moreover, Veolia crews from West Virginia assisted the Radcliff project during the 2009 ice storm. If one project is short staffed due to vacancies or absences, the other project can provide short term aid or assistance.

Witness: Mr. Brett Pyles, Operations Manager

26. What access does Hardin District have to Veolia operations, observation, periodic reports and equipment?

Answer Q#26: Section 4.3 of the District's agreement with Veolia states "The District reserves the right to monitor and evaluate the progress and performance of VEOLIA WATER to assure the terms of this agreement are being met in accordance with applicable wastewater industry monitoring and evaluating criteria and standards. VEOLIA WATER shall cooperate with the DISTRICT relating to such monitoring." Veolia provides two monthly reports to the Operations Manager as well attending a monthly status meeting. The District's Operations Manager converses on a daily basis with Veolia's Project Manager and has complete access to all Radcliff sewer facilities and often makes visits and inspections of work being completed, or to advise Veolia on certain aspects or decisions related to operations.

Witness: Mr. Brett Pyles, Operations Manager

27. What was the initial contract Veolia limit amount and how have those increased since 2008?

Answer Q#27: During 2012 (test year) Veolia was paid a total of \$2,158,923. This included payments toward three different limit accounts. The limit accounts budget (contracted) have a maximum amount which Veolia must expend during the year, or reimburse the difference back to Hardin District. If Veolia spends more than the contracted limit amounts, Hardin District reimburses those overages as well. The base fee paid Veolia was \$1,617,635 which is 75% of the total paid. Veolia payments for limit account expenses must be external costs actually paid and cannot include Veolia internal labor, profit, administrative or other expenses. The limit account amounts are "pass through" expenses which Veolia directly pays for materials, electric service payments, contractors or for services, which payments are not kept by or benefit Veolia directly.

| Fee Component | 2008 Initial Contract Amount | 2013 Current Contract Amount | % Change in Contract Amount Since 2008 | 2012 Test Year Actual | % / \$ Change 2012 Contract to Actual |
|----------------------------|------------------------------|------------------------------|--|-----------------------|---------------------------------------|
| Base O&M Fee | \$1,548,696 | \$1,617,635 | + 4.5% | \$1,617,635 | 0% / \$0 |
| Repair & Maintenance Limit | \$193,200 | \$193,200 | 0% | \$283,280 | + 47% / + \$90,080 |
| Electrical Limit | \$138,768 | \$190,764 | + 38% | \$256,867 | + 35% / + \$66,103 |
| Odor Control Limit | \$15,000 | \$15,000 | 0% | \$1,140 | - 92% / - \$13,860 |

Witness: Mr. Jim Bruce, General Manager

28. What efforts do Hardin District Staff and Board make to review Veolia's spending for Repair & Maintenance, or in reviewing its annual requested fee change?

Answer Q#28: Our Operations Manager, Mr. Brett Pyles, is assigned to oversee the Veolia contract performance. Each month a status meeting is held and attended by the Veolia Radcliff Project Manager, Mr. Pyles, our Engineering Manager and others as needed. At this meeting, problems, concerns and projects are reviewed. The contract with Veolia requires they monitor budget limit accounts and report when 80% of the annual budget limit is reached. Each month, Veolia must submit a written report along with a list of all costs that have been charged to the R&M (Repair & Maintenance) limit account. Another spreadsheet identifies all R&M expenses over \$1,000 each, so that Hardin District can determine if the expenses should be capitalized. Veolia also maintains and submits a master spreadsheet showing all energy used and electric bills paid for each facility. Hardin District also requires that Veolia request approval prior to spending \$2,500 or more on any R&M item. This request is sent to Mr. Pyles, who often asks for additional quotes, suggests alternate methods of repair or denies the request. If Veolia requests an annual fee increase, the Board has authorized me to negotiate the amount or ask for more information to justify the proposed increase. In reference to most recent increase, the Board asked for specific details about Veolia's health insurance costs as this was a reason identified by Veolia for the increase. Finally, the Veolia Area Manager meets with me often to discuss cost control efforts and quality of service being provided by Veolia and the Radcliff Project Manager.

Exhibit 13.

Witness: Mr. Jim Bruce, General Manager

29. How much of the revenue requirements are for Contract Operations to Veolia and what portion of payments to Veolia are considered Veolia's base fee and how much are pass through costs which require Veolia to pay outside vendors or suppliers?

Answer Q#29: Total test year revenue requirements are \$3,819,632 (**Exhibit 3, Appendix E, Page 125**). The total amount paid to Veolia in the test year was \$2,158,923. The majority of this amount (\$2,102,540) was accounted for as an operating expense while the balance (\$56,383) was capitalized. Veolia rarely performs substantive capital construction for the Radcliff Utility, as Hardin District identifies, designs, bids, and manages all capital projects. In only one instance was any capital construction work performed by Veolia for the Radcliff Utility. This was very unusual and done through an additional work clause in the Veolia contract. Veolia was asked to address moving a sewer main that had been exposed due to soil erosion and needed to be corrected before the pipe collapsed or broke

Witness: Mr. Bart Kreps, Rate Consultant

30. Has Hardin District benchmarked Veolia's contract operating costs with comparable utilities?

Answer Q30: Yes. RFC conducts a national water and wastewater rate survey with the American Water Works Association (AWWA). This survey is conducted on a bi-annual basis and includes a wealth of information on rates and rates structures, as well as certain financial and operating statistics for more than 300 utilities. In order to provide a high level comparison of Veolia's contract operating costs, RFC compared Hardin District's test year operating costs with two sample groups of utilities. A summary of the results and supporting detail is provided in **Exhibit 14**.

Witness: Mr. Bart Kreps, Rate Consultant and Mr. Jim Bruce, General Manager

31. Was the process whereby Hardin District selected Veolia Water North America – South, LLC ("Veolia") to operate the Radcliff sewer system consistent with the opinion of the Kentucky Auditor of Public Accounts as set forth in the "Examination of Certain Policies, Procedures, Controls, and Financial Activity of Mountain Water District" dated January 27, 2011 and the PSC rate study of the Whitesburg Municipal Waterworks of September 27, 2011?

Answer Q31: No. However, it should be noted that the Whitesburg Rate Study was published in September 2011. In that study, Commission staff recommended that Whitesburg issue a request for proposals to all potential suppliers and, further, perform an analysis in order to compare the cost of contracting the operation and management of its facilities with the cost of re-assuming full responsibility of such operation and management. See, Whitesburg's Rate Study at Page 19. As to the examination of Mountain Water District ("MWD"), the State Auditor makes certain recommendations relative to the process whereby MWD entered into a management contract similar to the contract Hardin District presently has with Veolia. For instance, the State Auditor suggests that the provisions of KRS 45A.551 could be made applicable to privatization efforts.

The guidelines of the Public Service Commission and the State Auditor had not been published in 2008 when Hardin District entered into its contract for operation, management and maintenance of the Radcliff sewer assets. Going forward, it is the opinion of counsel for Hardin District that the District will, as always, endeavor to comply with the established guidelines that govern its operations including, but not limited to, seeking requests for proposals from qualified operators relative to the operation, management and maintenance of the Radcliff sewer system.

Witness: Mr. David T. Wilson II, Attorney

32. Did the Hardin District Board consider self-operation in lieu of contracting with Veolia to operate the Radcliff sewer system?

Answer Q32: No. At the time the acquisition of the Radcliff sewer system was contemplated, the District was not sufficiently staffed to operate a sewer system. Accordingly, in order to facilitate the transaction, Hardin District negotiated privately with Veolia for the operation, management and maintenance of the Radcliff sewer system.

Witness: Mr. David T. Wilson II, Attorney

33. How did Hardin District select Veolia for contract operations of the Radcliff system?

Answer Q33: The City of Radcliff initially proposed to Hardin District the idea of the City divesting its sanitary and storm utility systems to Hardin District. This led to a negotiated Memorandum of Understanding ("MOU" **Exhibit 15**). In the MOU, Veolia is specifically identified as the system operator, and further requires that any City employees affected by the system transfer be hired and employed by Veolia. Veolia also offered to do all the initial work on studying the system, operating costs and technical investigation for Hardin District. Based on the MOU language and intent, Hardin County was required to negotiate solely with Veolia once the City decided to turn the system over to Hardin District.

Witness: Mr. David T. Wilson II, Attorney

34. When would be the soonest date that Hardin District could terminate its Veolia / Radcliff operating contract without penalty or a required cause?

Answer Q#34: The Veolia / Radcliff operating agreement was signed in February, 2008. According to the agreement, the first date the contract could be terminated without cause and penalty would be June 30, 2015 with written notice provided no later than March 2, 2015. (**Exhibit 12**).

Witness: Mr. Jim Bruce, General Manager

35. Would Hardin District consider soliciting future competitive proposals for contract operations?

Answer Q#35: While I cannot speak for the Board, I do not know of a reason that Hardin District would not consider this if the Board decided to change from Veolia as the contract operator, which they have not decided to do. Hardin District historically has used competitive proposals for many types of services and design work, including banking services, purchasing cards, Certified Public Accountants, engineering firms, rate consultants and others, so I believe our staff and Board is capable of preparing and issuing an RFP for operating services, should that decision be made in the future.

Witness: Mr. Jim Bruce, General Manager

36. Is KRS 424.260(1) applicable to the contract entered into between Hardin District and Veolia?

Answer Q#36: No. KRS 424.260(1) is not applicable to professional services. Veolia provides all management, oversight, and supervision of daily operations of the Radcliff system. This contractual obligation necessitates that Veolia provide a project manager who oversees daily operations, including the hiring, management and training of multiple Veolia employees. Veolia must operate all equipment, treatment facilities, bacteriological laboratory and the collection system. Veolia must also sample, collect, and analyze within the parameters of the EPA/KY-DOW Discharging Monitoring Permit. Veolia is responsible for all regulatory reports and filings necessitated by applicable state and federal regulations. Veolia is solely obligated for fines resulting from non-compliance. Further, Veolia performs flow monitoring studies to assist with sewer project design and prioritization. Veolia is obligated to publish and follow an Operations and Maintenance Plan, Quality Management Plan, a Process Control Management Plan, a monthly status report, and a Safety Program. Veolia has vast expertise with programs necessitated by the contract which includes periodic peer review of its laboratory practices. In short, the services provided by Veolia do not require competitive bidding. See *Jeffersontown vs. Cassin*, 102 S.W.2d 1001 (1937); and OAG Opinions 78-725, 79-501, and 82-125.

Witness: Mr. David T. Wilson II, Attorney

VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed pre-filed testimony submitted to the Commission, and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

Hardin County Water District No. 1

By James S Bruce
James S. Bruce, General Manager

CERTIFICATION OF SERVICE

The undersigned, Mr. David T. Wilson II, the attorney of the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and on Hon. David E. Spendar. Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY. 40601-8204 on this 25th Day of JUNE, 2013

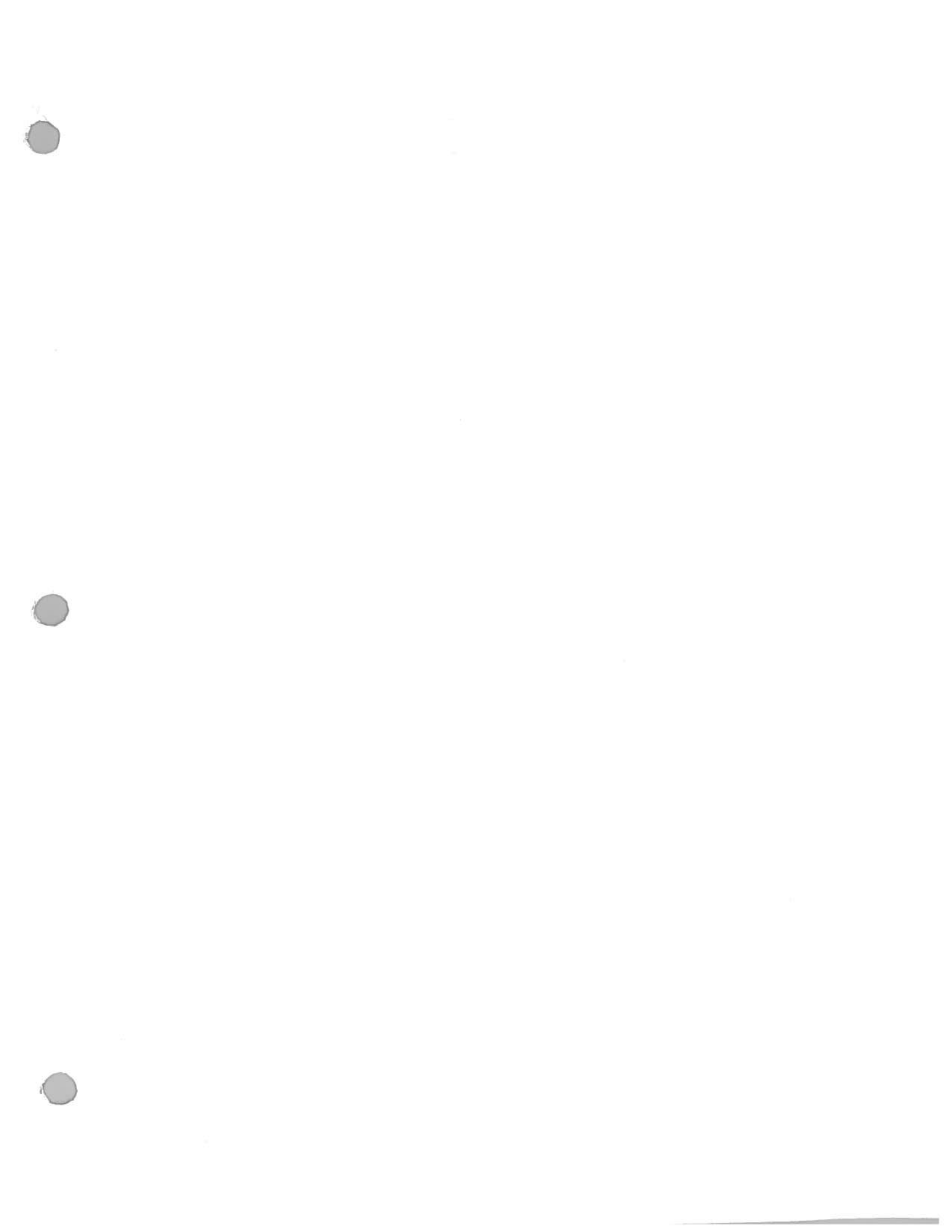
By David T Wilson II
Mr. David T. Wilson II, ESQ
Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 19th day of June, 2013, personally appeared before me, James S. Bruce and David T. Wilson II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.

Mary Gallant
NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; 11-29-15



**Hardin County Water District No. 1
Minutes of Regular Meeting
of the Board of Commissioners**

April 16, 2013

Chairman William Gossett called the meeting to order at 11:35 A.M. with Commissioners Ron Hockman, John Tindall, Howard Williams and Steve Walton in attendance. Staff present included Jim Bruce, General Manager; Scott Schmuck, Finance and Accounting Manager; Preston Pendley, Engineering Manager; Andrea Palmer, Executive Assistant; and attorney David Wilson. There were no guests present. Lunch was provided for the Board and staff.

At Chairman Gossett's request, the Board observed a moment of silence in honor of those impacted by the Boston Marathon bombing tragedy and also for Brett Pyles and his family, whose mother-in-law had just passed away.

Chairman Gossett opened the floor for public comment. There was none and the floor was closed to public comment.

Chairman Gossett then welcomed Commissioner Williams to the Hardin County Water District No. 1 Board and asked him to introduce himself. Commissioner Williams gave a brief history of himself and the Board welcomed him.

Chairman Gossett asked for a motion to accept the March 19, 2013 special meeting minutes. Legal counsel was asked if Mr. Bruce's contract should be filed with the meeting minutes, which he said they could be as being considered a public record. Secretary Walton requested that a sentence be added to page 2 of the minutes and Commissioner Hockman made a motion to accept the March 19, 2013 special meeting minutes as amended. Treasurer Tindall seconded the motion and motion passed.

Mr. Schmuck presented the March 2013 Treasurer's report, noting that four of the five funds reflect a net positive income for the month, while Radcliff Sewer reflects a net loss. Commissioner Hockman had questions about the location of the Commissioners' Salaries on the finance report. Mr. Schmuck answered that they were included with the employee salaries. Commissioner Hockman also questioned the method being used to allocate staff salaries. Mr. Bruce answered that he would provide a table for the Board's information. Mr. Schmuck then informed the Board that the Finance and Accounting staff tracks the budget monthly and he acknowledged the Distribution Department for staying within or under budget for three consecutive months. Treasurer Tindall made a motion to approve the March 2013 Treasurer's Report. Commissioner Williams seconded the motion and motion passed.

Board Monitoring Reports: Mr. Bruce presented the General Manager's Report and offered to answer any questions. Commissioner Hockman asked why the Winter Quarter Billing (WQB) item was again on the agenda. Mr. Bruce answered that the Board had voted at the March 19 meeting to reconsider WQB at a future meeting, as was noted in the minutes for that meeting. Chairman Gossett asked that the discussion wait until that agenda item were up for discussion.

Treasurer Tindall asked if there was any update on the easement for Fort Knox for the Louisville Water Company Interconnect Project, and Mr. Bruce answered that Fort Knox had forwarded the easement to IMCOM and is now waiting on a reply from that department. He noted that this showed some positive movement, however was concerned how much longer the process could take.

Mr. Bruce presented the Operations Manager Report, relaying that Mr. Brett Pyles had a death in the family and was on bereavement leave. Commissioner Walton complimented staff for their decision not to purchase a new chlorine analyzer, which had been approved in the budget, and stated that it indicates staff's commitment to spending frugally or look for savings where possible.

Continued

Mr. Pendley presented the Engineering Manager's Report. There was discussion regarding Park Valley Mobile Home Community and the inflow and infiltration of storm water entering into the sanitary sewer system. Mr. Bruce explained there were no residents living in the MHP and it was currently abandoned, so plugging the lateral line at the manhole would have no adverse affect to customers. Mr. Pendley also said the pipe could be reconnected in the future if needed, but there might also be an opportunity to require the private lines be replaced, before allowing a reconnection to the public system.

Polyblend Mixing Unit: Treasurer Tindall made a motion to authorize staff to replace both Polyblend Mixing Units at the Fort Knox Wastewater Treatment Plant, utilizing additional Government funding secured, and to increase the 2013 Capital Budget item 12 approved amount to \$19,000. Secretary Walton seconded the motion and motion passed.

Winter Quarter Billing: Treasurer Tindall provided his reasons for asking that this option be considered again. After discussion among the Board a consensus was reached that this rate option could be dropped from any further consideration and there was no need to review the information provided for the agenda item.

Joint Water District Meeting Scheduling: Chairman Gossett noted that he prefers the joint gathering be held in a private location as opposed to a restaurant. Commissioner Hockman added that staff should ask the Judge Executive for his availability and schedule around those dates, and Secretary Walton requested that staff plan for September or October for the gathering. Mr. Bruce said staff would contact the Judge and poll Board members for possible dates and report back to the Board.

Execution of General Manager Employment Contract: Treasurer Tindall made a motion to authorize the Chairman to execute the revised employment contract for the General Manager with the changes approved at the March 19, 2013 meeting. Commissioner ~~Howard~~ ^{Williams} seconded the motion and motion passed.


Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 1:55 PM. Motion was seconded by Secretary Walton and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. Steve Walton, Secretary

May 21, 2013
Date Approved

Continued

Chairman Gossett asked for a motion to accept the January 15, 2013 regular meeting minutes. Commissioner Hockman made a motion to accept the minutes. Motion was seconded by Secretary Walton and passed. Commissioner Rissel abstained due to his absence during the previous meeting.

Mr. Schmuck presented the January 2013 Treasurer's report. He noted the recent Atrazine class action case settlement for \$26,000 received by the District which had been deposited into the County Water Fund. Mr. Bruce explained that Mr. Wilson had been contacted by the law firm organizing the suit suggestion the District file evidence as a claimant for a national case regarding Atrazine, a pesticide used for years that potentially could reach ground water supplies of public water systems. Mr. Wilson recommended staff complete the application forms as there was a possibility the District might receive a portion of the settlement. There was some discussion about whether or not the application should have been approved by the Board prior to filing. Mr. Wilson agreed the District became a claimant, but noted that the District had no litigation costs, did not file the lawsuit, made no public notice and was only a late coming claimant. He agreed that whenever the District files any kind of legal action or lawsuit, the Board should approve that action in advance. Treasurer Tindall made a motion to approve the January 2013 Treasurer's Report. Commissioner Rissel seconded the motion and motion passed.

Board Monitoring Reports: Mr. Bruce presented the General Manager's Report. Mr. Bruce announced that he, Mr. Schmuck, and Mr. Wilson met with the Public Service Commission ("PSC") regarding the Radcliff Sewer rate case. He requested Mr. Wilson to brief the board on the meeting.

Mr. Wilson reviewed the potential concerns of the PSC regarding the upcoming Radcliff sewer rate filing. He explained that the PSC informed he and Mr. Bruce that they plan to ask for extra information in regards to the value of Veolia's contract and may ask Veolia to open their financial books. Mr. Bruce noted that the PSC staff indicated they would require the District to provide alternative cost comparisons to using Veolia for contract operations, and possibly require the District to present cost estimates for self-operations.

Treasurer Tindall asked for an update on the shared water storage tank with the City of Vine Grove. Mr. Bruce answered that HDR, Inc. is attempting to complete a hydraulic model; however, the city's engineering firm, Sisler & Maggard Engineering of Lexington has been non-responsive to HDR's requests for water system technical data. He added that the Mayor has contacted the engineer to request cooperation for the study. There was discussion about which avenue of action the District should take, and there was a general consensus that if the data is not provided soon, that the Mayor be called and advised the District would be sending a letter providing a deadline to receive the data, which after that date, the District would cancel its investigation of a shared tank with the City.

Mr. Pyles presented the Operations Manager Report and asked for questions. Treasurer Tindall inquired about the amount of water leaked for the month of January and Secretary Walton asked for explanation about the "sludge cake" percentage. Mr. Pyles answered both questions to the Board's satisfaction.

Mr. Pendley presented the Engineering Manager's Report. There was discussion amongst the Board and Staff regarding the possibility of a county wide sewer mandate and how that might affect the District. In regards to the Godman Airfield Stormwater Project, Mr. Pendley added that the Board had made a motion at the January 15, 2013 meeting to award the project to the lowest bidder not to exceed \$930,000. He announced that the bid opening had been held that morning and the apparent low bidder was Basham Construction from Louisville for \$755,000 and the next lowest bid was Bischoff Brothers Construction with \$1,067,000. There was some discussion about the bid amounts. Mr. Pendley said the design engineer was investigating the low bid amounts and checking references on the two low bidders.

Meter Supplier Bid Award: Mr. Pyles presented the bid information from the May 8, 2012 bid opening for Water Meter Suppliers which showed Ferguson Waterworks as the low bidder with \$71.00 per meter and HD Supply Waterworks as the second lowest bidder with \$77.65 per water meter. He explained that Ferguson Waterworks is not able to meet demand due to issues with their suppliers, and asked that the District declare Ferguson non-responsive and award the bid to HD Supply Waterworks, who has already committed to honoring their May, 2012 bid. There was a discussion about possible challenges of reading multiple brands of meter via radio read, and Mr. Pyles assured the board that the radio transmitter is the same on both brands and will not pose a problem for reading the meters. Commissioner Rissel made a motion to retract a bid award made to Ferguson Waterworks in 2012 and accept and award the bid provided

**Hardin County Water District No. 1
Minutes of Regular Meeting
of the Board of Commissioners**

January 15, 2013

Acting Chairman John Tindall called the meeting to order at 11:45 A.M. with Commissioners Ron Hockman and Steve Walton in attendance with William Gossett attending by teleconference from Ft. Myers, Florida. Acting Chairman Tindall noted that Chairman Rissel could not make the meeting. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance & Accounting Manager; Preston Pendley, Engineering Manager; Andrea Palmer, Executive Assistant and attorney David Wilson. There were no guests present. Lunch was provided for the Board and staff.

Chairman Tindall opened the floor for public comment. There were no public comments offered and the floor was closed to public comment.

Chairman Tindall asked for a motion to accept both the November 20, 2012 regular meeting minutes and the December 6, 2012 special meeting minutes. Commissioner Hockman made a motion to accept both sets of minutes. Motion was seconded by Commissioner Walton and passed.

Mr. Schmuck presented the November and December 2012 Treasurer's reports. He noted that the Radcliff Sewer fund was negative for the month, and overall lost money for the year, therefore the District is moving forward with the Radcliff Sewer Rate Study. Commissioner Hockman asked what the District disposed of in the Radcliff Sewer system and Mr. Schmuck answered meters and discarded facilities from various sewer projects. Mr. Bruce noted that the total amount shown for loss on scrapped assets was a non-cash expense and was not being included in the revenue required on the rate study, meaning those amounts do not need to be recovered from sewer rates. Commissioner Walton made a motion to approve the November and December Treasurer's Reports. Commissioner Hockman seconded the motion and motion passed.

Board Monitoring Reports: Mr. Bruce presented the General Manager's Report. There was discussion regarding the easement for Fort Knox for the Louisville Water Company Interconnect Project. Mr. Bruce said that communication was ongoing with Mr. Matt Brackett of the Master Planning Department since October of 2012 with a formal request letter sent in December. There was a consensus amongst the Board to give Mr. Brackett more time to respond due to the holidays before making any further inquiries of Garrison commanders or managers.

Commissioner Hockman asked about the benefit to the District of a new shared water storage tank in Vine Grove. This prompted a discussion regarding storage tank placement versus benefits and possible costs. Mr. Bruce noted that many questions cannot be answered until the hydraulic analysis were completed.

In reference to the Operations Manager Report, Chairman Tindall inquired about the amount of inflow and infiltration (I&I) in the Radcliff Sewer System and asked staff how they assessed the amounts. Mr. Bruce answered that staff is still researching the issue and currently plans to meet with a wet weather specialist and Public Service Commission staff in Frankfort for ideas and suggestions regarding I&I contributed from private systems and options to discourage those flows into the public system.

Mr. Pendley presented the Engineering Manager's Report and announced that the low bid for the Radcliff Sanitary Return Activated Sludge pumps to Double D Utilities for \$59,735 with Heritage

Continued

suffered multiple main breaks. Mr. Pyles explained that those particular breaks were due to a change in pressure during tank maintenance and that new procedures had been developed and put in place to prevent this from happening in the future.

Mr. Pendley presented the Engineering Manager Report. There was discussion about smoke testing on Wilson Road near the Cement Lift Station. Chairman Rissel volunteered to accompany Mr. Pendley to discuss the smoke testing with Mr. Duvall beforehand. Chairman Rissel recommended that the District notify all other owners in this area that smoke testing will be taking place.

Commissioner Hockman inquired about the selection process for engineers who are considered for projects. Mr. Pendley explained the process for selection. Discussion on engineer selection continued and Chairman Rissel suggested that a formalized process be considered only if it does not add administrative costs to the process.

Consent Agenda Items: Chairman Rissel asked if there were any questions on the consent agenda. In compliance with the Board's previous request to notify the Board when a project is the near proximity of a Board member's property, Mr. Pyles announced that the Spring Street water main replacement project is near Commissioner Hockman's church, but there are no connections between him being a commissioner and the work being done. Commissioner Hockman added that the church granted the District the easement for that project at no cost.

Secretary Tindall made a motion to authorize award of contract for the Blackjack & Centennial, Evelyn, & Spring Street Water Line Replacement Projects to the lowest bidder, Gary Clifford Enterprises, for a contract total not to exceed \$440,000. Treasurer Gossett seconded the motion and motion passed. Commissioner Hockman abstained due to the proximity of the project to his church.

Veolia 2013 Fee Increase – Fort Knox Sewer Operations: There was brief discussion regarding the District absorbing the additional cost associated with the fee increase rather than passing it on to the Government, and the Board requested that staff notify the Government of the increase and to note that the District is absorbing the difference. Commissioner Walton made a motion to approve the Veolia Fort Knox fee increase as requested to become effective October 1, 2013 and to authorize staff to notify the Government that their current fees will remain unchanged for 2013, and the next possible fee notice would not be until February 2014. Treasurer Gossett seconded the motion and the motion passed.

Veolia 2013 Fee Increase – Radcliff Sewer Operations: After a short discussion about contract options, Secretary Tindall made a motion to approve the proposed Veolia Water Radcliff operating fee increase of 2%, effective January 2013, and authorize staff to execute any contract change and to include this as an adjustment to revenue requirements in the Radcliff Sewer Rate increase application to the Public Service Commission. Treasurer Gossett seconded the motion and the motion passed. Commissioner Hockman abstained due to having family employed by Veolia.

Executive Session: Mr. Wilson informed the Board that he needed to discuss possible litigation and only needed Mr. Pyles in the room. Commissioner Walton made a motion to go into Executive Session for legal reasons. Secretary Tindall seconded the motion and motion passed. Chairman Rissel then reconvened open session.

Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners

September 18, 2012

Acting Chairman Gossett called the meeting to order at 5:35 P.M. with Commissioners John Tindall and Steve Walton in attendance. Staff present included Jim Bruce, General Manager; Scott Schmuck, Finance & Accounting Manager; Preston Pendley, Engineering Manager; Andrea Palmer, Executive Assistant; Leslie Daugherty, Distribution Specialist and Mr. David Wilson, Attorney. Acting Chairman Gossett explained that Chairman Rissel was absent for work-related travel, and Commissioner Hockman was absent due to illness. Dinner was provided for the Board and staff.

Chairman Gossett welcomed Ms. Daugherty to the meeting and informed the board that she is currently in training to assist Mr. Bruce during Ms. Palmer's upcoming leave. The Board welcomed her and offered their assistance if needed.

Chairman Gossett opened the floor for public comment. There were no public comments offered and the floor was closed to public comment.

Chairman Gossett asked for a motion to accept the July 27, 2012, the August 7, 2012, and the August 21, 2012 minutes. Commissioner Walton made a motion to accept all presented minutes. The motion was seconded by Secretary Tindall and the motion passed.

Mr. Schmuck presented the August 2012 Treasurer's report and noted that all five funds show an increase in revenue. He also reported that the Radcliff Sewer account is only showing an increase due to the capitalization of a pump repair project completed by Veolia that reduced their normal operating fee. Mr. Bruce explained the scrap metal bidding process and noted that the District received \$1,800 for the sale of scrap metal this month. Commissioner Walton made a motion to approve the August 2012 Treasurer's Report. Secretary Tindall seconded the motion and the motion passed.

Board Monitoring Reports: Mr. Pendley presented the Engineering Manager Report. There was some discussion about additional CLIN funds that the District has received from the Government and Chairman Gossett asked about the process for bidding the projects for which these additional funds are allocated. Mr. Bruce stated that staff would present a more complete list of proposed projects to the Board, at which time the Board can decide whether to bid the added work out or add to the existing contract for similar work. Secretary Tindall asked for a clarification on the release of liability at the Central Water Plant on Ft. Knox, which Mr. Pendley was able to provide.

Mr. Bruce presented the General Manager's Report. Commissioner Walton asked if there had been a response from Airview Estates. Mr. Bruce notified the Board that no response had been received.

Mr. Bruce noted that Brett Pyles was excused from the meeting due to prior obligations and presented the Operations Manager Report to which there were no questions.

Consent Agenda Items: Chairman Gossett asked if there were any questions on the consent agenda. Mr. Bruce provided a few clarifications on the information provided. Commissioner Walton made a motion to approve the consent agenda as a whole. Secretary Tindall seconded the motion and motion passed. (Agenda item No. 4, Variable Rate Bonds – Letter of Credit Extension from April 12, 2013 to April 15, 2014; Agenda item No. 5, Bid Award - Fort Knox WWTP SCADA Improvements to Advanced Electrical Systems for \$69,587 for Actuators and to Hall Contracting for \$31,000 for the Electrical Installation, and Agenda item No. 6, Bid Award- Fort Knox Van Voorhis Lift Station Replacement Project to the lowest, responsive bidder)

Benefit Review Analysis: Mr. Bruce explained the results of a Benefit Review Analysis. He also explained that the 2013 health insurance rates were not yet available but they are expected in November. There was a short discussion about the impact of the Affordable Health Care Act and Commissioner Walton asked about the rates for family plans. Mr. Bruce offered to bring these rates to the Board when available.

Finalize Radcliff Sewer Rate: After a brief discussion about the increase in Veolia's service rates for 2013 affecting the Radcliff Sewer Rate Percentage, Commissioner Walton made a motion to approve the proposed sewer rate design using a ten percent declining block at 15,000 gallons with minimum bill

Hardin County Water District No. 1 - Board of Commissioners
Minutes of Special Meeting
September 18, 2012

Continued

to include 2,000 gallons and authorize staff to proceed with completing a PSC general rate case to submit at the earliest convenience. Secretary Tindall seconded the motion and motion passed.

Adjourn: Being no further business before the Board, Commissioner Walton made a motion to adjourn at 6:19 PM. Motion was seconded by Secretary Tindall and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. John Tindall, Secretary

16 Oct 2012

Date Approved

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

September 13, 2012

Chairman Rissel called the meeting to order at 11:35 A.M. with Commissioners Ron Hockman, William Gossett, John Tindall and Steve Walton in attendance. Staff present included Jim Bruce, General Manager; Scott Schmuck, Finance & Accounting Manager; Andrea Palmer, Executive Assistant; and Mr. David Wilson, Attorney. Lunch was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the floor was closed to public comment.

Veolia / Radcliff 2013 Fee Increase: Mr. Bruce presented the Veolia proposed 2% increase for the Radcliff Veolia operation to go into effect January 1, 2013. The Board discussed and asked questions pertaining to the source of the additional costs. Mr. Bruce explained that if the Board chooses to deny the proposed increase the contract requires a default formula that will result in a 2.41% increase. There was also discussion about what appeared to be a high increase in Veolia's health insurance costs from 2011 to 2012. There was some discussion about the possibility of re-negotiating the contract that the District currently has with Veolia Water National, and Chairman Rissel asked when that would be possible. Mr. Bruce reviewed the contract section which states the District can re-negotiate or terminate the contract in 2015. Secretary Tindall suggested that staff hold a meeting with Veolia representatives and ask them to find more savings that would reduce to expenses for 2013, and Mr. Bruce stated that he would schedule the meeting. Commissioner Hockman pointed out that Veolia has found some cost savings previously. Secretary Tindall made a motion to make no decision on the Veolia fee increase at this point, to charge staff to express concerns to Veolia, and revisit the topic at the October meeting. Commissioner Walton seconded the motion and motion passed. Commissioner Hockman chose to abstain due to a personal conflict.

Rate Design Options – Radcliff Sewer Rates: Mr. Bruce announced that he and Mr. Schmuck prepared a presentation for the Board in order to display the options for the rate design. He began the presentation at 12:15 P.M.

Mr. Bruce concluded the presentation at 12:40 P.M. and offered to answer any questions the Board may have. The Board discussed the various options one by one, deciding first that there was no consensus for Winter Quarter Billing. There was discussion regarding declining block and the current discount given to large consumers. Chairman Rissel asked Mr. Bruce what type of increase the large consumer would see if the declining block was removed, and he answered that their increase would be more substantial than a residential customer's due to the loss of discount and the increased rate. Secretary Tindall noted that he would prefer to keep the declining block, and the minimum bill option, and decrease the amount of discount given to large consumers. There was a consensus amongst the Board for this option. Mr. Bruce announced that he would bring this custom option back to the Board at the September 18 meeting, where the Board could make a formal motion.

Adjourn: Being no further business before the Board, Commissioner Walton made a motion to adjourn at 1:10 PM. Motion was seconded by Secretary Tindall and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. John Tindall, Secretary

16 Oct 2012

Date Approved

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

August 07, 2012

Chairman Rissel called the meeting to order at 11:31 A.M. with Commissioners Ron Hockman, William Gossett, John Tindall and Steve Walton in attendance. Staff present included Jim Bruce, General Manager; Scott Schmuck, Finance & Accounting Manager; Andrea Palmer, Executive Assistant; Mr. David Wilson, Attorney; Bart Krepps, Senior Consultant for Raftelis Financial Consultants. Guests present; Mr. Edward Palmer, Radcliff City Council Member; Ms. Barbara Baker, Radcliff City Council Member; Mr. J.J. Duvall, Radcliff City Mayor; and Mr. Stan Holmes, Radcliff City Council Member. Lunch was provided for the Board and staff.

Chairman Rissel explained that while the agenda stated that Public Comment would take place at this time, he would like the members of the public present to have the chance to hear the presentation before commenting. There was a consensus among the Board and the public comment portion of the meeting was postponed.

Radcliff Wastewater Rate Study: Chairman Rissel explained that the Board had approached the issue of the Radcliff Sewer Rates two years ago after completing a Cost of Service study and at that time charged staff with finding additional savings and efficiencies. He added that the Board was again discussing this item after Radcliff Wastewater posted a revenue loss for the 2011 year.

Mr. Bruce then introduced Bart Krepps of Raftelis Financial Consultants as the consultant that had been hired to help develop an updated rate study for the Radcliff Sewer Utility.

Mr. Krepps answered several questions about what is included in the revenue requirements using 2011 as a test year, plus or minus other adjustments to those amounts. Mr. Bruce and Mr. Kreps also answered several questions about paying off the current debt, and suggested pros and cons to that option. The presentation was then concluded. Commissioner Hockman had questions about matching year end amounts from the 2011 financial statements to the revenue requirement amounts. Mr. Krepps explained that the revenue requirement amount must include debt principal, adjustments and other non-rate revenues, and that the annual audit amounts for net income do not include those. Commissioner Hockman also had comments about Veolia's contributions to the community and asked Mr. Bruce if he knew about plans to replace Veolia with Louisville Water Company and Metropolitan Sewer District. Mr. Bruce that there were no such plans or discussions that he was involved in.

There was discussion about previous estimates to reduce the Radcliff sewer rates, in 2007, and the language of the final agreement with the City regarding changing the sewer rates. At 1:15 P.M., Chairman Rissel opened the floor for public comment. City Council Member Edward Palmer, City Council Member Barbara Baker, Mayor J.J. Duvall, and City and Council Member Stan Holmes each introduced themselves and provided their comments and concerns about the proposed rate increase. Each had questions about the amount of depreciation funding and considering the other taxes and fees the City must charge residents. Chairman Rissel thanked the members for their comments and closed the floor to public comment at 1:35 P.M.

There was discussion amongst the board about different ways to possibly find more savings through rate redesigns or fee reductions by the City of Radcliff.

Secretary Tindall made a motion to charge staff to proceed with a Radcliff Wastewater System rate increase of 11%. Treasurer Gossett seconded the motion and motion was passed.

Chairman Rissel noted that the Board will be discussing the rate design in the future before anything can be filed with the PSC.

Continued

Chairman Rissel asked when to expect an update on the Radcliff Sewer Rate study and Mr. Bruce answered that Staff is nearing completion and updating of the model and should be able to prepare a presentation in next thirty days. Secretary Tindall noted that the sooner the better for addressing the issues in the Radcliff Sewer Fund and Mr. Bruce noted that at the December Budget Meeting, Secretary Tindall made a motion to "charge staff with updating the Radcliff Sewer Cost of Service Rate Model and bring a recommendation with options for changes to the Board at the earliest convenience and to include a comparison of rates for similar sized water and sewer systems."

Board Monitoring Reports: Chairman Rissel asked if there were any questions on the Board Monitoring Reports. Mr. Bruce pointed out that Mr. Pendley wrote and included a special report regarding the Fort Knox Water transition. In reference to the District territory expansion to include all of the Fort Knox Installation, Chairman Rissel asked if the District anticipates any issues with the Judges in the neighboring counties. Mr. Bruce answered that Judge Berry had already made personal contact with both Judges and that he did not foresee any issues.

Secretary Tindall asked if there is any new news on Vine Grove's future storage tank. Mr. Bruce answered that Mayor Proffitt has contacted him recently about the possibility of a jointly owned water tank and that the Mayor was open to working together to provide combined funding sources, and possibly a jointly owned tank if the design could be beneficial to both systems. Mr. Bruce added that Mr. Pendley is working on an analysis that may delay the District's need for a new tank, but that this solution would not address the City of Vine Grove's storage needs.

Commissioner Walton asked for an update on the Airview Estates Sewer system. Mr. Bruce informed the Board that Veolia's preliminary inspection work had revealed the collection system had not been maintained, and would need considerable repairs. There was some discussion about sources of funding to fix the system. Secretary Tindall asked if the owner is able to fund any repairs. Mr. Bruce said that according to the last PSC annual report, the utility was losing money, so he did not think there was any system generated funding available. Chairman Rissel polled the Board to see how much interest there might be in completing the study. Treasurer Gossett, Commissioner Walton, and Commissioner Hockman all agreed that they would not be interested in taking over the system, if there were not outside funding available for repairs. Mr. Bruce noted that the agreement between the parties assumed the District completing a cost estimate for repairs and connection to the District's collection system, and a complete financial and cost benefit analysis for the District, and only the first phase of the study had now been completed and no financial or cost analyses were yet complete. The Board requested that Mr. Bruce bring any available cost of repair information to the Board at the soonest convenience, before completing the study, so that the Board could consider whether it wanted to complete the study.

Consent Agenda Items: Chairman Rissel asked if there were any questions on the consent agenda. Commissioner Hockman asked for a clarification on the intent of the recommendation for Item No. 4. Chairman Rissel asked if the Employee Attitude Survey (Item 5) will identify the employees.

Continued

as recommended by legal counsel: delete the reference to "loss of profits" in section 14.C and that the order of the first two sentences in section 15 be transposed, in order for LWC to prepare for and begin operations of elements of the Ft. Knox potable water system, beginning February 1, 2012. Commissioner Walton seconded the motion and motion passed.

Commissioner Rissel asked if anyone had any objection to releasing the staff and legal counsel for the budget portion of the meeting, and there was none. Staff and legal counsel were released at 1:10 p.m., with Mr. Bruce and Mr. Schmuck remaining. At 1:14PM, Commissioner Hockman excused himself from the meeting as he was feeling ill.

2012 Budget Meeting: Mr. Bruce distributed and discussed a revised copy of the Radcliff 5 Year projection. Mr. Bruce also handed out a memo which explained the reasons that the Veolia Radcliff operating fee increase for 2012 was lower than originally proposed. Mr. Bruce also handed out an updated comparison of key expense and revenue amounts, between 2006 and 2011, for the Radcliff sewer system. There was also some discussion about different water and sewer rate options, including raising the water minimum bill amount and eliminating the sewer yard meter option, available to 100 customers.

There was also discussion about the financial status of the Radcliff Sewer Fund, and options for improving the deficits. Mr. Bruce said that the staff would need Board direction on how and when to update the rate model, and bring back a recommendation. He noted that as soon as the financial statements for 2011 were complete, the rate model could be revised to see what rates would need to be in the future to avoid deficits. Secretary Tindall made a motion to charge staff with updating the Radcliff Sewer Cost of Service rate model and bring a recommendation with options for changes to the Board at the earliest convenience, and to include a comparison of rates for similar sized water and sewer systems. Treasurer Gossett seconded the motion and motion passed.

There was then a discussion about the percentage that the employee is responsible for in the current health insurance deductible and whether or not that should be changed. Mr. Bruce explained in more detail what type of health insurance the District currently provides, including the use of a High Deductible – Low Premium policy. More discussion followed about different options and ways to lower future health insurance costs. Commissioner Walton made a motion to have staff present a thorough review, comparison and expert's recommendations for a Board presentation during 2012, prior to the budget meeting. Treasurer Gossett seconded the motion and motion passed.

There was discussion about bringing proposed pay increases to the Board in October as opposed to December. Mr. Schmuck also explained the comparisons he had used in coming up with the proposed 2012 wage increases. Treasurer Gossett made the motion to approve pay changes for 2012 at a total of 2.75% for grade shift and performance increases, with 1.25% going to increase the existing pay grades, and 1.5% for performance based increases. Secretary Tindall seconded the motion and motion passed.

Key Factor Comparisons - Radcliff Sewer Rates

(NOTE: A financial model to estimate costs was developed by Jim Bruce and Rob Nicholas in mid 2007. The basis for then current costs and metrics was 2006 actual, from City records, financial statements and operations records. The estimates assumed Veolia/District starting up in January of 2008. This did not occur until May, 2008. Besides revenues dropping and expenses increasing higher than anticipated, Veolia and the City also negotiated additional buy-outs or employee benefit costs which added some to Veolia's anticipated start-up costs. A total of \$115,000 was incurred by Veolia for cashing out accrued vacation time by City employees and early retirement costs for the City Sewer Manager. HCWD1 required Veolia to amortize these costs over 87 months, which added some to the annual contract operations fee)

| Item | Year 1 Estimates (Based on 2006 actual) | 2011 Actual (Through Nov 11) | Percent Change | Explanation / Reasons |
|---|--|-------------------------------------|-------------------------|---|
| Sewer gallons billed | 468,801,900 | 475,789,700 | + 1.5% | Slightly higher gallons sold due to due to more active accounts since HRC coming to FK |
| Gallons treated at WWTP | 871,034,000 | 937,525,000 (2011 est - Nov) | + 7.6 % | Very high rain fall in 2011 adding to I&I rate |
| Ratio - Gallons Treated : Billed | 1.86 | 1.97 | + 6 % + | I&I flows actually much higher in 2011 due to record rain fall |
| Monthly Gallons Used per account | 4,508 | 4,410 | - 2.2% | More efficient plumbing fixtures, water savings education, customers looking to lower utility bills |
| Total Sales Revenues | \$3,615,750 | \$3,550,249 (2012 Budget) | - 1.8% (-\$65,501) | Lower use per account, wet year, poor economy, rates lowered by 3% when HCWD1 took over to compensate for City franchise fee added to sewer bill |
| Net Income (after depreciation) | \$1,069,409 | \$72,094 (2012 Budget - revised) | - 93% (-\$997,315) | Combination of reduced revenues and higher expenses |
| Interest Income | \$75,000 | \$25,000 (2012 Budget) | -67% (-\$50,000) | Lower returns on Investments - Lower cash balances |
| Non-rate revenues (non-recurring fees) | \$121,474 | \$198,300 (2012 Budget) | + 63% (+\$76,826) | Allocated portion of existing penalties / non-recurring charges from water to sewer |
| Depreciation Expense | \$751,483 | \$921,706 (2012 Budget) | + 23% (+ \$170,223) | Higher investment in depreciable fixed assets / projects that anticipated first 2 years, including new grant funded projects |
| Electric Expense (Included in Veolia annual fee up to \$138,768/year) | \$135,050 | \$274,764 | + 103% (+ \$139,714) | Wet year causing LS pumps to run longer, more energy use, higher electric rates by KU and Nolin RECC |
| Repair & Maintenance Costs (Included in Veolia annual fee up to \$193,200/year) | \$186,850 | \$218,200 | + 17% (+ \$31,350) | Higher than anticipated repairs, maintenance costs, electric repairs, pump replacements and other parts more than anticipated. Aging LS facilities and increased pumping wearing out pumps and controls and electric gear |
| Veolia Contract Expense (Net of electric & R&M expenses) | \$1,528,100 | \$1,632,355 | + 6.8% (+ \$104,255) | Three Veolia fee increases since taking over in 2008 |

| Item | Year 1 Estimates (Based on 2006 actual) | 2011 Actual (Through Nov 11) | Percent Change | Explanation / Reasons |
|--|---|---|------------------------|--|
| All other HCWD1 direct & allocated expense | \$250,000 (Estim - Yr 2) | \$414,234 | + 66% (+ \$164,234) | Based on actual analysis of time and calculations of shared expenses between utilities that benefits / manages RASW also |
| Nolin RECC Rates | Energy = \$0.0806/kwh (includes all surcharges added to kwh rate) Demand = \$4.45/KW | Energy = \$0.0833/kwh (includes all surcharges added to kwh rate) Demand = \$4.76/KW (2010 rates) | +3% +7% | Rate increases due to environmental regulations, other increases to fuel adjustment and energy surcharges |
| KU Rates | Energy = \$0.03086/kwh Demand = \$6.65/KW | Energy = \$0.0426/kwh Demand = \$9.42/KW (2010 rates) | +38% +42% | Significant Increases to commercial rates due to environmental regulations, ice storm cost recovery, other increases to fuel adjustment and energy surcharges |

(J. Bruce, rev. December 20, 2011)

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

January 25, 2011

Chairman Rissel called the meeting to order at 5:30 p.m. with Commissioners William Gossett, Ron Hockman, John Tindall and Steve Walton attending. Staff present included Jim Bruce; General Manager, Brett Pyles, Operations Manager; Scott Schmuck, Finance & Accounting Manager; Preston Pendley; Engineering Manager, Christie Campbell, Administrative Clerk; and attorney David Wilson. Dinner was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the floor was closed to public comment. At this time, Mr. David Wilson entered the meeting.

Chairman Rissel asked for a motion to accept the December 22, 2010 Special Meeting Minutes. Commissioner Hockman noted that the minutes needed to state that he motioned and Commissioner Walton seconded for the meeting to enter into executive session. Treasurer Gossett made a motion to accept the minutes with the noted change. The motion was seconded by Commissioner Walton and passed.

Mr. Scott Schmuck presented the December financial statements. Mr. Schmuck explained the month loss for the Radcliff and Ft. Knox sewer was caused by the contractual fee increase by Veolia and the arrears billing for that increase. Secretary Tindall asked about the low amount of annual net income for the Radcliff Sewer Utility. Mr. Bruce noted that staff and the consultant were working on several changes that may improve that condition, which would be part of the upcoming Board meeting on Radcliff sewer rate changes. Secretary Tindall made a motion to accept the December 2010 Treasurer's Report. The motion was seconded by Commissioner Walton and motion passed.

Mr. Bruce then introduced Mr. Preston Pendley, P.E. to the Board. Preston was hired on January 10 as the District's new Engineering Manager. Mr. Bruce gave a brief history of Mr. Pendley's education and employment background and the Board welcomed him.

Chairman Rissel asked Mr. Bruce to review the General Manager's Report. Chairman Rissel asked for an update on the mobile home park that was using the water line that was not being metered. Mr. Bruce explained that staff had met with the owners and they had agreed to pay for and install a new meter on the second feed line which would solve this problem in being able to account for un-billed or leaked water. Mr. Bruce noted to the Board that he and Mr. Wilson have discussed possibly sending the park with the largest leak and bill a certified letter warning them of the future actions the District may take if the bills were not paid. Chairman Rissel had a question about how franchise fees were calculated and paid to the City of Radcliff, which Mr. Schmuck answered.

Commissioner Hockman asked about the progress of settling a bill dispute between previous customer Mr. Juan Cornett and his former landlord. Mr. Bruce reported that he has been in contact with Mr. Cornett but has not been able to meet with the landlord, and had doubts the landlord would actually agree to a meeting. Commissioner Tindall suggested that Mr. Bruce speak with Mr. Cornett and let him know that if the dispute cannot be resolved, then respectfully tell him that we have done all we could to mediate the situation and he is ultimately responsible for the bill.

Chairman Rissel asked Mr. Pyles to review the Operation's Manager's Report. Chairman Rissel asked Mr. Pyles why the amount of water treated at PWTP was so much higher than the amount treated at the sewer plants. Mr. Pyles explained that the main contributor is that a significant amount of water treated at PWTP is sold to Vine Grove and Meade County and does not re-enter the Radcliff sewer system for treatment at the Radcliff WWTP. Mr. Pyles answered all other questions from the Board.

**Hardin County Water District No. 1
Minutes of Regular Meeting
of the Board of Commissioners**

August 17, 2010

Chairman Bill Rissel called the meeting to order at 5:32 p.m. with Commissioners William Gossett, John Tindall, Ron Hockman, and Steve Walton attending. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance and Accounting Manager; Charlene Easter, Customer Service Manager; Christie Campbell, Administrative Clerk and attorney David Wilson. Dinner was provided for the Board and staff.

Chairman Rissel opened the floor for public comment. There were no public comments offered and the public comment portion of the meeting was closed.

Chairman Rissel asked for a motion to accept the June 15, 2010 Regular Board Minutes and the July 16, 2010 Special Meeting Minutes. Commissioner Walton made a motion to accept both meeting minutes. Treasurer Gossett seconded the motion and motion passed.

Mr. Schmuck presented the financial statements for June and July and provided a handout of the Net Income Comparisons for 2009 and 2010. Chairman Rissel asked staff to explain the relevance between the positive net income shown for Radcliff sewer and the recent report on rate changes needed to maintain 100% cost recovery. Mr. Bruce and Mr. Schmuck explained that summer months have shown a higher income as customers water their lawns, fill swimming pools and consume more water outdoors. Since 2009, there has been a marked increase also in number of active accounts. Also, compared to 2009, there have been fewer capitalized expenses incurred by Veolia, which helped net operating income. Secretary Tindall asked for further clarification on this difference, which was provided.

Mr. Schmuck mentioned that another factor is that some of the expenses are capitalized expenses, which are expensed over the life of the asset through its depreciation expense. Mr. Bruce pointed out that like in 2009, the net income for 2010 will drop considerably or become negative when summer months are over and water / sewer sales drop considerably, which could even end the year with a negative net income. Commissioner Hockman made a motion to approve the financial statements for June and July. Secretary Tindall seconded the motion and it was passed.

General Managers Report: Chairman Rissel asked Mr. Bruce to review the General Manager's Report. Mr. Bruce and the Board discussed what progress had been made with the privatization of Fort Knox Water privatization proposal. Chairman Rissel questioned what time line the District would have to convert disinfection methods, using Louisville Water. Mr. Bruce explained that the proposal and Government assumed that it would take up to five years to phase out the Muldraugh Water Treatment Plant, after which time a larger portion of water used by Ft. Knox would be supplied by LWC. There was also discussion on what would need to be included in the contract agreement with LWC for operations and purchased water supply.

Chairman Rissel addressed the Board about what the plans are for the Board Strategic Planning Session. It was the consensus of the Board to meet in September 2010. There will be two, half day sessions. The first meeting will be for staff presentation and the second meeting will be schedule about a week later. Mr. Bruce asked Ms. Campbell to email the Board with possible dates that they are available and get a definite schedule.

**Hardin County Water District No. 1
Minutes of Special Meeting
of the Board of Commissioners**

July 16, 2010

Chairman Bill Rissel called the meeting to order at 12:28 p.m. with William Gossett, Ron Hockman, John Tindall and Steve Walton attending. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager, Scott Schmuck, Finance and Accounting Manager and Mr. David Wilson, attorney. Representing Veolia Water: Brad Walker, Radcliff Project Manager; Clure Winfree, Veolia Water - Vice President Asset Management/Area Manager; Brad Walker, Veolia - Radcliff Project Manager and Bart Kreps, Raftelis Financial Consultants. Others in attendance: Mr. JJ Duvall, and Ms. Barbara Baker, both Radcliff City Council members.

Chairman Rissel asked Mr. Bruce to explain reason for meeting being held at Pirtle WTP. Mr. Bruce said that when he finished the Board packet about 10:30PM the prior Monday, he had used a previous special meeting packet as a template and removed the Pirtle WTP location from the actual agenda page. However, he did not notice it was also printed on the cover page. The agenda and the cover page had been sent to the media in advance as required. When he found out that Pirtle WTP was still on cover page, he called Chairman Rissel to see if the meeting should be re-scheduled. Chairman Rissel decided that since the address was listed on cover page, and notice had already been sent to media, and out of town guests were attending the meeting, the meeting should be held at Pirtle WTP as shown on the cover sheet.

Chairman Rissel noted this meeting was to discuss the Radcliff sewer rate study done by Raftelis Financial Consultants for the District. Chairman Rissel opened the floor for public comment. Ms. Barbara Baker (Radcliff City Council member) addressed the Board stating that she voted against giving the sewer system to the District because she did not believe the District would actually lower the sewer rates. Chairman Rissel asked if there was anyone else from the public that wanted to address the Board. Hearing none, Chairman Rissel closed public comment period.

Chairman Rissel asked District attorney, David Wilson, to review and read any sections of the agreement between the City and the District regarding the change in rates. Mr. Wilson found and read the section regarding rate changes from the January 31, 2008 agreement. Chairman Rissel stated that this language was the binding contractual agreement agreed to by both parties. Commissioner Hockman stated that he felt the District had promised a 15% rate decrease and read from an August 2007 letter from Jim Bruce to the City Council providing answers to their questions, as well as from minutes of a Radcliff City Council meeting. There was discussion about what had changed from the 2007 estimates to the 2009 actual amounts. Chairman Rissel suggested that staff provide a side by side comparison of various factors between the two years, and what were the underlying causes.

Mr. Kreps then provided a summary of the rate study process and introduced Bart Kreps with Raftelis Financial consultants. Bart reviewed the study with a slide presentation explaining the process and presented three possible rate change options. The three options included three options; 5% increase for full recovery of costs (Option 1), a 12.3% decrease (Option 2) and 6% revenue decrease with various rate structure changes (Option 3). Bart also reviewed various rate structure designs and options. Chairman Rissel polled the Board and there was consensus to drop Option 2 from further consideration.

Radcliff city councilman, JJ Duvall said he had to leave for another meeting and asked if he could address the Board, which Chairman Rissel gained consensus from Board to allow. Mr. Duvall stated

July 16, 2010

Continued

that he had researched Veolia and they were a fine company and he voted to give the sewer system to the District partly because he thought that would decrease the sewer rates by 15%. Mr. Duvall asked the Board to consider that the City had to make budget cuts and already had some of highest sewer rates in state, as well several high tax rates, and asked the Board to please consider that during their decision process. At 2:00PM Chairman Rissel asked if the other Board members wanted to take a break, all agreed. The meeting resumed at 2:10PM.

Discussion continued on the aspects of the study to include the community economic impacts of raising the sewer rate, the revenue requirements and the affect on different customers with different annual use amounts. Chairman Rissel questioned the "Winter Quarter Billing" and suggested that be considered at a future date. There was also further discussion regarding changing from a declining block rate structure to a uniform block rate structure. Mr. Bruce had to leave the meeting at 3:15PM to participate in a conference call at the Service Center.

After further discussion and review of the options as presented, the Board requested a fourth option and directed Bart Kreps and staff to bring back to the Board at a future date to show impacts to sewer bills of the added option. The Option 4 was generally to include; eliminate declining block rates, include added revenues from new non-recurring charges, accept the new wholesale treatment rate, don't eliminate totally the minimum bill (including 2 kgals) and direct staff to look at ways to reduce operating costs.

Secretary Tindall then made a motion to proceed with analyzing additional options for Radcliff sewer rate changes, and direct staff to look into additional cost efficiencies or reductions and report to the City of the status of our efforts and report to Board additional options as soon as developed and direct Mr. Bruce to provide letter to the City of the status. The motion was seconded by Commissioner Walton and was passed.

Adjourn: Being no further business before the Board, Commissioner Walton made a motion to adjourn at 3:57 pm and it was seconded by Secretary Tindall and passed.

(Minutes submitted by Mr. Jim Bruce)

APPROVAL OF MINUTES

I hereby certify that the foregoing minutes were duly approved by the Board of Commissioners of the Hardin County Water District No. 1 at a meeting held on the date shown below:

HARDIN COUNTY WATER DISTRICT No.1



Mr. John Tindall, Secretary



Date Approved

**Hardin County Water District No. 1
Minutes of Regular Meeting of the Board of Commissioners
June 16, 2009**

Continued

Mr. Pyles informed the Board that the discharge limits that were approved at the May 19, 2009 Board meeting for, the Radcliff Sewer discharge permits may have to be changed for cadmium due to requirements from the Kentucky Division of Water. Mr. Pyles answered all other questions from the Board.

Radcliff Sewer Rate Study: Mr. Bruce informed the Board that the staff has reviewed a proposal from a rate consultant to carry out the Radcliff Sewer Rate Study. Before rates can be changed a rate study must be completed and filed with the Public Service Commission. Mr. Bruce presented a slide presentation that included all tasks that will be completed in this rate study and answered all questions from the Board.

After all discussion, Commissioner Hockman made a motion to authorize staff and legal counsel to prepare a professional services agreement with Raftelis Financial Consultants and Cannon & Cannon to complete a Cost of Service Rate Study for the Radcliff Sewer utility and to authorize the General Manager to execute the agreement and that the consultant would prepare new proposed rates and charges and bring back to the Board at a future meeting. Treasurer Gossett seconded the motion and it passed.

2004 Ford Truck Replacement: Mr. Bruce pointed out that at the May Board meeting staff informed the Board of an accident involving a Distribution employee. After this accident the truck involved in the accident was considered totaled by the insurance company. This was the same truck that was damaged during the ice storm. The insurance company paid out \$3,144.27 after the ice storm for damages and \$4,086.73 for the most recent accident that totaled the truck, for a total of \$7,231. The state bid to replace this truck with a new 2009 Ford F-150 4x4 is \$17,666, which creates a net amount to be spent on a replacement truck to be \$10,435 through Man O War Ford, in Lexington.

The Board asked staff to ask local dealers if their price would compare with the state bid. Secretary Tindall also asked for the staff to bring the Board a retirement schedule and criteria for the vehicle inventory to a future meeting. After all discussion Treasurer Gossett made a motion to approve staff to purchase a 2009 Ford F-150 as a replacement for a 2004 truck for \$18,000, which after insurance payments would be a net cash expense to the District of \$10,769. The motion was seconded by Commissioner Walton and passed. Ms. Easter left the meeting at this time.

Hardin County Revised P&D Ordinance: Mr. Bruce presented the Board with a revised joint resolution from HCWD2 to provide support for the new Water Source Protection Ordinance that the Hardin County Planning and Development is considering adopting. This ordinance will help protect the water sources near treatment plants throughout the county. Mr. Bruce pointed out that HCWD2's board has already voted to approve this resolution, contingent on approval by the HCWD1 Board, which if approved, the resolution will be sent to Fiscal Court, who has the final say on approving the new Planning Ordinance and Comprehensive Plan.

There was a consensus from the Board to change the language in a few areas of the resolution. Commissioner Hockman made a motion to adopt the joint resolution J1-2009, along with Hardin County

**Minutes of Special Meeting
of the Board of Commissioners
December 21, 2009**

Continued

received consensus to leave the proposed amount in the budget, and to accept the proposed change to the pay plan grade amounts for 2010.

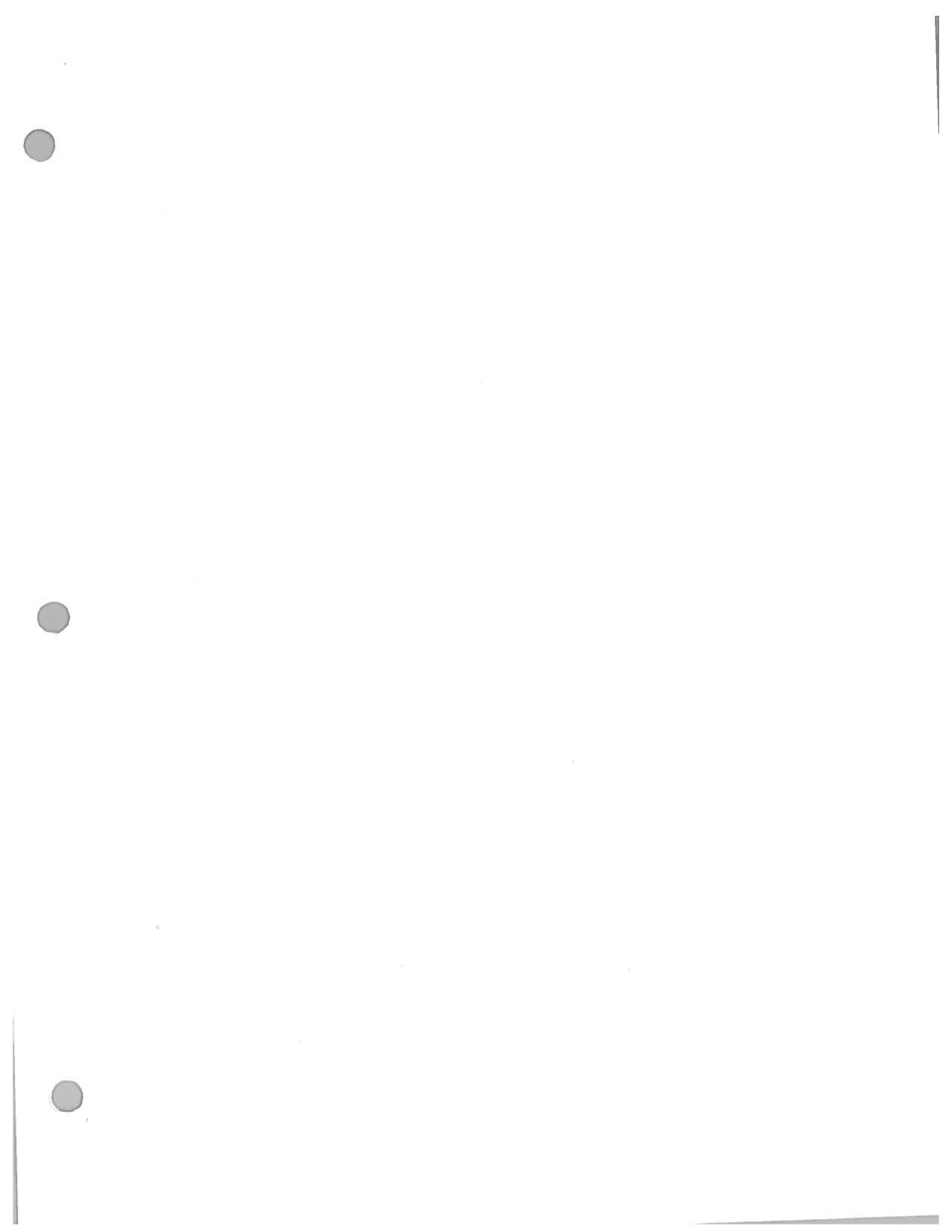
There was discussion about the two scenarios for Radcliff sewer, showing both with no rate decrease, and a 15% decrease. Mr. Bruce noted that the 15% decrease, to current revenue and expense levels, would result in net operating loss to occur starting in 2012. Commissioner Hockman said he was not willing to approve a budget with no rate decrease. Chairman Rissel noted that approving the proposed budget was not making a final decision on the rate decrease, and that once the rate study were complete, the Board would make the final decision on rate changes then, and the Board could then amend the 2010 Radcliff Sewer budget, if needed, when that decision was made. It was the consensus of the Board to proceed with that no rate decrease option, knowing that this was not making a final decision on rate changes, which decision being made at an upcoming meeting, which would then could revise the budget approved during this meeting.

Chairman Rissel then asked how the Board would like to review the revised capital request list. It was decided to let any Board member bring up any item for discussion. Discussion followed on several items including: new Water Quality Specialist position, the IVR customer response phone system, re-building portable generators and adding new back-up power transfer switches at 5 water facilities, the new financial & accounting software and replacement furniture for the lobby and board room. Staff answered all questions presented during this discussion.

Mr. Bruce noted that due to the revised available water working capital, he had removed \$673,100 of requested water main projects from the list for 2010. Secretary Tindall said he was concerned that we were not addressing aging infrastructure for water as we have started doing for the sewer utilities. Chairman Rissel suggested that this concern would be very appropriate for the upcoming Board strategic planning session, and staff should be prepared to have recommendations for how those needs could be funded and programmed into future budgets. Given the need to cut infrastructure projects, Secretary Tindall also said he did not think it was prudent to include approving new furniture in 2010. Chairman Rissel secured consensus for voting Board members to take items 21 and 33 off, cutting another \$10,775 from the list.

There was also discussion about how the ranking and prioritization is done by staff. Mr. Bruce reviewed the process and said the prior year roll-over items have always been left out of the new item prioritization list. He also said the ranking was not meant to be the order of purchase or construction during the year, but the most to the least critical items from staff's perspective. The Board asked that in future budgets, the roll-over items be re-prioritized with the new items, so they have to be compared to the total list and compete with all other new requests. Mr. Bruce said that would be no problem.

There was more discussion on whether the Board should approve funding a final list, with some being approved by the Board for purchase at any time, and some requiring to be brought back to the Board during the year before purchase can be made. Commissioner Hockman said he was comfortable with approving all items, with the exception of the IVR system or customer phone enhancement system, the Finance & Accounting system and the back-up power transfer switches for final approval. Chairman Rissel obtained consensus to proceed with a call for vote on the capital request list, as revised.



Technical Specialties

- > Utility cost of service and rate studies
- > Bond forecasts and feasibility studies
- > Development and impact fee studies
- > Economic feasibility studies
- > Regionalization studies
- > Alternative project delivery studies

Professional History

- > Raftelis Financial Consultants, Inc.: Manager (2010-present); Senior Consultant (2005-2009); Staff Consultant (2002-2004)
- > Wells Fargo Securities: Fixed Income Analyst (1998-2000)

Education

- > Master of Business Administration in Finance & Environmental Management - The University of Tennessee (2002)
- > Bachelor of Business Administration in Finance - James Madison University (1998)

Professional Memberships

- > Virginia AWWA
- > Virginia AWWA/WEF Utility Management Committee - Financial Management Subcommittee co-lead
- > Tennessee/Kentucky AWWA
- > North Carolina AWWA

BART KREPS

Manager, RFC

PROFILE

Mr. Kreps has been with RFC since 2002 managing a variety of projects to assist water, wastewater, and stormwater utilities in addressing economic and financial issues. His broad-based experience includes projects such as bond forecast and feasibility studies, economic impact studies, wholesale rate studies, utility regionalization studies, litigation support, privatization evaluation and procurement, and system development fee studies. Mr. Kreps has also served on numerous cost of service and rate and financial planning studies and has extensive experience in financial forecasting and modelling. Mr. Kreps' background is focused predominantly in public finance. He has assisted many utilities in designing optimal capital financing plans and has developed numerous financial feasibility reports and forecasts related to more than \$500 million in revenue bond sales. Prior to joining RFC, Mr. Kreps served as fixed income analyst for Wells Fargo Securities in the company's Capital Markets Group.

RELEVANT PROJECT EXPERIENCE**City of Richmond (VA)**

Mr. Kreps managed the development of a comprehensive rate and financial planning model (Model) for the City of Richmond Department of Public Utilities (DPU). The Model incorporates all utility systems: water, wastewater, natural gas, street lighting, and stormwater. DPU currently uses the Model to set rates, determine optimal capital financing scenarios, and report on utility system financial conditions. The financial planning output from includes a projection of units of service (customer accounts and usage), operating expenses and capital expenditures, as well as a projection of net revenues available for debt service and debt service coverage. The Model provides the flexibility to evaluate the impacts of various capital funding sources including revenue bonds, general obligation bonds, Virginia Resource Authority (VRA) loans, and grants.

City of Newport News (VA)

Mr. Kreps served as Lead Consultant on a financial feasibility evaluation for the City of Newport News Department of Public Utilities, Waterworks Division (Waterworks) related to the proposed issuance of revenue bonds in 2007. Waterworks, in partnership with other Virginia Peninsula localities, was seeking capital market funds to develop and implement a long-term solution to the area's water supply needs. The most significant project in the capital plan was the development of a new 12.0 billion gallon off stream reservoir and pumping station on the Mattaponi River in King William County, Virginia. Our analysis included a forecast of revenues, expenses, and debt service over a five-year period, to ensure compliance with all bond covenants and debt service coverage requirements.

RFC also assisted Waterworks with defining appropriate and effective financial policies to mitigate operational risk, ensure adequate reserves, and improve the credit profile of the utility. Recommendations were provided for specific categories of reserves including rate stabilization funds, operating reserves and capital reserves, among others. Specific metrics were identified that defined target fund levels that balanced risk mitigation and funding requirements with the potential

impact on rates and charges. RFC is currently assisting the City with various financial and rate setting services on an on-call basis.

City of Durham (NC)

Mr. Kreps served as Project Manager on numerous engagements with the City of Durham, North Carolina (City) related to water and wastewater finance and pricing. In 2007, he assisted the City with a cost of service water and wastewater rate study focusing primarily on water conservation pricing. Due to an extreme drought in 2007, the City was faced with an unprecedented challenge related to preserving its water supply, and the addition of a pricing mechanism within its water rate structure became an immediate priority. Mr. Kreps worked closely with the City to develop defensible, cost-justified tiered water rates that included pricing incentives to promote the efficient use of water resources. Mr. Kreps developed a comprehensive cost of service based rate model that is currently used by the City as a financial planning tool. Most recently, Mr. Kreps prepared financial forecast and opinion letter related to the City's \$60.0 million 2011 Utility Revenue and Revenue Refunding Bonds.

Northeast Ohio Regional Sewer District (OH)

Mr. Kreps served as Project Manager in the development of a comprehensive financial plan for the five year period 2007-2011 and 2012-2016, as well as various other engagements for the District since 2004. The financial plan included projections of customers, water usage and revenues under the existing rates, projections of operating and maintenance expense, debt service on existing bonds and additional bonds necessary to fund the capital improvement program, and reserve fund deposits. In addition, RFC recommended a rate adjustment program over the five year study period to meet the projected revenue requirements and maintain the District's financial sustainability. A user-friendly computer model was also developed for use by District staff to analyze different planning scenarios.

Hallsdale-Powell Utility District (TN)

Mr. Kreps has served as Project Manager on several engagements for the Hallsdale-Powell Utility District (HPUD) in Knoxville, Tennessee. HPUD has faced significant challenges related to capital infrastructure repair and replacement to meet the demands of its growing system. Mr. Kreps developed a water and wastewater rate model that has served as a financial

planning tool for the District over the past 10 years. The model was designed to evaluate a variety of financing assumptions and operating scenarios with the ultimate goal of recommending an appropriate program of rate adjustments to meet HPUD's projected revenue requirements. Most recently, Mr. Kreps developed the financial forecast and opinion letter for inclusion in HPUD's Series 2006 and Series 2008 Revenue Bonds, as well as a Rural Utility Service loans in both 2009 and 2011.

City of Phoenix (AZ)

RFC has performed numerous projects for the City of Phoenix (City) over the past ten years. The projects have included rate analyses, bond feasibility analyses, calculating an environmental fee, and design/build/operate procurement. RFC has assisted the City with four debt issuances. In 2001, RFC assisted with the preparation of a bond feasibility analysis for a \$220,000,000 Junior Lien Water System Revenue Bond issuance. In 2003, RFC assisted with the preparation of a bond feasibility analysis for \$130,260,000 in Senior Lien Wastewater System Variable Rate Demand Revenue Refunding Bonds. In 2003, RFC assisted the City by performing a parity test and preparing a parity test certificate for \$11,325,000 in Junior Lien Water System Revenue Refunding Bonds, and, in 2004, RFC performed a parity test and issued a parity test certificate for \$180,000,000 in Junior Lien Wastewater System Revenue Bonds. In 2005, RFC prepared a bond feasibility analysis for a \$600,000,000 in Junior Lien Water System Revenue Refunding Bonds. For this engagement, RFC reviewed the financial forecast prepared by the City; reviewed the report prepared by the City for inclusion in the bond official statement; prepared an opinion letter related to the reasonableness of the City's financial forecast; and performed a parity test and issued a parity test certificate. The scope of work for this project also included a benchmarking study that compared the City's performance on a variety of financial performance metrics with the performance of other similar utilities. Data for the benchmarking study was derived from information collected as part of RFC's biennial rate survey and from a targeted survey of the City's peer utilities that was created specifically for this project.

Town of Oak Island (NC)

Mr. Kreps served as Project Manager on several engagements with the Town of Oak Island, North Carolina. (Town) to provide financial feasibility consulting services related to its Series 2008 Utility System Revenue

Bonds (Series 2008 Bonds), the Series 2009 Utility System Revenue Bonds (Series 2009 Bonds), and the Series 2011 Utility System Revenue Bonds (Series 2011 Bonds). The bonds were issued to fund the design and construction of a wastewater collection system to provide centralized service to the remaining 85% of the Town's residents that receive wastewater service from septic systems. The wastewater collection system includes approximately 85 miles of vacuum collector sewers, nine vacuum stations, one main pump station, and a force main transmission line to deliver wastewater to the West Brunswick Regional Wastewater Treatment Facility. The collection system was constructed in two phases at a total cost of \$150 million.

In order to assist the Town in securing the necessary funds for its capital initiatives, RFC prepared a financial feasibility report that was included in the Official Statement for the Series 2008 Bonds, the Series 2009 Bonds, and the Series 2011 Bonds. The feasibility reports included a five-year projection of revenues, expenses, debt service and debt service coverage, along with specific documentation of significant forecast assumptions.

City of Lakewood (OH)

Mr. Kreps served as Project Manager on a comprehensive water and sewer rate study for the City of Lakewood, Ohio (City). The City was facing multiple challenges in developing its financial plan including, for example, declining consumption, rising costs, and significant capital needs related to its Long-Term Combined Sewer Overflow Control (LTCSO) Plan. Mr. Kreps assisted the City in evaluating the revenue sufficiency and cost equity of its rate structure for providing water and sewer services. The focus of the analysis involved the development of a financial plan that fully supported system operations and maintenance, asset reinvestment, debt service, and debt service coverage requirements. Mr. Kreps developed recommendations that provided a projection of utility rate adjustments necessary to meet forecasted revenue requirements over a five-year planning period. For planning purposes, a long-term, 20-year forecast was also developed to assess, in particular, the potential impacts of the City LTCSO Plan, with specific emphasis on measuring rate affordability.

City of Buffalo (NY)

Mr. Kreps provided financial advisory services for

a comprehensive cost of service and rate study for the Buffalo Water Board (Board). The Board's primary pricing objectives were revenue sufficiency and equitable cost recovery from all customer classes. To achieve these objectives, Mr. Kreps performed a cost of service study and developed two alternatives to the existing three-tiered, declining block rate structure. The results of the cost of service study indicated that the discount being realized by large volume customers was not cost-justified and that only a minor portion of consumption was within the middle rate block. Mr. Kreps recommended a phased approach to bringing the discount for consumption in the third rate block closer to a cost-justified level and phasing out the middle rate block. Both the Board and the City's Common Council unanimously approved the recommendations.

City of Rock Hill (SC)

Mr. Kreps has served as Lead Consultant on several engagements with the City of Rock Hill, South Carolina (City). Specifically, Mr. Kreps assisted the City in calculating water, wastewater, stormwater, and fire development impact fees. Additionally, Mr. Kreps worked with the City to develop a cost of service wholesale rate methodology and associated model to serve as a basis for calculating wholesale water and wastewater rates. Based on a previous regionalization study conducted by RFC, it was determined that it was economically viable for the City to serve as a regional provider of water and wastewater services to wholesale customers within and around York County, South Carolina.

York County (SC)

Mr. Kreps served as Project Manager on a wheeling rate study for York County, South Carolina (County). The County engaged RFC to calculate a wholesale or bulk rate for water purchased by the City of York from the City of Rock Hill to be delivered through the County transmission system. Mr. Kreps developed a cost allocation methodology and associated rate for delivering water through the County system that considered alternative options for the assessment of capital costs. Mr. Kreps also provided direction related to developing the contractual agreement that will govern these transmission services provided by the County.

Watauga Regional Water and Sewer Authority (TN)

Mr. Kreps served as Lead Consultant on an engagement with the Watauga Regional Water and Sewer Authority (WRRWA). The WRRWA commissioned RFC to

conduct a study to evaluate the economic impact of designing, engineering, and constructing a regional water treatment facility and associated transmission system. Mr. Kreps developed an economic feasibility model that evaluated both the unit cost impact and average customer bill impact of two regional plan alternatives. Mr. Kreps, in association with a national engineering firm, assessed both the quantitative and qualitative impacts of both alternatives, which ultimately lead to the selection and recommendation of a preferred regional plant alternative.

White House Utility District (TN)

Mr. Kreps served as Project Manager on multiple engagements for the White House Utility District, Tennessee (WHUD). Mr. Kreps has conducted numerous water and wastewater rate and financial planning studies consisting of defining and evaluating the existing and projected cost basis for utility operations, allocating costs based on cost of service principles, and recommending updated water and wastewater fees for retail customers. Mr. Kreps also assisted WHUD with an evaluation of the appropriateness of its existing rate methodology for charging water service on a wholesale basis. Mr. Kreps participated in discussions with WHUD's wholesale water customer to re-negotiate a rate that was both reasonable and equitable.

City of Johnson City (TN)

Mr. Kreps served as Lead Consultant for the City of Johnson City (City) in developing a ten-year financial plan and program of water and wastewater rate adjustments to meet the anticipated requirements of a substantial wastewater capital improvements plan. The City had not adjusted its water or wastewater rates in approximately ten years when it engaged RFC in 2003. Previously, the City had employed a short-term (one-year) planning process which implemented rate adjustments in reaction to annual capital and budget requirements. As part of our assistance, RFC recommended modifications to the City's water and wastewater rate structures to eliminate the minimum usage allowances and introduce base charges for both water and wastewater. Additionally, RFC developed a plan to gradually eliminate the declining block wastewater volume rates by consolidating the declining block rates into one uniform volume wastewater rate over a ten-year period. The elimination of the declining blocks was recommended to provide more

consistency with current industry rate-setting practices as the recent decline in the City's manufacturing and industrial customer base no longer warranted a rate structure that provided incentives for large industrial wastewater users.

The elimination of the declining blocks also allowed the City to phase out the current subsidy provided from the water utility to the wastewater utility and move towards a more financially self-sufficient wastewater utility. Other recommendations involved implementation of a consistent outside-city differential for all rates and charges assessed to outside-city water and wastewater customers, and developing a program of rates and charges that would achieve a target level of debt service coverage of 1.20x in order to protect the utility's financial position and access to debt markets. RFC also worked with the City to determine the appropriate costs for providing potable water to wholesale customers under the Utility Approach to rate-setting and provided sample calculations of wholesale water rates for two potential types of wholesale customer contracts. These customer types included a customer who would not require City water services on a consistent basis and a customer who would require City water services as its primary source of water and would agree to "buy-in" to a portion of the City's available capacity.

RFC has been engaged by the City in 2007, 2008, and 2009 to update the rate and financial planning model.

Laurens County Water and Sewer Commission (SC)

Mr. Kreps served as Lead Consultant on developing a five-year water and wastewater financial planning and rate model for the Laurens County Water and Sewer Commission, South Carolina (LCWSC). The LCWSC provides water and sewer service to retail residential and commercial customers located in unincorporated areas of Laurens County, and four adjacent areas located in Greenville County. The LCWSC was concerned that existing rate structures did not represent the appropriate cost of service. As a result, RFC was retained to evaluate the water and wastewater rate structures and identify alternative rate structures that could provide a more appropriate allocation of costs among the different user classes. After identifying alternative water and wastewater rate structures, RFC developed a five-year financial planning and rate model with the flexibility to calculate rates under the existing and alternative rate structures and assess the rate impacts of changing rate structures.

Based on the potential for significant rate impacts on certain water customers, RFC recommended staying with the existing water rate structure with minor modifications to provide more the appropriate recovery of costs from commercial customers. For wastewater, the potential rate impacts associated the alternative rate structure were less significant, and an alternative rate structure was recommended.

City of Oxford (NC)

In July 2000, the City of Oxford (City) retained RFC to develop a comprehensive financial planning and rate model to evaluate revenue sufficiency for both the water and wastewater utilities. The City was anticipating a significant increase in growth due to its proximity to the Raleigh-Durham area. The growth was expected to be both residential and industrial customers. Due to the expected growth in the area and the need for renewal and replacement of assets, the City anticipated significant financing needs to undertake its Capital Improvement Program. In order to generate the revenues needed to address projected increases in operating costs and debt service costs, the City decided to review and update their previous water and wastewater utility rate structure. The financial planning model developed by RFC incorporated the City's intensive capital improvement plan and was structured so that the City could use the model to evaluate revenue impacts under various scenarios. Since July 2000, RFC has updated the model annually for the City of Oxford to ensure that the City has the revenue sufficiency needed to continue to perform its needed capital improvements.

City of Peoria (AZ)

The City of Peoria (City) has experienced fast-paced growth and heavy development pressure as the City's population has more than doubled since 1990. As a result, demand for water and wastewater services has also increased at a rapid pace. Concurrently, the State of Arizona (State) enacted the Groundwater Management Act and the Assured Water Supply rules to limit the use of groundwater and to encourage the use of alternative water supply sources. As a result, the State mandated that the City reduce its reliance on mined groundwater and increase its use of renewable water resources. To comply with these regulatory requirements, the City developed an aggressive capital plan to reduce its former 100% use of groundwater through a combination of its existing water supply sources, maximization of reclaimed water for non-potable use, and a

continued commitment to water resource conservation.

To effectively address these growth and regulatory related issues and concerns, the City sought assistance in reviewing and updating its existing water and wastewater rate structure and developing a 10-year financing plan for its extensive capital requirements. In February 1998, the City engaged RFC to conduct a comprehensive water and wastewater rate and financial planning study, which incorporated a water and wastewater utility rate study, an update of its water and wastewater development fees, the development of a water resource fee, and the development of an appropriate financial plan and bond feasibility forecast. Following these initial engagements, RFC has assisted the City in updating its water and wastewater rates, utility financial plan, and utility development fees on a biennial basis (2000, 2002, 2004 and 2006). As part of these updates, the City implemented a uniform service area approach to determining its development fees.

In 2003, RFC further assisted the City in determining utility development fees for a separate service area located west of the Aqua Fria River. Although the City assesses uniform water and wastewater development fees to customers in all other areas of its water and wastewater system, proposed development in this independent service area requires significant investments in capital improvements and certain portions of the required infrastructure will be financed through a Community Facilities District. Since these fees will be separate and unique from the fees assessed to other customers within the City's current service area, the City requested that RFC calculate the fees based upon the specific costs for the infrastructure they are intended to recover.

Pima County (AZ)

Mr. Kreps served as Project Manager or Lead Consultant on multiple engagements for Pima County, Arizona (County). In 2005, RFC was engaged by the County to provide strategic financial and analytical support related to the long-term revenue and rate implications associated with the investment of approximately \$1.4 billion in its wastewater system over the next 15 years. The County is faced with an extraordinary challenging of improving a significant portion of its wastewater system in order to comply with more stringent effluent quality standards imposed by State and Federal regulators and to meet the needs of a growing customer base. RFC, in association with Greeley & Hansen, developed an

economic planning model to assess, at a high level, the long-term rate and customer impacts of various capital investment strategies and system configurations designed to adequately address regulatory requirements and provide sufficient capacity to serve both existing and projected demand. RFC also developed a financing plan for the capital program that considered the use of traditional public financing instruments, and the use of non-traditional, alternative financing options, both public and private, that could provide a more cost-effective strategy for funding certain components of the capital program.

Based on the results of the capital planning analysis, RFC was retained by the County, in two separate engagements, to develop its fiscal year (FY) 2008 Financial Plan and conduct a more detailed economic analysis of alternative project delivery options. The development of the FY 2008 Financial Plan included a comprehensive rate study and creation of a Rate and Financial Planning Model (Rate Model), to be updated on an annual basis, covering the Department's Operating and Maintenance (O&M) and capital improvement financing over a 10-year forecast period. The Financial Plan was designed to serve as road-map for funding capital improvements and basis for developing rates and charges that are fair and equitable. In 2008, RFC was retained by the County to update its FY 2009 Financial Plan.

Both the FY 2008 and FY 2009 Financial Plans assumed the use of more traditional public financing instruments, such as revenue bonds and State Revolving Fund (SRF) loans, to financing the proposed capital improvements, and assumed a more traditional Design-Bid-Build (DBB) project delivery model. However, the County was interested in understanding both the economic and non-economic implications of alternative financing options and approaches to project delivery, including Design-Build (DB), Design-Build-Operate (DBO) and Design-Build-Operate-Finance (DBFO) delivery models. One of the largest projects in the capital program was the construction of a new 32 million gallon per day (MGD) water reclamation facility designed to meet all new effluent discharge requirements. It was determined that this project, in particular, should be evaluated in terms of the potential risks and benefits of alternative project delivery options, to determine which option under consideration could provide the least risk and lowest probable cost.

To facilitate the quantitative aspects of the alternative project delivery analysis, RFC develop a Multiple Criteria Risk Model (Risk Model) to project operating and capital costs and calculate Net Present Value (NPV) life cycle costs for design and construction of the new water reclamation facility under a base case (DBB), DB, DBO, and DBFO project delivery alternatives. RFC participated in several workshops with County staff to identify specific variables and risk parameters that could be quantified. These variables and risk parameters were incorporated into the Risk Model, which used Monte Carlo simulations over 5,000 trials to project risk adjusted NPV life cycle costs for each project delivery alternative. Specific variables considered included construction schedule, tax-exempt interest rates, private interest rates, private cost of equity, operating cost inflation, capital cost inflation and discount rate, among numerous others. The results of the quantitative analysis identified DBO as the project delivery alternative with the lowest risk and NPV life cycle cost.

Other services provided to the County by RFC include the valuation of a small water reclamation facility serving a community in the County's outlying service area. The study was conducted to support the County in negotiations with the community, as it was evaluating the implications of seeking ownership of this facility. RFC is currently conducting an analysis of the County's methodology used to assess connection fees.

Bowling Green Municipal Utilities (KY)

Mr. Kreps served as Project Manager on a water and wastewater rate and cost of service study for the Bowling Green Municipal Utilities (BGMU). BGMU was seeking a comprehensive analysis of the existing and projected cost basis of utility operations and an evaluation of the appropriateness of its existing rate structure for providing water and sewer services. BGMU is facing significant capital expenditures related to asset repair and replacement and system improvements to address aging infrastructure and to meet regulatory requirements. Mr. Kreps developed a rate and financial planning model to provide a forecast of rates, revenues, expenses, debt service, debt service coverage, and reserves over a 5-year forecast period. The rate model included specific metrics for tracking reserves to increase liquidity, mitigate operational risk, and enhance the credit profile of the utility.

City of Cookeville (TN)

Mr. Kreps served as Project Manager on a water and wastewater rate and financial planning study for the City of Cookeville, Tennessee. The study was designed to address a number of financial and pricing objectives including, in particular, recommendations for cost justified water and wastewater rates that fully support system operations and maintenance, asset repair and replacement, debt service, and debt service coverage requirements. Additional recommendations were also provided related to water and wastewater capacity charges that support growth related projects to ensure that new customers are making an equitable contribution toward the capital investment in the capacity to accommodate growth. Mr. Kreps also developed a rate and financial planning model to forecast annual revenue requirements and rates over a five-year planning period.

City of Dover (NH)

Mr. Kreps provided assistance to the City of Dover, New Hampshire (City), to assess the implications of alternative approaches for addressing the City's stormwater management needs. Mr. Kreps managed multiple tasks involving the financial, rate, and billing implications of establishing a separate enterprise fund for a stormwater utility. The City, which currently funds stormwater costs through its General Fund, was interested in options for developing a user-based system of stormwater charges to provide a more reliable source of revenue. Mr. Kreps identified and evaluated alternative approaches for designing stormwater rates including, in particular, fee structures based on impervious area only, impervious area plus gross area, and intensity of development. The impervious area only-based charge was identified as the most equitable methodology assigning responsibility for stormwater costs. Study recommendations were approved by a Steering Committee and was presented to City Council in January of 2011.

City of Alcoa (TN)

Mr. Kreps has served as manager on multiple engagements with the City of Alcoa, Tennessee (City). In 2008, RFC developed a wholesale water exchange rate for an emergency connection between the City and the City of Maryville, Tennessee, as well as a wholesale water rate for the service provided to the Tuckaleechee Utility District. In 2010, RFC was engaged to conduct a comprehensive rate and financial planning study covering both the water and wastewater utilities. The City was seeking financing from the Tennessee

Drinking Water Revolving Loan Program to fund a new finished water storage facility. The State requested that the City conduct a rate study prior to awarding the funding source, to ensure the City's rates were sufficient to maintain a positive change in net assets, which is a requirement of the Tennessee Utility Management Review Board.

Other Relevant Project Experience

- > City of Alcoa (TN) – Wholesale Water Rate Analysis
- > Berkeley County (SC) – Development Impact Fee Study, Industrial Water and Sewer Rate Study, and Industrial Rate Update
- > Bowling Green (KY) – Water and Wastewater Rate Study
- > City of Buffalo (NY) – Water Cost of Service Study
- > Borough of Carlisle (PA) – Water and Wastewater Rate Study
- > City of Concord (NC) – Wholesale Wheeling Charge Study
- > City of Cookeville (TN) – Water and Wastewater Rate Study, Capacity Fee, and Wholesale Rate Study
- > D.C. Water (DC) – Water and Wastewater Cost of Service Study
- > Durham County (NC) – Bond Feasibility Study and Rate Model Update
- > City of Durham (NC) – Water Conservation Rate Study
- > Erie County (NY) – Wastewater Utility Consolidation Study
- > City of Florence (SC) – Capital Planning Analysis
- > Hallsdale-Powell Utility District (TN) – Water and Wastewater Rate Study
- > Hardin County Water District #1 (KY) – Water and Wastewater Rate Study and PSC Filing
- > City of Johnson City (TN) – Water and Wastewater Rate Study (Retail and Wholesale) and Rate Model Updates
- > City of Kinston (NC) – Water and Wastewater Rate Study
- > City of Lakewood (OH) – Water and Wastewater Rate Study
- > Laurens County (SC) – Water and Wastewater Rate Study
- > City of Maryville (TN) – Wholesale Water Rate Analysis
- > City of Myrtle Beach (SC) – Water and Wastewater Rate Study
- > City of Newport News (VA) – Bond Feasibility Study

- > Northeast Ohio Sewer District (OH) – Wastewater Rate Analysis and Stormwater Rate Study
- > City of Oxford (NC) – Rate Study and Model Update
- > City of Peoria (AZ) - Water and Wastewater Rate and Impact Fee Study
- > City of Phoenix (AZ) - Organizational Management Study
- > Pima County (AZ) – Wastewater Planning and Rate Study and CIP Analysis
- > City of Richmond (VA) – Water, Wastewater, Gas, Electric, and Stormwater Rate and Financial Planning Model
- > City of Rock Hill (SC) - Development Fee Study and Wholesale Rate Study
- > San Diego County Water Authority (CA) – Wholesale Wheeling Charge Study
- > Sewanee Utility District (TN) – Water and Wastewater Rate Study and Developer Charge Study
- > Stanly County (NC) – Water and Wastewater Rate Study
- > United States Navy – Privatization Procurement
- > Watauga River Regional Water Authority (TN) – Regionalization Study
- > Water and Sewer Authority of Cabarrus County (NC) – Water Consolidation Study
- > Webb Creek Utility District (TN) – Water and Wastewater Rate Study
- > White House Utility District (TN) – Water and Wastewater Rate Study (Retail and Wholesale)
- > City of Wilmington (DE) – Litigation Support
- > York County (SC) – Wholesale Wheeling Charge Study
- > "Quantify Risk in Project Procurement": Utility Management Conference, 2010.
- > "Creative Financial Strategies for Virginia Utilities": AWWA/WEF Webcast, 2011.

SPEAKING ENGAGEMENTS

- > "2006 Water and Wastewater Rate Survey Results and Industry Trends": Tennessee/Kentucky AWWA Annual Conference, 2006; Virginia AWWA Annual Conference, 2006
- > "Financing and Prioritizing Your Utility's Capital Needs": Tennessee/Kentucky AWWA Annual Conference, 2008
- > "Are Your Rates Affordable?": WEF Webcast – Managing Rates and Charges in Challenging Economic Times, 2009
- > "Pima County Regional Optimization Financial Plan": WESTCAS Fall Conference, 2009
- > "Securing Financing in Challenging Economic Times – Case Study: Town of Oak Island, NC": North Carolina AWWA Annual Conference, 2009



Hardin County Water District No. 1

Wastewater Rate and Cost of Service Study Radcliff Utility

June 6, 2013



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I. Introduction and Study Data

A. Introduction

The Hardin County Water District No. 1 (“HCWD1”) has been in operation since 1952. HCWD1 currently operates five separate utility systems including a water utility (urban and rural); Fort Knox water, sanitary sewer and storm systems; and the Radcliff sanitary sewer utility (“Radcliff Utility”). HCWD1 maintains an agreement with Veolia Water, North America, South, LLC (“Veolia”) for contract operations of the Fort Knox water, sanitary, and storms systems and the Radcliff Utility. HCWD1 acquired the Radcliff Utility from the City of Radcliff, Kentucky (“City”) in January of 2008. Under the terms of the agreement, HCWD1 assumed the City’s outstanding debt on the facilities (PSC Case No. 2008-00074). Official operation of the utility by HCWD1/Veolia occurred on April 20, 2008.

The Radcliff Utility consists of approximately 9,000 sewer connections with average daily flows of approximately 2.3 million gallons per day (“MGD”). The customer base is predominantly residential, with a select number of commercial and institutional accounts. Wastewater is collected through an infrastructure 2,912 manholes, 62 lift stations, and 104 miles of sewer mains (excluding force mains), and it is delivered for treatment and disposal of solids at a 4.0 MGD facility.

HCDW1 engaged Raftelis Financial Consultants, Inc. (“RFC”) to conduct a rate and cost of service study (“Study”) for the Radcliff Utility. The Study has been designed to be in accordance with Kentucky Public Service Commission requirements and covers retail rates. Although HCWD1 does not currently provide wholesale services from its Radcliff Utility, the Study includes a recommended rate methodology for providing wastewater conveyance and treatment services on a wholesale basis.

B. Study Data

HCWD1 has maintained financial data for the Radcliff Utility since it commenced operation in April of 2008. HCDW1 reports financial information on a calendar year basis and prepared its first annual report for the Radcliff Utility for the full year 2009. The 2012 financial report has been submitted to the PSC and has been audited by Ray, Foley, Hensley, and Company of Lexington, Kentucky. A copy of the 2012 audit is attached to this document in Appendix A. HCWD1 also submits a Detailed Comparative Statement of Revenues, Expenses, and Changes in Net Assets (“Comparative Statement”) for the Radcliff Utility to the PSC. A copy of the Comparative Statement is attached to this document in Appendix B. The Comparative Statement ties to the audit report in total; however, it captures several General Ledger (Appendix C) cost categories differently, particularly allocated depreciation and amortization expense. Due to the additional level of detail provided in the Comparative Statement, the cost of service study will utilize this data for its test year,

with known and measurable changes to the test year revenue requirements to support the need for a rate increase.

Operating and Maintenance Expenses (2012)

HCWD1 reports operating and maintenance (“O&M”) expenses for the Radcliff Utility in various cost categories. The majority of its O&M expenses are categorized under contractual services, as Veolia provides contract operations covering the wastewater treatment plant and collection system for the Radcliff Utility.

Figure 1 summarizes the major categories of operating costs for the Radcliff Utility based on the 2012 audited data.

Figure 1 – O&M Expenses (Test Year)

| | 2012 |
|------------------------------|------------------|
| Operating Expenses | |
| Collection System Labor | \$ 91,059 |
| Customer Service Labor | 151,356 |
| Administrative Labor | 102,927 |
| Management Fee - Veolia | 2,102,540 |
| All Other Expenses | 153,150 |
| Total Operating Expenses | \$ 2,601,032 |

HCWD1’s agreement with Veolia includes four components: (1) electric, (2) odor control, (3) operation and management, and (4) repair and maintenance. The Veolia agreement identifies contract limits in the test year for each of these components. Exceeding the contract limit is allowable with formal approval by HCWD1.

The comparison of actual versus contract limit costs in 2012 is provided in Figure 2.

Figure 2 – Veolia Contract Operating Costs (Test Year)

| | 2012 | | |
|--|---------------------|---------------------|------------------|
| | Actual | Contract Limit | Delta |
| Veolia Contract Operations | | | |
| Electric | \$ 256,867 | \$ 190,764 | \$ 66,103 |
| Odor Control | 1,140 | 15,000 | (13,860) |
| Operation and Management | 1,561,252 | 1,617,635 | (56,383) |
| Repairs & Maintenance | 283,280 | 193,200 | 90,080 |
| Total Veolia Contract Operating Expense | \$ 2,102,540 | \$ 2,016,599 | \$ 85,941 |

As noted in Figure 2, electric costs for the Radcliff Utility exceeded the contract limit by \$66,103 in 2012. The initial contract limit was based on historical data for the system provided by the City and engineering and operational estimates by Veolia. However, actual electric costs have been higher than anticipated due to, in large part, substantially higher levels of wet weather and other unanticipated costs related to pumping requirements in the collection system. Repair and maintenance expenses also exceeded the contract limit by \$90,080. Again, this was a result of higher than anticipated needs in the system forecasted in the initial contract with Veolia. Operation and management and odor control costs were \$56,383 and \$13,860 lower than the contract limits costs in 2012, respectively.

The contract operating agreement between HCWD1 and Veolia has a term of 17 years and 4 months, with renewals for successive terms of five years each, unless cancelled in writing by either party no less than 120 days prior to expiration. The annual cost to HCWD1 is based on an Agreement Year, which outlines the contract limits for the cost categories identified above. The contract limits are renegotiated annually, or a fee adjustment formula can be used to determine the contract limits for the upcoming Agreement Year, if necessary. A copy of the contract operating agreement between HCWD1 and Veolia for the Radcliff Utility is provided with this rate filing.

Depreciation/Amortization (2012)

HCWD1 accounts for depreciation to spread the cost of its capital assets over their useful lives. The annual value lost in the asset base should be recognized as a revenue requirement of the system, to ensure appropriate levels of annual reinvestment (renewals and replacements) in these assets over time. Depreciation for the Radcliff Utility is based on accounting records provided by the City and additional investment in the system subsequent to the acquisition by HCWD1. The depreciation expense found in the 2012 audit includes all assets for the Radcliff Utility; allocated depreciation for certain shared assets that benefit the Radcliff Utility; and the amortization of acquisition costs. Appendix D provides detailed schedules including the depreciation of each Radcliff Utility asset, as well as allocated depreciation for certain shared facilities amongst HCWD1's various utilities.

Figure 3 represents a summary of depreciation/amortization for the Radcliff System in 2012.

Figure 3 – Depreciation/Amortization (Test Year)

| | 2012 |
|-------------------------------------|------------|
| Depreciation | \$ 903,181 |
| Allocated Depreciation | 68,840 |
| Amortization of Acquisition Expense | 9,100 |
| Total Depreciation/Amortization | \$ 981,121 |

Debt Service (2012)

HCWD1 has only one outstanding long-term debt associated with the Radcliff Utility. The debt obligation is a Kentucky Infrastructure Authority (KIA) loan with a remaining balance of approximately \$1.8 million. Principal, interest, and service fee payments were \$350,067 in 2012. Total interest expense was \$86,791 in 2012. This includes KIA loan interest, allocated interest on a 2002 bond issued for the HCWD1 Service Center, and bond remarketing fees.

User Charge Revenue (2012)

Radcliff Utility sewer customers are assessed a minimum charge for services that includes the first 2,000 gallons of demand based on metered water consumption. Monthly flows above 2,000 gallons but below 15,000 gallons are assessed a rate of \$5.58 per 1,000 gallons (kgal) of consumption. Flows above 15,000 gallons per month are assessed a rate of \$4.47 per kgal. The Radcliff Utility does not assess different rates by customer class. Total user charge revenue in 2012 was \$3,371,082.

Other Revenue and Income/Expenses (2012)

Other revenue and income/expenses includes penalties, service fees and miscellaneous; bad debts recovered; interest income; interest expense; gain on sale from assets; and tap fees. Net revenue from these sources total \$24,685 in 2012. This net revenue is recognized as an offset in the cost of service analysis, including tap fees, which are accounted for as contributed capital, as they represent cash contributions to the Radcliff Utility fund. It should be noted that these fees are independent of the user charge rates. Any recommended rate adjustments do not apply.

Plant Flows and Billable Demand (2012)

Monthly billings and plant flows were provided from 2009 through 2012. The difference between treated flows and billable flows were used to estimate system inflow and infiltration (“I&I”). Inflow is described as extra water, typically stormwater, flowing into the wastewater collection system from above ground sources such as leaky manhole covers or private property drainage spouts connected illegally to the sanitary sewer system. Infiltration is described as extra water that enters the collection system through the soil. This flow usually enters through separated joints and pipe cracks, which

often occur at or near the customer point of connection. Based on average flow data for the past 4 years, total system I&I was approximately 42.1%.

Figure 5 presents billable flows, I&I, and treated flows for the Radcliff Utility in 2012.

Figure 5 – Plant Flows, Inflow and Infiltration, and Treated Flows

| | 2012 | |
|-------------------------|--------------|---------|
| | Flows (kgal) | % Total |
| Flow Data | | |
| Billed Flows (1) | 489,915 | 57.9% |
| Inflow and Infiltration | 355,511 | 42.1% |
| Treated Flows | 845,426 | 100.0% |

(1) Unadjusted billable flows. Billable flows were adjusted in the cost of service and rate model for consistency with actual revenues.

II. Adjustments to the Test Year

A. Introduction

This section documents all adjustments to the test year for the purpose of this rate filing. The PSC will allow such adjustments if they are known and measurable or it can be documented why a specific cost will be higher or lower than the test year. The following describes all of the proposed adjustments to the test year and the basis for the recommended change. Additional detail supporting the proposed adjustments can be found in the schedules from the rate and cost of service model (Appendix E).

B. Known and Measurable Changes

Deduction of Insurance Services – Property and general liability insurance will be reduced by \$3,617. This is based on an estimated 12.3% decrease effective July 1, 2013.

Increase in Wages and Benefits for Collection System Employees – The 2013 Budget for the Radcliff Utility as approved at the 12/6/12 Board Meeting includes a 3.0% increase in salaries for employees. Required contributions to the County Employee Retirement System (CERS) increased from 18.96% to 19.55% effective July 1, 2013. Although the social security (OASDI) employee contribution percentage stays the same, the increase in salaries and wages translates into a proportional increase in OASDI. In aggregate, the total increase in wages and benefits for Radcliff Utility collection system employees is \$3,145.

Increase in Wages and Benefits for Customer Service Employees – Comparable adjustments are included for customer service employees. In aggregate, the total increase in wages and benefits for Radcliff Utility customer service employees is \$4,014.

Increase in Wages and Benefits for Administrative Employees – Comparable adjustments are included for administrative employees. An additional adjustment was made to reflect the General Manager's new 5-year contract. In aggregate, the total increase in wages and benefits for Radcliff Utility administrative employees is \$12,227. This includes \$52 in additional cost for the Board of Commissioners.

Increase of Contract Operating Cost – HCWD1 and Veolia renegotiated the contract operating agreement for the Radcliff Utility. The adjusted contract limits increase the total annual cost by \$79,391 for the new Agreement year.

Reduction in Costs from Allocated General and Administrative Savings – The Radcliff Utility has been allocated a portion of savings in general and administrative costs as a result of HCWD1's recent agreement to provide contract operations to the Fort Knox water system. Radcliff's allocation (17.86%) is based on its portion of HCWD1 administrative costs before savings. Savings reported on the 2012 Comparative Statement were \$88,329. HCWD1 has included a reduction in savings of \$33,663 in its 2013 budget.

Increase in Costs for One-Time Gain on Sale – The 2012 Comparative Statement includes a one-time loss of sale of \$99,903. HCWD1 does not anticipate another loss on sale of assets in 2013.

Deduction of Interest Expense – HCWD1 will use a three-year average for its debt service calculation. As such, interest expense of \$86,791 will be reduced from the test year. This includes interest on an outstanding KIA loan; allocated interest on an outstanding variable rate bond issued for the HCWD1 Service Center; and bond remarketing fees.

Addition of Three-Year Average Debt Service – HCWD1 will submit a three-year average debt service payment for the years 2013 – 2015. This results in a payment of \$348,955. There is no additional adjustment for debt service coverage (DSC). The DSC requirement on the outstanding KIA loan is 1.0 times total debt.

Addition of Amortized Rate Case Consultation – HWCD1 estimates it will incur \$100,000 associated with consultants and attorneys for the rate filing. This represents all cost incurred associated with this filing since 2008, which has included four revisions to the test year and known and measurable changes, as well as numerous iterations of rate and financial planning scenarios. This expense will be amortized over 5 years.

Deduction in Depreciation – Annual depreciation is reduced by \$8,185 to reflect the full depreciation of certain assets in 2013.

Addition of Depreciation – HCWD1 anticipates accounting for an additional \$5,075,948 in capital investment. This represents capital projects already commenced with expected completion in either 2013 or 2014. The additional depreciation associated with these assets is \$132,718.

III. Cost Allocations

A. Background

Once revenue requirements are identified, these costs are allocated proportionately to customers based on how they use the system. The cost allocation approach utilized in this study is consistent with current industry pricing standards as prescribed by the Water Environment Federation in its *Manual of Practice #27 – Financing and Charges for Wastewater Systems*.

The appropriate level of detail required for a cost of service analysis for a wastewater utility is contingent on utility pricing objectives, system characteristics, and the accuracy and availability of data necessary to support the analysis. Based on detailed discussions with HCWD1 staff, it was determined that revenue requirements should be allocated into functional components consistent with the most significant cost causative characteristics of the customer base. These cost components included: (1) Volume; (2) I&I; (3) Billing and Collections; and (4) Meter Reading. Because of the homogenous nature of the customer base, which is predominantly residential, it was not necessary to assign revenue requirements to wastewater treatment process cost centers, such as collection, pumping, primary treatment, secondary treatment, residuals handling, etc., and then to additional treatment parameters, such as biochemical oxygen demand and total suspended solids, to support assigning costs to customer classes based on wastewater strength. Rather, a more appropriate way for HCWD1 to address its specific issue related to higher wastewater strength concentrations, which occur from restaurants predominantly, is through an annual special discharge permit inspection fee, which may be considered by HCWD1 in the future. This fee would ensure that these types of customers install and maintain the proper mechanisms to prevent oil and grease from entering the collection system.

B. Functional Cost Components

A description of the functional components used in the cost of service allocations is provided below.

Billing and Collections – Costs associated with generating a bill and receiving payment for services. This includes customer service labor, billing and collections, and other customer related costs.

Meter Reading – Costs associated with labor, equipment, vehicles, supplies, and other expenses associated with the annual cost of reading a customer's meter.

Volume – the level of wastewater flow by customers for the Radcliff Utility is measured by water meters serving the property. All other system costs are assigned initially to this category for the purpose of assessment based on the amount of wastewater delivered to the system for treatment and disposal. These costs are then allocated between billed volume and I&I (see below).

Inflow & Infiltration – As discussed in Section I, I&I is extra water entering the collection system from above ground sources, such as manhole covers, illegal downspouts, and foundation drain connections, and through groundwater seeping into buried pipes through cracks or loose joints.

Costs assigned to the volume component are allocated further between billed volume and I&I based on a comparison of billed flows to treated flows or some percentage of this number. Based on a four-year average of the 845,425 kgal of wastewater treated, approximately 58.0% was based on measured water consumption and approximately 42.0% was a result of I&I. Based on RFC's experience and general industry benchmarks, this level of I&I is relatively high compared to more typical ranges between 25%-35%.

It is more challenging to identify a basis of allocating the cost of I&I because the demands placed on the system are not a consequence of a directly measurable service. Although a variety of factors could impact the level of system I&I, such as soil type, age of pipe, and integrity of the system connection, the Environmental Protection Agency ("EPA") through use of the 1972 Water Pollution Control Act issued guidelines regarding I&I and the establishment of wastewater rates. In general, the guidelines state that I&I can be recovered from customers in proportion to contributed wastewater volumes, number of connections, land area, property valuations, or in some combination of these factors. The most common approaches used are through a combination of contributed wastewater volumes and number of connections. Contributed flow correlates I&I to water flow volume and pipe size and can recognize a greater level of inflow from larger parcels through manhole covers, for example. Customer connections are also an accepted approach for assessing the responsibility of I&I, as engineering studies have shown there is more significant potential for infiltration from residential customers through illegal drains, cracked pipes, and unsealed joints occurring as a result of a simplistic, un-engineered connection that is not inspected. Larger commercial, industrial, and institutional customer connections are typically engineered and inspected.

For the purpose of this cost of service analysis, it was determined that it was most appropriate to use a combination of contributed wastewater volume (based on water flows) and customer connections to allocate responsibility for I&I. However, in order to mitigate the impact on lower-volume customers, and since HCWD1 is planning to make significant investments in the system to reduce wet weather flows, RFC recommends that HCWD1 initially assign only 37.5% of the volume costs to I&I, which is slightly higher than typical ranges based on our experience. This strategy also provides HCWD1 flexibility to reassess the Radcliff Utility's level of I&I as it makes improvements to the collection system and, if necessary, to revisit the portion of I&I it recovers on a per account basis.

The allocation of costs to the four components is provided in Figure 6. Detail supporting these allocations is provided in Appendix E.

Figure 6 – Allocation of Costs to Functional Components

| | Cost of Service | Billed Volume | Inflow & Infiltration | Customer Service | |
|--|---------------------|---------------------|-----------------------|-----------------------|-------------------|
| | | | | Billing & Collections | Meter Reading |
| Operating Expenses | \$ 2,601,032 | \$ 1,475,821 | \$ 885,493 | \$ 140,060 | \$ 99,658 |
| Amortization/Depreciation Expense | 981,121 | 613,201 | 367,921 | - | - |
| Test Year Cost of Service | 3,582,153 | 2,089,022 | 1,253,413 | 140,060 | 99,658 |
| Less: Non-Operating Income/Expenses | 21,685 | 13,553 | 8,132 | - | - |
| Less: Capital Contributions | 3,000 | 1,875 | 1,125 | - | - |
| Test Year Net Cost of Service | \$ 3,557,468 | \$ 2,073,594 | \$ 1,244,156 | \$ 140,060 | \$ 99,658 |
| Adjustments to the Test Year | \$ 435,619 | \$ 268,141 | \$ 160,884 | \$ 4,014 | \$ 2,579 |
| Adjusted Test Year COS Revenue Requirements | \$ 3,993,086 | \$ 2,341,735 | \$ 1,405,041 | \$ 144,074 | \$ 102,237 |

C. Cost Categories

The functional cost components identified above are allocated further into a volume or account cost category. Costs allocated to the volume component should be distributed to customers based on metered water consumption. Costs assigned to the account component should be distributed to customers based on the annual number of bills.

Billed Volume – These costs are assigned entirely to the volume cost category.

Inflow & Infiltration – These costs are distributed evenly (50/50) between the volume and account cost categories.

Billing and Collections – These costs are assigned entirely to the account cost category

Meter Reading – These costs are assigned entirely to the account cost category.

The distribution of functional costs components to categories is provided in Figure 7.

Figure 7 – Allocation of Costs to Categories

| Adjusted Test Year COS Revenue Requirements | Allocation Percentages | | Allocation Dollars | |
|---|------------------------|---------|--------------------|--------------------------------|
| | Volume | Account | Volume | Account |
| Functional Cost Components | | | | |
| Billed Volume | \$ 2,341,735 | 100% | 0% | \$ 2,341,735 \$ - |
| Inflow & Infiltration | 1,405,041 | 50% | 50% | 702,520 702,520 |
| Billing & Collections | 144,074 | 0% | 100% | - 144,074 |
| Meter Reading | 102,237 | 0% | 100% | - 102,237 |
| Total | \$ 3,993,086 | | | \$ 3,044,255 \$ 948,831 |

IV. Recommended Rates

A. Background

As noted previously, the Radcliff Utility currently assesses all customers a minimum charge of \$17.11 on a monthly basis that includes 2,000 gallons of flow. Monthly flows above 2,000 gallons but below 15,000 gallons are assessed a volumetric rate of \$5.58 per kgal. Flows above 15,000 gallons are assessed a volumetric rate of \$4.47 per kgal.

In Section III, adjusted test year revenue requirements were allocated to functional cost centers and categories for the purpose of rate structure design. This section will identify the revenue sufficiency of the Radcliff Utility's existing rates, as well as options for consideration related to alternative rate design that targets a more equitable distribution of costs to customers.

B. Revenue Sufficiency of Existing Rates

The adjusted test year revenue requirements identify a total cost of service for the system of \$3,993,086. Revenue from sewer sales in the test year was \$3,371,082, which results in a deficiency of \$622,004. The revenue sufficiency analysis does not include any additional revenues from new customers. The Radcliff Utility had an average of 8,977 accounts in 2012 (test year). From 2010 through 2012, the Radcliff Utility had an average of 9,004 accounts or 27 accounts higher than the test year. In terms of billable wastewater flows, RFC reviewed historical water billing data from the same period of time. HCWD1 uses billed water flows as a surrogate to assess wastewater volumetric charges. Average billable wastewater flows were 485,565 kgal during this period of time. As noted in Figure 5, billable wastewater flows were 489,915 kgal or 0.8% higher than the 3-year average. Figure 8 summarizes wastewater accounts and billed flows from 2010 through 2012.

Figure 8 – Historical Wastewater Accounts and Billed Flows

| Year | Accounts | | Billed Flows | |
|-------------|----------|----------|--------------|----------|
| | Average | % Change | Annual | % Change |
| 2010 | 9,061 | | 493,353 | |
| 2011 | 8,974 | -1.0% | 473,427 | -4.0% |
| 2012 | 8,977 | 0.0% | 489,915 | 3.5% |
| 3-Year Avg. | 9,004 | | 485,565 | |

From a financial planning perspective, and based on historical data, it does not appear necessary to recognize incremental revenue from anticipated new customers or billed flows to assess revenue sufficiency. Additionally, as of the date of this report, HCWD1 is not aware of any larger multi-family residential or non-residential customers requesting service in the near future. As a result, the additional revenue needs of \$622,004 result in a rate increase of 18.45%.

Figure 9 summarizes the revenue sufficiency of the existing rates. Additional detail can be found in Appendix E of this rate filing.

Figure 9 – Revenue Sufficiency of Existing Rates

| | |
|---|--|
| Adjusted Test Year Revenue Requirements | \$ 3,993,086 |
| Revenue From Sewer Sales (Test Year) | <u>3,371,082</u> |
| Additional Revenue Needs | \$ 622,004 |
| Percent Rate Increase | 18.45% |

In order to achieve full cost recovery the adjusted test year revenue requirements suggest a rate increase of approximately 18.45%. Based on detailed discussions with HCWD1 staff, it was determined that it would be appropriate for the Board of Directors (“Board”) to consider options other than setting rates for full cost recovery and, in particular, utilizing the HCWD1’s reserves to fund a portion of the depreciation expense in the adjusted test year. Based on test year data, the Radcliff Utility maintains an unrestricted reserve fund balance of \$2,954,024, which excludes \$338,723 in debt service reserve funds. Unrestricted reserves represent 415 days of test year operating expenses and 366 days of operating expenses plus debt service. The majority of these reserves are a result of the acquisition of the Radcliff Utility, which included a transfer of related utility reserve fund balances from the City to HCWD1 (PSC Case No. 2008-00074).

Figure 10 summarizes the Radcliff Utility’s test year unrestricted reserves.

Figure 10 – Test Year Unrestricted Reserves (Test Year)

| | Test Year |
|---|---|
| | 2012 |
| Unrestricted Reserves | |
| Cash and Investments | <u>\$ 2,954,024</u> |
| Total Unrestricted Reserves | \$ 2,954,024 |
| O&M Expenses | \$ 2,601,032 |
| Days of O&M Expenses | 415 |
| Days of O&M Expenses Plus Debt Service | 365 |

C. Options for Consideration

RFC identified and evaluated multiple rate adjustment alternatives for consideration by the HCWD1 Board. Several of these options included variations of full cost recovery with the assumption of using reserves to help fund annual cash capital investment at a level consistent with annual depreciation. However, after careful consideration, the Board determined that any rate adjustment option under consideration should be consistent with a full cost recovery model, which includes 100% funding of depreciation in the form of rate funded, or pay-as-you-go, capital. The primary reasons included:

- Multiple years of reporting a financial loss before capital contributions (2011 and 2012).
- Significant and continued increase in annual depreciation due to capital investment. It should be noted that HCWD1's primary source of funding in the past several years were two grants totaling \$3.75 million from the Federal Base Realignment and Closure (BRAC). BRAC grant funds can be used for sewer I&I and lift station improvements. HCWD1 anticipates that these funds will be exhausted fully by 2013.
- HCWD1 anticipates using internal funds (rate funded capital and reserves) for system reinvestment in 2013 and the foreseeable future. With the expectation of increases in operating costs; the need for continued capital investment; limited leverage and related principal payments; and the likelihood of multiple years between rate filings, it was determined that a full cost pricing model was reasonable.

Ultimately, three rate options merited the most consideration.

1. Across the board increase – This represents an across the board adjustment to the Radcliff Utility's rates to meet adjusted test year revenue requirements. As noted in Figure 9, this results in an increase of approximately 18.45% to both the minimum and volumetric charges.
2. Implement a base charge and uniform volume rate – This represents eliminating the existing minimum usage requirement and implementing a basic service charge, as well as eliminating the current declining block rate and implementing a uniform rate. Referring to Section III, the base charge is designed to recover costs on a per account basis including billing and collections, meter reading, and 50% of I&I. The remaining costs are recovered through the uniform volumetric rate.

The elimination of the declining block rate is consistent with cost of service principles and industry rate setting standards for sewer utilities. Unlike residential water usage, which can exhibit seasonal peaks associated with elective consumption, residential sewer demand is related more closely to indoor water usage which tends to be more consistent on a month-to-month basis. As a result, from a unit cost perspective, there is little justification for a larger customer, such as a commercial customer, to benefit from discounted volume rate since their flows tend to exhibit similar patterns of consumption. Further, it is unlikely that larger commercial or institutional customers in the Radcliff Utility service area deliver

wastewater with strength concentrations less than domestic flows, which would support a lower unit cost of service for these customers. Rather, it is more likely that larger customers deliver wastewater with strength concentrations that are equal or above domestic levels.

3. Maintain minimum charge structure and initiate phase out of declining block rate (Hybrid) – This option can be considered a hybrid of the first two options. While the minimum charge structure remains in place, the discount for the declining block rate is reduced from 20% to 10% to enhance consistency with cost of service principles as noted in option 2.

D. Rate Recommendation

The three options described above were presented in detail to the Board. At its meeting on September 18, 2012, the Board approved a proposed sewer rate design using a 10% discount at 15,000 gallons with a minimum charge to include 2,000 gallons (rate option #3). The Hybrid approach provided continued revenue stability through use of the minimum charge for services, and the phase out process of the declining block rate improves rate equity while limiting the additional impact on large customers.

Figure 11 presents the existing and proposed rate structures.

Figure 11 – Proposed Rate Structure

| | Existing | Proposed |
|---|----------|----------|
| Minimum Charge (Includes 2,000 Gallons) | \$ 17.11 | \$ 19.88 |
| Volumetric Rates (per kgal) | | |
| Rate Block 1 (2,000 - 15,000 Gallons) | \$ 5.58 | \$ 6.48 |
| Rate Block 2 (Above 15,000 Gallons) | \$ 4.47 | \$ 5.84 |

V. Wholesale Rate Methodology

A. Background

HCWD1 participated in preliminary discussions with a potential customer related to provided wastewater conveyance and treatment services on a wholesale basis. The potential customer is not expected to deliver any flows to the Radcliff Utility imminently, and initial projections for demand are limited. As such, no additional revenue has been included as an adjustment to the test year. However, in order to be responsive in facilitating this potential service, HCWD1 requested that RFC develop a rate methodology, consistent with industry standards, for providing wholesale wastewater services. Adjusted test year data was used to calculate the wholesale rate.

Based on HCWD1's objectives, available data, and our understanding of the Radcliff Utility system, RFC determined the most appropriate methodology for developing a wholesale rate was to focus on two primary cost components:

1. A proportionate share of the annual depreciation and interest expense associated with the assets that provide service to wholesale customers; and
2. A proportionate share of the O&M expenses related to these assets.

Operating and Maintenance Expenses

RFC worked closely with HCWD1 staff to determine the appropriate allocation of O&M costs associated with providing service to wholesale customers. Costs were segregated between those functions serving all customers and those functions serving retail customers only. The specific costs identified in the adjusted test year revenue requirements related to serving all customers include wastewater treatment, wastewater conveyance, and wastewater pumping. All other O&M costs associated with the Radcliff Utility's wastewater collection system and customer services, such as billing and collection, were excluded, as the wholesale customer would be responsible for providing these services independently to its retail customers.

Since the bulk of the Radcliff Utility cost are identified as a contract operating expense, RFC requested additional detail from Veolia related to a categorical breakdown of costs based on utility function including: wastewater treatment, wastewater collection, lift stations (pumping), wastewater pretreatment, and administration/supervision. Figure 12 summarizes the percentage allocation of adjusted test year contract operating costs to these categories.

Figure 12 – Contract Operating Categorical Cost Allocations

| | Total | Pretreatment | Treatment | Collection | Lift Station | Administration |
|---------------------|--------------|--------------|------------|------------|--------------|----------------|
| Contract Operations | \$ 2,181,931 | \$ 6,877 | \$ 950,996 | \$ 506,444 | \$ 613,861 | \$ 103,753 |
| | 100.0% | 0.3% | 43.6% | 23.2% | 28.1% | 4.8% |

Costs associated with wastewater collection and lift stations were allocated further between costs supporting the wastewater collection system and costs supporting the wastewater conveyance system. The basis used for allocating these costs was inch-feet of piping in the Radcliff Utility system. Specifically, the wastewater collection system was defined as piping infrastructure 8 inches and below and the wastewater conveyance system as piping infrastructure 10 inches and above.

Figure 13 presents the inch-feet of piping in the Radcliff Utility system.

Figure 13 – Inch Feet of Piping

| Nominal Diameter | Length in Feet (Known) | % Total | Known % Allocation | Add Unknown | Revised Length in Feet | Revised Inch/Feet | % Total |
|---|------------------------|---------|--------------------|-------------|------------------------|-------------------|---------|
| 2 | 4,046 | 0.5% | 3.7% | 8,317 | 12,363 | 24,725.23 | 0.3% |
| 4 | 14,700 | 1.9% | 13.5% | 30,216 | 44,916 | 179,664.29 | 2.5% |
| 6 | 9,257 | 1.2% | 8.5% | 19,028 | 28,285 | 169,709.43 | 2.4% |
| 8 | 215,984 | 28.0% | | 223,601 | 439,585 | 3,516,680.00 | 49.3% |
| 10 | 33,725 | 4.4% | 31.0% | 69,322 | 103,047 | 1,030,472.50 | 14.5% |
| 12 | 14,993 | 1.9% | 13.8% | 30,818 | 45,811 | 549,736.07 | 7.7% |
| 15 | 4,802 | 0.6% | 4.4% | 9,871 | 14,673 | 220,088.76 | 3.1% |
| 16 | 21,184 | 2.7% | 19.5% | 43,544 | 64,728 | 1,035,648.55 | 14.5% |
| 18 | 2,815 | 0.4% | 2.6% | 5,786 | 8,601 | 154,822.96 | 2.2% |
| 21 | 1,428 | 0.2% | 1.3% | 2,935 | 4,363 | 91,628.79 | 1.3% |
| 24 | 600 | 0.1% | 0.6% | 1,233 | 1,833 | 43,999.42 | 0.6% |
| 30 | 1,231 | 0.2% | 1.1% | 2,530 | 3,761 | 112,840.18 | 1.6% |
| Unknown (assume 8") | 447,202 | 57.9% | | | | | |
| Total | 771,967 | 100% | | 447,202 | 771,967 | 7,130,016 | 100% |
| Unknown Sewer Mains | | | | | | | |
| Allocated to 8-inch | 50.0% | 223,601 | | | | | |
| Allocated to all other | 50.0% | 223,601 | | | | | |
| Collection System - 8-inches and below | | | | | | | 54.6% |
| Conveyance System - 10-inches and above | | | | | | | 45.4% |
| | | | | | | | 100.0% |

As seen above, approximately 45.4% of the Radcliff Utility piping infrastructure was classified as wastewater conveyance. Therefore, as noted in Figure 12, of the approximately 51.3% of Veolia contract operating costs allocated to wastewater collection (23.2%) and lift stations (28.1%), approximately 23.3% was assigned to wastewater conveyance ($51.3\% \times 45.4\% = 23.3\%$).

In total, approximately 66.9% ($43.6\% \text{ treatment} + 23.3\% \text{ conveyance} = 66.9\%$) of Veolia contract services and administrative labor and approximately 45.4% of other collection system costs outside

of contract operations were assigned to serving both wholesale and retail customers. This resulted in approximately 56.5% of adjusted test year revenue requirements associated with serving both retail and wholesale customers.

Figure 14 presents the allocation of adjusted test year operating costs to wholesale and retail customers.

Figure 14 – Adjusted Test Year Operating Cost Allocations (Joint Costs)

| | Adjusted Test Year | Allocation % | Joint Wholesale & Retail Costs |
|-----------------------------------|--------------------|--------------|---|
| Operating Costs | | | |
| Collection System Labor | \$ 94,204 | 45.4% | \$ 42,798 <i>Conveyance</i> |
| Customer Service Labor | 155,371 | 0.00% | - |
| Administrative Labor | 115,154 | 66.9% | 77,051 <i>Treatment & Conveyance</i> |
| Veolia Contract Services | 2,181,931 | 66.9% | 1,459,962 <i>Treatment & Conveyance</i> |
| Adjustment for G&A Savings | (54,666) | 66.9% | (36,578) <i>Treatment & Conveyance</i> |
| All Other Costs | 237,861 | 0.00% | - |
| Total Operating Costs | \$ 2,729,855 | | \$ 1,543,233 |
| <i>% of Total Operating Costs</i> | | | 56.5% |

Capital Costs

RFC also worked closely with HCWD1 staff to identify the specific assets that would be used to provide service to both wholesale and retail customers. Depreciation was allocated based on assigning 100% of the wastewater treatment assets and 45.4% of the wastewater collection system assets to a joint wholesale and retail category. This is consistent with the process used to allocate O&M expenses. In total, approximately \$973,103, or 86.45%, of the adjusted test year depreciation was related to serving both wholesale and retail customers. Since HCWD1's outstanding debt was used to fund existing Radcliff system assets, 86.45% was also used to allocate the interest expenses and fees associated with this outstanding obligation. Allocated interest or depreciation for shared administrative facilities was not included in the wholesale calculation. Detail supporting the allocation of capital costs is provided in Appendix E of this rate filing.

Figure 15 presents the allocation of adjusted test year capital costs to wholesale and retail customers.

Figure 13 – Capital Cost Allocations (Joint Costs)

| | Revenue Requirement | Allocation % | Joint Wholesale & Retail Costs |
|--------------------------|---------------------|--------------|--------------------------------|
| Capital Costs | | | |
| Depreciation (1) | \$ 1,125,655 | 86.45% | \$ 973,103 |
| Interest (2) | 59,616 | 86.45% | 51,537 |
| Total Capital Costs | \$ 1,185,271 | | \$ 1,024,640 |
| % of Total Capital Costs | | | 86.45% |

(1) Adjusted test year.

(2) Actual interest and fees associated with the Radcliff Utility's outstanding debt obligation in 2014.

As noted in Section I (Figure 5), total treated flows in 2012 were 845,426 kgal. Since a potential new wholesale customer's wastewater flow will be measured at a point(s) of connection, all flows, including I&I, will be assessed a rate for wholesale wastewater treatment and conveyance services. As a result, the denominator in this sample calculation is based on treated rather than billable flows.

Figure 14 presents the wholesale rate calculation.

Figure 14 – Wholesale Rate Calculation

| | |
|-----------------------------|----------------------------|
| | Joint Revenue Requirements |
| Operating Costs | \$ 1,543,233 |
| Capital Costs | 1,024,640 |
| Total | \$ 2,567,873 |
| <u>Treated Flows (kgal)</u> | |
| Retail | 845,426 |
| Total | 845,426 |
| Wholesale Rate (per kgal) | \$ 3.04 |

Appendix A

Audit

**HARDIN COUNTY WATER DISTRICT No. 1
Radcliff, Kentucky**

**FINANCIAL STATEMENTS
December 31, 2012**

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

March 12, 2013

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2012 Annual Report & Managements's Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the eighth year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report, the basic financial statements of the District and related supplemental information and audit notes.

I would like to recognize the contribution of our Finance & Accounting Manager, Mr. Scott Schmuck and his accounting staff, Ms. Stephanie Strange (Accountant) and Ms. Karen Morrison (Accounting Specialist) for their work assisting the auditors in preparing this information. Mr. Bradley Hayes, CPA/CGFM, was the lead auditor for the firm and field staff to complete the audit.

In February 2012, we began operation of the Ft. Knox Water Utility. This system acquisition culminated a three and a half year process with our partner, the Louisville Water Company ("LWC"), to pursue a 50 year Utilities Privatization contract to own and operate the Ft. Knox Potable Water System. The contract was signed on September 30th, 2011 and operation of the system began on February 1, 2012. Because of the new acquisition, our 2012 financial position has changed considerably from 2011.

In May, 2012, we also entered into a 40 year Water Purchase Agreement with LWC. This will provide a new back-up purchased water source, replacing the Ft. Knox source we have had since 1998. The agreement allows us to purchase up to 3.5 million gallons daily, an increase of 30% compared to the Ft. Knox purchased water source.

A \$4.5 million "BRAC" grant from the Kentucky Cabinet of Economic Development has been received to construct a new interconnect facility to the LWC system. Final design is underway on this facility and we hope to have it built and be able to deliver LWC water to our system by late 2014. Several permits will be needed to construct these facilities including permits from U.S. Army Corps of Engineers, Kentucky Environmental Protection Cabinet / Division of Water and the Kentucky Public Service Commission.

Financial Performance & Highlights

Consolidated Financial Performance: Our financial reports now include statements for five distinct enterprise utility funds; County Water, Ft. Knox Water, Ft. Knox Sanitary Sewer, Ft. Knox Storm Sewer and Radcliff Sanitary Sewer. This letter first reviews the overall consolidated financial highlights of the year, with more specific key items by utility.

In November, Moody's Investors Services affirmed an "A1" credit rating on the District's outstanding \$5.9M fixed rate water revenue bonds, issued in 2005. This affirmation means these bonds provide upper-middle grade investment with very low credit risk to bond holders. The District has no immediate plans to issue any new debt or revenue bonds. At year end, the District had \$12.7 million of

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Continued

available grants or contributed capital funding still to be used for capital construction, which all are without any fees, interest cost or repayment requirements.

For the year, gross plant assets increased by \$15,346,791 (+ 9.7% [percent changes in parentheses represent change from 2011]). Total net assets (net position) increased by \$18,878,129 (+ 28.3%). Total revenues, including interest income, increased by \$4,076,921(+ 37.4%). Operating income before depreciation increased to \$5,373,853 (+ 52.9%) and net income after depreciation (and net of non-operating income and expenses) increased by \$1,252,171 to \$1,941,314 (+ 181.7%). This amount was 13% (+ 106.4%) of total operating revenues. Total net assets at the end of the year were \$85,604,348 (+ 28.3%).

Cash used for capital construction was \$6,352,854 (+ 65.3%), of which 96% was provided by government grants (both Kentucky and U.S. Government/Dept. of Defense). Principal payments to reduce bond debt were \$843,513 (+ 17%) and at year end the consolidated outstanding debt principal was \$10,960,486 (- 3.8%). Total working capital (unrestricted cash + investments) at year end increased by 71% to \$10,527,269. Of all reserves (cash + investments), 84% (+ 11%) were unrestricted and available as working capital for capital construction or operations. At the beginning of 2013 we also had total of \$12,677,445 of available state or federal grant funding for future capital construction projects.

Individual Fund Highlights:

County Water: Total operating expenses (excluding debt interest and depreciation) were 5.2% less than budgeted. Revenues were 0.7% less than budgeted. Net income after depreciation and interest expense increased by 154% from 2011, mainly due to some general and administrative operating expenses now being shared by the new Ft. Knox Water utility, which lowered this fund's expenses. Water sales also increased slightly. Net assets increased by 3.9%. The bond coverage ratio was 3.17, which is 2.6 times the required 1.20 (+ 8.9% from 2011).

Ft. Knox Water: Financial results were for an eleven month period in 2012, starting February 1. For the first year of operations of this utility, total operating revenues were \$3,849,586 (including interest income). Net income before depreciation was \$1,327,033. Net income after depreciation and amortized expenses was \$926,342 which is 24% of revenues. Net assets at year end were \$14,506,823. Construction in progress was valued at \$275,600. Working capital and cash available for capital construction was \$3,949,510. As part of the privatization contract with the Government, a surcharge payment (shown as customer contributions) during the first five years will generate in excess of \$25 million to address existing facility deficiencies throughout the water system. We are in the process of developing plans, specifications and a schedule to complete these projects.

Ft. Knox Sewer (Sanitary and Storm): Total operating revenues increased by 3.7%. Total operating income, before depreciation expense, increased by 9.1% to \$1,120,784. Total net assets increased by 14.8%. Total expended for construction was \$3,230,392 (+ 222%) of which 61% was provided by contributed capital (direct grants) from the Government. Working capital increased by 5% to \$2,361,485 which is available for future Ft. Knox sewer related capital projects and improvements. At the beginning of 2013, the fund had a balance of \$4,194,547 in available direct contributed funding, provided by the Government, for construction projects.

Radcliff Sewer: Total revenues (including interest income) were \$3,579,459 (+ 1.6%) which was 5.1% below revenue estimates. Total operating expenses (including depreciation) were

Continued

0.8% less than budgeted. Total net assets increased 2% to \$23,107,910 and at year end we had construction in progress assets of \$1,847,721 (+ 14.8%). Of the \$1,334,930 expended for construction (- 28%), 48% was funded by state grants. At year end the total cash & investment reserve balance was \$3,292,747 (+ 3.7%) of which 89% was unrestricted and available for capital construction or operations. At year end a total of \$3,162,241 in state grants are available for future capital construction projects. The fund had an operating income before depreciation and debt interest of \$880,329 (+ 5.9%) with a net operating loss of \$89,481 (2.5% of revenues) after those expenses (and excluding loss on disposal of equipment), compared to a 2011 net operating loss of \$40,498 (+ 121%).

During 2012 the Board approved the filing of a rate increase request to the Kentucky Public Service Commission for the Radcliff sewer rates. It is anticipated that the filing will be made by mid 2013 with a projected approval in 2014 or early, 2015.

Operational Changes & Statistics


Since acquiring the Ft. Knox Water system we now own and operate five treatment plants (Pirtle Spring County Water Treatment Plant ("WTP"), Ft. Knox Central and Muldraugh WTP's, Radcliff Wastewater Treatment Plant ("WWTP") and Ft. Knox WWTP.

During 2012 a total of 1,782 MG (million gallons) of potable water was treated (+ 73%) and a total of 51.3 MG was purchased for resale (+ 10.3%). Total water delivered to the systems (now County and Ft. Knox combined) was 1,833.7 MG (+ 77.2%). The maximum demand day was 9.085 MG (+ 140%) and occurred on 1-July. The average daily water demand for the year was 5.024 MG (+ 77%). A total of 68 new water services were installed, down 30% from 2011. Wholesale customers purchased 336.6 MG (+ 1.6%), which was equivalent to 37% of total water sales volume (+ 15.6%).


The two wastewater treatment plants (Ft. Knox and Radcliff) treated 1,295.4 MG (- 22%) down due to 2012 having less rainfall, decreasing inflow and infiltration treated at the WWTP's. This resulted in an average daily flow of clean, recycled water into streams of 3.549 MG.

At present we have 23 construction projects in either preliminary or final design and construction. The District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and improving the reliability and functionality of our utility systems through best practice, asset management systems.

Sincerely,



Mr. Jim Bruce
General Manager



Mr. Scott Schmuck
Finance & Accounting Manager



Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

Stephen R. Allen, CPA/PFS
Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA/PFS
Jerry W. Hensley, CPA
Mark R. Wadlington, CPA, CGMA
Gwendolyn B. Young, CPA, CVA

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Hardin County Water District No.1, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Hardin County Water District No.1, as of December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-3 and 17-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardin County Water District No. 1's basic financial statements. The combined statements of net position, revenues, expenses and changes in net position, and cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The previously referenced combined statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the previously referenced combined statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated March 12, 2013, on our consideration of the Hardin County Water District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering Hardin County Water District No. 1's internal control over financial reporting and compliance.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF NET POSITION
December 31, 2012

| | Water Total | Sewer Total | Storm Water | 2012 Total |
|---|----------------------|----------------------|---------------------|----------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 4,444,052 | \$ 4,612,237 | \$ 703,272 | \$ 9,759,561 |
| Short-term certificates of deposit | 767,708 | - | - | 767,708 |
| Customer accounts receivable, net | 736,654 | 440,844 | 39,816 | 1,217,314 |
| Other accounts receivable | 1,001,652 | 711,587 | 78,199 | 1,791,438 |
| Interest receivable | 1,874 | - | - | 1,874 |
| Due from other funds | - | 80,225 | - | 80,225 |
| Inventory - materials and supplies | 321,754 | 12,373 | - | 334,127 |
| Prepaid expenses | 69,800 | 53,183 | 270 | 123,253 |
| Total current assets | <u>7,343,494</u> | <u>5,910,449</u> | <u>821,557</u> | <u>14,075,500</u> |
| Non-current assets | | | | |
| Restricted assets - reserve funds | 1,634,127 | 338,723 | - | 1,972,850 |
| Acquisition costs | - | 202,103 | - | 202,103 |
| Total non-current assets | <u>1,634,127</u> | <u>540,826</u> | <u>-</u> | <u>2,174,953</u> |
| Property, plant and equipment | | | | |
| Land and easements | 273,045 | 9,544 | - | 282,589 |
| Plant and lines | 45,384,251 | 111,823,319 | 1,272,146 | 158,479,716 |
| Vehicles and equipment | 5,773,986 | 2,300,517 | 150,212 | 8,224,715 |
| Construction in progress | 876,545 | 4,803,696 | 328,520 | 6,008,761 |
| Total | 52,307,827 | 118,937,076 | 1,750,878 | 172,995,781 |
| Less accumulated depreciation | <u>(13,428,672)</u> | <u>(77,223,428)</u> | <u>(131,135)</u> | <u>(90,783,235)</u> |
| Total property, plant, and equipment | <u>38,879,155</u> | <u>41,713,648</u> | <u>1,619,743</u> | <u>82,212,546</u> |
| TOTAL ASSETS | <u>\$ 47,856,776</u> | <u>\$ 48,164,923</u> | <u>\$ 2,441,300</u> | <u>\$ 98,462,999</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 471,925 | \$ 823,453 | \$ 12,839 | \$ 1,308,217 |
| Due to other funds | 69,111 | 10,333 | 781 | 80,225 |
| Customers' deposits | 168,032 | 129,454 | - | 297,486 |
| Accrued expenses | 98,899 | 26,933 | 951 | 126,783 |
| Reserve for unclaimed funds - escheatment | 5,231 | - | - | 5,231 |
| Deferred rent revenue | 4,533 | - | - | 4,533 |
| Liabilities payable from restricted assets: | | | | |
| Current portion of long-term debt | 701,960 | 278,656 | - | 980,616 |
| Accrued interest on long-term debt | 60,792 | 6,102 | - | 66,894 |
| Total current liabilities | <u>1,580,483</u> | <u>1,274,931</u> | <u>14,571</u> | <u>2,869,985</u> |
| Long-term liabilities | | | | |
| Bonds payable | 8,165,000 | 1,562,065 | - | 9,727,065 |
| Other long-term debt | 252,805 | - | - | 252,805 |
| Less unamortized discount and expenses | (162,731) | - | - | (162,731) |
| Compensated absences | 58,363 | - | - | 58,363 |
| Long-term liabilities, net | <u>8,313,437</u> | <u>1,562,065</u> | <u>-</u> | <u>9,875,502</u> |
| Other liabilities | | | | |
| Customer advances for construction | 113,164 | - | - | 113,164 |
| Total liabilities | <u>10,007,084</u> | <u>2,836,996</u> | <u>14,571</u> | <u>12,858,651</u> |
| Net position | | | | |
| Invested in capital assets, net of related debt | 29,861,329 | 39,866,825 | 1,619,743 | 71,347,897 |
| Restricted | 1,634,127 | 338,723 | - | 1,972,850 |
| Unrestricted | 6,354,236 | 5,122,379 | 806,986 | 12,283,601 |
| Total net position | <u>37,849,692</u> | <u>45,327,927</u> | <u>2,426,729</u> | <u>85,604,348</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 47,856,776</u> | <u>\$ 48,164,923</u> | <u>\$ 2,441,300</u> | <u>\$ 98,462,999</u> |

The accompanying notes are an integral
part of the financial statements.

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

| | <u>Water Total</u> | <u>Sewer Total</u> | <u>Storm Water</u> | <u>2012 Total</u> |
|--|------------------------|------------------------|------------------------|-----------------------|
| OPERATING REVENUE | | | | |
| Metered water sales | \$ 6,538,415 | \$ - | \$ - | \$ 6,538,415 |
| Wholesale sales | 647,969 | - | - | 647,969 |
| Sewer billing contract revenue | 18,335 | - | - | 18,335 |
| Sewer service revenue | - | 6,256,675 | - | 6,256,675 |
| Stormwater service revenue | - | - | 477,792 | 477,792 |
| Penalties, service fees and reimbursements | <u>662,107</u> | <u>267,920</u> | <u>18,194</u> | <u>948,221</u> |
| Total operating revenue | <u>7,866,826</u> | <u>6,524,595</u> | <u>495,986</u> | <u>14,887,407</u> |
| OPERATING EXPENSES | | | | |
| Treatment | 777,035 | - | - | 777,035 |
| Distribution | 1,175,956 | - | - | 1,175,956 |
| Customer service | 249,581 | 612,048 | - | 861,629 |
| General & administrative expenses | 2,277,310 | 3,911,432 | - | 6,188,742 |
| Purchased water | 85,289 | - | - | 85,289 |
| General maintenance | 91,070 | - | - | 91,070 |
| Source of supply | 34,837 | - | - | 34,837 |
| Stormwater | <u>-</u> | <u>-</u> | <u>298,996</u> | <u>298,996</u> |
| Total operating expense | <u>4,691,078</u> | <u>4,523,480</u> | <u>298,996</u> | <u>9,513,554</u> |
| Operating income before depreciation | 3,175,748 | 2,001,115 | 196,990 | 5,373,853 |
| Depreciation and amortization expense | <u>(1,449,633)</u> | <u>(1,557,218)</u> | <u>(37,214)</u> | <u>(3,044,065)</u> |
| OPERATING INCOME | 1,726,115 | 443,897 | 159,776 | 2,329,788 |
| Non-operating income (expenses) | | | | |
| Interest income | 43,715 | 39,165 | 4,713 | 87,593 |
| Interest expense | (296,635) | (82,779) | - | (379,414) |
| Gain (loss) on disposal of equipment | <u>3,250</u> | <u>(99,903)</u> | <u>-</u> | <u>(96,653)</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 1,476,445 | 300,380 | 164,489 | 1,941,314 |
| Capital Contributions | | | | |
| Grants | 237,953 | 642,224 | - | 880,177 |
| Tap fees | 46,333 | 3,000 | - | 49,333 |
| Customer contributions | <u>13,619,294</u> | <u>1,963,758</u> | <u>424,253</u> | <u>16,007,305</u> |
| CHANGE IN NET POSITION | 15,380,025 | 2,909,362 | 588,742 | 18,878,129 |
| Net position, beginning of year | <u>22,469,667</u> | <u>42,418,565</u> | <u>1,837,987</u> | <u>66,726,219</u> |
| NET POSITION, END OF YEAR | <u>\$ 37,849,692</u> | <u>\$ 45,327,927</u> | <u>\$ 2,426,729</u> | <u>\$ 85,604,348</u> |

The accompanying notes are an integral part of the financial statements.

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

| | Water Total | Sewer Total | Storm Water | 2012 Total |
|---|---------------------|---------------------|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 6,212,212 | \$ 6,114,213 | \$ 428,145 | \$ 12,754,570 |
| Payments to suppliers | (2,690,467) | (4,150,132) | (334,499) | (7,175,098) |
| Payments for employee services and benefits | (1,727,828) | - | - | (1,727,828) |
| Net cash provided by operating activities | <u>1,793,917</u> | <u>1,964,081</u> | <u>93,646</u> | <u>3,851,644</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on long-term debt | (575,151) | (268,362) | - | (843,513) |
| Borrowings | 75,151 | - | - | 75,151 |
| Principal paid on line of credit | (32,683) | - | - | (32,683) |
| Interest paid on long-term debt | (299,110) | (83,707) | - | (382,817) |
| Contributions in aid of construction | 4,719,696 | 2,608,982 | 424,253 | 7,752,931 |
| Grants | 281,382 | - | - | 281,382 |
| Proceeds from sale of equipment | 7,412 | 4,640 | - | 12,052 |
| Acquisition and construction of capital assets | (1,787,532) | (4,063,447) | (501,875) | (6,352,854) |
| Cash (paid) received under advance construction contract | (13,237) | - | - | (13,237) |
| Net cash provided by (used in) capital and related financing activities | <u>2,375,928</u> | <u>(1,801,894)</u> | <u>(77,622)</u> | <u>496,412</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 42,837 | 39,688 | 4,713 | 87,238 |
| Redemption of investments | 508,442 | 335,230 | - | 843,672 |
| Purchase of investments | (582,672) | (338,723) | - | (921,395) |
| Net cash provided by (used in) investing activities | <u>(31,393)</u> | <u>36,195</u> | <u>4,713</u> | <u>9,515</u> |
| NET INCREASE IN CASH | <u>4,138,452</u> | <u>198,382</u> | <u>20,737</u> | <u>4,357,571</u> |
| Cash and cash equivalents, beginning of year | 305,600 | 4,413,855 | 682,535 | 5,401,990 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 4,444,052</u> | <u>\$ 4,612,237</u> | <u>\$ 703,272</u> | <u>\$ 9,759,561</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 1,726,115 | \$ 443,897 | \$ 159,776 | \$ 2,329,788 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization expense | 1,449,633 | 1,557,218 | 37,214 | 3,044,065 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | (1,398,019) | (616,919) | (78,199) | (2,093,137) |
| Prepaid expenses | (3,136) | 189,903 | 162 | 186,929 |
| Due from other funds | 40,498 | (3,198) | - | 37,300 |
| Inventory | (38,035) | - | - | (38,035) |
| Accounts payable | 234,237 | 391,909 | (35,665) | 590,481 |
| Accrued expenses | 34,171 | 24,476 | - | 58,647 |
| Due to other funds | (256,881) | (19,675) | 10,358 | (266,198) |
| Other payables | 5,334 | (3,530) | - | 1,804 |
| Net cash provided by operating activities | <u>\$ 1,793,917</u> | <u>\$ 1,964,081</u> | <u>\$ 93,646</u> | <u>\$ 3,851,644</u> |
| Schedule of non-cash capital and financing activities: | | | | |
| Contributed water mains from developers | \$ 8,945,931 | \$ - | \$ - | \$ 8,945,931 |
| Construction in process included in accounts payable | \$ 334,765 | \$ 1,873 | \$ - | \$ 336,638 |

The accompanying notes are an integral part of the financial statements

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hardin County Water District No. 1 (the District) is organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin, Meade and Breckinridge Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity

The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The only entity included in these financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

The District reports all revenue and expenses as operating, except interest income and expense, gains and losses on asset sales or disposals and capital contributions.

The District's financial statements are presented in conformity with the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

The District applies all applicable FASB and AICPA pronouncements issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Fund Accounting

The District maintains a County Water Fund, Ft. Knox Water Fund, Ft. Knox Sewer Fund, Radcliff Sewer Fund and a Ft. Knox Stormwater Fund.

Accounts Receivable

The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2012. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The sewer funds and stormwater fund do not have an allowance for doubtful accounts.

Interfund Transfers

The asset "due from other funds" and the liability "due to other funds" represent amounts transferred between the funds owed for personnel and other operating and non-operating expenses.

Inventory

The water fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The sewer fund's inventory consists of equipment. The inventory is stated at the lower of cost (first-in, first-out method) or market.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Restricted Assets

The water and sewer funds' restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market funds, and non-interest-bearing accounts. The carrying value of the investments approximates market value.

When both restricted and unrestricted resources are available for use, the District's Board of Commissioners makes a determination as to which resource should be used.

Investments

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds. The carrying value of the investments approximates market value.

Property and Equipment

The water, sewer and stormwater fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Plant and lines are capitalized with lives ranging from 5-65 years and vehicles and equipment are capitalized with lives ranging from 5-35 years. Land is not subject to depreciation. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Amortization

The water and sewer funds' bond discounts and issue costs are being amortized using the straight-line method over the life of the bond issue. The sewer funds' City of Radcliff sewer acquisition costs are being amortized using the straight-line method over a period of twenty-five years.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Investments classified as restricted assets are not included as a cash and cash equivalent.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Accordingly, actual results could differ from those estimates.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2012 were covered entirely by federal depository insurance, by collateral held by the custodial banks in the District's name, or invested in money market and government backed securities.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such Institutions providing such banks pledge as security obligations of the United States Government or its agencies.

The following is a detail of the District's cash deposit coverage at December 31, 2012:

| | |
|---|----------------------|
| FDIC insured (or equivalent) | \$ 1,339,739 |
| Collateralized by securities held by the bank in the District's name | 9,908,395 |
| United States Treasury Securities and money market funds | <u>1,297,460</u> |
| Total cash in banks | <u>\$ 12,545,594</u> |

Cash and investments are classified as follows as of December 31, 2012:

| | |
|-----------------------------------|----------------------|
| Unrestricted: | |
| Cash & cash equivalents: | |
| Revenue fund | \$ 985,253 |
| Other | <u>8,774,308</u> |
| | 9,759,561 |
| Short-term investments: | |
| Certificates of deposit | <u>767,708</u> |
| Total unrestricted | <u>10,527,269</u> |
| Restricted: | |
| Long-term investments: | |
| 1997 KIA Debt service reserve | 338,723 |
| 2002 B&I redemption fund – FMV | 86,667 |
| 2005 B&I redemption fund – FMV | 201,122 |
| 2005 Debt service reserve – FMV | 594,307 |
| Depreciation fund – FMV | <u>752,031</u> |
| Total restricted | <u>1,972,850</u> |
| Total reported cash & investments | <u>\$ 12,500,119</u> |

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

| | Balance Jan 1, 2012 | Additions | Retirements | Balance Dec. 31, 2012 |
|--------------------------------------|------------------------|----------------------|---------------------|--------------------------|
| Capital assets not depreciated: | | | | |
| Land and easements | \$ 282,589 | \$ - | \$ - | \$ 282,589 |
| Construction in process | 2,923,721 | 5,100,100 | 2,015,060 | 6,008,761 |
| Capital assets that are depreciated: | | | | |
| Plant and lines | 147,776,949 | 10,884,307 | 181,540 | 158,479,716 |
| Vehicles and equipment | <u>6,665,731</u> | <u>1,621,452</u> | <u>62,468</u> | <u>8,224,715</u> |
| Total plant and equipment | 157,648,990 | 17,605,859 | 2,259,068 | 172,995,781 |
| Less: accumulated depreciation | <u>87,903,807</u> | <u>3,014,979</u> | <u>135,551</u> | <u>90,783,235</u> |
| Plant and equipment, net | <u>\$ 69,745,183</u> | <u>\$ 14,590,880</u> | <u>\$ 2,123,517</u> | <u>\$ 82,212,546</u> |

Depreciation expense for all combined funds totaled \$3,014,979 for the year ended December 31, 2012.

NOTE 4 - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 2005 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issue.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years of the issue date, an amount equal to the average annual principal and interest requirements on the 2005 issue outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund. At December 31, 2012, the District had reserves of \$594,307 invested with the bond custodian. At December 31, 2012, the requirement for the reserve totaled \$594,457.

Depreciation Fund - This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account are held by the bond custodian. At December 31, 2012, the District was required to fund the account in the amount of \$750,000 and the assets in this account totaled \$752,031.

Operating and Maintenance Fund - This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

Wastewater Revolving Loan Reserve – This loan requires the District to fund a reserve account in the amount of \$310,000. At December 31, 2012, the District had funded this reserve in the amount of \$338,723.

2002 Adjustable Revenue Bonds – The District filed Supplement No.1 to Trust Indenture dated April 1, 2010. This supplement allows for a letter of credit to be issued by Cecilian Bank via a wrap around letter of credit from the Federal Home Loan Bank of Cincinnati as collateral for the original bond issue. As a result, the District is no longer required to fulfill the debt service reserve and depreciation fund requirements with The Bank of New York Mellon Trust Company however, the District continues to carry \$86,667 in an account for this bond issue.

The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20 for the Water Fund. For the year ended December 31, 2012, the water fund ratio was 3.17.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES

Some of the construction costs of the District's water and sewer facilities have been financed by issuance of revenue bonds and revolving notes authorized under Kentucky Revised Statutes.

Bonds payable of the water and Radcliff sewer funds consists of the following at December 31, 2012:

| | |
|---|---------------------|
| 2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District. | \$ 5,895,000 |
| 2002 Revenue Bonds, various semi-annual principal payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Cecilian Bank. | 2,890,000 |
| 1997 KIA Wastewater Revolving Loan, various semi-annual principal and interest payments at a rate of interest of 3.8% through December 1, 2018, secured by the revenues of the District. | 1,840,721 |
| 2012 agreement with Louisville Water, reimbursement of costs associated with the acquisition of the Fort Knox water system, 60 monthly payments of \$6,830, bearing no interest, maturing January 2017. | <u>334,765</u> |
| Total debt | 10,960,486 |
| Less: current portion | <u>980,616</u> |
| Total long-term debt | <u>\$ 9,979,870</u> |

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 fixed rate refunding issue. The District defeased these bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

In 1998 the District issued variable rate bonds to fund the construction of the new service center and the Fort Knox interconnect project. In 2005 the District issued fixed rate bonds to fund the construction of the New Salem Church Road project and to refund the 1998 variable rate bonds. The District paid off the 1998 bond issue two years early, in September 2010, as approved by the Board of Commissioners during its May 18th 2010 meeting, saving the district approximately \$51,000 in interest.

During April 2008, the District assumed two debt issues as part of the Radcliff sewer acquisition. The District assumed a 1997 Wastewater Revolving Loan through the Kentucky Infrastructure Authority and a 2001 refunding revenue bond issue through the Kentucky League of Cities. The district paid off the 2001 issue during 2010.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES, continued

Bond maturities and sinking fund requirements for the District water fund in each of the next five years are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|---------------------|----------------------|
| 2013 | \$ 620,000 | \$ 370,270 | \$ 990,270 |
| 2014 | 650,000 | 343,493 | 993,493 |
| 2015 | 665,000 | 315,630 | 980,630 |
| 2016 | 680,000 | 287,404 | 967,404 |
| 2017 | 705,000 | 257,936 | 962,936 |
| 2018-2022 | 3,825,000 | 818,990 | 4,643,990 |
| 2023-2025 | <u>1,640,000</u> | <u>137,157</u> | <u>1,777,157</u> |
| | <u>\$ 8,785,000</u> | <u>\$ 2,530,880</u> | <u>\$ 11,315,880</u> |

Debt maturities and sinking fund requirements for the Radcliff sewer fund in each of the next five years are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 2013 | \$ 278,656 | \$ 70,869 | \$ 349,525 |
| 2014 | 289,345 | 59,616 | 348,961 |
| 2015 | 300,445 | 47,933 | 348,378 |
| 2016 | 311,970 | 35,800 | 347,770 |
| 2017 | 323,938 | 23,203 | 347,141 |
| 2018 | <u>336,367</u> | <u>10,123</u> | <u>346,490</u> |
| | <u>\$ 1,840,721</u> | <u>\$ 247,544</u> | <u>\$ 2,088,265</u> |

Total bond and related debt maturities \$ 10,625,721 \$ 2,778,424 \$ 13,404,145

Debt maturities for the Fort Knox water fund in each of the next five years are as follows:

| Fiscal Year | Principal | Interest | Total |
|-----------------------------|-------------------|-------------|-------------------|
| 2013 | \$ 81,960 | \$ - | \$ 81,960 |
| 2014 | 81,960 | - | 81,960 |
| 2015 | 81,960 | - | 81,960 |
| 2016 | 81,960 | - | 81,960 |
| 2018 | <u>6,925</u> | <u>-</u> | <u>6,925</u> |
| Total other debt maturities | <u>\$ 334,765</u> | <u>\$ -</u> | <u>\$ 334,765</u> |

Changes in long-term liabilities are as follows:

| | Balance Jan 1, 2012 | Additions | Payments | Balance Dec. 31, 2012 | Due within one year |
|---------------------------|------------------------|-------------------|---------------------|--------------------------|------------------------|
| Long-term debt | \$ 11,394,083 | \$ 409,916 | (\$ 843,513) | \$ 10,960,486 | \$ 980,616 |
| Bond amortization | (178,279) | - | 15,548 | (162,731) | - |
| Compensated absences | <u>47,311</u> | <u>11,052</u> | <u>-</u> | <u>58,363</u> | <u>-</u> |
| Net long-term liabilities | <u>\$ 11,263,115</u> | <u>\$ 420,968</u> | <u>(\$ 827,965)</u> | <u>\$ 10,856,118</u> | <u>\$ 980,616</u> |

**HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012**

NOTE 6 – LINE OF CREDIT

The District maintains a \$2,500,000 line of credit that is designated for use in various construction projects if needed. The principal was due September 25, 2012. Accrued Interest was payable quarterly at a rate of 3.25%. Changes in the line of credit are as follows:

| Balance Jan 1, 2012 | Additions | Payments | Balance Dec. 31, 2012 |
|------------------------|-------------|------------------|--------------------------|
| <u>\$ 32,683</u> | <u>\$ -</u> | <u>\$ 32,683</u> | <u>\$ -</u> |

NOTE 7 - OTHER LIABILITIES

The water fund's other liabilities in the amount of \$113,164 at December 31, 2012 represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – RETIREMENT PLAN

Hardin County Water District No.1 is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS.

The plan issues separate financial statements which may be obtained by request from Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

Contributions – For the year ended December 31, 2012, plan members were required to contribute 5.00% of wages for non-hazardous job classifications and 6.00% for employees hired after September 1, 2008. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 61.565(3), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contributions rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. Participating employers contributed 18.96% of each non-hazardous employee's wages from January 1, 2012 through June 30 and 19.55% from July 1 through December 31, 2012, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – RETIREMENT PLAN, continued

The required contribution (employee and employer) and the actual percentage contributed for the District for the current and previous two years are as follows:

| <u>Required</u> <u>Year</u> | <u>Contribution</u> | <u>Percentage</u> <u>Contributed</u> |
|--------------------------------|---------------------|---|
| 2012 | \$ 454,042 | 100% |
| 2011 | \$ 373,637 | 100% |
| 2010 | \$ 330,866 | 100% |

NOTE 10 – CAPITAL ACQUISITION

Effective, February 1, 2012, the District acquired the assets of the Fort Knox water utility from the United States Army for a net \$0 price. The assets associated with the system had an estimated net book value of \$8,902,502 at the date of acquisition. This value has been included as part of contributed capital on the statement of revenues, expenses and changes in net position. The District also entered into a five-year agreement with Louisville Water giving them addition water supply if needed.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated and considered the need to recognize or disclose subsequent events through March 12, 2013, which represents the date these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended December 31, 2012, have not been evaluated by the District.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
COUNTY WATER FUND
for the year ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance |
|--|---------------------|---------------------|--------------------|---------------------|
| OPERATING REVENUE | | | | |
| Metered water sales | \$ 3,088,000 | \$ 3,088,000 | \$ 3,073,779 | \$ (14,221) |
| Wholesale sales | 656,315 | 656,315 | 647,969 | (8,346) |
| Sewer billing contract revenue | 11,125 | 11,125 | 18,335 | 7,210 |
| Penalties, service fees and reimbursements | <u>302,100</u> | <u>302,100</u> | <u>287,555</u> | <u>(14,545)</u> |
| Total operating revenue | <u>4,057,540</u> | <u>4,057,540</u> | <u>4,027,638</u> | <u>(29,902)</u> |
| OPERATING EXPENSES | | | | |
| Treatment | 768,956 | 768,956 | 777,035 | 8,079 |
| Transmission and Distribution | 679,596 | 679,596 | 667,160 | (12,436) |
| Customer service | 275,199 | 275,199 | 249,581 | (25,618) |
| General & administrative expenses | 389,416 | 389,416 | 273,951 | (115,465) |
| Purchased water | 74,700 | 74,700 | 85,289 | 10,589 |
| General maintenance | 82,227 | 82,227 | 91,070 | 8,843 |
| Source of supply | <u>31,000</u> | <u>31,000</u> | <u>34,837</u> | <u>3,837</u> |
| Total operating expense | <u>2,301,094</u> | <u>2,301,094</u> | <u>2,178,923</u> | <u>(122,171)</u> |
| Operating income before depreciation | 1,756,446 | 1,756,446 | 1,848,715 | 92,269 |
| Depreciation and amortization expense | <u>(931,232)</u> | <u>(931,232)</u> | <u>(1,038,544)</u> | <u>(107,312)</u> |
| OPERATING INCOME | 825,214 | 825,214 | 810,171 | (15,043) |
| Non-operating income (expenses) | | | | |
| Interest Income | 26,000 | 26,000 | 33,317 | 7,317 |
| Interest expense | (290,500) | (290,500) | (296,635) | (6,135) |
| Loss on sale of equipment | <u>-</u> | <u>-</u> | <u>3,503</u> | <u>3,503</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 560,714 | 560,714 | 550,356 | (10,358) |
| Government contributions | 1,132,000 | 1,132,000 | 237,953 | (894,047) |
| Tap Fees | 75,000 | 75,000 | 41,464 | (33,536) |
| Customer Contribution | <u>-</u> | <u>-</u> | <u>43,429</u> | <u>43,429</u> |
| CHANGE IN NET POSITION | <u>\$ 1,767,714</u> | <u>\$ 1,767,714</u> | <u>\$ 873,202</u> | <u>\$ (894,512)</u> |

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX WATER FUND
for the year ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance |
|--|---------------------|---------------------|----------------------|---------------------|
| OPERATING REVENUE | | | | |
| Metered water sales | \$ 3,467,821 | \$ 3,467,821 | \$ 3,464,636 | \$ (3,185) |
| Penalties, service fees and reimbursements | <u>328,980</u> | <u>328,980</u> | <u>374,552</u> | <u>45,572</u> |
| Total operating revenue | <u>3,796,801</u> | <u>3,796,801</u> | <u>3,839,188</u> | <u>42,387</u> |
| OPERATING EXPENSES | | | | |
| Transmission and Distribution | 486,606 | 486,606 | 508,796 | 22,190 |
| General & administrative expenses | <u>2,165,887</u> | <u>2,165,887</u> | <u>2,003,359</u> | <u>(162,528)</u> |
| Total operating expense | <u>2,652,493</u> | <u>2,652,493</u> | <u>2,512,155</u> | <u>(140,338)</u> |
| Operating income before depreciation | 1,144,308 | 1,144,308 | 1,327,033 | 182,725 |
| Depreciation and amortization expense | <u>(50,000)</u> | <u>(50,000)</u> | <u>(411,089)</u> | <u>(361,089)</u> |
| OPERATING INCOME | 1,094,308 | 1,094,308 | 915,944 | (178,364) |
| Non-operating income (expenses) | | | | |
| Interest income | 2,500 | 2,500 | 10,398 | 7,898 |
| Loss on disposal of equipment | <u>-</u> | <u>-</u> | <u>(253)</u> | <u>(253)</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 1,096,808 | 1,096,808 | 926,089 | (170,719) |
| Government contributions | - | - | - | - |
| Tap Fees | - | - | 4,869 | 4,869 |
| Customer Contribution | <u>4,629,719</u> | <u>4,629,719</u> | <u>13,575,865</u> | <u>8,946,146</u> |
| CHANGE IN NET POSITION | <u>\$ 5,726,527</u> | <u>\$ 5,726,527</u> | <u>\$ 14,506,823</u> | <u>\$ 8,780,296</u> |

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX SEWER FUND
for the year ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance |
|--|---------------------|---------------------|---------------------|-----------------------|
| OPERATING REVENUE | | | | |
| Sewer service revenue | \$ 2,898,595 | \$ 2,898,595 | \$ 2,883,989 | \$ (14,606) |
| Penalties, service fees and reimbursements | <u>133,966</u> | <u>133,966</u> | <u>85,270</u> | <u>(48,696)</u> |
| Total operating revenue | <u>3,032,561</u> | <u>3,032,561</u> | <u>2,969,259</u> | <u>(63,302)</u> |
| OPERATING EXPENSES | | | | |
| Professional services | 9,916 | 9,916 | 26,062 | 16,146 |
| Contractual obligations | 1,785,214 | 1,785,214 | 1,743,599 | (41,615) |
| Allocated expense | (41,606) | (41,606) | (34,788) | 6,818 |
| Insurance | 20,000 | 20,000 | 20,027 | 27 |
| Customer service | 96,899 | 96,899 | 85,198 | (11,701) |
| Other | <u>13,900</u> | <u>13,900</u> | <u>8,377</u> | <u>(5,523)</u> |
| Total operating expense | <u>1,884,323</u> | <u>1,884,323</u> | <u>1,848,475</u> | <u>(35,848)</u> |
| Operating income before depreciation | 1,148,238 | 1,148,238 | 1,120,784 | (27,454) |
| Depreciation and amortization expense | <u>(632,418)</u> | <u>(632,418)</u> | <u>(644,937)</u> | <u>(12,519)</u> |
| OPERATING INCOME | 515,820 | 515,820 | 475,847 | (39,973) |
| Non-operating Income (expenses) | | | | |
| Interest income | 9,600 | 9,600 | 15,042 | 5,442 |
| Interest expense | <u>(1,400)</u> | <u>(1,400)</u> | <u>(1,127)</u> | <u>273</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 524,020 | 524,020 | 489,762 | (34,258) |
| Government contributions | <u>3,044,679</u> | <u>3,044,679</u> | <u>1,963,758</u> | <u>(1,080,921)</u> |
| CHANGE IN NET POSITION | <u>\$ 3,568,699</u> | <u>\$ 3,568,699</u> | <u>\$ 2,453,520</u> | <u>\$ (1,115,179)</u> |

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
RADCLIFF SEWER FUND
for the year ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance |
|---|---------------------|---------------------|-------------------|-----------------------|
| OPERATING REVENUE | | | | |
| Sewer service revenue | \$ 3,550,249 | \$ 3,550,249 | \$ 3,372,686 | \$ (177,563) |
| Penalties, service fees and reimbursements | <u>198,300</u> | <u>198,300</u> | <u>182,650</u> | <u>(15,650)</u> |
| Total operating revenue | <u>3,748,549</u> | <u>3,748,549</u> | <u>3,555,336</u> | <u>(193,213)</u> |
| OPERATING EXPENSES | | | | |
| Professional services | 16,527 | 16,527 | 11,929 | (4,598) |
| Contractual obligations | 2,223,399 | 2,223,399 | 2,102,540 | (120,859) |
| Allocated expense | (88,329) | (88,329) | (88,329) | - |
| Insurance | 27,900 | 27,900 | 29,231 | 1,331 |
| Customer service | 232,113 | 232,113 | 526,850 | 294,737 |
| System maintenance | <u>273,038</u> | <u>273,038</u> | <u>92,784</u> | <u>(180,254)</u> |
| Total operating expense | <u>2,684,648</u> | <u>2,684,648</u> | <u>2,675,005</u> | <u>(9,643)</u> |
| Operating income before depreciation | 1,063,901 | 1,063,901 | 880,331 | (183,570) |
| Depreciation and amortization expense | <u>(930,806)</u> | <u>(930,806)</u> | <u>(912,281)</u> | <u>18,525</u> |
| OPERATING INCOME | 133,095 | 133,095 | (31,950) | (165,045) |
| Non-operating income (expenses) | | | | |
| Interest income | 25,000 | 25,000 | 24,123 | (877) |
| Interest expense | (87,870) | (87,870) | (81,652) | 6,218 |
| Loss on disposal of equipment | <u>-</u> | <u>-</u> | <u>(99,903)</u> | <u>(99,903)</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | 70,225 | 70,225 | (189,382) | (259,607) |
| Government contributions | 1,775,000 | 1,775,000 | 642,224 | (1,132,776) |
| Tap fees | <u>7,500</u> | <u>7,500</u> | <u>3,000</u> | <u>(4,500)</u> |
| CHANGE IN NET POSITION | <u>\$ 1,852,725</u> | <u>\$ 1,852,725</u> | <u>\$ 455,842</u> | <u>\$ (1,396,883)</u> |

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
STORMWATER FUND
for the year ended December 31, 2012

| | Original Budget | Amended Budget | Actual | Variance |
|--|---------------------|---------------------|-------------------|---------------------|
| OPERATING REVENUE | | | | |
| Stormwater revenue | \$ 477,792 | \$ 477,792 | \$ 477,792 | \$ - |
| Penalties, service fees and reimbursements | <u>56,399</u> | <u>56,399</u> | <u>18,194</u> | <u>(38,205)</u> |
| Total operating revenue | <u>534,191</u> | <u>534,191</u> | <u>495,986</u> | <u>(38,205)</u> |
| OPERATING EXPENSES | | | | |
| Professional services | 2,445 | 2,445 | 2,127 | (318) |
| Contractual obligations | 280,984 | 280,984 | 278,811 | (2,173) |
| Allocated expense | (10,585) | (10,585) | (10,585) | - |
| Insurance | 1,700 | 1,700 | 1,729 | 29 |
| Customer service | 286 | 286 | 254 | (32) |
| Other | <u>33,506</u> | <u>33,506</u> | <u>26,660</u> | <u>(6,846)</u> |
| Total operating expense | <u>308,336</u> | <u>308,336</u> | <u>298,996</u> | <u>(9,340)</u> |
| Operating income before depreciation | 225,855 | 225,855 | 196,990 | (28,865) |
| Depreciation and amortization expense | <u>(36,646)</u> | <u>(36,646)</u> | <u>(37,214)</u> | <u>(568)</u> |
| OPERATING INCOME | 189,209 | 189,209 | 159,776 | (29,433) |
| Non-operating income (expenses) | | | | |
| Interest income | <u>5,300</u> | <u>5,300</u> | <u>4,713</u> | <u>(587)</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 194,509 | 194,509 | 164,489 | (30,020) |
| Government contributions | <u>1,281,789</u> | <u>1,281,789</u> | <u>424,253</u> | <u>(857,536)</u> |
| CHANGE IN NET POSITION | <u>\$ 1,476,298</u> | <u>\$ 1,476,298</u> | <u>\$ 588,742</u> | <u>\$ (887,556)</u> |

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF NET POSITION
December 31, 2012

| | County Water | Ft. Knox Water | 2012 Total | 2011 Total |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 494,542 | \$ 3,949,510 | \$ 4,444,052 | \$ 305,600 |
| Short-term certificates of deposit | 767,708 | - | 767,708 | 741,397 |
| Customer accounts receivable, net | 244,310 | 492,344 | 736,654 | 255,481 |
| Other accounts receivable | 53,990 | 947,662 | 1,001,652 | 84,806 |
| Interest receivable | 1,874 | - | 1,874 | 996 |
| Due from other funds | - | - | - | 11,599 |
| Inventory - materials and supplies | 296,113 | 25,641 | 321,754 | 283,719 |
| Prepaid expenses | <u>56,672</u> | <u>13,128</u> | <u>69,800</u> | <u>66,664</u> |
| Total current assets | <u>1,915,209</u> | <u>5,428,285</u> | <u>7,343,494</u> | <u>1,750,262</u> |
| Other assets | | | | |
| Restricted funds | <u>1,634,127</u> | <u>-</u> | <u>1,634,127</u> | <u>1,586,094</u> |
| Property, plant and equipment | | | | |
| Land and easements | 273,045 | - | 273,045 | 273,045 |
| Plant and lines | 36,557,889 | 8,826,362 | 45,384,251 | 36,014,189 |
| Vehicles and equipment | 4,667,679 | 1,106,307 | 5,773,986 | 4,465,361 |
| Construction in progress | <u>600,945</u> | <u>275,600</u> | <u>876,545</u> | <u>571,712</u> |
| Total | 42,099,558 | 10,208,269 | 52,307,827 | 41,324,307 |
| Less: accumulated depreciation | <u>(13,017,583)</u> | <u>(411,089)</u> | <u>(13,428,672)</u> | <u>(12,036,140)</u> |
| Total property, plant, and equipment | <u>29,081,975</u> | <u>9,797,180</u> | <u>38,879,155</u> | <u>29,288,167</u> |
| TOTAL ASSETS | <u>\$ 32,631,311</u> | <u>\$ 15,225,465</u> | <u>\$ 47,856,776</u> | <u>\$ 32,624,523</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 154,090 | \$ 317,835 | \$ 471,925 | \$ 237,688 |
| Due to other funds | 28,899 | 40,212 | 69,111 | 297,093 |
| Customers' deposits | 168,032 | - | 168,032 | 162,667 |
| Accrued expenses | 83,461 | 15,438 | 98,899 | 75,120 |
| Reserve for unclaimed funds - escheatment | 5,231 | - | 5,231 | 5,262 |
| Deferred rent revenue | 4,533 | - | 4,533 | 643 |
| Line of credit | - | - | - | 32,683 |
| Liabilities payable from restricted assets: | | | | |
| Current portion of long-term debt | 620,000 | 81,960 | 701,960 | 500,000 |
| Accrued interest on long-term debt | <u>60,792</u> | <u>-</u> | <u>60,792</u> | <u>63,267</u> |
| Total current liabilities | <u>1,125,038</u> | <u>455,445</u> | <u>1,580,483</u> | <u>1,374,423</u> |
| Long-term liabilities | | | | |
| Bonds payable | 8,165,000 | - | 8,165,000 | 8,785,000 |
| Other long-term debt | - | 252,805 | 252,805 | - |
| Less: unamortized discount and expenses | (162,731) | - | (162,731) | (178,279) |
| Compensated absences | <u>47,971</u> | <u>10,392</u> | <u>58,363</u> | <u>47,311</u> |
| Total long-term liabilities | <u>8,050,240</u> | <u>263,197</u> | <u>8,313,437</u> | <u>8,654,032</u> |
| Other liabilities | | | | |
| Customer advances for construction | <u>113,164</u> | <u>-</u> | <u>113,164</u> | <u>126,401</u> |
| Total liabilities | <u>9,288,442</u> | <u>718,642</u> | <u>10,007,084</u> | <u>10,154,856</u> |
| Net position | | | | |
| Invested in capital assets, net of related debt | 20,398,914 | 9,462,415 | 29,861,329 | 20,085,496 |
| Restricted | 1,634,127 | - | 1,634,127 | 1,586,094 |
| Unrestricted | <u>1,309,828</u> | <u>5,044,408</u> | <u>6,354,236</u> | <u>798,077</u> |
| Total net position | <u>23,342,869</u> | <u>14,506,823</u> | <u>37,849,692</u> | <u>22,469,667</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 32,631,311</u> | <u>\$ 15,225,465</u> | <u>\$ 47,856,776</u> | <u>\$ 32,624,523</u> |

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

| | County Water | Fort Knox Water | 2012 Total | 2011 Total |
|--|----------------------|----------------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Metered water sales | \$ 3,073,779 | \$ 3,464,636 | \$ 6,538,415 | \$ 3,049,775 |
| Wholesale sales | 647,969 | - | 647,969 | 635,903 |
| Sewer billing contract revenue | 18,335 | - | 18,335 | 8,612 |
| Penalties, service fees and reimbursements | <u>287,555</u> | <u>374,552</u> | <u>662,107</u> | <u>291,411</u> |
| Total operating revenue | <u>4,027,638</u> | <u>3,839,188</u> | <u>7,866,826</u> | <u>3,985,701</u> |
| OPERATING EXPENSES | | | | |
| Treatment | 777,035 | - | 777,035 | 841,684 |
| Distribution | 667,160 | 508,796 | 1,175,956 | 648,360 |
| Customer service | 249,581 | - | 249,581 | 280,777 |
| General & administrative expenses | 273,951 | 2,003,359 | 2,277,310 | 529,157 |
| Purchased water | 85,289 | - | 85,289 | 75,939 |
| General maintenance | 91,070 | - | 91,070 | 77,861 |
| Source of supply | <u>34,837</u> | <u>-</u> | <u>34,837</u> | <u>36,872</u> |
| Total operating expense | <u>2,178,923</u> | <u>2,512,155</u> | <u>4,691,078</u> | <u>2,490,650</u> |
| Operating income before depreciation | 1,848,715 | 1,327,033 | 3,175,748 | 1,495,051 |
| Depreciation and amortization expense | <u>(1,038,544)</u> | <u>(411,089)</u> | <u>(1,449,633)</u> | <u>(996,715)</u> |
| OPERATING INCOME | 810,171 | 915,944 | 1,726,115 | 498,336 |
| Non-operating Income (expenses) | | | | |
| Interest income | 33,317 | 10,398 | 43,715 | 40,909 |
| Interest expense | (296,635) | - | (296,635) | (305,120) |
| Gain (loss) on sale of equipment | <u>3,503</u> | <u>(253)</u> | <u>3,250</u> | <u>(17,260)</u> |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 550,356 | 926,089 | 1,476,445 | 216,865 |
| Capital Contributions | | | | |
| Grants | 237,953 | - | 237,953 | 144,170 |
| Tap fees | 41,464 | 4,869 | 46,333 | 64,182 |
| Customer contributions | <u>43,429</u> | <u>13,575,865</u> | <u>13,619,294</u> | <u>330,375</u> |
| CHANGE IN NET POSITION | 873,202 | 14,506,823 | 15,380,025 | 755,592 |
| Net position, beginning of year | <u>22,469,667</u> | <u>-</u> | <u>22,469,667</u> | <u>21,714,075</u> |
| NET POSITION, END OF YEAR | <u>\$ 23,342,869</u> | <u>\$ 14,506,823</u> | <u>\$ 37,849,692</u> | <u>\$ 22,469,667</u> |

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

| | <u>County Water</u> | <u>Ft. Knox Water</u> | <u>2012 Total</u> | <u>2011 Total</u> |
|---|-------------------------|---------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 3,813,030 | \$ 2,399,182 | \$ 6,212,212 | \$ 4,407,953 |
| Payments to suppliers | (966,735) | (1,723,732) | (2,690,467) | (1,246,290) |
| Payments for employee services and benefits | (1,284,513) | (443,315) | (1,727,828) | (1,492,648) |
| Net cash provided by operating activities | <u>1,561,782</u> | <u>232,135</u> | <u>1,793,917</u> | <u>1,669,015</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on long-term debt | (500,000) | (75,151) | (575,151) | (460,000) |
| Borrowings | - | 75,151 | 75,151 | 32,683 |
| Principal paid on line of credit | (32,683) | - | (32,683) | - |
| Interest paid on long-term debt | (299,110) | - | (299,110) | (307,183) |
| Contributions in aid of construction | 41,464 | 4,678,232 | 4,719,696 | 208,352 |
| Grants | 281,382 | - | 281,382 | - |
| Proceeds from sale of equipment | 7,412 | - | 7,412 | 15,547 |
| Acquisition and construction of capital assets | (816,277) | (971,255) | (1,787,532) | (993,298) |
| Cash (paid) received under advance construction contract | (13,237) | - | (13,237) | (3,826) |
| Net cash (used in) capital and related financing activities | <u>(1,331,049)</u> | <u>3,706,977</u> | <u>2,375,928</u> | <u>(1,507,725)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 32,439 | 10,398 | 42,837 | 40,847 |
| Redemption of investments | 508,442 | - | 508,442 | 2,493,077 |
| Purchase of investments | (582,672) | - | (582,672) | (2,581,452) |
| Net cash provided by investing activities | <u>(41,791)</u> | <u>10,398</u> | <u>(31,393)</u> | <u>(47,528)</u> |
| NET INCREASE IN CASH | <u>188,942</u> | <u>3,949,510</u> | <u>4,138,452</u> | <u>113,762</u> |
| Cash and cash equivalents, beginning of year | <u>305,600</u> | <u>-</u> | <u>305,600</u> | <u>191,838</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 494,542</u> | <u>\$ 3,949,510</u> | <u>\$ 4,444,052</u> | <u>\$ 305,600</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating Income | \$ 810,171 | \$ 915,944 | \$ 1,726,115 | \$ 498,336 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization expense | 1,038,544 | 411,089 | 1,449,633 | 996,715 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | 41,987 | (1,440,006) | (1,398,019) | 144,971 |
| Prepaid expenses | 9,992 | (13,128) | (3,136) | 6,168 |
| Due from other funds | 40,498 | - | 40,498 | 40,750 |
| Inventory | (12,394) | (25,641) | (38,035) | 156,904 |
| Accounts payable | (83,598) | 317,835 | 234,237 | (413,089) |
| Accrued expenses | 8,341 | 25,830 | 34,171 | 5,178 |
| Due to other funds | (297,093) | 40,212 | (256,881) | 236,531 |
| Other payables | 5,334 | - | 5,334 | (3,449) |
| Net cash provided by operating activities | <u>\$ 1,561,782</u> | <u>\$ 232,135</u> | <u>\$ 1,793,917</u> | <u>\$ 1,669,015</u> |
| Schedule of non-cash capital and financing activities: | | | | |
| Contributed water mains from developers | <u>\$ 43,429</u> | <u>\$ 8,902,502</u> | <u>\$ 8,945,931</u> | <u>\$ 330,375</u> |
| Construction in process included in accounts payable | <u>\$ -</u> | <u>\$ 334,765</u> | <u>\$ 334,765</u> | <u>\$ 27,394</u> |

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF NET POSITION
December 31, 2012

| | Ft. Knox Sewer | Radcliff Sewer | 2012 Total | 2011 Total |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 1,658,213 | \$ 2,954,024 | \$ 4,612,237 | \$ 4,413,855 |
| Customer accounts receivable, net | 236,529 | 204,315 | 440,844 | 458,690 |
| Grant receivable | 625,526 | 86,061 | 711,587 | 76,822 |
| Interest receivable | - | - | - | 523 |
| Due from other funds | - | 80,225 | 80,225 | 287,516 |
| Inventory | 12,373 | - | 12,373 | 12,373 |
| Prepaid expenses | <u>7,675</u> | <u>45,508</u> | <u>53,183</u> | <u>49,985</u> |
| Total current assets | <u>2,540,316</u> | <u>3,370,133</u> | <u>5,910,449</u> | <u>5,299,764</u> |
| Other assets | | | | |
| Restricted assets - reserve funds | - | 338,723 | 338,723 | 335,230 |
| Radcliff acquisition costs, net | - | <u>202,103</u> | <u>202,103</u> | <u>211,203</u> |
| Total other assets | <u>-</u> | <u>540,826</u> | <u>540,826</u> | <u>546,433</u> |
| Property, plant and equipment | | | | |
| Land and easements | - | 9,544 | 9,544 | 9,544 |
| Plant and lines | 78,529,716 | 33,293,603 | 111,823,319 | 110,680,787 |
| Vehicles and equipment | 1,161,926 | 1,138,591 | 2,300,517 | 2,051,075 |
| Construction in progress | <u>2,955,975</u> | <u>1,847,721</u> | <u>4,803,696</u> | <u>2,334,274</u> |
| Total | 82,647,617 | 36,289,459 | 118,937,076 | 115,075,680 |
| Less accumulated depreciation | <u>(62,487,200)</u> | <u>(14,736,228)</u> | <u>(77,223,428)</u> | <u>(75,773,746)</u> |
| Total property, plant, and equipment | <u>20,160,417</u> | <u>21,553,231</u> | <u>41,713,648</u> | <u>39,301,934</u> |
| TOTAL ASSETS | <u>\$ 22,700,733</u> | <u>\$ 25,464,190</u> | <u>\$ 48,164,923</u> | <u>\$ 45,148,131</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 464,696 | \$ 358,757 | \$ 823,453 | \$ 431,544 |
| Due to other funds | 10,333 | - | 10,333 | 11,087 |
| Customers' deposits | - | 129,454 | 129,454 | 124,214 |
| Accrued expenses | 5,687 | 21,246 | 26,933 | 46,608 |
| Liabilities payable from restricted assets: | | | | |
| Current portion of long-term debt | - | 278,656 | 278,656 | 268,362 |
| Accrued interest on long-term debt | - | <u>6,102</u> | <u>6,102</u> | <u>7,030</u> |
| Total current liabilities | <u>480,716</u> | <u>794,215</u> | <u>1,274,931</u> | <u>888,845</u> |
| Long-term liabilities | | | | |
| Bonds payable | - | <u>1,562,065</u> | <u>1,562,065</u> | <u>1,840,721</u> |
| Total liabilities | <u>480,716</u> | <u>2,356,280</u> | <u>2,836,996</u> | <u>2,729,566</u> |
| Net position | | | | |
| Invested in capital assets, net of related debt | 20,160,417 | 19,706,408 | 39,866,825 | 37,185,821 |
| Restricted | - | 338,723 | 338,723 | 335,230 |
| Unrestricted | <u>2,059,600</u> | <u>3,062,779</u> | <u>5,122,379</u> | <u>4,897,514</u> |
| Total net position | <u>22,220,017</u> | <u>23,107,910</u> | <u>45,327,927</u> | <u>42,418,565</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 22,700,733</u> | <u>\$ 25,464,190</u> | <u>\$ 48,164,923</u> | <u>\$ 45,148,131</u> |

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

| | Ft. Knox Sewer | Radcliff Sewer | 2012 Total | 2011 Total |
|---|----------------------|----------------------|----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Sewer service revenue | \$ 2,883,989 | \$ 3,372,686 | \$ 6,256,675 | \$ 6,143,337 |
| Penalties, service fees and reimbursements | <u>85,270</u> | <u>182,650</u> | <u>267,920</u> | <u>202,689</u> |
| Total operating revenue | <u>2,969,259</u> | <u>3,555,336</u> | <u>6,524,595</u> | <u>6,346,026</u> |
| OPERATING EXPENSES | | | | |
| Customer service | 85,198 | 526,850 | 612,048 | 476,050 |
| Sewer operations | <u>1,763,277</u> | <u>2,148,155</u> | <u>3,911,432</u> | <u>4,011,541</u> |
| Total operating expense | <u>1,848,475</u> | <u>2,675,005</u> | <u>4,523,480</u> | <u>4,487,591</u> |
| Operating income before depreciation | 1,120,784 | 880,331 | 2,001,115 | 1,858,435 |
| Depreciation and amortization expense | <u>(644,937)</u> | <u>(912,281)</u> | <u>(1,557,218)</u> | <u>(1,436,108)</u> |
| OPERATING INCOME | 475,847 | (31,950) | 443,897 | 422,327 |
| Non-operating income (expenses) | | | | |
| Interest income | 15,042 | 24,123 | 39,165 | 50,836 |
| Interest expense | (1,127) | (81,652) | (82,779) | (93,453) |
| Bad debts recovered | - | - | - | 9,449 |
| Gain (loss) on sale of equipment | <u>-</u> | <u>(99,903)</u> | <u>(99,903)</u> | <u>(48,903)</u> |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | 489,762 | (189,382) | 300,380 | 340,256 |
| Grants | - | 642,224 | 642,224 | 1,383,176 |
| Tap fees | - | 3,000 | 3,000 | 8,700 |
| Customer contributions | <u>1,963,758</u> | <u>-</u> | <u>1,963,758</u> | <u>891,785</u> |
| CHANGE IN NET POSITION | 2,453,520 | 455,842 | 2,909,362 | 2,623,917 |
| Net position, beginning of year | <u>19,766,497</u> | <u>22,652,068</u> | <u>42,418,565</u> | <u>39,794,648</u> |
| NET POSITION, END OF YEAR | <u>\$ 22,220,017</u> | <u>\$ 23,107,910</u> | <u>\$ 45,327,927</u> | <u>\$ 42,418,565</u> |

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

| | <u>Ft. Knox Sewer</u> | <u>Radcliff Sewer</u> | <u>2012 Total</u> | <u>2011 Total</u> |
|---|---------------------------|---------------------------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 2,388,338 | \$ 3,725,875 | \$ 6,114,213 | \$ 6,348,902 |
| Payments to suppliers | <u>(1,554,200)</u> | <u>(2,595,932)</u> | <u>(4,150,132)</u> | <u>(4,945,108)</u> |
| Net cash provided by operating activities | <u>834,138</u> | <u>1,129,943</u> | <u>1,964,081</u> | <u>1,403,794</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Principal paid on long-term debt | - | (268,362) | (268,362) | (258,447) |
| Interest paid on long-term debt | (1,127) | (82,580) | (83,707) | (94,315) |
| Contributions in aid of construction | 1,963,758 | 645,224 | 2,608,982 | 1,828,186 |
| Proceeds from sale of equipment | - | 4,640 | 4,640 | 3,000 |
| Acquisition and construction of capital assets | <u>(2,728,517)</u> | <u>(1,334,930)</u> | <u>(4,063,447)</u> | <u>(2,812,497)</u> |
| Net cash (used in) capital and related financing activities | <u>(765,886)</u> | <u>(1,036,008)</u> | <u>(1,801,894)</u> | <u>(1,334,073)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 15,043 | 24,645 | 39,688 | 53,647 |
| Redemption of investments | - | 335,230 | 335,230 | 770,165 |
| Purchase of investments | <u>-</u> | <u>(338,723)</u> | <u>(338,723)</u> | <u>(335,230)</u> |
| Net cash provided by investing activities | <u>15,043</u> | <u>21,152</u> | <u>36,195</u> | <u>488,582</u> |
| NET INCREASE IN CASH | <u>83,295</u> | <u>115,087</u> | <u>198,382</u> | <u>558,303</u> |
| Cash and cash equivalents, beginning of year | <u>1,574,918</u> | <u>2,838,937</u> | <u>4,413,855</u> | <u>3,855,552</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 1,658,213</u> | <u>\$ 2,954,024</u> | <u>\$ 4,612,237</u> | <u>\$ 4,413,855</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | | |
| Operating income | \$ 475,847 | \$ (31,950) | \$ 443,897 | \$ 422,327 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization expense | 644,937 | 912,281 | 1,557,218 | 1,436,108 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | (606,325) | (10,594) | (616,919) | 266,978 |
| Prepaid expenses | - | 189,903 | 189,903 | (13,738) |
| Inventory | - | - | - | (12,373) |
| Due from other funds | (504) | (2,694) | (3,198) | (226,954) |
| Accounts payable | 299,102 | 92,807 | 391,909 | (384,152) |
| Accrued expenses | 25,404 | (928) | 24,476 | (45,005) |
| Due to other funds | (4,323) | (15,352) | (19,675) | (37,148) |
| Other payables | <u>-</u> | <u>(3,530)</u> | <u>(3,530)</u> | <u>(2,249)</u> |
| Net cash provided by operating activities | <u>\$ 834,138</u> | <u>\$ 1,129,943</u> | <u>\$ 1,964,081</u> | <u>\$ 1,403,794</u> |
| Schedule of non-cash capital and financing activities: | | | | |
| Construction in process included in accounts payable | <u>\$ 1,873</u> | <u>\$ -</u> | <u>\$ 1,873</u> | <u>\$ 69,167</u> |

**HARDIN COUNTY WATER DISTRICT No. 1
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Hardin County Water District No. 1, as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise Hardin County Water District No. 1's financial statements, and have issued our report thereon dated March 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hardin County Water District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hardin County Water District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardin County Water District No. 1's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**HARDIN COUNTY WATER DISTRICT No. 1
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS, continued**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardin County Water District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ray, Foley, Hensley, & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013

Appendix B

Comparative Statement of Revenues, Expenses, and Net Assets

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

| | December | December Budget | December Previous Year | 2012 | 2012 Budget | 2011 |
|---|--------------------|--------------------|---------------------------|---------------------|---------------------|---------------------|
| OPERATING REVENUE | | | | | | |
| Residential Sales | \$215,887.40 | \$231,736.60 | \$214,604.39 | \$2,694,620.88 | \$2,875,702.00 | \$2,663,102.26 |
| Commercial Sales | 33,566.50 | 20,709.75 | 31,459.02 | 428,579.04 | 248,517.00 | 396,168.70 |
| Multi-Family Sales | 20,977.09 | 33,944.65 | 18,907.74 | 247,882.26 | 426,030.00 | 237,305.84 |
| High Strength Surcharge | | | | 746.48 | 200.00 | 336.70 |
| Discharge Permlt Fees | 27.78 | 30.12 | 27.78 | 858.36 | 1,500.00 | 1,383.36 |
| Bad Debt Recovered | 577.98 | 547.25 | 470.08 | 7,415.07 | 11,000.00 | 9,448.89 |
| Penalties, Services Fees and Reimbursements | 14,905.17 | 14,171.71 | 14,602.82 | 175,235.00 | 185,600.00 | 184,713.96 |
| Total Operating Revenues | <u>285,941.92</u> | <u>301,140.08</u> | <u>280,071.83</u> | <u>3,555,337.09</u> | <u>3,748,549.00</u> | <u>3,492,459.71</u> |
| OPERATING EXPENSES | | | | | | |
| Collection System Labor | 9,190.03 | 10,260.11 | 3,912.81 | 91,059.02 | 98,917.00 | 37,723.11 |
| Customer Service Labor | 14,410.47 | 15,044.53 | 10,762.98 | 151,356.14 | 174,121.00 | 124,567.58 |
| Administration Labor | 5,441.21 | 12,653.57 | 9,735.36 | 102,927.12 | 124,013.00 | 95,412.72 |
| Professional Services-Engineering | | 266.63 | | | 3,200.00 | 2,299.88 |
| Professional Services-Accounting | 614.17 | 614.17 | 567.00 | 7,370.20 | 7,370.00 | 6,804.00 |
| Professional Services-Legal | 267.14 | 496.42 | 390.16 | 4,558.90 | 5,957.00 | 4,681.92 |
| Information Technology Expense | 1,117.79 | 1,049.67 | 947.74 | 14,596.20 | 11,300.00 | 10,202.69 |
| Management Fee - Veolia | 156,927.08 | 179,980.93 | 176,367.58 | 2,102,540.03 | 2,125,319.00 | 2,082,650.47 |
| Contractual Services | 7,754.45 | 7,386.24 | 7,465.55 | 94,932.81 | 98,080.00 | 99,133.91 |
| Insurance Expense | 2,515.85 | 2,325.00 | 1,663.55 | 29,230.95 | 27,900.00 | 19,465.97 |
| Transportation Fuel & Repairs | 116.44 | | | 1,949.19 | | |
| Utility Regulatory Expense | 513.45 | 459.68 | 455.26 | 5,812.31 | 5,500.00 | 5,447.16 |
| Office Supplies | 787.39 | 546.31 | 703.82 | 7,938.15 | 8,500.00 | 7,920.22 |
| Utilities | 817.99 | 652.48 | 974.36 | 11,400.24 | 10,600.00 | 15,829.26 |
| Bad Debt Expense | 7,084.33 | 3,822.19 | 3,772.70 | 41,597.28 | 39,600.00 | 39,087.21 |
| Agency Collection Expense | 288.99 | 98.41 | 88.14 | 2,968.17 | 3,900.00 | 3,492.89 |
| Advertising Expense | | | | 42.23 | | |
| Rent Expense | 187.50 | 187.50 | 187.50 | 2,250.00 | 2,250.00 | 2,250.00 |
| Investment Fees | | | | | | 1.23 |
| Travel & Lodging | 133.16 | 132.74 | 132.87 | 2,700.90 | 3,000.00 | 3,002.79 |
| Certification & Training | | 83.33 | | 1,707.80 | 1,000.00 | 1,480.24 |
| Education & Conferences | 10.00 | | | 1,750.77 | 3,800.00 | 4,207.02 |
| Routine Maintenance Service | 113.65 | 22.87 | 146.98 | 1,727.49 | 1,300.00 | 8,353.10 |
| Miscellaneous Customer Expense | 3.29 | 96.12 | 57.15 | 811.89 | 1,000.00 | 594.59 |
| Miscellaneous Expense | 3,072.32 | 212.93 | 114.01 | 7,415.39 | 1,450.00 | 776.36 |
| Amortized Rate Case - Raftelis | | 1,175.00 | | | 14,100.00 | |
| Customer Deposit Interest Expense | 31.07 | 29.25 | 25.96 | 717.23 | 800.00 | 710.10 |
| Allocated FK Water G&A Expense | (8,029.90) | (8,029.91) | | (88,328.90) | (88,329.00) | |
| Total Operating Expenses | <u>203,387.87</u> | <u>229,586.17</u> | <u>218,471.48</u> | <u>2,601,031.51</u> | <u>2,684,648.00</u> | <u>2,576,094.42</u> |
| Operating Income Before Depreciation | <u>82,574.05</u> | <u>71,573.91</u> | <u>61,600.35</u> | <u>954,305.58</u> | <u>1,063,901.00</u> | <u>916,365.29</u> |
| Less Depreciation & Amortization | 82,937.48 | 82,823.52 | 78,691.54 | 981,121.38 | 930,806.00 | 884,487.38 |
| Operating Income | <u>(363.43)</u> | <u>(11,249.61)</u> | <u>(17,091.19)</u> | <u>(26,815.80)</u> | <u>133,095.00</u> | <u>31,877.91</u> |
| Non Operating Income/(Expense) | | | | | | |
| Interest & Dividend Income | 1,575.28 | 1,542.96 | 2,412.18 | 24,123.38 | 25,000.00 | 39,083.58 |
| Gain/(Loss) on Assets | (36,454.65) | | (2,196.03) | (99,902.69) | | (48,903.07) |
| Interest Expense | (6,576.43) | (6,821.46) | (7,962.30) | (86,790.68) | (87,870.00) | (102,006.68) |
| Income Before Capital Contributions | <u>(41,819.23)</u> | <u>(16,528.11)</u> | <u>(24,837.34)</u> | <u>(189,385.79)</u> | <u>70,225.00</u> | <u>(79,948.26)</u> |
| Capital Contributions | | | 130,000.00 | 125,519.10 | | 130,000.00 |
| Misc Revenue - Grant | | | | | | 199,146.98 |
| Misc Revenue - Grant - I&I | | | | 122,936.14 | 875,000.00 | 419,146.28 |
| Misc Revenue - Grant - Pump Stations | 3,738.74 | 72,916.67 | | 391,895.63 | 900,000.00 | 634,882.85 |
| Misc Revenue - Grant - SI | 21,985.49 | 75,000.00 | 150.00 | 3,000.00 | 7,500.00 | 8,700.00 |
| Tap Fees | | 129.31 | 9,281.76 | 1,873.20 | | 455,475.07 |
| Capital Contributions | | | | 455,838.28 | 1,852,725.00 | 1,767,402.92 |
| Change in Net Assets | <u>(16,095.00)</u> | <u>131,517.87</u> | <u>114,594.42</u> | <u>455,838.28</u> | <u>1,852,725.00</u> | <u>1,767,402.92</u> |

For Management Purposes Only

Appendix C

General Ledger

Audited GL Summary Trial Balance

Hardin County Water District No. 1

General Ledger

| Inactive | Account | Description | Beginning Balance | Debit | Credit | Net Change | Ending Balance |
|----------|------------|--|-------------------|----------------|----------------|------------------|-------------------|
| | | Radcliff .General. Cash Clearing | \$0.00 | \$3,787,263.14 | \$3,787,263.14 | \$0.00 | \$0.00 |
| | 4.00.10000 | Radcliff .General. CIP - Radcliff | \$1,608,776.81 | \$1,589,950.42 | \$1,351,006.86 | \$238,943.56 | \$1,847,720.37 |
| | 4.00.10700 | Radcliff .General. Accumulated Depreciation | (\$13,931,483.65) | \$98,436.26 | \$903,180.92 | (\$804,744.66) | (\$14,736,228.31) |
| | 4.00.11001 | Radcliff .General. Savings - FKFCU | \$1,015.25 | \$1.78 | \$0.00 | \$1.78 | \$1,017.03 |
| | 4.00.12400 | Radcliff .General. Money Market Cecilian | \$2,601,917.94 | \$806,173.15 | \$743,717.81 | \$62,455.34 | \$2,664,373.28 |
| | 4.00.12402 | Radcliff .General. Certificate of Deposit | \$335,230.42 | \$2,159.78 | \$337,390.20 | (\$335,230.42) | \$0.00 |
| | 4.00.12403 | Radcliff .General. Revenue Fund - Cecilian | \$372,084.56 | \$4,697,559.90 | \$4,780,382.29 | (\$82,822.39) | \$289,262.17 |
| | 4.00.13100 | Radcliff .General. O & M Cecilian | (\$136,079.80) | \$4,158,272.88 | \$4,022,821.33 | \$135,451.55 | (\$628.25) |
| | 4.00.13101 | Radcliff Sewer .General. Restrict Funds- | \$0.00 | \$338,722.61 | \$0.00 | \$338,722.61 | \$338,722.61 |
| | 4.00.13300 | Radcliff .General. Customer Accounts | \$219,445.27 | \$3,808,006.01 | \$3,823,135.85 | (\$15,129.84) | \$204,315.43 |
| | 4.00.14200 | Radcliff .General. A/R Mis Statements | \$60,337.10 | \$532,089.33 | \$506,365.10 | \$25,724.23 | \$86,061.33 |
| | 4.00.14201 | Radcliff .General. Accrued Interest | \$521.94 | \$1,438.12 | \$1,959.69 | (\$521.57) | \$0.37 |
| | 4.00.14400 | Radcliff .General. Due From Other Funds | \$261,358.32 | \$4,286,331.39 | \$4,467,465.10 | (\$181,133.71) | \$80,224.61 |
| | 4.00.14600 | Radcliff .General. Prepaid Expense | \$42,813.87 | \$49,103.03 | \$46,409.27 | \$2,693.76 | \$45,507.63 |
| | 4.00.16600 | Radcliff .General. Organization Costs | \$211,202.82 | \$0.00 | \$9,100.32 | (\$9,100.32) | \$202,102.50 |
| | 4.00.18400 | Radcliff .General. Retained Earnings | (\$2,145,343.98) | \$1,847,351.18 | \$0.00 | \$1,847,351.18 | (\$297,992.80) |
| | 4.00.21600 | Radcliff .General. Bond Payable 1997 | (\$1,840,720.99) | \$278,656.20 | \$0.00 | \$278,656.20 | (\$1,562,064.79) |
| | 4.00.22100 | Radcliff .General. Current Portion of Bonds | (\$268,361.58) | \$268,377.54 | \$278,672.16 | (\$10,294.62) | (\$278,656.20) |
| | 4.00.23100 | Radcliff .General. Accounts Payable | (\$265,949.98) | \$4,106,989.79 | \$4,199,796.06 | (\$92,806.27) | (\$358,756.25) |
| | 4.00.23200 | Radcliff .General. Sales Tax Payable | \$0.00 | \$39,653.68 | \$39,653.68 | \$0.00 | \$0.00 |
| | 4.00.23201 | Radcliff .General. Sewer Payable Franchise | (\$6,275.92) | \$102,682.15 | \$102,402.81 | \$279.34 | (\$5,996.58) |
| | 4.00.23202 | Radcliff .General. Customer Deposits | (\$124,214.00) | \$47,447.76 | \$52,687.76 | (\$5,240.00) | (\$129,454.00) |
| | 4.00.23500 | Radcliff .General. Accrued Interest | (\$7,030.33) | \$88,735.27 | \$87,807.34 | \$927.93 | (\$6,102.40) |
| | 4.00.23700 | Radcliff .General. Accrued Expenses | (\$30,322.37) | \$186,413.31 | \$163,969.26 | \$22,444.05 | (\$7,878.32) |
| | 4.00.23800 | Radcliff .General. Accrued Audit Expense | \$0.00 | \$6,804.36 | \$14,174.36 | (\$7,370.00) | (\$7,370.00) |
| | 4.00.23801 | Radcliff .General. Contributions In Aid of | (\$20,506,728.70) | \$0.00 | \$1,847,351.18 | (\$1,847,351.18) | (\$22,354,079.88) |
| | 4.00.27100 | Radcliff .General. Tap Fees | \$0.00 | \$150.00 | \$3,150.00 | (\$3,000.00) | (\$3,000.00) |
| | 4.00.27101 | Radcliff .General. Capital Contributions | \$0.00 | \$2,113.05 | \$3,986.25 | (\$1,873.20) | (\$1,873.20) |
| | 4.00.27102 | Radcliff .General. Misc Revenue Grant Pump | \$0.00 | \$0.00 | \$122,936.14 | (\$122,936.14) | (\$122,936.14) |
| | 4.00.27104 | Radcliff .General. Misc Revenue - Grant - SI | \$0.00 | \$0.00 | \$391,895.63 | (\$391,895.63) | (\$391,895.63) |
| | 4.00.27105 | Radcliff Sewer-General- Misc Revenue - | \$0.00 | \$0.00 | \$125,519.10 | (\$125,519.10) | (\$125,519.10) |
| | 4.00.27106 | Radcliff .General. Land & Easements | \$9,544.00 | \$0.00 | \$0.00 | \$0.00 | \$9,544.00 |
| | 4.00.31000 | Radcliff .General. Sewer Plant | \$26,913,457.27 | \$200,365.24 | \$180,058.70 | \$20,306.54 | \$26,933,763.81 |
| | 4.00.35201 | Radcliff .General. Collection Sewers - Gravity | \$4,737,684.21 | \$533,908.27 | \$38,298.70 | \$495,609.57 | \$5,233,293.78 |
| | 4.00.35202 | Radcliff .General. Sewer Plant Improvements | \$453,478.87 | \$0.00 | \$0.00 | \$0.00 | \$453,478.87 |
| | 4.00.35211 | Radcliff .General. Other Collection Plant | \$150,000.00 | \$0.00 | \$0.00 | \$0.00 | \$150,000.00 |

| | | | | | | |
|------------|---|--------------|----------------|----------------|------------------|------------------|
| 4.00.35400 | Radcliff.General.Services to Customers | \$11,294.44 | \$3,034.50 | \$0.00 | \$3,034.50 | \$4,328.94 |
| 4.00.35500 | Radcliff.General.Flow Measuring Devices | \$9,900.00 | \$0.00 | \$0.00 | \$0.00 | \$9,900.00 |
| 4.00.36301 | Radcliff .General.Pumping Equipment | \$52,889.85 | \$186,492.53 | \$0.00 | \$186,492.53 | \$239,382.38 |
| 4.00.36302 | Radcliff.General.Pumping Equipment Diesel | \$27,810.00 | \$0.00 | \$0.00 | \$0.00 | \$27,810.00 |
| 4.00.37300 | Radcliff.General.Treatment & Disposal | \$152,121.31 | \$26,206.77 | \$0.00 | \$26,206.77 | \$178,328.08 |
| 4.00.37600 | Radcliff.General.Other Trmt & Disposal Plant | \$53,317.41 | \$0.00 | \$0.00 | \$0.00 | \$53,317.41 |
| 4.00.39100 | Radcliff.General.Office Furniture & | \$45,227.60 | \$7,581.45 | \$604.80 | \$6,976.65 | \$52,204.25 |
| 4.00.39200 | Radcliff.General.Transportation Equipment | \$515,611.47 | \$174,268.37 | \$23,005.00 | \$151,263.37 | \$666,874.84 |
| 4.00.39301 | Radcliff.General.Laboratory Equipment | \$10,299.32 | \$0.00 | \$0.00 | \$0.00 | \$10,299.32 |
| 4.00.39302 | Radcliff.General.Power Operated Equipment | \$394,792.25 | \$0.00 | \$0.00 | \$0.00 | \$394,792.25 |
| 4.00.39303 | Radcliff.General.Communication Equipment | \$10,379.00 | \$7,585.80 | \$3,544.00 | \$4,041.80 | \$14,420.80 |
| 4.00.41700 | Radcliff.General.Gain/Loss on Asset | \$0.00 | \$109,724.66 | \$9,821.97 | \$99,902.69 | \$99,902.69 |
| 4.00.41900 | Radcliff.General.Interest & Dividend Income | \$0.00 | \$0.24 | \$24,123.62 | (\$24,123.38) | (\$24,123.38) |
| 4.00.42100 | Radcliff.General.Bad Debt Recovered | \$0.00 | \$144.23 | \$7,559.30 | (\$7,415.07) | (\$7,415.07) |
| 4.00.52102 | Radcliff.General.Flat Revenue - Commercial | \$0.00 | \$250.15 | \$428,829.19 | (\$428,579.04) | (\$428,579.04) |
| 4.00.52201 | Radcliff .General.Measured Revenue - Multi | \$0.00 | \$448.07 | \$248,330.33 | (\$247,882.26) | (\$247,882.26) |
| 4.00.52202 | Radcliff.General.Measured Revenue - | \$0.00 | \$77,273.36 | \$2,771,894.24 | (\$2,694,620.88) | (\$2,694,620.88) |
| 4.00.53600 | Radcliff.General.Penalties & Misc Fees | \$0.00 | \$2,917.03 | \$176,791.70 | (\$173,874.67) | (\$173,874.67) |
| 4.00.53601 | Radcliff.General.Discharge Permt Fees | \$0.00 | \$0.00 | \$858.36 | (\$858.36) | (\$858.36) |
| 4.00.53602 | Radcliff.General.Sewer High Strength | \$0.00 | \$0.00 | \$746.48 | (\$746.48) | (\$746.48) |
| 4.00.53604 | Radcliff.General.Non-Utility Income | \$0.00 | \$111,708.00 | \$113,068.33 | (\$1,360.33) | (\$1,360.33) |
| 4.00.92400 | Radcliff Sewer.General. | \$0.00 | \$2,506.30 | \$2,506.30 | \$0.00 | \$0.00 |
| 4.03.70100 | Radcliff.Distribution.Collection System Labor | \$0.00 | \$91,059.02 | \$0.00 | \$91,059.02 | \$91,059.02 |
| 4.03.71000 | Radcliff.Distribution.Routine Maintenance | \$0.00 | \$1,822.25 | \$94.76 | \$1,727.49 | \$1,727.49 |
| 4.04.90300 | Radcliff.Customer Service.Customer Service | \$0.00 | \$151,356.14 | \$0.00 | \$151,356.14 | \$151,356.14 |
| 4.04.90301 | Radcliff.Customer Service.Misc Customer | \$0.00 | \$818.26 | \$6.37 | \$811.89 | \$811.89 |
| 4.04.92100 | Radcliff.Customer Service.Office Supplies & | \$0.00 | \$1,151.04 | \$0.00 | \$1,151.04 | \$1,151.04 |
| 4.04.92303 | Radcliff.Customer Service.Contractd | \$0.00 | \$100,172.46 | \$24,637.17 | \$75,535.29 | \$75,535.29 |
| 4.04.93007 | Radcliff.Customer Service.Customer Interest | \$0.00 | \$717.40 | \$0.17 | \$717.23 | \$717.23 |
| 4.06.40300 | Radcliff.Administration.Depreciation Expense | \$0.00 | \$903,180.92 | \$0.00 | \$903,180.92 | \$903,180.92 |
| 4.06.40301 | Radcliff.Administration.Allocated | \$0.00 | \$76,828.56 | \$7,988.42 | \$68,840.14 | \$68,840.14 |
| 4.06.40800 | Radcliff.Administration.Regulatory | \$0.00 | \$5,812.31 | \$0.00 | \$5,812.31 | \$5,812.31 |
| 4.06.42700 | Radcliff .Administration.Interest on LT Debt | \$0.00 | \$83,448.67 | \$6,678.82 | \$76,769.85 | \$76,769.85 |
| 4.06.42701 | Radcliff .Administration.Allocated Interest | \$0.00 | \$4,882.35 | \$0.00 | \$4,882.35 | \$4,882.35 |
| 4.06.43200 | Radcliff.Administration.Amortization of Acq. | \$0.00 | \$9,100.32 | \$0.00 | \$9,100.32 | \$9,100.32 |
| 4.06.70000 | Radcliff.Administration.Veolia Management | \$0.00 | \$2,209,643.76 | \$107,103.73 | \$2,102,540.03 | \$2,102,540.03 |
| 4.06.90302 | Radcliff.Administration.Agency Collection | \$0.00 | \$2,968.17 | \$0.00 | \$2,968.17 | \$2,968.17 |
| 4.06.90400 | Radcliff.Administration.Bad Debt Expense | \$0.00 | \$41,597.28 | \$0.00 | \$41,597.28 | \$41,597.28 |
| 4.06.92000 | Radcliff.Administration.Adminstrative Labor | \$0.00 | \$103,041.62 | \$114.50 | \$102,927.12 | \$102,927.12 |
| 4.06.92100 | Radcliff.Administration.Office Supplies & | \$0.00 | \$6,859.25 | \$72.14 | \$6,787.11 | \$6,787.11 |
| 4.06.92300 | Radcliff.Administration.Prof. Services- | \$0.00 | \$7,370.36 | \$0.16 | \$7,370.20 | \$7,370.20 |
| 4.06.92301 | Radcliff.Administration.Prof Services - Legal | \$0.00 | \$5,033.88 | \$474.98 | \$4,558.90 | \$4,558.90 |
| 4.06.92303 | Radcliff.Administration.Contractd Services | \$0.00 | \$20,014.58 | \$617.06 | \$19,397.52 | \$19,397.52 |
| 4.06.92400 | Radcliff.Administration.Insurance Expense | \$0.00 | \$33,952.41 | \$4,721.46 | \$29,230.95 | \$29,230.95 |
| 4.06.92900 | Radcliff.Administration.Travel & Lodging | \$0.00 | \$2,714.01 | \$13.11 | \$2,700.90 | \$2,700.90 |

| | | | | | | | |
|----------------------|---|-----------|-----------------|------------------------|------------------------|---------------|-----------------|
| 4.06.92901 | Radcliff .Administration. Transport Fuel & | \$0.00 | \$1,952.39 | \$3.20 | \$1,949.19 | \$1,949.19 | |
| 4.06.93000 | Radcliff.Administration.Info Technology | \$0.00 | \$15,467.94 | \$871.74 | \$14,596.20 | \$4,596.20 | |
| 4.06.93002 | Radcliff .Administration. Advertising Expense | \$0.00 | \$42.23 | \$0.00 | \$42.23 | \$42.23 | |
| 4.06.93004 | Radcliff.Administration.Utilities | \$0.00 | \$11,841.69 | \$441.45 | \$11,400.24 | \$11,400.24 | |
| 4.06.93005 | Radcliff.Administration.Certification & | \$0.00 | \$1,793.80 | \$86.00 | \$1,707.80 | \$1,707.80 | |
| 4.06.93006 | Radcliff.Administration.Remarket & Other | \$0.00 | \$5,500.55 | \$362.07 | \$5,138.48 | \$5,138.48 | |
| 4.06.93008 | Radcliff.Administration.Rents | \$0.00 | \$2,250.00 | \$0.00 | \$2,250.00 | \$2,250.00 | |
| 4.06.93009 | Radcliff.Administration.Misc General Expense | \$0.00 | \$7,415.39 | \$0.00 | \$7,415.39 | \$7,415.39 | |
| 4.06.93010 | Radcliff.Administration.Education & | \$0.00 | \$1,750.77 | \$0.00 | \$1,750.77 | \$1,750.77 | |
| 4.06.93600 | Radcliff Sewer-Admin- Allocated FK Water | \$0.00 | \$0.00 | \$88,328.90 | (\$88,328.90) | (\$88,328.90) | |
| Grand Totals: | | 91 | (\$0.00) | \$36,486,856.84 | \$36,486,856.84 | \$0.00 | (\$0.00) |

Sort By: Fund

Account Range By: Account

Fiscal Year: 2012

Account From: 4.00.10000 Account To: 4.06.93600

From Date: 1/1/2012 To Date: 12/31/2012

Show Inactive Accounts: Yes

Show Unit Accounts: No

Show Zero Balance Accounts: Yes

Show Posting Accounts: Yes

Appendix D

Depreciation Schedules



Fund 04 Radcliff Sewer
Fiscal Year 2012

Period Ending as of December

| | Year to Date | Debit | Credit |
|--|----------------------|-------|----------------------|
| 4.00.31000 Land & Easements | 9,544.00 | | |
| 4.00.35201 Sewer Plant | 26,933,763.81 | | |
| 4.00.35202 Collection Sewer - Gravity | 5,233,293.78 | | |
| 4.00.35211 Sewer Plant Improvements | 453,478.87 | | |
| 4.00.35300 Other Collection Plant Facilities | 150,000.00 | | |
| 4.00.35400 Services to Customers | 14,328.94 | | |
| 4.00.35500 Flow Measuring Devices | 9,900.00 | | |
| 4.00.36301 Pumping Equipment - Electric | 239,382.38 | | |
| 4.00.36302 Pumping Equipment - Diesel | 27,810.00 | | |
| 4.00.37300 Treatment & Disposal Equipment | 178,328.08 | | |
| 4.00.37600 Other Treatment & Disposal Equip | 53,317.41 | | |
| 4.00.39100 Office Furniture & Equipment | 52,204.25 | | |
| 4.00.39200 Transprotation Equipment | 666,874.84 | | |
| 4.00.39301 Lab Equipment | 10,299.32 | | |
| 4.00.39302 Power Operated Equipment | 394,792.25 | | |
| 4.00.39303 Communication Equipment | 14,420.80 | | |
| 4.00.11001 Accumulated Depreciation | | | 14,736,228.31 |
| Grand Totals | 34,441,738.73 | | 14,736,228.31 |

Trial Balance



Credit

Depreciation Schedule

Current Month

| Debit | Credit | Expense |
|----------------------|----------------------|------------------|
| 9,544.00 | - | |
| 26,933,763.81 | 13,390,982.42 | 52,570.58 |
| 5,233,293.78 | 445,226.80 | 8,470.30 |
| 453,478.87 | 51,758.22 | 1,578.17 |
| 150,000.00 | 114,922.10 | 312.51 |
| 14,328.94 | 4,840.54 | 117.27 |
| 9,900.00 | 8,393.75 | 20.09 |
| 239,382.38 | 40,164.77 | 2,109.13 |
| 27,810.00 | 27,810.00 | - |
| 178,328.08 | 77,951.56 | 1,583.90 |
| 53,317.41 | 10,363.30 | 263.89 |
| 52,204.25 | 22,457.92 | 483.97 |
| 666,874.84 | 315,395.04 | 5,943.67 |
| 10,299.32 | 7,932.43 | 23.42 |
| 394,792.25 | 211,488.71 | 2,923.65 |
| 14,420.80 | 6,540.75 | 63.21 |
| | - | - |
| 34,441,738.73 | 14,736,228.31 | 76,463.76 |

rt Year to Date out of Balance by -

Monthly Depreciation Adjustment -

| | |
|---|-------------|
| Depreciation Expense per GL | - |
| Adjustments | - |
| | - |
| Per Schedule | 76,463.76 |
| Less transfer assets to Stormwater Fund | |
| | 76,463.76 |
| Difference | (76,463.76) |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.31000 | | | | | | | | | | | | | | |
| 000001 | | Land | | | | | | | | | | | | |
| | 000 | 01/01/62 | 9,544.00 | R | NoDep | 00 00 | 0.00 | 9,544.00 | 11/30/12 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | | G/L Asset Acct No = 4.00.31000 | 9,544.00 | | | | 0.00 | 9,544.00 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| | | Less disposals and transfers Count = 0 | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Net Subtotal Count = 1 | 9,544.00 | | | | 0.00 | 9,544.00 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| G/L Asset Acct No = 4.00.35201 | | | | | | | | | | | | | | |
| 000004 | | Sewer Plant & Lift Stations | | | | | | | | | | | | |
| | 000 | 01/01/60 | 1,939,928.22 | R | RemVI | 57 00 | 0.00 | 1,939,928.22 | 11/30/12 | 1,751,218.50 | 3,145.17 | 37,741.95 | 1,788,960.45 | |
| 000005 | | Sewer Plant Building | | | | | | | | | | | | |
| | 000 | 01/01/69 | 6,850.15 | R | SLMM | 40 00 | 0.00 | 6,850.15 | 11/30/12 | 6,850.15 | 0.00 | 0.00 | 6,850.15 | |
| 000006 | | Sewer Plant Additions & Lift Stations | | | | | | | | | | | | |
| | 004 | 01/01/70 | 1,360,880.36 | R | SLMM | 50 00 | 0.00 | 1,360,880.36 | 11/30/12 | 947,712.59 | 2,268.14 | 27,217.61 | 974,930.20 | |
| 000007 | | Sewer Lift Stations & Lines | | | | | | | | | | | | |
| | 004 | 01/01/75 | 1,562,405.88 | R | SLMM | 50 00 | 0.00 | 1,562,405.88 | 11/30/12 | 1,140,555.56 | 2,604.01 | 31,248.12 | 1,171,803.68 | |
| 000008 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/80 | 493,848.60 | R | SLMM | 35 00 | 0.00 | 493,848.60 | 11/30/12 | 321,707.35 | 1,175.83 | 14,109.96 | 335,817.31 | |
| 000009 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/81 | 109,474.36 | R | SLMM | 35 00 | 0.00 | 109,474.36 | 11/30/12 | 69,120.33 | 260.66 | 3,127.84 | 72,248.17 | |
| 000010 | | System Additions | | | | | | | | | | | | |
| | 002 | 01/01/82 | 253,731.17 | R | SLMM | 35 00 | 0.00 | 253,731.17 | 11/30/12 | 155,134.23 | 604.13 | 7,249.46 | 162,383.69 | |
| 000012 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/83 | 273,419.21 | R | SLMM | 35 00 | 0.00 | 273,419.21 | 11/30/12 | 161,704.66 | 651.00 | 7,811.98 | 169,516.64 | |
| 000013 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/84 | 567,554.55 | R | SLMM | 35 00 | 0.00 | 567,554.55 | 11/30/12 | 324,315.81 | 1,351.33 | 16,215.85 | 340,531.66 | |
| 000014 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/85 | 307,696.41 | R | SLMM | 35 00 | 0.00 | 307,696.41 | 11/30/12 | 169,673.33 | 732.62 | 8,791.33 | 178,464.66 | |
| 000015 | | System Additions | | | | | | | | | | | | |
| | 002 | 03/01/86 | 203,112.19 | R | SLMM | 35 00 | 0.00 | 203,112.19 | 11/30/12 | 107,145.94 | 483.61 | 5,803.21 | 112,949.15 | |
| 000016 | | System Additions | | | | | | | | | | | | |
| | 001 | 01/01/87 | 138,132.00 | R | SLMM | 35 00 | 0.00 | 138,132.00 | 03/31/12 | 70,663.72 | 0.00 | 986.66 | 71,650.38 | d |
| | 002 | 01/01/87 | 125,952.39 | R | SLMM | 35 00 | 0.00 | 125,952.39 | 11/30/12 | 64,433.04 | 299.89 | 3,598.64 | 68,031.68 | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35201 | | | | | | | | | | | | | | |
| 000017 | | Sewer Plant Additions, Lines, & Lift Stations | | | | | | | | | | | | |
| | 000 | 01/01/88 | 9,486,612.53 | R | SLMM | 50 00 | 0.00 | 9,486,612.53 | 11/30/12 | 4,454,244.58 | 15,811.03 | 189,732.25 | 4,643,976.83 | |
| 000018 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/89 | 119,969.68 | R | SLMM | 35 00 | 0.00 | 119,969.68 | 11/30/12 | 56,553.20 | 285.65 | 3,427.71 | 59,980.91 | |
| 000019 | | Replace Liners EQ Basin 1 & 3 | | | | | | | | | | | | |
| | 000 | 01/01/90 | 79,400.00 | R | SLMM | 50 00 | 0.00 | 79,400.00 | 11/30/12 | 34,143.00 | 132.34 | 1,588.00 | 35,731.00 | |
| 000020 | | Replace Lift Stations | | | | | | | | | | | | |
| | 000 | 01/01/90 | 37,974.00 | R | SLMM | 35 00 | 0.00 | 37,974.00 | 11/30/12 | 17,518.48 | 90.42 | 1,084.97 | 18,603.45 | |
| 000021 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/90 | 9,892.49 | R | SLMM | 35 00 | 0.00 | 9,892.49 | 11/30/12 | 4,566.18 | 23.56 | 282.64 | 4,848.82 | |
| 000022 | | Sewer Construction | | | | | | | | | | | | |
| | 000 | 01/01/91 | 391,017.68 | R | SLMM | 35 00 | 0.00 | 391,017.68 | 11/30/12 | 172,603.17 | 931.00 | 11,171.93 | 183,775.10 | |
| 000023 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/91 | 17,310.82 | R | SLMM | 35 00 | 0.00 | 17,310.82 | 11/30/12 | 8,139.58 | 41.22 | 494.60 | 8,634.18 | |
| 000024 | | System Additions | | | | | | | | | | | | |
| | 000 | 01/01/92 | 730,390.10 | R | SLMM | 35 00 | 0.00 | 730,390.10 | 11/30/12 | 365,631.78 | 1,739.03 | 20,868.29 | 386,500.07 | |
| 000025 | | Sewer Construction | | | | | | | | | | | | |
| | 000 | 01/01/93 | 381,665.87 | R | SLMM | 35 00 | 0.00 | 381,665.87 | 11/30/12 | 181,520.97 | 908.73 | 10,904.74 | 192,425.71 | |
| 000026 | | Sewer Construction | | | | | | | | | | | | |
| | 000 | 01/01/94 | 169,840.10 | R | SLMM | 35 00 | 0.00 | 169,840.10 | 11/30/12 | 63,082.07 | 404.39 | 4,852.58 | 67,934.65 | |
| 000027 | | Sewer Lift Station | | | | | | | | | | | | |
| | 002 | 01/01/95 | 20,543.00 | R | SLMM | 35 00 | 0.00 | 20,543.00 | 11/30/12 | 12,698.50 | 48.92 | 586.94 | 13,285.44 | |
| 000028 | | Sewer Lift Stations & Lines | | | | | | | | | | | | |
| | 002 | 01/01/98 | 294,439.50 | R | SLMM | 35 00 | 0.00 | 294,439.50 | 11/30/12 | 88,752.45 | 701.05 | 8,412.56 | 97,165.01 | |
| 000029 | | Logan Lift Station Replacement | | | | | | | | | | | | |
| | 000 | 01/01/99 | 12,564.00 | R | SLMM | 35 00 | 0.00 | 12,564.00 | 11/30/12 | 3,535.86 | 29.92 | 358.97 | 3,894.83 | |
| 000030 | | Sewer Plant Construction-Expansion | | | | | | | | | | | | |
| | 000 | 01/01/99 | 4,809,652.49 | R | SLMM | 50 00 | 0.00 | 4,809,652.49 | 11/30/12 | 1,202,413.13 | 8,016.09 | 96,193.05 | 1,298,606.18 | |
| 000031 | | Church & Kindervater Lift Station Replacement | | | | | | | | | | | | |
| | 000 | 01/01/99 | 210,628.00 | R | SLMM | 35 00 | 0.00 | 210,628.00 | 11/30/12 | 59,276.73 | 501.50 | 6,017.94 | 65,294.67 | |
| 000032 | | Sewer Lift Stations | | | | | | | | | | | | |
| | 000 | 01/01/99 | 85,738.63 | R | SLMM | 35 00 | 0.00 | 85,738.63 | 11/30/12 | 24,129.32 | 204.14 | 2,449.68 | 26,579.00 | |
| 000033 | | Lift Station Control-Lincoln Trail | | | | | | | | | | | | |
| | 000 | 01/01/99 | 81,896.00 | R | SLMM | 35 00 | 0.00 | 81,896.00 | 11/30/12 | 23,047.88 | 195.00 | 2,339.89 | 25,387.77 | |
| 000035 | | Construction of Storage Barn | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35201 | | | | | | | | | | | | | | |
| | 000 | 01/01/00 | 29,857.00 | R | SLMM | 35 00 | 0.00 | 29,857.00 | 11/30/12 | 29,857.00 | 0.00 | 0.00 | 29,857.00 | |
| 000036 | | Hwy. 313 Lift Station & Force Main | | R | SLMM | 35 00 | 0.00 | 976,738.90 | 11/30/12 | 255,347.48 | 2,325.57 | 27,906.83 | 283,254.31 | |
| | 000 | 01/01/00 | 976,738.90 | | | | | | | | | | | |
| 000038 | | Greenview Lift Station-Progress | | R | SLMM | 35 00 | 0.00 | 67,762.59 | 11/30/12 | 16,359.82 | 161.34 | 1,936.07 | 18,295.89 | |
| | 000 | 01/01/01 | 67,762.59 | | | | | | | | | | | |
| 000040 | | Greenview Lift Station Replacement | | R | SLMM | 35 00 | 0.00 | 4,746.61 | 11/30/12 | 1,051.04 | 11.31 | 135.62 | 1,186.66 | |
| | 000 | 01/01/02 | 4,746.61 | | | | | | | | | | | |
| 000041 | | Paradise Lift Stations 1 & 2 | | R | SLMM | 35 00 | 0.00 | 300,045.85 | 11/30/12 | 69,247.20 | 714.40 | 8,572.74 | 77,819.94 | |
| | 000 | 01/01/02 | 300,045.85 | | | | | | | | | | | |
| 000045 | | Sewer Plant Bar Screen Replacement | | R | SLMM | 35 00 | 0.00 | 78,324.00 | 11/30/12 | 78,324.00 | 0.00 | 0.00 | 78,324.00 | |
| | 000 | 01/01/02 | 78,324.00 | | | | | | | | | | | |
| 000047 | | Church St/Shelton Rd. Manhole Replacement | | R | SLMM | 30 00 | 0.00 | 5,400.00 | 11/30/12 | 1,965.00 | 15.00 | 180.00 | 2,145.00 | |
| | 000 | 01/01/03 | 5,400.00 | | | | | | | | | | | |
| 000049 | | N. Wilson Rd 955 Manhole Replacement | | R | SLMM | 30 00 | 0.00 | 7,762.27 | 11/30/12 | 2,824.59 | 21.57 | 258.74 | 3,083.33 | |
| | 000 | 01/01/03 | 7,762.27 | | | | | | | | | | | |
| 000052 | | Wilma Ave. 805 Manhole Replacement | | R | SLMM | 30 00 | 0.00 | 5,600.00 | 11/30/12 | 2,037.79 | 15.56 | 186.67 | 2,224.46 | |
| | 000 | 01/01/03 | 5,600.00 | | | | | | | | | | | |
| 000053 | | Pin Oak & Poplar St. Manhole Replacement | | R | SLMM | 30 00 | 0.00 | 5,000.00 | 11/30/12 | 1,819.46 | 13.89 | 166.67 | 1,986.13 | |
| | 000 | 01/01/04 | 5,000.00 | | | | | | | | | | | |
| 000054 | | Oak Dr. Lift Station Replacement | | R | SLMM | 35 00 | 0.00 | 368,489.86 | 11/30/12 | 109,230.92 | 877.36 | 10,528.28 | 119,759.20 | |
| | 000 | 01/01/04 | 368,489.86 | | | | | | | | | | | |
| 000056 | | Arlington Heights Lift Station Install | | R | SLMM | 35 00 | 0.00 | 46,303.00 | 11/30/12 | 9,095.22 | 110.25 | 1,322.94 | 10,418.16 | |
| | 000 | 01/01/06 | 46,303.00 | | | | | | | | | | | |
| 000057 | | Southern Heights Lift Station Install | | R | SLMM | 35 00 | 0.00 | 50,745.00 | 11/30/12 | 9,967.78 | 120.83 | 1,449.86 | 11,417.64 | |
| | 000 | 01/01/06 | 50,745.00 | | | | | | | | | | | |
| 000059 | | Replace Liners EO Basins 1&2 Progress | | R | SLMM | 10 00 | 0.00 | 246,932.67 | 11/30/12 | 113,177.48 | 2,057.78 | 24,693.27 | 137,870.75 | |
| | 000 | 01/01/06 | 246,932.67 | | | | | | | | | | | |
| 000102 | | Equalization Basins #2 & #3 | | P | SLMM | 10 00 | 0.00 | 11,186.48 | 11/30/12 | 3,915.27 | 93.23 | 1,118.65 | 5,033.92 | |
| | 000 | 07/15/08 | 11,186.48 | | | | | | | | | | | |
| 000103 | | IMIX-Flexifill-IMI | | P | SLMM | 10 00 | 0.00 | 1,582.50 | 11/30/12 | 553.88 | 13.19 | 158.25 | 712.13 | |
| | 000 | 07/15/08 | 1,582.50 | | | | | | | | | | | |
| 000117 | | Replace Liners EQ Basins 1 & 2 | | P | SLMM | 10 00 | 0.00 | 89,126.68 | 11/30/12 | 35,650.68 | 742.73 | 8,912.67 | 44,563.35 | |
| | 000 | 01/01/08 | 89,126.68 | | | | | | | | | | | |
| 000118 | | Floating Aeration Pump for Basins | | P | SLMM | 10 00 | 0.00 | 29,996.90 | 11/30/12 | 11,998.76 | 249.98 | 2,999.69 | 14,998.45 | |
| | 000 | 01/01/08 | 29,996.90 | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35201 | | | | | | | | | | | | | | |
| 000119 | | Floating Aeration Pump for Basins | | | | | | | | | | | | |
| | 000 | 01/01/08 | 29,996.90 | P | SLMM | 10 00 | 0.00 | 29,996.90 | 11/30/12 | 11,998.76 | 249.98 | 2,999.69 | 14,998.45 | |
| 000174 | | Lincoln Trail Odor Study | | | | | | | | | | | | |
| | 000 | 05/01/10 | 35,252.23 | P | SLMM | 24 00 | 0.00 | 35,252.23 | 11/30/12 | 2,448.07 | 122.41 | 1,468.84 | 3,916.91 | |
| 000193 | | HWY 313 Lift Station Project | | | | | | | | | | | | |
| | 000 | 01/01/11 | 7,017.00 | P | SLMM | 35 00 | 0.00 | 7,017.00 | 11/30/12 | 200.49 | 16.71 | 200.49 | 400.98 | |
| 000207 | | Redmar Lift Station Pump 1 Rebuild | | | | | | | | | | | | |
| | 000 | 06/30/11 | 13,325.20 | P | SLMM | 15 00 | 0.00 | 13,325.20 | 11/30/12 | 444.17 | 74.03 | 888.35 | 1,332.52 | |
| 000208 | | Redmar Lift Station pump 2 rebuild | | | | | | | | | | | | |
| | 000 | 07/31/11 | 10,284.00 | P | SLMM | 15 00 | 0.00 | 10,284.00 | 11/30/12 | 285.67 | 57.14 | 685.60 | 971.27 | |
| 000209 | | C Square Lift Station pump rebuild | | | | | | | | | | | | |
| | 000 | 07/31/11 | 8,361.97 | P | SLMM | 15 00 | 0.00 | 8,361.97 | 11/30/12 | 232.28 | 46.46 | 557.47 | 789.75 | |
| 000216 | | Arlingtonwoods Lift Station | | | | | | | | | | | | |
| | 000 | 09/30/11 | 95,522.45 | P | SLMM | 35 00 | 0.00 | 95,522.45 | 11/30/12 | 682.30 | 227.44 | 2,729.21 | 3,411.51 | |
| 000218 | | Clarifier #1 Pump Rebuild | | | | | | | | | | | | |
| | 000 | 10/31/11 | 16,898.90 | P | SLMM | 15 00 | 0.00 | 16,898.90 | 11/30/12 | 187.77 | 93.89 | 1,126.59 | 1,314.36 | |
| 000220 | | Crocus Lift Station | | | | | | | | | | | | |
| | 000 | 10/31/11 | 74,909.59 | P | SLMM | 50 00 | 0.00 | 74,909.59 | 11/30/12 | 249.70 | 124.85 | 1,498.19 | 1,747.89 | |
| 000225 | | Refurbished RAS Flygt Pump #1 | | | | | | | | | | | | |
| | 000 | 12/31/11 | 13,768.34 | P | SLMM | 15 00 | 0.00 | 13,768.34 | 11/30/12 | 0.00 | 76.49 | 1,529.81 | 1,529.81 | |
| 000231 | | Greenview/Pearman/Wilma Lift Station | | | | | | | | | | | | |
| | 000 | 03/31/12 | 153,525.74 | P | SLMM | 50 00 | 0.00 | 153,525.74 | 11/30/12 | 0.00 | 255.87 | 2,302.89 | 2,302.89 | |
| 000243 | | 3 Pressure Transducer Sensors for N. Logsdon, Oak & Arlington Lift Stations | | | | | | | | | | | | |
| | 000 | 07/31/12 | 4,912.80 | P | SLMM | 10 00 | 0.00 | 4,912.80 | 11/30/12 | 0.00 | 40.94 | 204.70 | 204.70 | |
| | | G/L Asset Acct No = 4.00.35201 | 27,071,895.81 | | | | 0.00 | 27,071,895.81 | | 12,831,244.67 | 52,570.58 | 631,388.13 | 13,462,632.80 | |
| | | Less disposals and transfers | (138,132.00) | | | | 0.00 | (138,132.00) | | (70,663.72) | | | (71,650.38) | |
| | | Count = 1 | | | | | | | | | | | | |
| | | Net Subtotal | 26,933,763.81 | | | | 0.00 | 26,933,763.81 | | 12,760,580.95 | 52,570.58 | 631,388.13 | 13,390,982.42 | |
| | | Count = 59 | | | | | | | | | | | | |

G/L Asset Acct No = 4.00.35202

| | | | | | | | | | | | | | | |
|--------|-----|-----------------------------|-----------|---|------|-------|------|-----------|----------|-----------|--------|----------|-----------|--|
| 000034 | | Sewer Line Ext/313 & Wilson | | | | | | | | | | | | |
| | 000 | 01/01/99 | 63,676.74 | R | SLMM | 50 00 | 0.00 | 63,676.74 | 11/30/12 | 15,919.20 | 106.13 | 1,273.54 | 17,192.74 | |
| 000037 | | Redmar Force Main-Progress | | | | | | | | | | | | |

Hardin County Radcliff Sewer
Depreciation Expense Report
As of December 31, 2012

Book = Internal
 FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciatlon | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35202 | | | | | | | | | | | | | | |
| | 001 | 01/01/01 | 2,217.22 | R | SLMM | 50 00 | 0.00 | 2,217.22 | 11/30/12 | 465.61 | 3.70 | 44.36 | 509.97 | d |
| | 002 | 01/01/01 | 43,267.78 | R | SLMM | 50 00 | 0.00 | 43,267.78 | 11/30/12 | 9,086.23 | 72.12 | 865.36 | 9,951.59 | |
| 000039 | | Redmar Force Main Replacement | | | | | | | | | | | | |
| | 000 | 01/01/02 | 19,454.00 | R | SLMM | 50 00 | 0.00 | 19,454.00 | 11/30/12 | 3,696.26 | 32.43 | 389.08 | 4,085.34 | |
| 000042 | | Elm Road Force Main Replacement | | | | | | | | | | | | |
| | 000 | 01/01/02 | 84,416.26 | R | SLMM | 50 00 | 0.00 | 84,416.26 | 11/30/12 | 17,904.62 | 140.70 | 1,688.33 | 19,592.95 | |
| 000043 | | Knox Blvd. New Line | | | | | | | | | | | | |
| | 000 | 01/01/02 | 10,292.00 | R | SLMM | 50 00 | 0.00 | 10,292.00 | 11/30/12 | 1,955.48 | 17.16 | 205.84 | 2,161.32 | |
| 000044 | | Thomas Street New Line | | | | | | | | | | | | |
| | 000 | 01/01/02 | 10,800.00 | R | SLMM | 50 00 | 0.00 | 10,800.00 | 11/30/12 | 2,052.00 | 18.00 | 216.00 | 2,268.00 | |
| 000046 | | Novak Sewer Line Replacement | | | | | | | | | | | | |
| | 000 | 01/01/03 | 8,000.00 | R | SLMM | 50 00 | 0.00 | 8,000.00 | 11/30/12 | 2,520.00 | 13.34 | 160.00 | 2,680.00 | |
| 000048 | | S Woodland Dr./586 Sewer Line Replacement | | | | | | | | | | | | |
| | 000 | 01/01/03 | 5,200.00 | R | SLMM | 50 00 | 0.00 | 5,200.00 | 11/30/12 | 1,638.01 | 8.67 | 104.00 | 1,742.01 | |
| 000050 | | Carolyn St 706 Sewer Line Replacement | | | | | | | | | | | | |
| | 000 | 01/01/03 | 6,858.26 | R | SLMM | 50 00 | 0.00 | 6,858.26 | 11/30/12 | 2,160.36 | 11.44 | 137.17 | 2,297.53 | |
| 000051 | | Hitchew/Lily Cove LI 3&4 Sewer Line | | | | | | | | | | | | |
| | 000 | 01/01/03 | 8,000.00 | R | SLMM | 50 00 | 0.00 | 8,000.00 | 11/30/12 | 2,520.00 | 13.34 | 160.00 | 2,680.00 | |
| 000055 | | Eagle Pass Sewer Line Replacement | | | | | | | | | | | | |
| | 000 | 01/01/04 | 19,000.00 | R | SLMM | 50 00 | 0.00 | 19,000.00 | 11/30/12 | 4,435.01 | 31.67 | 380.00 | 4,815.01 | |
| 000058 | | Douglas Estates Sewer Line | | | | | | | | | | | | |
| | 000 | 01/01/06 | 13,989.80 | R | SLMM | 50 00 | 0.00 | 13,989.80 | 11/30/12 | 2,308.34 | 23.32 | 279.80 | 2,588.14 | |
| 000060 | | Replace Old Boone Trace F/M Line | | | | | | | | | | | | |
| | 000 | 01/01/06 | 421,217.31 | R | SLMM | 50 00 | 0.00 | 421,217.31 | 11/30/12 | 69,500.89 | 702.03 | 8,424.35 | 77,925.24 | |
| 000061 | | 313/Cowley Est Sewer Line Extension | | | | | | | | | | | | |
| | 000 | 07/01/06 | 662,177.31 | R | SLMM | 50 00 | 0.00 | 662,177.31 | 11/30/12 | 109,259.29 | 1,103.63 | 13,243.55 | 122,502.84 | |
| 000109 | | Adena Trace | | | | | | | | | | | | |
| | 000 | 11/01/08 | 71,805.81 | P | SLMM | 50 00 | 0.00 | 71,805.81 | 11/30/12 | 4,547.71 | 119.68 | 1,436.12 | 5,983.83 | |
| 000110 | | Emerald Isle | | | | | | | | | | | | |
| | 000 | 11/01/08 | 15,727.43 | P | SLMM | 50 00 | 0.00 | 15,727.43 | 11/30/12 | 996.08 | 26.22 | 314.55 | 1,310.63 | |
| 000111 | | Clermont Sewer Line | | | | | | | | | | | | |
| | 000 | 12/01/08 | 223,798.58 | P | SLMM | 50 00 | 0.00 | 223,798.58 | 11/30/12 | 13,800.91 | 373.00 | 4,475.97 | 18,276.88 | |
| 000113 | | A Arnold Project | | | | | | | | | | | | |
| | 000 | 12/31/08 | 313,839.12 | P | SLMM | 50 00 | 0.00 | 313,839.12 | 11/30/12 | 18,830.34 | 523.07 | 6,276.78 | 25,107.12 | |
| 000114 | | 313/Cowley Est. Sewer Line Extension | | | | | | | | | | | | |

Hardin County Radcliff Sewer
Depreciation Expense Report
As of December 31, 2012

Book = Internal
 FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35202 | | | | | | | | | | | | | | |
| | | 000 01/01/08 | 334,331.97 | P | SLMM | 50 00 | 0.00 | 334,331.97 | 11/30/12 | 26,746.56 | 557.22 | 6,686.64 | 33,433.20 | |
| 000115 | | Boone Trace F/M Line Replacement 000 01/01/08 | 63,197.17 | P | SLMM | 50 00 | 0.00 | 63,197.17 | 11/30/12 | 5,055.76 | 105.33 | 1,263.94 | 6,319.70 | |
| 000116 | | Brushy Fork Sewer Line 001 01/01/08 | 9,286.48 | P | SLMM | 50 00 | 0.00 | 9,286.48 | 11/30/12 | 742.92 | 15.48 | 185.73 | 928.65 | d |
| | | 002 01/01/08 | 72,873.52 | P | SLMM | 50 00 | 0.00 | 72,873.52 | 11/30/12 | 5,829.88 | 121.46 | 1,457.47 | 7,287.35 | |
| 000129 | | Sewer Line Replacement - 3 houses on Atcher St. 000 01/01/09 | 2,800.00 | P | SLMM | 50 00 | 0.00 | 2,800.00 | 11/30/12 | 168.00 | 4.67 | 56.00 | 224.00 | |
| 000133 | | Sewer lines installed at Tam MHP 000 01/01/09 | 4,020.00 | P | SLMM | 50 00 | 0.00 | 4,020.00 | 11/30/12 | 241.20 | 6.70 | 80.40 | 321.60 | |
| 000134 | | Slip lining on S. Atcher St. 000 01/01/09 | 5,032.35 | P | SLMM | 10 00 | 0.00 | 5,032.35 | 11/30/12 | 1,509.72 | 41.94 | 503.24 | 2,012.96 | |
| 000147 | | Pin Oak Villa Phase 3 000 01/01/09 | 12,199.54 | P | SLMM | 50 00 | 0.00 | 12,199.54 | 11/30/12 | 731.97 | 20.34 | 243.99 | 975.96 | |
| 000159 | | Mouser 2,123' gravity sewer main 8 manholes 000 07/01/09 | 141,632.14 | P | SLMM | 50 00 | 0.00 | 141,632.14 | 11/30/12 | 7,081.60 | 236.06 | 2,832.64 | 9,914.24 | |
| 000170 | | 08 HWY 313 Interceptor/A. Arnold Project 000 02/26/10 | 5,849.23 | P | SLMM | 50 00 | 0.00 | 5,849.23 | 11/30/12 | 214.48 | 9.75 | 116.99 | 331.47 | |
| 000177 | | Bridge Community Church 000 06/30/10 | 26,374.51 | P | SLMM | 50 00 | 0.00 | 26,374.51 | 11/30/12 | 791.24 | 43.96 | 527.49 | 1,318.73 | |
| 000189 | | Warwick Castle 000 12/01/10 | 46,358.33 | P | SLMM | 50 00 | 0.00 | 46,358.33 | 11/30/12 | 1,004.43 | 77.27 | 927.17 | 1,931.60 | |
| 000190 | | Wobum Place Section 1 520' 8" PVC 000 12/01/10 | 63,514.79 | P | SLMM | 50 00 | 0.00 | 63,514.79 | 11/30/12 | 1,376.16 | 105.86 | 1,270.30 | 2,646.46 | |
| 000199 | | Lateral CIPP 000 12/31/10 | 9,713.52 | P | SLMM | 50 00 | 0.00 | 9,713.52 | 11/30/12 | 194.27 | 16.19 | 194.27 | 388.54 | |
| 000200 | | Wilson Rd Main Relocate 182 ft. 8 in PVC & 2 Manholes 000 03/31/11 | 7,519.62 | P | SLMM | 50 00 | 0.00 | 7,519.62 | 11/30/12 | 112.80 | 12.54 | 150.39 | 263.19 | |
| 000213 | | Hillcrest Sewer Main Repair 1,048 lf of line & 4 manholes 000 08/31/11 | 57,279.84 | P | SLMM | 50 00 | 0.00 | 57,279.84 | 11/30/12 | 381.87 | 95.47 | 1,145.60 | 1,527.47 | |
| 000214 | | Pearman/Wilma Ave 2,311 lf of gravity main & 14 manholes 000 08/31/11 | 1,424,414.71 | P | SLMM | 50 00 | 0.00 | 1,424,414.71 | 11/30/12 | 9,496.10 | 2,374.03 | 28,488.30 | 37,984.40 | |
| 000215 | | Sheltonwoods Phase 2 3942' of mains & 12 manholes 000 09/30/11 | 170,217.63 | P | SLMM | 50 00 | 0.00 | 170,217.63 | 11/30/12 | 851.09 | 283.70 | 3,404.35 | 4,255.44 | |
| 000217 | | Arlingtonwoods 5864' of main & 26 manholes | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|---|-------------|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35202 | | | | | | | | | | | | | | |
| | 001 | 09/30/11 | 4,012.22 | P | SLMM | 50 00 | 0.00 | 4,012.22 | 11/30/12 | 20.06 | 6.69 | 80.25 | 100.31 | d |
| | 003 | 09/30/11 | 22,782.78 | P | SLMM | 50 00 | 0.00 | 22,782.78 | 11/30/12 | 113.91 | 37.97 | 455.66 | 569.57 | d |
| | 004 | 09/30/11 | 148,644.37 | P | SLMM | 50 00 | 0.00 | 148,644.37 | 11/30/12 | 743.23 | 247.75 | 2,972.89 | 3,716.12 | |
| 000219 | Byerty LS Elim 164 ft Main & 1 manhole | | | | | | | | | | | | | |
| | 000 | 10/31/11 | 21,513.15 | P | SLMM | 50 00 | 0.00 | 21,513.15 | 11/30/12 | 71.71 | 35.86 | 430.26 | 501.97 | |
| 000221 | Elm LS Elm 963 ft of main \$ 5 manholes | | | | | | | | | | | | | |
| | 000 | 10/31/11 | 64,657.98 | P | SLMM | 50 00 | 0.00 | 64,657.98 | 11/30/12 | 215.53 | 107.77 | 1,293.16 | 1,508.69 | |
| 000223 | Woods @ Atcher 98' of 8" main & 1 manhole | | | | | | | | | | | | | |
| | 000 | 11/30/11 | 6,438.98 | P | SLMM | 50 00 | 0.00 | 6,438.98 | 11/30/12 | 10.73 | 10.74 | 128.78 | 139.51 | |
| 000224 | Outdoor Properties 120 ft. of 8" main | | | | | | | | | | | | | |
| | 000 | 12/31/11 | 9,281.76 | P | SLMM | 50 00 | 0.00 | 9,281.76 | 11/30/12 | 0.00 | 15.47 | 185.64 | 185.64 | |
| 000226 | Radcliff Lateral Lining CIPP | | | | | | | | | | | | | |
| | 000 | 02/01/12 | 7,559.27 | P | SLMM | 50 00 | 0.00 | 7,559.27 | 11/30/12 | 0.00 | 12.60 | 138.59 | 138.59 | |
| 000234 | Greenview/Pearman/Wilma Mains | | | | | | | | | | | | | |
| | 000 | 03/31/12 | 314,350.64 | P | SLMM | 50 00 | 0.00 | 314,350.64 | 11/30/12 | 0.00 | 523.91 | 4,715.26 | 4,715.26 | |
| 000239 | 85 ft of 8" main on Logan St | | | | | | | | | | | | | |
| | 000 | 06/30/12 | 2,353.94 | P | SLMM | 50 00 | 0.00 | 2,353.94 | 11/30/12 | 0.00 | 3.92 | 23.54 | 23.54 | |
| 000252 | 350 LF of 8" DI Pipe for Fredmar Force Main | | | | | | | | | | | | | |
| | 000 | 12/31/12 | 48,232.70 | P | SLMM | 50 00 | 0.00 | 48,232.70 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| 000253 | 1 Manhole for E2RC Relocation | | | | | | | | | | | | | |
| | 000 | 12/31/12 | 18,782.52 | P | SLMM | 30 00 | 0.00 | 18,782.52 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| 000254 | 321 LF of 18" PVC for E2RC Relocation | | | | | | | | | | | | | |
| | 000 | 12/31/12 | 91,262.11 | P | SLMM | 50 00 | 0.00 | 91,262.11 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| 000258 | Hwy 1500 Phase II Relocation 325LF of 6" PVC & 727 LF of 8" PVC | | | | | | | | | | | | | |
| | 000 | 12/31/12 | 45,377.83 | P | SLMM | 50 00 | 0.00 | 45,377.83 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| 000259 | Hwy 1500 Phase II Relocation - 1 Manhole | | | | | | | | | | | | | |
| | 000 | 12/31/12 | 5,989.26 | P | SLMM | 30 00 | 0.00 | 5,989.26 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| | G/L Asset Acct No = | | 5,271,592.48 | | | | 0.00 | 5,271,592.48 | | 347,301.56 | 8,470.30 | 100,033.74 | 447,335.30 | |
| | 4.00.35202 | | | | | | | | | | | | | |
| | Less disposals and transfers | | (38,298.70) | | | | 0.00 | (38,298.70) | | (1,342.50) | | | (2,108.50) | |
| | Count = 4 | | | | | | | | | | | | | |
| | Net Subtotal | | 5,233,293.78 | | | | 0.00 | 5,233,293.78 | | 345,959.06 | 8,470.30 | 100,033.74 | 445,226.80 | |
| | Count = 48 | | | | | | | | | | | | | |

G/L Asset Acct No = 4.00.35211

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35211 | | | | | | | | | | | | | | |
| 000125 | | Improve lighting | | | | | | | | | | | | |
| | 000 | 01/01/09 | 6,197.51 | P | SLMM | 07 00 | 0.00 | 6,197.51 | 11/30/12 | 2,656.08 | 73.78 | 885.36 | 3,541.44 | |
| 000126 | | Landscaping | | | | | | | | | | | | |
| | 000 | 01/01/09 | 1,208.45 | P | SLMM | 05 00 | 0.00 | 1,208.45 | 11/30/12 | 725.07 | 20.15 | 241.69 | 966.76 | |
| 000137 | | Install heater to improve HVAC | | | | | | | | | | | | |
| | 000 | 03/01/09 | 1,850.00 | P | SLMM | 07 00 | 0.00 | 1,850.00 | 11/30/12 | 748.82 | 22.03 | 264.29 | 1,013.11 | |
| 000161 | | Trojan PLC Equipment & Davit Crane | | | | | | | | | | | | |
| | 000 | 08/01/09 | 31,528.00 | P | SLMM | 40 00 | 0.00 | 31,528.00 | 11/30/12 | 1,904.82 | 65.69 | 788.20 | 2,693.02 | |
| 000165 | | Waste Water Treatment Plant Improvements | | | | | | | | | | | | |
| | 000 | 01/01/09 | 95,071.15 | R | SLMM | 50 00 | 0.00 | 95,071.15 | 11/30/12 | 5,704.26 | 158.46 | 1,901.42 | 7,605.68 | |
| 000173 | | WWTP Painting Project Phase I | | | | | | | | | | | | |
| | 000 | 04/30/10 | 136,258.28 | P | SLMM | 15 00 | 0.00 | 136,258.28 | 11/30/12 | 15,139.81 | 757.00 | 9,083.89 | 24,223.70 | |
| 000186 | | Blacktop Lincoln Trail Lift Station | | | | | | | | | | | | |
| | 000 | 09/30/10 | 5,900.00 | P | SLMM | 10 00 | 0.00 | 5,900.00 | 11/30/12 | 737.50 | 49.17 | 590.00 | 1,327.50 | |
| 000187 | | 7% of Curbing for Service Center Parking Lot | | | | | | | | | | | | |
| | 000 | 10/31/10 | 700.00 | P | SLMM | 35 00 | 0.00 | 700.00 | 11/30/12 | 23.33 | 1.67 | 20.00 | 43.33 | |
| 000188 | | 7% Service Center Parking Lot | | | | | | | | | | | | |
| | 000 | 12/01/10 | 2,284.85 | P | SLMM | 10 00 | 0.00 | 2,284.85 | 11/30/12 | 247.53 | 19.05 | 228.49 | 476.02 | |
| 000194 | | WWTP Painting Project Phase 1 | | | | | | | | | | | | |
| | 000 | 01/01/11 | 15,017.48 | P | SLMM | 15 00 | 0.00 | 15,017.48 | 11/30/12 | 1,001.17 | 83.44 | 1,001.17 | 2,002.34 | |
| 000195 | | EQ Basin Chain Link Fence | | | | | | | | | | | | |
| | 000 | 01/01/11 | 26,113.25 | P | SLMM | 20 00 | 0.00 | 26,113.25 | 11/30/12 | 1,305.66 | 108.81 | 1,305.66 | 2,611.32 | |
| 000196 | | Radcliff WWTP Drainage Project | | | | | | | | | | | | |
| | 000 | 01/01/11 | 117,771.78 | P | SLMM | 50 00 | 0.00 | 117,771.78 | 11/30/12 | 2,355.44 | 196.29 | 2,355.44 | 4,710.88 | |
| 000197 | | Radcliff WWTP UV Building | | | | | | | | | | | | |
| | 000 | 01/01/11 | 13,578.12 | P | SLMM | 50 00 | 0.00 | 13,578.12 | 11/30/12 | 271.56 | 22.63 | 271.56 | 543.12 | |
| | | G/L Asset Acct No = 4.00.35211 | 453,478.87 | | | | 0.00 | 453,478.87 | | 32,821.05 | 1,578.17 | 18,937.17 | 51,758.22 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 453,478.87 | | | | 0.00 | 453,478.87 | | 32,821.05 | 1,578.17 | 18,937.17 | 51,758.22 | |
| | | Count = 13 | | | | | | | | | | | | |

G/L Asset Acct No = 4.00.35300
000002 Construction Crew Office Building

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--------------------------------|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35300 | | | | | | | | | | | | | | |
| 000003 | | 01/01/74 | 64,070.02 | R | SLMM | 40 00 | 0.00 | 64,070.02 | 11/30/12 | 48,582.42 | 133.48 | 1,601.75 | 50,184.17 | |
| | | 01/01/75 | 85,929.98 | R | SLMM | 40 00 | 0.00 | 85,929.98 | 11/30/12 | 62,589.68 | 179.03 | 2,148.25 | 64,737.93 | |
| | | G/L Asset Acct No = 4.00.35300 | 150,000.00 | | | | 0.00 | 150,000.00 | | 111,172.10 | 312.51 | 3,750.00 | 114,922.10 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 150,000.00 | | | | 0.00 | 150,000.00 | | 111,172.10 | 312.51 | 3,750.00 | 114,922.10 | |
| | | Count = 2 | | | | | | | | | | | | |
| G/L Asset Acct No = 4.00.35400 | | | | | | | | | | | | | | |
| 000124 | | 01/01/09 | 3,356.50 | P | SLMM | 07 00 | 0.00 | 3,356.50 | 11/30/12 | 1,438.50 | 39.96 | 479.50 | 1,918.00 | |
| 000136 | | 01/01/09 | 1,150.00 | P | SLMM | 07 00 | 0.00 | 1,150.00 | 11/30/12 | 492.87 | 13.70 | 164.29 | 657.16 | |
| 000142 | | 04/30/09 | 1,253.44 | P | SLMM | 07 00 | 0.00 | 1,253.44 | 11/30/12 | 477.50 | 14.93 | 179.06 | 656.56 | |
| 000149 | | 05/01/09 | 1,745.34 | R | SLMM | 30 00 | 0.00 | 1,745.34 | 11/30/12 | 155.15 | 4.85 | 58.18 | 213.33 | |
| 000158 | | 07/17/09 | 2,383.51 | P | SLMM | 10 00 | 0.00 | 2,383.51 | 11/30/12 | 576.01 | 19.87 | 238.35 | 814.36 | |
| 000171 | | 03/31/10 | 1,405.65 | P | SLMM | 07 00 | 0.00 | 1,405.65 | 11/30/12 | 351.42 | 16.74 | 200.81 | 552.23 | |
| 000247 | | 08/31/12 | 3,034.50 | P | SLMM | 35 00 | 0.00 | 3,034.50 | 11/30/12 | 0.00 | 7.22 | 28.90 | 28.90 | |
| | | G/L Asset Acct No = 4.00.35400 | 14,328.94 | | | | 0.00 | 14,328.94 | | 3,491.45 | 117.27 | 1,349.09 | 4,840.54 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 14,328.94 | | | | 0.00 | 14,328.94 | | 3,491.45 | 117.27 | 1,349.09 | 4,840.54 | |
| | | Count = 7 | | | | | | | | | | | | |
| G/L Asset Acct No = 4.00.35500 | | | | | | | | | | | | | | |
| 000067 | | | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.35500 | | | | | | | | | | | | | | |
| | 000 | 01/01/02 | 3,745.00 | P | SLMM | 10 00 | 0.00 | 3,745.00 | 11/30/12 | 3,745.00 | 0.00 | 0.00 | 3,745.00 | |
| 000068 | | Isco 4501 Pump Meter | | | | | | | | | | | | |
| | 000 | 01/01/02 | 3,745.00 | P | SLMM | 10 00 | 0.00 | 3,745.00 | 11/30/12 | 3,745.00 | 0.00 | 0.00 | 3,745.00 | |
| 000148 | | 860 H2S 0-200PPM Monitor | | | | | | | | | | | | |
| | 000 | 03/24/09 | 2,410.00 | P | SLMM | 10 00 | 0.00 | 2,410.00 | 11/30/12 | 662.75 | 20.09 | 241.00 | 903.75 | |
| | | G/L Asset Acct No = 4.00.35500 | 9,900.00 | | | | 0.00 | 9,900.00 | | 8,152.75 | 20.09 | 241.00 | 8,393.75 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 9,900.00 | | | | 0.00 | 9,900.00 | | 8,152.75 | 20.09 | 241.00 | 8,393.75 | |
| | | Count = 3 | | | | | | | | | | | | |
| G/L Asset Acct No = 4.00.36301 | | | | | | | | | | | | | | |
| 000069 | | Godwin Driprime 4" Pump | | | | | | | | | | | | |
| | 000 | 01/01/06 | 28,168.00 | P | SLMM | 10 00 | 0.00 | 28,168.00 | 11/30/12 | 12,675.61 | 234.74 | 2,816.80 | 15,492.41 | |
| 000123 | | Control panel for lift station | | | | | | | | | | | | |
| | 000 | 01/01/09 | 5,615.59 | P | SLMM | 07 00 | 0.00 | 5,615.59 | 11/30/12 | 2,406.69 | 66.86 | 802.23 | 3,208.92 | |
| 000131 | | Wetwell for Audubon lift station | | | | | | | | | | | | |
| | 000 | 01/01/09 | 2,316.00 | P | SLMM | 07 00 | 0.00 | 2,316.00 | 11/30/12 | 992.58 | 27.58 | 330.86 | 1,323.44 | |
| 000132 | | Pump & Motor for Sludge at Plant | | | | | | | | | | | | |
| | 000 | 01/01/09 | 1,987.28 | P | SLMM | 07 00 | 0.00 | 1,987.28 | 11/30/12 | 851.70 | 23.66 | 283.90 | 1,135.60 | |
| 000135 | | Control Panel for C-Square lift station | | | | | | | | | | | | |
| | 000 | 01/01/09 | 6,785.94 | P | SLMM | 07 00 | 0.00 | 6,785.94 | 11/30/12 | 2,908.26 | 80.79 | 969.42 | 3,877.68 | |
| 000164 | | Access Road for Audubon Lift Station | | | | | | | | | | | | |
| | 000 | 04/01/09 | 3,573.03 | P | SLMM | 35 00 | 0.00 | 3,573.03 | 11/30/12 | 280.75 | 8.51 | 102.09 | 382.84 | |
| 000176 | | 3T Portable Hoist | | | | | | | | | | | | |
| | 000 | 05/31/10 | 4,444.01 | P | SLMM | 10 00 | 0.00 | 4,444.01 | 11/30/12 | 703.07 | 37.04 | 444.40 | 1,147.47 | |
| 000232 | | Greenview/Pearman/Wilma LS Pumps | | | | | | | | | | | | |
| | 000 | 03/31/12 | 134,986.67 | P | SLMM | 10 00 | 0.00 | 134,986.67 | 11/30/12 | 0.00 | 1,124.88 | 10,124.00 | 10,124.00 | |
| 000233 | | Greenview/Pearman/Wilma LS Control Panel | | | | | | | | | | | | |
| | 000 | 03/31/12 | 24,395.52 | P | SLMM | 07 00 | 0.00 | 24,395.52 | 11/30/12 | 0.00 | 290.42 | 2,613.81 | 2,613.81 | |
| 000248 | | Hwy 313 Pump 3 Replacement | | | | | | | | | | | | |
| | 000 | 08/31/12 | 25,758.00 | P | SLMM | 10 00 | 0.00 | 25,758.00 | 11/30/12 | 0.00 | 214.65 | 858.60 | 858.60 | |
| 000255 | | 313 Lift Station Contactors for Control Panel | | | | | | | | | | | | |
| | 000 | 12/31/12 | 1,352.34 | P | SLMM | 07 00 | 0.00 | 1,352.34 | | 0.00 | 0.00 | 0.00 | 0.00 | |

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Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--|-----|--|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.36301 | | | 239,382.38 | | | | 0.00 | 239,382.38 | | 20,818.66 | 2,109.13 | 19,346.11 | 40,164.77 | |
| Less disposals and transfers Count = 0 | | | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| Net Subtotal Count = 11 | | | 239,382.38 | | | | 0.00 | 239,382.38 | | 20,818.66 | 2,109.13 | 19,346.11 | 40,164.77 | |
| G/L Asset Acct No = 4.00.36302 | | | | | | | | | | | | | | |
| 000070 | | Portable 6" Godwin T Pump | | | | | | | | | | | | |
| | 000 | 01/01/00 | 27,810.00 | P | SLMM | 10 00 | 0.00 | 27,810.00 | 11/30/12 | 27,810.00 | 0.00 | 0.00 | 27,810.00 | |
| G/L Asset Acct No = 4.00.36302 | | | 27,810.00 | | | | 0.00 | 27,810.00 | | 27,810.00 | 0.00 | 0.00 | 27,810.00 | |
| Less disposals and transfers Count = 0 | | | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| Net Subtotal Count = 1 | | | 27,810.00 | | | | 0.00 | 27,810.00 | | 27,810.00 | 0.00 | 0.00 | 27,810.00 | |
| G/L Asset Acct No = 4.00.37300 | | | | | | | | | | | | | | |
| 000071 | | Model L Grit Classifier | | | | | | | | | | | | |
| | 000 | 01/01/04 | 34,600.00 | P | SLMM | 10 00 | 0.00 | 34,600.00 | 11/30/12 | 19,030.67 | 288.34 | 3,460.00 | 22,490.67 | |
| 000072 | | Ariat Spiral Dewat Press | | | | | | | | | | | | |
| | 000 | 01/01/04 | 17,000.00 | P | SLMM | 10 00 | 0.00 | 17,000.00 | 11/30/12 | 10,386.34 | 141.67 | 1,700.00 | 12,086.34 | |
| 000120 | | Work Equipment | | | | | | | | | | | | |
| | 000 | 01/01/08 | 12,217.00 | P | SLMM | 10 00 | 0.00 | 12,217.00 | 11/30/12 | 4,886.80 | 101.81 | 1,221.70 | 6,108.50 | |
| 000121 | | Safety Equipment | | | | | | | | | | | | |
| | 000 | 01/01/08 | 8,998.00 | P | SLMM | 10 00 | 0.00 | 8,998.00 | 11/30/12 | 3,599.20 | 74.99 | 899.80 | 4,499.00 | |
| 000122 | | Aerator installation | | | | | | | | | | | | |
| | 000 | 01/01/09 | 11,614.96 | P | SLMM | 25 00 | 0.00 | 11,614.96 | 11/30/12 | 1,393.80 | 38.72 | 464.60 | 1,858.40 | |
| 000127 | | Hose reel with clamp | | | | | | | | | | | | |
| | 000 | 01/01/09 | 2,024.17 | P | SLMM | 07 00 | 0.00 | 2,024.17 | 11/30/12 | 867.51 | 24.10 | 289.17 | 1,156.68 | |
| 000128 | | Blower & Motor Replacement (newer model) | | | | | | | | | | | | |
| | 000 | 01/01/09 | 9,024.27 | P | SLMM | 07 00 | 0.00 | 9,024.27 | 11/30/12 | 3,867.54 | 107.44 | 1,289.18 | 5,156.72 | |
| 000130 | | Upgrade press-coated stub can idlers | | | | | | | | | | | | |
| | 000 | 01/01/09 | 7,527.00 | P | SLMM | 07 00 | 0.00 | 7,527.00 | 11/30/12 | 3,225.87 | 89.61 | 1,075.29 | 4,301.16 | |
| 000138 | | Upgrade to Sewer Camera | | | | | | | | | | | | |

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Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.37300 | | | | | | | | | | | | | | |
| | | 000 03/02/09 | 23,499.56 | P | SLMM | 07 00 | 0.00 | 23,499.56 | 11/30/12 | 9,490.49 | 279.76 | 3,357.08 | 12,847.57 | |
| 000139 | | Butterfly Valve-EQ Basins #1 & #2 000 03/11/09 | 2,069.52 | P | SLMM | 10 00 | 0.00 | 2,069.52 | 11/30/12 | 591.85 | 17.25 | 206.95 | 798.80 | |
| 000172 | | Root Cutter w/ring, assembly 8"-10" 000 03/31/10 | 1,842.55 | P | SLMM | 07 00 | 0.00 | 1,842.55 | 11/30/12 | 460.64 | 21.94 | 263.22 | 723.86 | |
| 000183 | | 52% 4" Camera System 000 08/31/10 | 17,163.81 | P | SLMM | 10 00 | 0.00 | 17,163.81 | 11/30/12 | 2,288.51 | 143.04 | 1,716.38 | 4,004.89 | |
| 000210 | | 50% of Pan Tilt Zoom Camera 000 07/31/11 | 4,540.47 | P | SLMM | 10 00 | 0.00 | 4,540.47 | 11/30/12 | 189.19 | 37.84 | 454.05 | 643.24 | |
| 000229 | | 25% Multiquip MTX60 4 Cycle Rammer Compactor 000 03/31/12 | 699.53 | P | SLMM | 15 00 | 0.00 | 699.53 | 11/30/12 | 0.00 | 3.88 | 34.98 | 34.98 | |
| 000230 | | 25% Edco 18" Concrete & Asphalt Walk Behind Saw 000 03/31/12 | 610.50 | P | SLMM | 15 00 | 0.00 | 610.50 | 11/30/12 | 0.00 | 3.39 | 30.53 | 30.53 | |
| 000237 | | 10 ft Baffle for Oxidation Ditch #2 000 05/31/12 | 1,400.00 | P | SLMM | 10 00 | 0.00 | 1,400.00 | 11/30/12 | 0.00 | 11.66 | 81.67 | 81.67 | |
| 000238 | | 8ft. Baffle for Oxidation Ditch #2 000 05/31/12 | 1,400.00 | P | SLMM | 10 00 | 0.00 | 1,400.00 | 11/30/12 | 0.00 | 11.66 | 81.67 | 81.67 | |
| 000240 | | Filter Belt Press Conveyor & Belt 000 06/30/12 | 17,980.00 | P | SLMM | 10 00 | 0.00 | 17,980.00 | 11/30/12 | 0.00 | 149.83 | 899.00 | 899.00 | |
| 000249 | | Amp Probe Analyzer 000 08/31/12 | 3,105.54 | P | SLMM | 07 00 | 0.00 | 3,105.54 | 11/30/12 | 0.00 | 36.97 | 147.88 | 147.88 | |
| 000256 | | Ditch 1 & 2 Oxygen Reduction Sensor 000 12/31/12 | 1,011.20 | P | SLMM | 10 00 | 0.00 | 1,011.20 | | 0.00 | 0.00 | 0.00 | 0.00 | |
| | | G/L Asset Acct No = 4.00.37300 | 178,328.08 | | | | 0.00 | 178,328.08 | | 60,278.41 | 1,583.90 | 17,673.15 | 77,951.56 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 178,328.08 | | | | 0.00 | 178,328.08 | | 60,278.41 | 1,583.90 | 17,673.15 | 77,951.56 | |
| | | Count = 20 | | | | | | | | | | | | |
| G/L Asset Acct No = 4.00.37600 | | | | | | | | | | | | | | |
| 000073 | | Plant Gate Chain Link 16'X7' 000 01/01/99 | 7,795.00 | P | SLMM | 20 00 | 0.00 | 7,795.00 | 11/30/12 | 4,404.09 | 32.48 | 389.75 | 4,793.84 | |
| 000169 | | Pressure Transmitter Model 1100 000 02/01/10 | 1,017.24 | P | SLMM | 05 00 | 0.00 | 1,017.24 | 11/30/12 | 389.94 | 16.96 | 203.45 | 593.39 | |

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--------------------------------|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.37600 | | | | | | | | | | | | | | |
| 000184 | | 08/31/10 | 6,368.52 | P | SLMM | 25 00 | 0.00 | 6,368.52 | 11/30/12 | 339.65 | 21.23 | 254.74 | 594.39 | |
| | 000 | 08/31/10 | 6,368.52 | P | SLMM | 25 00 | 0.00 | 6,368.52 | 11/30/12 | 339.65 | 21.23 | 254.74 | 594.39 | |
| 000185 | | 08/31/10 | 10,939.00 | P | SLMM | 10 00 | 0.00 | 10,939.00 | 11/30/12 | 1,433.54 | 91.16 | 1,093.90 | 2,527.44 | |
| | 000 | 08/31/10 | 10,939.00 | P | SLMM | 10 00 | 0.00 | 10,939.00 | 11/30/12 | 1,433.54 | 91.16 | 1,093.90 | 2,527.44 | |
| 000203 | | 05/31/11 | 19,044.15 | P | SLMM | 35 00 | 0.00 | 19,044.15 | 11/30/12 | 317.40 | 45.35 | 544.12 | 861.52 | |
| | 000 | 05/31/11 | 19,044.15 | P | SLMM | 35 00 | 0.00 | 19,044.15 | 11/30/12 | 317.40 | 45.35 | 544.12 | 861.52 | |
| 000204 | | 05/31/11 | 2,280.00 | P | SLMM | 10 00 | 0.00 | 2,280.00 | 11/30/12 | 133.00 | 19.00 | 228.00 | 361.00 | |
| | 000 | 05/31/11 | 2,280.00 | P | SLMM | 10 00 | 0.00 | 2,280.00 | 11/30/12 | 133.00 | 19.00 | 228.00 | 361.00 | |
| 000205 | | 05/31/11 | 798.50 | P | SLMM | 07 00 | 0.00 | 798.50 | 11/30/12 | 66.54 | 9.51 | 114.07 | 180.61 | |
| | 000 | 05/31/11 | 798.50 | P | SLMM | 07 00 | 0.00 | 798.50 | 11/30/12 | 66.54 | 9.51 | 114.07 | 180.61 | |
| 000211 | | 08/31/11 | 5,075.00 | P | SLMM | 15 00 | 0.00 | 5,075.00 | 11/30/12 | 112.78 | 28.20 | 338.33 | 451.11 | |
| | 000 | 08/31/11 | 5,075.00 | P | SLMM | 15 00 | 0.00 | 5,075.00 | 11/30/12 | 112.78 | 28.20 | 338.33 | 451.11 | |
| | | G/L Asset Acct No = 4.00.37600 | 53,317.41 | | | | 0.00 | 53,317.41 | | 7,196.94 | 263.89 | 3,166.36 | 10,363.30 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 53,317.41 | | | | 0.00 | 53,317.41 | | 7,196.94 | 263.89 | 3,166.36 | 10,363.30 | |
| | | Count = 8 | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|--------------------------------|-----|----------|----------|---|-------|-------|------|----------|----------|----------|-------|--------|----------|--|
| G/L Asset Acct No = 4.00.39100 | | | | | | | | | | | | | | |
| 000074 | | 01/01/01 | 4,500.00 | P | RemVI | 13 09 | 0.00 | 4,500.00 | 11/30/12 | 3,221.05 | 38.76 | 465.07 | 3,686.12 | |
| | 000 | 01/01/01 | 4,500.00 | P | RemVI | 13 09 | 0.00 | 4,500.00 | 11/30/12 | 3,221.05 | 38.76 | 465.07 | 3,686.12 | |
| 000075 | | 01/01/03 | 2,799.00 | P | RemVI | 08 10 | 0.00 | 2,799.00 | 11/30/12 | 2,799.00 | 0.00 | 0.00 | 2,799.00 | |
| | 000 | 01/01/03 | 2,799.00 | P | RemVI | 08 10 | 0.00 | 2,799.00 | 11/30/12 | 2,799.00 | 0.00 | 0.00 | 2,799.00 | |
| 000101 | | 05/01/08 | 1,064.70 | P | SLMM | 10 00 | 0.00 | 1,064.70 | 11/30/12 | 394.93 | 8.88 | 106.47 | 501.40 | |
| | 000 | 05/01/08 | 1,064.70 | P | SLMM | 10 00 | 0.00 | 1,064.70 | 11/30/12 | 394.93 | 8.88 | 106.47 | 501.40 | |
| 000108 | | 11/30/08 | 4,878.80 | P | SLMM | 10 00 | 0.00 | 4,878.80 | 11/30/12 | 1,504.31 | 40.66 | 487.88 | 1,992.19 | |
| | 000 | 11/30/08 | 4,878.80 | P | SLMM | 10 00 | 0.00 | 4,878.80 | 11/30/12 | 1,504.31 | 40.66 | 487.88 | 1,992.19 | |
| 000112 | | 05/08/08 | 4,575.00 | P | SLMM | 10 00 | 0.00 | 4,575.00 | 11/30/12 | 1,677.50 | 38.13 | 457.50 | 2,135.00 | |
| | 000 | 05/08/08 | 4,575.00 | P | SLMM | 10 00 | 0.00 | 4,575.00 | 11/30/12 | 1,677.50 | 38.13 | 457.50 | 2,135.00 | |
| 000140 | | 03/18/09 | 467.20 | P | SLMM | 05 00 | 0.00 | 467.20 | 11/30/12 | 179.09 | 7.79 | 93.44 | 272.53 | |
| | 000 | 03/18/09 | 467.20 | P | SLMM | 05 00 | 0.00 | 467.20 | 11/30/12 | 179.09 | 7.79 | 93.44 | 272.53 | |
| 000141 | | 03/25/09 | 704.53 | P | SLMM | 10 00 | 0.00 | 704.53 | 11/30/12 | 193.74 | 5.88 | 70.45 | 264.19 | |
| | 000 | 03/25/09 | 704.53 | P | SLMM | 10 00 | 0.00 | 704.53 | 11/30/12 | 193.74 | 5.88 | 70.45 | 264.19 | |
| 000143 | | | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.39100 | | | | | | | | | | | | | | |
| | | 000 04/01/09 | 3,657.54 | P | SLMM | 10 00 | 0.00 | 3,657.54 | 11/30/12 | 1,005.82 | 30.48 | 365.75 | 1,371.57 | |
| 000144 | | 45%LatitudeE4200,Intel Core 2 Duo SU9300, 1.2GHz-Charlene Easter | | | | | | | | | | | | |
| | | 000 04/01/09 | 875.60 | P | SLMM | 05 00 | 0.00 | 875.60 | 11/30/12 | 335.64 | 14.60 | 175.12 | 510.76 | |
| 000145 | | 35%T3400 Convertible MiniTower Q600, 2.40GHz-Jenny Huff | | | | | | | | | | | | |
| | | 000 04/30/09 | 739.60 | P | SLMM | 05 00 | 0.00 | 739.60 | 11/30/12 | 277.35 | 12.33 | 147.92 | 425.27 | |
| 000146 | | 35%T3400 MiniTower Q600, 2.40GHz-Brett Pyles | | | | | | | | | | | | |
| | | 000 04/30/09 | 739.60 | P | SLMM | 05 00 | 0.00 | 739.60 | 11/30/12 | 277.35 | 12.33 | 147.92 | 425.27 | |
| 000150 | | 22% Zeus Server-Quad Core Xeon E5410 Processor2x6MB Cache, 2.33GHz, 1333MHz FSB | | | | | | | | | | | | |
| | | 000 05/31/09 | 865.70 | P | SLMM | 10 00 | 0.00 | 865.70 | 11/30/12 | 223.64 | 7.22 | 86.57 | 310.21 | |
| 000151 | | Hand Rail for Loading Dock at Service Center | | | | | | | | | | | | |
| | | 000 05/31/09 | 407.88 | P | SLMM | 07 00 | 0.00 | 407.88 | 11/30/12 | 150.53 | 4.86 | 58.27 | 208.80 | |
| 000155 | | 35% Brett's Furniture | | | | | | | | | | | | |
| | | 000 03/01/05 | 3,009.57 | P | SLMM | 07 00 | 0.00 | 3,009.57 | 11/30/12 | 1,747.52 | 0.00 | 71.66 | 1,819.18 | |
| 000156 | | 22% Panasonic Copier | | | | | | | | | | | | |
| | | 000 02/12/08 | 2,812.26 | P | SLMM | 07 00 | 0.00 | 2,812.26 | 11/30/12 | 1,412.83 | 33.48 | 401.75 | 1,814.58 | |
| 000167 | | Insignia 47" LCD TV w/Blu Ray Player-47% | | | | | | | | | | | | |
| | | 000 12/31/09 | 460.51 | P | SLMM | 10 00 | 0.00 | 460.51 | 11/30/12 | 91.92 | 3.84 | 46.05 | 137.97 | |
| 000168 | | 47% of Leightronics Mini Tnet Controller, interface, DVD Player | | | | | | | | | | | | |
| | | 000 01/01/10 | 691.68 | P | SLMM | 10 00 | 0.00 | 691.68 | 11/30/12 | 138.15 | 5.77 | 69.17 | 207.32 | |
| 000178 | | 47% Dell Inspiron 1150 100Lcords | | | | | | | | | | | | |
| | | 000 06/30/10 | 287.52 | P | SLMM | 05 00 | 0.00 | 287.52 | 11/30/12 | 74.28 | 4.80 | 57.50 | 131.78 | |
| 000179 | | 47% 5 Vostro 3500 Laptops | | | | | | | | | | | | |
| | | 000 07/30/10 | 1,569.80 | P | SLMM | 05 00 | 0.00 | 1,569.80 | 11/30/12 | 392.45 | 26.17 | 313.96 | 706.41 | |
| 000180 | | 26% SDI Geosync Enterprise for Utilities | | | | | | | | | | | | |
| | | 000 07/30/10 | 3,850.34 | P | SLMM | 10 00 | 0.00 | 3,850.34 | 11/30/12 | 545.46 | 32.09 | 385.03 | 930.49 | |
| 000182 | | 47% Remote I Web Harris Computers | | | | | | | | | | | | |
| | | 000 08/31/10 | 1,504.00 | P | SLMM | 10 00 | 0.00 | 1,504.00 | 11/30/12 | 200.53 | 12.54 | 150.40 | 350.93 | |
| 000191 | | 47% iCall IVR | | | | | | | | | | | | |
| | | 000 12/31/10 | 3,701.25 | P | SLMM | 10 00 | 0.00 | 3,701.25 | 11/30/12 | 370.13 | 30.85 | 370.13 | 740.26 | |
| 000192 | | 7% Server Room A/C Unit | | | | | | | | | | | | |
| | | 000 12/01/10 | 257.58 | P | SLMM | 10 00 | 0.00 | 257.58 | 11/30/12 | 27.91 | 2.15 | 25.76 | 53.67 | |
| 000202 | | 26% of 2 Dell Computers for GIS Mapping | | | | | | | | | | | | |
| | | 000 04/30/11 | 807.94 | P | SLMM | 05 00 | 0.00 | 807.94 | 11/30/12 | 107.73 | 13.47 | 161.59 | 269.32 | |
| 000235 | | 48% Dell laptop for Tim Osborne | | | | | | | | | | | | |
| | | 000 05/31/12 | 263.52 | P | SLMM | 05 00 | 0.00 | 263.52 | 11/30/12 | 0.00 | 4.39 | 30.74 | 30.74 | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|---|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.39100 | | | | | | | | | | | | | | |
| 000245 | | 47% OF 6 WORKSTATION COMPUTERS (DIST SUPERVISOR, BILLING SPECIALIST, & 4 CSR'S) | | | | | | | | | | | | |
| | 000 | 07/31/12 | 2,823.49 | P | SLMM | 05 00 | 0.00 | 2,823.49 | 11/30/12 | 0.00 | 47.05 | 235.29 | 235.29 | |
| 000246 | | 47% OF DELL WEB SERVER | | | | | | | | | | | | |
| | 000 | 07/31/12 | 1,590.63 | P | SLMM | 10 00 | 0.00 | 1,590.63 | 11/30/12 | 0.00 | 13.25 | 66.28 | 66.28 | |
| 000250 | | 70% of Tipping Rain Bucket Gauge | | | | | | | | | | | | |
| | 000 | 08/31/12 | 710.15 | P | SLMM | 10 00 | 0.00 | 710.15 | 11/30/12 | 0.00 | 5.91 | 23.67 | 23.67 | |
| 000251 | | 47% of New CSR Chairs | | | | | | | | | | | | |
| | 000 | 08/31/12 | 914.38 | P | SLMM | 20 00 | 0.00 | 914.38 | 11/30/12 | 0.00 | 3.81 | 15.24 | 15.24 | |
| 000257 | | 70% of Tipping Rain Bucket Gauge | | | | | | | | | | | | |
| | 000 | 08/31/12 | 674.48 | P | SLMM | 10 00 | 0.00 | 674.48 | | 0.00 | 22.48 | 22.48 | 22.48 | |
| | | G/L Asset Acct No = 4.00.39100 | 52,204.25 | | | | 0.00 | 52,204.25 | | 17,348.86 | 483.97 | 5,109.06 | 22,457.92 | |
| | | Less disposals and transfers | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | Count = 0 | | | | | | | | | | | | |
| | | Net Subtotal | 52,204.25 | | | | 0.00 | 52,204.25 | | 17,348.86 | 483.97 | 5,109.06 | 22,457.92 | |
| | | Count = 30 | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|--------------------------------|-----|------------------------------------|------------|---|-------|-------|------|------------|----------|------------|----------|-----------|------------|---|
| G/L Asset Acct No = 4.00.39200 | | | | | | | | | | | | | | |
| 000066 | | 1999 Ford F250 Truck | | | | | | | | | | | | |
| | 000 | 01/01/98 | 23,005.00 | A | SLMM | 07 00 | 0.00 | 23,005.00 | 07/31/12 | 23,005.00 | 0.00 | 0.00 | 23,005.00 | d |
| 000077 | | John Deere Gator Utility Vehicle | | | | | | | | | | | | |
| | 000 | 01/01/00 | 6,142.00 | A | RemVI | 12 08 | 0.00 | 6,142.00 | 11/30/12 | 5,715.47 | 0.00 | 426.53 | 6,142.00 | |
| 000078 | | Timberwolf Cargo Trailor | | | | | | | | | | | | |
| | 000 | 01/01/00 | 4,095.00 | A | RemVI | 14 00 | 0.00 | 4,095.00 | 11/30/12 | 3,241.88 | 35.55 | 426.56 | 3,668.44 | |
| 000079 | | 2001 Sterling/Vactor Combo | | | | | | | | | | | | |
| | 000 | 01/01/00 | 194,875.00 | A | SLMM | 15 00 | 0.00 | 194,875.00 | 11/30/12 | 112,510.13 | 1,082.64 | 12,991.67 | 125,501.80 | |
| 000081 | | 2003 Ford F350 Truck | | | | | | | | | | | | |
| | 000 | 06/01/02 | 25,423.00 | A | RemVI | 10 11 | 0.00 | 25,423.00 | 11/30/12 | 21,125.30 | 268.61 | 3,223.28 | 24,348.58 | |
| 000082 | | 2003 Ford F150 Truck | | | | | | | | | | | | |
| | 000 | 01/01/02 | 14,366.00 | A | RemVI | 10 04 | 0.00 | 14,366.00 | 11/30/12 | 13,824.42 | 0.00 | 541.58 | 14,366.00 | |
| 000083 | | 2003 Ford F250 Truck | | | | | | | | | | | | |
| | 000 | 01/01/03 | 20,444.00 | A | RemVI | 10 00 | 0.00 | 20,444.00 | 11/30/12 | 17,640.25 | 233.65 | 2,803.75 | 20,444.00 | |
| 000084 | | Mini Cam with Koala Transportation | | | | | | | | | | | | |
| | 000 | 04/01/03 | 9,350.00 | A | SLMM | 10 00 | 0.00 | 9,350.00 | 11/30/12 | 8,181.26 | 77.92 | 935.00 | 9,116.26 | |
| 000100 | | 2008 F150 4X2 White Regular Cab | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.39200 | | | | | | | | | | | | | | |
| | 000 | 05/28/08 | 16,448.00 | A | SLMM | 07 00 | 0.00 | 16,448.00 | 11/30/12 | 8,419.84 | 195.81 | 2,349.72 | 10,769.56 | |
| 000104 | | 2008 Kawasaki 4x4 Mule Utility Vehicle | | | | | | | | | | | | |
| | 000 | 09/04/08 | 9,860.00 | P | SLMM | 10 00 | 0.00 | 9,860.00 | 11/30/12 | 3,286.67 | 82.17 | 986.00 | 4,272.67 | |
| 000105 | | 2008 F450 Crane Truck | | | | | | | | | | | | |
| | 000 | 09/15/08 | 47,572.00 | P | SLMM | 10 00 | 0.00 | 47,572.00 | 11/30/12 | 15,857.33 | 396.44 | 4,757.20 | 20,614.53 | |
| 000106 | | 2% 2008 F250 Distribution Truck | | | | | | | | | | | | |
| | 000 | 09/04/08 | 434.97 | P | SLMM | 07 00 | 0.00 | 434.97 | 11/30/12 | 207.13 | 5.18 | 62.14 | 269.27 | |
| 000107 | | 2008 F550 Dump Truck | | | | | | | | | | | | |
| | 000 | 10/02/08 | 36,217.00 | P | SLMM | 10 00 | 0.00 | 36,217.00 | 11/30/12 | 11,770.53 | 301.81 | 3,621.70 | 15,392.23 | |
| 000152 | | 35%Brett's 2004 Jeep Laredo | | | | | | | | | | | | |
| | 000 | 04/20/08 | 7,171.50 | P | SLMM | 07 00 | 0.00 | 7,171.50 | 11/30/12 | 6,915.61 | 0.00 | 255.89 | 7,171.50 | |
| 000153 | | 25% 2007 Dodge Sprinter Van | | | | | | | | | | | | |
| | 000 | 01/30/08 | 10,531.75 | P | SLMM | 07 00 | 0.00 | 10,531.75 | 11/30/12 | 5,892.68 | 125.38 | 1,504.54 | 7,397.22 | |
| 000154 | | 35% 2007 Honda Ridgeline RTL | | | | | | | | | | | | |
| | 000 | 03/29/08 | 8,225.00 | P | SLMM | 07 00 | 0.00 | 8,225.00 | 11/30/12 | 4,406.25 | 97.92 | 1,175.00 | 5,581.25 | |
| 000160 | | Electric Start 30 Gal Air Compressor & Power Inverters | | | | | | | | | | | | |
| | 000 | 07/15/09 | 5,991.61 | P | SLMM | 07 00 | 0.00 | 5,991.61 | 11/30/12 | 2,139.87 | 71.33 | 855.95 | 2,995.82 | |
| 000175 | | Trailer EX10 GAT E 2900 GVW Trailer | | | | | | | | | | | | |
| | 000 | 05/31/10 | 1,041.00 | P | SLMM | 10 00 | 0.00 | 1,041.00 | 11/30/12 | 164.83 | 8.68 | 104.10 | 268.93 | |
| 000181 | | 6000 lb Pneumatic Forklift | | | | | | | | | | | | |
| | 000 | 07/30/10 | 25,810.00 | P | SLMM | 07 00 | 0.00 | 25,810.00 | 11/30/12 | 5,223.45 | 307.27 | 3,687.14 | 8,910.59 | |
| 000198 | | 33% Solar Assisted Arrowboard | | | | | | | | | | | | |
| | 000 | 02/28/11 | 1,518.00 | P | SLMM | 07 00 | 0.00 | 1,518.00 | 11/30/12 | 180.72 | 18.08 | 216.86 | 397.58 | |
| 000201 | | 25% 2008 Toyota Tacoma 2wd Truck | | | | | | | | | | | | |
| | 000 | 03/31/11 | 5,000.00 | P | SLMM | 07 00 | 0.00 | 5,000.00 | 11/30/12 | 535.72 | 59.53 | 714.29 | 1,250.01 | |
| 000206 | | 60% of Vac Truck Hydro Excavating Assembly | | | | | | | | | | | | |
| | 000 | 05/31/11 | 1,687.86 | P | SLMM | 07 00 | 0.00 | 1,687.86 | 11/30/12 | 140.66 | 20.10 | 241.12 | 381.78 | |
| 000212 | | 2011 Ford F450 | | | | | | | | | | | | |
| | 000 | 08/31/11 | 40,402.78 | P | SLMM | 07 00 | 0.00 | 40,402.78 | 11/30/12 | 1,923.94 | 480.99 | 5,771.83 | 7,695.77 | |
| 000227 | | CCTV Van | | | | | | | | | | | | |
| | 000 | 02/29/12 | 128,036.26 | P | SLMM | 07 00 | 0.00 | 128,036.26 | 11/30/12 | 0.00 | 1,524.24 | 15,242.41 | 15,242.41 | |
| 000241 | | 2012 Chevy Silverado | | | | | | | | | | | | |
| | 000 | 06/30/12 | 37,373.84 | P | SLMM | 07 00 | 0.00 | 37,373.84 | 11/30/12 | 0.00 | 444.92 | 2,669.56 | 2,669.56 | |
| 000244 | | 47% OF 2012 FORD F150 VIN 1FTMF6F6CFC22627 | | | | | | | | | | | | |
| | 000 | 07/31/12 | 8,858.27 | P | SLMM | 07 00 | 0.00 | 8,858.27 | 11/30/12 | 0.00 | 105.45 | 527.28 | 527.28 | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|---|-----|--|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.39200 | | | 689,879.84 | | | | 0.00 | 689,879.84 | | 272,308.94 | 5,943.67 | 66,091.10 | 338,400.04 | |
| Less disposals and transfers Count = 1 | | | (23,005.00) | | | | 0.00 | (23,005.00) | | (23,005.00) | | | (23,005.00) | |
| Net Subtotal Count = 25 | | | 666,874.84 | | | | 0.00 | 666,874.84 | | 249,303.94 | 5,943.67 | 66,091.10 | 315,395.04 | |
| G/L Asset Acct No = 4.00.39301 | | | | | | | | | | | | | | |
| 000085 | | Analytical Balance Level- Lab 000 01/01/00 | 3,670.00 | P | SLMM | 10 00 | 0.00 | 3,670.00 | 11/30/12 | 3,670.00 | 0.00 | 0.00 | 3,670.00 | |
| 000086 | | Isco Compact Sampler Refrigerator 000 05/01/02 | 3,820.00 | P | SLMM | 10 00 | 0.00 | 3,820.00 | 11/30/12 | 3,198.67 | 0.00 | 127.33 | 3,326.00 | |
| 000162 | | Spectro D2800 to read Ammonia Levels 000 09/01/09 | 2,809.32 | P | SLMM | 10 00 | 0.00 | 2,809.32 | 11/30/12 | 655.50 | 23.42 | 280.93 | 936.43 | |
| G/L Asset Acct No = 4.00.39301 | | | 10,299.32 | | | | 0.00 | 10,299.32 | | 7,524.17 | 23.42 | 408.26 | 7,932.43 | |
| Less disposals and transfers Count = 0 | | | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| Net Subtotal Count = 3 | | | 10,299.32 | | | | 0.00 | 10,299.32 | | 7,524.17 | 23.42 | 408.26 | 7,932.43 | |
| G/L Asset Acct No = 4.00.39302 | | | | | | | | | | | | | | |
| 000088 | | John Deere 345 Mower 000 01/01/96 | 5,250.00 | P | SLMM | 10 00 | 0.00 | 5,250.00 | 11/30/12 | 5,250.00 | 0.00 | 0.00 | 5,250.00 | |
| 000089 | | John Deere 345 Lawn Tractor 000 01/01/00 | 5,435.00 | P | SLMM | 10 00 | 0.00 | 5,435.00 | 11/30/12 | 5,435.00 | 0.00 | 0.00 | 5,435.00 | |
| 000090 | | Rig K Sewer Machine 000 01/01/00 | 3,522.00 | P | SLMM | 10 00 | 0.00 | 3,522.00 | 11/30/12 | 3,522.00 | 0.00 | 0.00 | 3,522.00 | |
| 000091 | | Portable Cam Inspection System 000 01/01/00 | 64,056.00 | P | RemVI | 15 04 | 0.00 | 64,056.00 | 11/30/12 | 43,226.00 | 520.75 | 6,249.00 | 49,475.00 | |
| 000093 | | 185 Atlas Copco Air Compressor 000 01/01/02 | 11,995.00 | P | SLMM | 10 00 | 0.00 | 11,995.00 | 11/30/12 | 11,995.00 | 0.00 | 0.00 | 11,995.00 | |
| 000094 | | John Deere 5105 Tractor 000 01/01/94 | 16,191.00 | P | SLMM | 10 00 | 0.00 | 16,191.00 | 11/30/12 | 16,191.00 | 0.00 | 0.00 | 16,191.00 | |
| 000095 | | 2004 Case 580sm Backhoe | | | | | | | | | | | | |

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| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------------------------------|-----|--|-------------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| G/L Asset Acct No = 4.00.39302 | | | | | | | | | | | | | | |
| | 000 | 01/01/04 | 65,275.00 | P | SLMM | 10 00 | 0.00 | 65,275.00 | 11/30/12 | 37,930.17 | 543.96 | 6,527.50 | 44,457.67 | |
| 000096 | | Cues Camera System Upgrade | | | | | | | | | | | | |
| | 000 | 01/01/04 | 23,600.00 | P | SLMM | 10 00 | 0.00 | 23,600.00 | 11/30/12 | 14,577.34 | 196.67 | 2,360.00 | 16,937.34 | |
| 000097 | | Vactor Clean Kit Upgrade | | | | | | | | | | | | |
| | 000 | 01/01/04 | 11,789.00 | P | SLMM | 10 00 | 0.00 | 11,789.00 | 11/30/12 | 7,515.48 | 98.25 | 1,178.90 | 8,694.38 | |
| 000098 | | 2006 Bobcat S220 Loader | | | | | | | | | | | | |
| | 000 | 08/01/06 | 23,486.00 | P | SLMM | 10 00 | 0.00 | 23,486.00 | 11/30/12 | 10,960.14 | 195.72 | 2,348.60 | 13,308.74 | |
| 000157 | | 47% Finish Mower #RDTH84R | | | | | | | | | | | | |
| | 000 | 03/31/08 | 843.65 | P | SLMM | 10 00 | 0.00 | 843.65 | 11/30/12 | 365.59 | 7.04 | 84.37 | 449.96 | |
| 000163 | | Fork Lift Hopper Rubber Casters | | | | | | | | | | | | |
| | 000 | 09/01/09 | 1,211.35 | P | SLMM | 10 00 | 0.00 | 1,211.35 | 11/30/12 | 282.66 | 10.10 | 121.14 | 403.80 | |
| 000166 | | Generator for WWTP & Installation & Training | | | | | | | | | | | | |
| | 000 | 12/01/09 | 89,281.74 | P | SLMM | 10 00 | 0.00 | 89,281.74 | 11/30/12 | 18,547.86 | 744.02 | 8,928.17 | 27,476.03 | |
| 000222 | | 58% of Generators - Emergency Power Upgrades | | | | | | | | | | | | |
| | 000 | 11/30/11 | <u>72,856.51</u> | P | SLMM | 10 00 | 0.00 | <u>72,856.51</u> | 11/30/12 | <u>607.14</u> | <u>607.14</u> | <u>7,285.65</u> | <u>7,892.79</u> | |
| | | G/L Asset Acct No = 4.00.39302 | | | | | | | | | | | | |
| | | | 394,792.25 | | | | 0.00 | 394,792.25 | | 176,405.38 | 2,923.65 | 35,083.33 | 211,488.71 | |
| | | Less disposals and transfers | | | | | | | | | | | | |
| | | | 0.00 | | | | 0.00 | 0.00 | | 0.00 | | | 0.00 | |
| | | | | | | | | | | | | | | |
| | | Net Subtotal | | | | | | | | | | | | |
| | | | <u>394,792.25</u> | | | | 0.00 | <u>394,792.25</u> | | <u>176,405.38</u> | <u>2,923.65</u> | <u>35,083.33</u> | <u>211,488.71</u> | |
| | | | | | | | | | | | | | | |
| | | Count = 14 | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| G/L Asset Acct No = 4.00.39303 | | | | | | | | | | | | | | |
| 000092 | | Alto GPS/GIS Receiver | | | | | | | | | | | | |
| | 000 | 01/01/02 | 6,835.00 | P | SLMM | 10 00 | 0.00 | 6,835.00 | 11/30/12 | 6,113.51 | 0.00 | 0.00 | 6,113.51 | |
| 000099 | | Vodavi STS Key Phone System | | | | | | | | | | | | |
| | 000 | 08/01/06 | 3,544.00 | P | SLMM | 10 00 | 0.00 | 3,544.00 | 06/30/12 | 1,495.19 | 0.00 | 177.19 | 1,672.38 | d |
| 000228 | | 30% of Software: ArcPad 10. GPS Analyst, & GPS Correct | | | | | | | | | | | | |
| | 000 | 02/29/12 | 714.00 | P | SLMM | 10 00 | 0.00 | 714.00 | 11/30/12 | 0.00 | 5.95 | 59.50 | 59.50 | |
| 000236 | | Receiver & Module for Oxidation Ditch 1&2 | | | | | | | | | | | | |
| | 000 | 05/31/12 | 2,898.24 | P | SLMM | 10 00 | 0.00 | 2,898.24 | 11/30/12 | 0.00 | 24.15 | 169.06 | 169.06 | |
| 000242 | | Vertical SBX Phone System | | | | | | | | | | | | |
| | 000 | 06/30/12 | 3,973.56 | P | SLMM | 10 00 | 0.00 | 3,973.56 | 11/30/12 | 0.00 | 33.11 | 198.68 | 198.68 | |

Hardin County Radcliff Sewer
Depreciation Expense Report
As of December 31, 2012

Book = Internal
 FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------|-----|--------------------------------|----------------|-----|-----------|----------|------------------------|-------------------|------------|--------------------------|-----------------------|--------------------------|----------------------------|----------|
| | | G/L Asset Acct No = 4.00.39303 | 17,964.80 | | | | 0.00 | 17,964.80 | | 7,608.70 | 63.21 | 604.43 | 8,213.13 | |
| | | Less disposals and transfers | (3,544.00) | | | | 0.00 | (3,544.00) | | (1,495.19) | | | (1,672.38) | |
| | | Count = 1 | | | | | | | | | | | | |
| | | Net Subtotal | 14,420.80 | | | | 0.00 | 14,420.80 | | 6,113.51 | 63.21 | 604.43 | 6,540.75 | |
| | | Count = 4 | | | | | | | | | | | | |
| | | Grand Total | 34,644,718.43 | | | | 0.00 | 34,644,718.43 | | 13,931,483.64 | 76,463.76 | 903,180.93 | 14,834,664.57 | |
| | | Less disposals and transfers | (202,979.70) | | | | 0.00 | (202,979.70) | | (96,506.41) | | | (98,436.26) | |
| | | Count = 7 | | | | | | | | | | | | |
| | | Net Grand Total | 34,441,738.73 | | | | 0.00 | 34,441,738.73 | | 13,834,977.23 | 76,463.76 | 903,180.93 | 14,736,228.31 | |
| | | Count = 249 | | | | | | | | | | | | |

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

| Sys No | Ext | In Svc Date | Acquired Value | P T | Depr Meth | Est Life | Salv/168 Allow Sec 179 | Depreciable Basis | Prior Thru | Prior Accum Depreciation | Depreciation This Run | Current YTD Depreciation | Current Accum Depreciation | Key Code |
|--------|-----|----------------|-------------------|--------|--------------|-------------|---------------------------|----------------------|---------------|-----------------------------|--------------------------|-----------------------------|-------------------------------|-------------|
|--------|-----|----------------|-------------------|--------|--------------|-------------|---------------------------|----------------------|---------------|-----------------------------|--------------------------|-----------------------------|-------------------------------|-------------|

Report Assumptions

Report Name: Depreciation Expense
Source Report: <Standard Report>

Calculation Assumptions:

Short Year: none
Include Sec 168 Allowance & Sec 179: No
Adjustment Convention: None

Key Codes:

- a: A depreciation adjustment amount is included in the reporting period.
- b: The asset's business-use percentage is less than 100%.
- d: The asset has been disposed.
- f: The asset has switched from a MACRS table calculation to the MACRS formula calculation.
- l: The asset's depreciation has been limited by luxury auto rules.
- m: The asset's depreciation was calculated using the mid-quarter convention.
- r: The asset's acquired value was reduced to arrive at the depreciable basis.
- s: The asset has switched from declining-balance to a straight-line.
- t: The asset was transferred.
- v: The asset has switched to remaining value over remaining life due to ACE.

Group/Sorting Criteria:

Group = All FAS Assets
Include Assets that meet the following conditions:
All FAS Assets
Sorted by: G/L Asset Acct No (with subtotals), System No, Extension

| Depreciation Monthly Allocation | | | | | | | | | |
|---------------------------------|----------------------------|-------------------|--------------|--------------------|-----|--------------|-----|-------------|---------------|
| Dec-12 | | | | 2012 Y-T-D | | | | | |
| | | | | Depreciation Split | | | | | |
| | Class | Water Current Mth | % | Water | % | Radcliff | % | Ft. Knox | Total |
| | AB | \$ 480.66 | 50% | \$ 240.33 | 45% | \$ 216.30 | 5% | \$ 24.03 | \$ 480.66 |
| | AD | \$ 60,240.34 | 71% | \$ 42,770.64 | 22% | \$ 13,252.87 | 7% | \$ 4,216.82 | \$ 60,240.34 |
| | AM | \$ 941.83 | 40% | \$ 376.73 | 35% | \$ 329.64 | 25% | \$ 235.46 | \$ 941.83 |
| | CS | \$ 107,504.76 | 53% | \$ 56,977.52 | 47% | \$ 50,527.24 | 0% | \$ - | \$ 107,504.76 |
| | FM | \$ 172.03 | 80% | \$ 137.62 | 10% | \$ 17.20 | 10% | \$ 17.20 | \$ 172.03 |
| | GI | \$ 3,397.88 | 50% | \$ 1,698.94 | 50% | \$ 1,698.94 | 0% | \$ - | \$ 3,397.88 |
| | GS | \$ 12,095.20 | 79% | \$ 9,555.21 | 21% | \$ 2,539.99 | 0% | \$ - | \$ 12,095.20 |
| | MT | \$ 579.12 | 52% | \$ 301.14 | 48% | \$ 277.98 | 0% | \$ - | \$ 579.12 |
| | PC | \$ 230.00 | 60% | \$ 138.00 | 30% | \$ 69.00 | 10% | \$ 23.00 | \$ 230.00 |
| | Allocated Deprec Adj Entry | \$ 185,641.82 | | \$ 112,196.14 | | \$ 68,929.16 | | \$ 4,516.52 | \$ 185,641.82 |
| Cr | AJE Needed 1.06.40301 | | \$ 73,445.68 | | | | | | |
| Dr | 4.06.40301 | \$ 68,929.16 | | | | | | | |
| Dr | 2.00.40301 | \$ 4,516.52 | | | | | | | |
| | | \$ 73,445.68 | \$ 73,445.68 | | | | | | |

Appendix E

Schedules from Rate and Cost of Service Model

HCWD1 - Radcliff Utility
PSC Case
Revenue Requirements

Schedule 1

Test Year Ended 12/31/12

| | 2012 | | | Pro forma Adjustments | |
|---|--------------|-------------|--------------|--|------------|
| | Test Year | Adjustments | Rate Year | | |
| Required Income Available for Debt Service (1) | \$ 348,955 | - | \$ 348,955 | Operating Expenses | \$ (3,617) |
| Plus: | | | | Insurance Services | 79,391 |
| Operating Expenses | \$ 2,601,032 | \$ 128,823 | \$ 2,729,855 | Veolia Contract Operating Costs | 19,387 |
| Depreciation/Amortization (rate funded capital) | 981,121 | 144,534 | 1,125,655 | Salaries and Benefits | 33,663 |
| Total Revenue Requirements | \$ 3,931,108 | \$ 273,357 | \$ 4,204,465 | Reduced G&A savings From Fort Knox Water | \$ 128,823 |
| | | | | <i>Subtotal Operating Expense Adjustments</i> | |
| Less: | | | | Non-Operating Expenses | \$ 99,903 |
| Interest Income | \$ 24,123 | \$ - | \$ 24,123 | One-time gain/loss on sale from assets | |
| Revenue Requirement from Operations | \$ 3,906,984 | \$ 273,357 | \$ 4,180,341 | Depreciation/Amortization | \$ 20,000 |
| Less: | | | | Amortization of Rate Case (5-year) | (8,185) |
| Other Non-Operating Revenue/Expenses | \$ 87,352 | \$ 99,903 | \$ 187,255 | Deduction of Depreciation | 7,729 |
| Less: | | | | Lincoln Trail I/I Reduction Project | 9,318 |
| Transfer from Reserves for Capital | \$ - | \$ - | \$ - | Quiggins Gravity System Project | 8,573 |
| Revenue Requirement from Sewer Sales | \$ 3,819,632 | \$ 173,454 | \$ 3,993,086 | Boone Trace and Lincoln Trail Lift Station Improvements | 15,214 |
| Revenue From Sewer Sales During Test Year | \$ 3,371,082 | \$ - | \$ 3,371,082 | WWTP Primary Treatment Building | 1,200 |
| Revenue Adjustment for Winter Quarter Billing | \$ - | \$ - | \$ - | Watkins LS Project | 9,025 |
| Net Revenue From Sewer Sales During Test Year | \$ 3,371,082 | \$ - | \$ 3,371,082 | Drug Store Lift Station Replacement | 4,600 |
| Increase Needed | | | \$ 622,004 | WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of | 1,096 |
| % Increase Needed | | | 18.45% | Greenview and Cement LS Improvements | 1,874 |
| Check: | | | | Greenview and Cement Gravity System Improvements | 5,304 |
| Total Revenue Requirement | | | \$ 4,204,465 | North Logsdon Parkway Gravity System Improvements | 2,964 |
| Less: | | | | Stovall LS/FM Improvements | 2,739 |
| Total Test Year Revenues from Operations | | | \$ 3,558,337 | North Woodland Gravity System Improvements | 241 |
| Interest Income | | | \$ 24,123 | John Hardin Force Main Improvements | 2,972 |
| % Increase Needed | | | \$ 622,004 | WWTP RAS/WAS Improvements | 269 |
| Revenue Requirement Summary | | | | LS Bypass Improvements | 15,641 |
| Debt Service Requirement | | | \$ 348,955 | North Logsdon LS Improvements Project | 20,000 |
| Less: Income Available for Debt Service | | | \$ 3,371,082 | Quiggins and Boone Trace I/I Reduction Project | 6,000 |
| Adjusted Revenues from Sewer Sales During Test Year | | | 187,255 | Seminole I/I Reduction Project | 8,000 |
| Plus: Other Non-Operating Revenues/Expenses | | | 24,123 | WWTP Oxidation Ditch Improvements | 1,748 |
| Plus: Interest Income | | | 2,729,855 | Replace 5 Laptops/Workstations | 1,780 |
| Less: Operating Expenses | | | 1,125,655 | Easement Jetter Machine | 353 |
| Less: Depreciation/Amortization (rate funded capital) | | | - | Trimble GeoXH 6000 GPS Receiver | 330 |
| Plus: Transfer from Reserves | | | - | Replace Sludge Belt Press | 198 |
| Income Available for Debt Service | | | \$ (273,049) | Service Center Roof Painting & Equip Bldg Door Coating | 819 |
| Increase Needed | | | \$ 622,004 | Vertical Edge 700 Phone System | 1,140 |
| % Increase | | | 18.45% | Replace Influent & Effluent Refrigerated Samplers | 303 |
| | | | | Upgrade Utility Billing System | 350 |
| | | | | Chain Cutter Head | 529 |
| | | | | Internal Crane for CCTV Van | 257 |
| | | | | Ladder/Pipe Racks for Trucks | 220 |
| | | | | AutoDesk Infrastructure Design Premium | 343 |
| | | | | Aims 8000 Walt Power Invertors for Trucks | 355 |
| | | | | Aries Wireless Pole Camera | 78 |
| | | | | PT AutoCAD Drafter | 743 |
| | | | | Trailer for Bobcat | 132 |
| | | | | Smart Board | 18 |
| | | | | Replace Carpet in Large Conference Room | 86 |
| | | | | Replace Carpet in Lobby | 178 |
| | | | | Replace Lobby and Customer Service Area Furniture | 144,534 |
| | | | | <i>Subtotal Depreciation Amortization Adjustments</i> | |

(1) 3-year average debt service

HCWD1 - Radcliff Utility
PSC Case
Billing Analysis - Existing Tariff Structure

Schedule 2a

| From | To | Average Usage | Accounts | Bills | Minimum Charge (1) | Volume Charge for Average Use | Monthly Charge for Average Use | Calculated Revenue From Minimum Charge | Calculate Revenue from Volume Charge for Avg. Use | Calculated Total Revenue |
|---------|---------|---------------|----------|--------|--------------------|-------------------------------|--------------------------------|--|---|--------------------------|
| 0 | 0 | 0 | 788 | 9,456 | \$ 17.11 | \$ - | \$ 17.11 | \$ 161,792 | \$ - | \$ 161,792 |
| 0 | 999 | 500 | 958 | 11,497 | \$ 17.11 | \$ - | \$ 17.11 | \$ 196,712 | \$ - | \$ 196,712 |
| 1,000 | 1,999 | 1,500 | 1406 | 16,871 | \$ 17.11 | \$ - | \$ 17.11 | \$ 288,664 | \$ - | \$ 288,664 |
| 2,000 | 2,999 | 2,500 | 1431 | 17,172 | \$ 17.11 | \$ 2.79 | \$ 19.90 | \$ 293,804 | \$ 47,861 | \$ 341,665 |
| 3,000 | 3,999 | 3,500 | 1213 | 14,560 | \$ 17.11 | \$ 8.37 | \$ 25.48 | \$ 249,126 | \$ 121,829 | \$ 370,955 |
| 4,000 | 4,999 | 4,500 | 940 | 11,274 | \$ 17.11 | \$ 13.95 | \$ 31.06 | \$ 192,903 | \$ 157,245 | \$ 350,149 |
| 5,000 | 5,999 | 5,500 | 622 | 7,468 | \$ 17.11 | \$ 19.53 | \$ 36.64 | \$ 127,782 | \$ 145,834 | \$ 273,617 |
| 6,000 | 6,999 | 6,500 | 403 | 4,840 | \$ 17.11 | \$ 25.11 | \$ 42.22 | \$ 82,817 | \$ 121,526 | \$ 204,344 |
| 7,000 | 7,999 | 7,500 | 248 | 2,976 | \$ 17.11 | \$ 30.69 | \$ 53.38 | \$ 50,914 | \$ 91,315 | \$ 142,229 |
| 8,000 | 8,999 | 8,500 | 161 | 1,927 | \$ 17.11 | \$ 36.27 | \$ 69.87 | \$ 32,965 | \$ 69,875 | \$ 102,840 |
| 9,000 | 9,999 | 9,500 | 106 | 1,272 | \$ 17.11 | \$ 41.85 | \$ 82.81 | \$ 21,758 | \$ 53,214 | \$ 74,972 |
| 10,000 | 10,999 | 10,500 | 70 | 834 | \$ 17.11 | \$ 47.43 | \$ 99.56 | \$ 14,275 | \$ 39,568 | \$ 53,843 |
| 11,000 | 11,999 | 11,500 | 46 | 558 | \$ 17.11 | \$ 53.01 | \$ 127.12 | \$ 9,539 | \$ 29,552 | \$ 39,091 |
| 12,000 | 12,999 | 12,500 | 36 | 435 | \$ 17.11 | \$ 58.59 | \$ 165.75 | \$ 7,449 | \$ 25,507 | \$ 32,956 |
| 13,000 | 13,999 | 13,500 | 27 | 318 | \$ 17.11 | \$ 64.17 | \$ 212.88 | \$ 5,444 | \$ 20,415 | \$ 25,859 |
| 14,000 | 14,999 | 14,500 | 23 | 278 | \$ 17.11 | \$ 69.75 | \$ 260.86 | \$ 4,753 | \$ 19,374 | \$ 24,126 |
| 15,000 | 15,999 | 15,500 | 21 | 252 | \$ 17.11 | \$ 75.33 | \$ 309.97 | \$ 4,180 | \$ 18,333 | \$ 22,513 |
| 16,000 | 16,999 | 16,500 | 19 | 226 | \$ 17.11 | \$ 80.91 | \$ 359.08 | \$ 3,607 | \$ 17,292 | \$ 20,899 |
| 17,000 | 17,999 | 17,500 | 17 | 200 | \$ 17.11 | \$ 86.49 | \$ 408.19 | \$ 3,034 | \$ 16,251 | \$ 19,285 |
| 18,000 | 18,999 | 18,500 | 15 | 174 | \$ 17.11 | \$ 92.07 | \$ 457.30 | \$ 2,461 | \$ 15,210 | \$ 17,671 |
| 19,000 | 19,999 | 19,500 | 13 | 148 | \$ 17.11 | \$ 97.65 | \$ 506.41 | \$ 1,888 | \$ 14,169 | \$ 16,057 |
| 20,000 | 20,999 | 20,500 | 11 | 122 | \$ 17.11 | \$ 103.23 | \$ 555.52 | \$ 1,315 | \$ 13,128 | \$ 14,443 |
| 21,000 | 21,999 | 21,500 | 9 | 104 | \$ 17.11 | \$ 108.81 | \$ 604.63 | \$ 742 | \$ 12,087 | \$ 12,829 |
| 22,000 | 22,999 | 22,500 | 7 | 86 | \$ 17.11 | \$ 114.39 | \$ 653.74 | \$ 589 | \$ 11,046 | \$ 11,635 |
| 23,000 | 23,999 | 23,500 | 5 | 68 | \$ 17.11 | \$ 119.97 | \$ 702.85 | \$ 436 | \$ 10,005 | \$ 10,441 |
| 24,000 | 24,999 | 24,500 | 3 | 50 | \$ 17.11 | \$ 125.55 | \$ 751.96 | \$ 283 | \$ 8,964 | \$ 9,247 |
| 25,000 | 25,999 | 25,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 26,000 | 26,999 | 26,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 27,000 | 27,999 | 27,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 28,000 | 28,999 | 28,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 29,000 | 29,999 | 29,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 30,000 | 30,999 | 30,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 31,000 | 31,999 | 31,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 32,000 | 32,999 | 32,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 33,000 | 33,999 | 33,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 34,000 | 34,999 | 34,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 35,000 | 35,999 | 35,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 36,000 | 36,999 | 36,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 37,000 | 37,999 | 37,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 38,000 | 38,999 | 38,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 39,000 | 39,999 | 39,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 40,000 | 40,999 | 40,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 41,000 | 41,999 | 41,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 42,000 | 42,999 | 42,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 43,000 | 43,999 | 43,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 44,000 | 44,999 | 44,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 45,000 | 45,999 | 45,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 46,000 | 46,999 | 46,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 47,000 | 47,999 | 47,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 48,000 | 48,999 | 48,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 49,000 | 49,999 | 49,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 50,000 | 50,999 | 50,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 51,000 | 51,999 | 51,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 52,000 | 52,999 | 52,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 53,000 | 53,999 | 53,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 54,000 | 54,999 | 54,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 55,000 | 55,999 | 55,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 56,000 | 56,999 | 56,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 57,000 | 57,999 | 57,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 58,000 | 58,999 | 58,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 59,000 | 59,999 | 59,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 60,000 | 60,999 | 60,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 61,000 | 61,999 | 61,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 62,000 | 62,999 | 62,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 63,000 | 63,999 | 63,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 64,000 | 64,999 | 64,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 65,000 | 65,999 | 65,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 66,000 | 66,999 | 66,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 67,000 | 67,999 | 67,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 68,000 | 68,999 | 68,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 69,000 | 69,999 | 69,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 70,000 | 70,999 | 70,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 71,000 | 71,999 | 71,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 72,000 | 72,999 | 72,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 73,000 | 73,999 | 73,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 74,000 | 74,999 | 74,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 75,000 | 75,999 | 75,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 76,000 | 76,999 | 76,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 77,000 | 77,999 | 77,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 78,000 | 78,999 | 78,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 79,000 | 79,999 | 79,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 80,000 | 80,999 | 80,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 81,000 | 81,999 | 81,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 82,000 | 82,999 | 82,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 83,000 | 83,999 | 83,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 84,000 | 84,999 | 84,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 85,000 | 85,999 | 85,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 86,000 | 86,999 | 86,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 87,000 | 87,999 | 87,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 88,000 | 88,999 | 88,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 89,000 | 89,999 | 89,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 90,000 | 90,999 | 90,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 91,000 | 91,999 | 91,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 92,000 | 92,999 | 92,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 93,000 | 93,999 | 93,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 94,000 | 94,999 | 94,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 95,000 | 95,999 | 95,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 96,000 | 96,999 | 96,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 97,000 | 97,999 | 97,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 98,000 | 98,999 | 98,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 99,000 | 99,999 | 99,500 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |
| 100,000 | 100,000 | 100,000 | 1 | 32 | \$ 17.11 | \$ 131.13 | \$ 801.07 | \$ 130 | \$ 7,923 | \$ 8,053 |

3,670 104,154

\$ 1

| From | To | Average Usage | Accounts | Bills | Minimum Charge (1) | Volume Charge for Average Use | Monthly Charge for Average Use | Calculated Revenue From Minimum Charge | Calculate Revenue from Volume Charge for Avg. Use | Calculated Total Revenue |
|---------|---------|---------------|----------|--------|--------------------|-------------------------------|--------------------------------|--|---|--------------------------|
| 0 | 0 | 0 | 788 | 9,456 | \$ 19.88 | \$ - | \$ 19.88 | \$ 187,995 | \$ - | \$ 187,995 |
| 0 | 999 | 500 | 958 | 11,497 | \$ 19.88 | \$ - | \$ 19.88 | \$ 228,571 | \$ - | \$ 228,571 |
| 1,000 | 1,999 | 1,500 | 1,406 | 16,871 | \$ 19.88 | \$ - | \$ 19.88 | \$ 335,415 | \$ - | \$ 335,415 |
| 2,000 | 2,999 | 2,500 | 1,431 | 17,172 | \$ 19.88 | \$ 3.24 | \$ 23.12 | \$ 341,388 | \$ 55,612 | \$ 397,000 |
| 3,000 | 3,999 | 3,500 | 1,213 | 14,560 | \$ 19.88 | \$ 9.72 | \$ 29.60 | \$ 289,474 | \$ 141,560 | \$ 431,034 |
| 4,000 | 4,999 | 4,500 | 940 | 11,274 | \$ 19.88 | \$ 16.21 | \$ 36.09 | \$ 224,145 | \$ 182,712 | \$ 406,857 |
| 5,000 | 5,999 | 5,500 | 622 | 7,468 | \$ 19.88 | \$ 22.69 | \$ 42.57 | \$ 148,477 | \$ 169,453 | \$ 317,931 |
| 6,000 | 6,999 | 6,500 | 403 | 4,840 | \$ 19.88 | \$ 29.17 | \$ 49.05 | \$ 96,230 | \$ 141,208 | \$ 237,438 |
| 7,000 | 7,999 | 7,500 | 248 | 2,976 | \$ 19.88 | \$ 35.66 | \$ 55.54 | \$ 59,160 | \$ 106,105 | \$ 165,264 |
| 8,000 | 8,999 | 8,500 | 161 | 1,927 | \$ 19.88 | \$ 42.14 | \$ 62.02 | \$ 38,304 | \$ 81,191 | \$ 119,495 |
| 9,000 | 9,999 | 9,500 | 106 | 1,272 | \$ 19.88 | \$ 48.62 | \$ 68.51 | \$ 25,281 | \$ 61,833 | \$ 87,114 |
| 10,000 | 10,999 | 10,500 | 70 | 834 | \$ 19.88 | \$ 55.11 | \$ 74.99 | \$ 16,587 | \$ 45,977 | \$ 62,563 |
| 11,000 | 11,999 | 11,500 | 46 | 558 | \$ 19.88 | \$ 61.59 | \$ 81.47 | \$ 11,084 | \$ 34,338 | \$ 45,422 |
| 12,000 | 12,999 | 12,500 | 36 | 435 | \$ 19.88 | \$ 68.08 | \$ 87.96 | \$ 8,656 | \$ 29,638 | \$ 38,294 |
| 13,000 | 13,999 | 13,500 | 27 | 318 | \$ 19.88 | \$ 74.56 | \$ 94.44 | \$ 6,325 | \$ 23,721 | \$ 30,047 |
| 14,000 | 14,999 | 14,500 | 23 | 278 | \$ 19.88 | \$ 81.04 | \$ 100.92 | \$ 5,522 | \$ 22,511 | \$ 28,034 |
| 15,000 | 24,999 | 20,000 | 91 | 1,094 | \$ 19.88 | \$ 113.46 | \$ 133.34 | \$ 21,757 | \$ 124,166 | \$ 145,922 |
| 25,000 | 34,999 | 30,000 | 30 | 357 | \$ 19.88 | \$ 171.82 | \$ 191.70 | \$ 7,089 | \$ 61,264 | \$ 68,353 |
| 35,000 | 44,999 | 40,000 | 20 | 244 | \$ 19.88 | \$ 230.17 | \$ 250.05 | \$ 4,857 | \$ 56,226 | \$ 61,082 |
| 45,000 | 54,999 | 50,000 | 13 | 158 | \$ 19.88 | \$ 288.52 | \$ 308.40 | \$ 3,133 | \$ 45,471 | \$ 48,604 |
| 55,000 | 64,999 | 60,000 | 8 | 100 | \$ 19.88 | \$ 346.88 | \$ 366.76 | \$ 1,997 | \$ 34,851 | \$ 36,848 |
| 65,000 | 74,999 | 70,000 | 6 | 75 | \$ 19.88 | \$ 405.23 | \$ 425.11 | \$ 1,488 | \$ 30,335 | \$ 31,824 |
| 75,000 | 84,999 | 80,000 | 3 | 40 | \$ 19.88 | \$ 463.58 | \$ 483.46 | \$ 803 | \$ 18,722 | \$ 19,525 |
| 85,000 | 94,999 | 90,000 | 3 | 33 | \$ 19.88 | \$ 521.94 | \$ 541.82 | \$ 646 | \$ 16,966 | \$ 17,612 |
| 95,000 | 104,999 | 100,000 | 2 | 27 | \$ 19.88 | \$ 580.29 | \$ 600.17 | \$ 529 | \$ 15,433 | \$ 15,962 |
| 105,000 | 114,999 | 110,000 | 2 | 27 | \$ 19.88 | \$ 638.64 | \$ 658.52 | \$ 529 | \$ 16,985 | \$ 17,513 |
| 115,000 | 124,999 | 120,000 | 2 | 23 | \$ 19.88 | \$ 697.00 | \$ 716.88 | \$ 450 | \$ 15,790 | \$ 16,241 |
| 125,000 | 134,999 | 130,000 | 1 | 18 | \$ 19.88 | \$ 755.35 | \$ 775.23 | \$ 352 | \$ 13,392 | \$ 13,745 |
| 135,000 | 144,999 | 140,000 | 2 | 22 | \$ 19.88 | \$ 813.70 | \$ 833.58 | \$ 431 | \$ 17,633 | \$ 18,064 |
| 145,000 | 154,999 | 150,000 | 2 | 20 | \$ 19.88 | \$ 872.06 | \$ 891.94 | \$ 392 | \$ 17,180 | \$ 17,571 |
| 155,000 | 164,999 | 160,000 | 1 | 12 | \$ 19.88 | \$ 930.41 | \$ 950.29 | \$ 235 | \$ 10,997 | \$ 11,232 |
| 165,000 | 174,999 | 170,000 | 1 | 13 | \$ 19.88 | \$ 988.76 | \$ 1,008.64 | \$ 255 | \$ 12,661 | \$ 12,916 |
| 175,000 | 184,999 | 180,000 | 1 | 12 | \$ 19.88 | \$ 1,047.12 | \$ 1,067.00 | \$ 235 | \$ 12,377 | \$ 12,612 |
| 185,000 | 194,999 | 190,000 | 1 | 10 | \$ 19.88 | \$ 1,105.47 | \$ 1,125.35 | \$ 196 | \$ 10,889 | \$ 11,085 |
| 195,000 | 204,999 | 200,000 | 0 | 5 | \$ 19.88 | \$ 1,163.82 | \$ 1,183.71 | \$ 98 | \$ 5,732 | \$ 5,830 |
| 205,000 | 214,999 | 210,000 | 1 | 10 | \$ 19.88 | \$ 1,222.18 | \$ 1,242.06 | \$ 196 | \$ 12,038 | \$ 12,234 |
| 215,000 | 224,999 | 220,000 | 0 | 4 | \$ 19.88 | \$ 1,280.53 | \$ 1,300.41 | \$ 78 | \$ 5,045 | \$ 5,124 |
| 225,000 | 234,999 | 230,000 | 0 | 5 | \$ 19.88 | \$ 1,338.88 | \$ 1,358.77 | \$ 98 | \$ 6,594 | \$ 6,692 |
| 235,000 | 244,999 | 240,000 | 0 | 5 | \$ 19.88 | \$ 1,397.24 | \$ 1,417.12 | \$ 98 | \$ 6,881 | \$ 6,979 |
| 245,000 | 254,999 | 250,000 | 0 | 4 | \$ 19.88 | \$ 1,455.59 | \$ 1,475.47 | \$ 78 | \$ 5,735 | \$ 5,813 |
| 255,000 | 264,999 | 260,000 | 0 | 2 | \$ 19.88 | \$ 1,513.94 | \$ 1,533.83 | \$ 39 | \$ 2,982 | \$ 3,022 |
| 265,000 | 274,999 | 270,000 | 0 | 4 | \$ 19.88 | \$ 1,572.30 | \$ 1,592.18 | \$ 78 | \$ 6,195 | \$ 6,273 |
| 275,000 | 284,999 | 280,000 | 1 | 8 | \$ 19.88 | \$ 1,630.65 | \$ 1,650.53 | \$ 157 | \$ 12,850 | \$ 13,006 |
| 285,000 | 294,999 | 290,000 | 0 | 5 | \$ 19.88 | \$ 1,689.01 | \$ 1,708.89 | \$ 98 | \$ 8,318 | \$ 8,416 |
| 295,000 | 304,999 | 300,000 | 0 | 5 | \$ 19.88 | \$ 1,747.36 | \$ 1,767.24 | \$ 98 | \$ 8,606 | \$ 8,704 |
| 305,000 | 314,999 | 310,000 | 1 | 7 | \$ 19.88 | \$ 1,805.71 | \$ 1,825.59 | \$ 137 | \$ 12,450 | \$ 12,587 |
| 315,000 | 324,999 | 320,000 | 0 | 3 | \$ 19.88 | \$ 1,864.07 | \$ 1,883.95 | \$ 59 | \$ 5,508 | \$ 5,567 |
| 325,000 | 334,999 | 330,000 | 1 | 7 | \$ 19.88 | \$ 1,922.42 | \$ 1,942.30 | \$ 137 | \$ 13,255 | \$ 13,392 |
| 335,000 | 344,999 | 340,000 | 0 | 4 | \$ 19.88 | \$ 1,980.77 | \$ 2,000.65 | \$ 78 | \$ 7,804 | \$ 7,883 |
| 345,000 | 354,999 | 350,000 | 0 | 0 | \$ 19.88 | \$ 2,039.13 | \$ 2,059.01 | \$ - | \$ - | \$ - |
| 355,000 | 374,999 | 365,000 | 0 | 4 | \$ 19.88 | \$ 2,126.66 | \$ 2,146.54 | \$ 78 | \$ 8,379 | \$ 8,457 |
| 375,000 | 384,999 | 380,000 | 0 | 2 | \$ 19.88 | \$ 2,214.19 | \$ 2,234.07 | \$ 39 | \$ 4,362 | \$ 4,401 |
| 385,000 | 404,999 | 395,000 | 0 | 3 | \$ 19.88 | \$ 2,301.72 | \$ 2,321.60 | \$ 59 | \$ 6,802 | \$ 6,860 |
| 405,000 | 424,999 | 415,000 | 0 | 1 | \$ 19.88 | \$ 2,418.42 | \$ 2,438.30 | \$ 20 | \$ 2,382 | \$ 2,402 |
| 425,000 | 444,999 | 445,000 | 0 | 5 | \$ 19.88 | \$ 2,593.48 | \$ 2,613.36 | \$ 98 | \$ 12,773 | \$ 12,871 |
| 465,000 | 624,999 | 545,000 | 1 | 13 | \$ 19.88 | \$ 3,177.02 | \$ 3,196.90 | \$ 255 | \$ 40,682 | \$ 40,936 |
| 625,000 | 654,999 | 640,000 | 0 | 2 | \$ 19.88 | \$ 3,731.38 | \$ 3,751.26 | \$ 39 | \$ 7,351 | \$ 7,390 |
| 655,000 | 714,999 | 685,000 | 1 | 8 | \$ 19.88 | \$ 3,993.97 | \$ 4,013.85 | \$ 157 | \$ 31,472 | \$ 31,629 |
| 715,000 | 844,999 | 780,000 | 2 | 22 | \$ 19.88 | \$ 4,548.32 | \$ 4,568.21 | \$ 431 | \$ 98,562 | \$ 98,993 |
| 845,000 | 900,000 | 845,000 | 0 | 0 | \$ 19.88 | \$ 4,927.62 | \$ 4,947.51 | \$ - | \$ - | \$ - |
| | | | | | | | | \$ 2,070,691 | \$ 1,959,957 | \$ 4,030,648 |
| | | | | | | | | Test Year Revenues | | \$ 3,371,082 |
| | | | | | | | | Revenues from Billing Analysis | | |
| | | | | | | | | Minimum Charge | \$ 2,070,691 | |
| | | | | | | | | Volume Charge | 1,959,957 | |
| | | | | | | | | Total | \$ 4,030,648 | |

(1) Includes first 2,000 gallons of flow

HCWD1 - Radcliff Utility
PSC Case
Billing Analysis - Comparison (Board Approved Structure)

Schedule 2c

| From | To | Average Usage | Accounts | Bills | Existing Rates | | Proposed Rates | | \$ Change | % Change |
|---------|---------|---------------|----------|--------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------|----------|
| | | | | | Monthly Charge for Average Use | Monthly Charge for Average Use | Monthly Charge for Average Use | Monthly Charge for Average Use | | |
| 0 | 0 | 0 | 788 | 9,456 | \$ 17.11 | \$ 19.88 | \$ 2.77 | 16.2% | | |
| 0 | 999 | 500 | 958 | 11,497 | \$ 17.11 | \$ 19.88 | \$ 2.77 | 16.2% | | |
| 1,000 | 1,999 | 1,500 | 1,406 | 16,871 | \$ 17.11 | \$ 19.88 | \$ 2.77 | 16.2% | | |
| 2,000 | 2,999 | 2,500 | 1,431 | 17,172 | \$ 19.90 | \$ 23.12 | \$ 3.22 | 16.2% | | |
| 3,000 | 3,999 | 3,500 | 1,213 | 14,560 | \$ 25.48 | \$ 29.60 | \$ 4.13 | 16.2% | | |
| 4,000 | 4,999 | 4,500 | 940 | 11,274 | \$ 31.06 | \$ 36.09 | \$ 5.03 | 16.2% | | |
| 5,000 | 5,999 | 5,500 | 622 | 7,468 | \$ 36.64 | \$ 42.57 | \$ 5.93 | 16.2% | | |
| 6,000 | 6,999 | 6,500 | 403 | 4,840 | \$ 42.22 | \$ 49.05 | \$ 6.84 | 16.2% | | |
| 7,000 | 7,999 | 7,500 | 248 | 2,976 | \$ 47.80 | \$ 55.54 | \$ 7.74 | 16.2% | | |
| 8,000 | 8,999 | 8,500 | 161 | 1,927 | \$ 53.38 | \$ 62.02 | \$ 8.64 | 16.2% | | |
| 9,000 | 9,999 | 9,500 | 106 | 1,272 | \$ 58.96 | \$ 68.51 | \$ 9.55 | 16.2% | | |
| 10,000 | 10,999 | 10,500 | 70 | 834 | \$ 64.54 | \$ 74.99 | \$ 10.45 | 16.2% | | |
| 11,000 | 11,999 | 11,500 | 46 | 558 | \$ 70.12 | \$ 81.47 | \$ 11.36 | 16.2% | | |
| 12,000 | 12,999 | 12,500 | 36 | 435 | \$ 75.70 | \$ 87.96 | \$ 12.26 | 16.2% | | |
| 13,000 | 13,999 | 13,500 | 27 | 318 | \$ 81.28 | \$ 94.44 | \$ 13.16 | 16.2% | | |
| 14,000 | 14,999 | 14,500 | 23 | 278 | \$ 86.86 | \$ 100.92 | \$ 14.07 | 16.2% | | |
| 15,000 | 24,999 | 20,000 | 91 | 1,094 | \$ 112.00 | \$ 133.34 | \$ 21.35 | 19.1% | | |
| 25,000 | 34,999 | 30,000 | 30 | 357 | \$ 156.70 | \$ 191.70 | \$ 35.00 | 22.3% | | |
| 35,000 | 44,999 | 40,000 | 20 | 244 | \$ 201.40 | \$ 250.05 | \$ 48.65 | 24.2% | | |
| 45,000 | 54,999 | 50,000 | 13 | 158 | \$ 246.10 | \$ 308.40 | \$ 62.31 | 25.3% | | |
| 55,000 | 64,999 | 60,000 | 8 | 100 | \$ 290.80 | \$ 366.76 | \$ 75.96 | 26.1% | | |
| 65,000 | 74,999 | 70,000 | 6 | 75 | \$ 335.50 | \$ 425.11 | \$ 89.61 | 26.7% | | |
| 75,000 | 84,999 | 80,000 | 3 | 40 | \$ 380.20 | \$ 483.46 | \$ 103.27 | 27.2% | | |
| 85,000 | 94,999 | 90,000 | 3 | 33 | \$ 424.90 | \$ 541.82 | \$ 116.92 | 27.5% | | |
| 95,000 | 104,999 | 100,000 | 2 | 27 | \$ 469.60 | \$ 600.17 | \$ 130.57 | 27.8% | | |
| 105,000 | 114,999 | 110,000 | 2 | 27 | \$ 514.30 | \$ 658.52 | \$ 144.23 | 28.0% | | |
| 115,000 | 124,999 | 120,000 | 2 | 23 | \$ 559.00 | \$ 716.88 | \$ 157.88 | 28.2% | | |
| 125,000 | 134,999 | 130,000 | 1 | 18 | \$ 603.70 | \$ 775.23 | \$ 171.53 | 28.4% | | |
| 135,000 | 144,999 | 140,000 | 2 | 22 | \$ 648.40 | \$ 833.58 | \$ 185.19 | 28.6% | | |
| 145,000 | 154,999 | 150,000 | 2 | 20 | \$ 693.10 | \$ 891.94 | \$ 198.84 | 28.7% | | |
| 155,000 | 164,999 | 160,000 | 1 | 12 | \$ 737.80 | \$ 950.29 | \$ 212.49 | 28.8% | | |
| 165,000 | 174,999 | 170,000 | 1 | 13 | \$ 782.50 | \$ 1,008.64 | \$ 226.15 | 28.9% | | |
| 175,000 | 184,999 | 180,000 | 1 | 12 | \$ 827.20 | \$ 1,067.00 | \$ 239.80 | 29.0% | | |
| 185,000 | 194,999 | 190,000 | 1 | 10 | \$ 871.90 | \$ 1,125.35 | \$ 253.45 | 29.1% | | |
| 195,000 | 204,999 | 200,000 | 0 | 5 | \$ 916.60 | \$ 1,183.71 | \$ 267.11 | 29.1% | | |
| 205,000 | 214,999 | 210,000 | 1 | 10 | \$ 961.30 | \$ 1,242.06 | \$ 280.76 | 29.2% | | |
| 215,000 | 224,999 | 220,000 | 0 | 4 | \$ 1,006.00 | \$ 1,300.41 | \$ 294.41 | 29.3% | | |
| 225,000 | 234,999 | 230,000 | 0 | 5 | \$ 1,050.70 | \$ 1,358.77 | \$ 308.07 | 29.3% | | |
| 235,000 | 244,999 | 240,000 | 0 | 5 | \$ 1,095.40 | \$ 1,417.12 | \$ 321.72 | 29.4% | | |
| 245,000 | 254,999 | 250,000 | 0 | 4 | \$ 1,140.10 | \$ 1,475.47 | \$ 335.37 | 29.4% | | |
| 255,000 | 264,999 | 260,000 | 0 | 2 | \$ 1,184.80 | \$ 1,533.83 | \$ 349.03 | 29.5% | | |
| 265,000 | 274,999 | 270,000 | 0 | 4 | \$ 1,229.50 | \$ 1,592.18 | \$ 362.68 | 29.5% | | |
| 275,000 | 284,999 | 280,000 | 1 | 8 | \$ 1,274.20 | \$ 1,650.53 | \$ 376.34 | 29.5% | | |
| 285,000 | 294,999 | 290,000 | 0 | 5 | \$ 1,318.90 | \$ 1,708.89 | \$ 389.99 | 29.6% | | |
| 295,000 | 304,999 | 300,000 | 0 | 5 | \$ 1,363.60 | \$ 1,767.24 | \$ 403.64 | 29.6% | | |
| 305,000 | 314,999 | 310,000 | 1 | 7 | \$ 1,408.30 | \$ 1,825.59 | \$ 417.30 | 29.6% | | |
| 315,000 | 324,999 | 320,000 | 0 | 3 | \$ 1,453.00 | \$ 1,883.95 | \$ 430.95 | 29.7% | | |
| 325,000 | 334,999 | 330,000 | 1 | 7 | \$ 1,497.70 | \$ 1,942.30 | \$ 444.60 | 29.7% | | |
| 335,000 | 344,999 | 340,000 | 0 | 4 | \$ 1,542.40 | \$ 2,000.65 | \$ 458.26 | 29.7% | | |
| 345,000 | 354,999 | 350,000 | 0 | 0 | \$ 1,587.10 | \$ 2,059.01 | \$ 471.91 | 29.7% | | |
| 355,000 | 374,999 | 365,000 | 0 | 4 | \$ 1,654.15 | \$ 2,146.54 | \$ 492.39 | 29.8% | | |
| 375,000 | 384,999 | 380,000 | 0 | 2 | \$ 1,721.20 | \$ 2,234.07 | \$ 512.87 | 29.8% | | |
| 385,000 | 404,999 | 395,000 | 0 | 3 | \$ 1,788.25 | \$ 2,321.60 | \$ 533.35 | 29.8% | | |
| 405,000 | 424,999 | 415,000 | 0 | 1 | \$ 1,877.65 | \$ 2,438.30 | \$ 560.66 | 29.9% | | |
| 425,000 | 464,999 | 445,000 | 0 | 5 | \$ 2,011.75 | \$ 2,613.36 | \$ 601.62 | 29.9% | | |
| 465,000 | 624,999 | 545,000 | 1 | 13 | \$ 2,458.75 | \$ 3,196.90 | \$ 738.15 | 30.0% | | |
| 625,000 | 654,999 | 640,000 | 0 | 2 | \$ 2,883.40 | \$ 3,751.26 | \$ 867.86 | 30.1% | | |
| 655,000 | 714,999 | 685,000 | 1 | 8 | \$ 3,084.55 | \$ 4,013.85 | \$ 929.30 | 30.1% | | |
| 715,000 | 844,999 | 780,000 | 2 | 22 | \$ 3,509.20 | \$ 4,568.21 | \$ 1,059.01 | 30.2% | | |
| 845,000 | 900,000 | 845,000 | 0 | 0 | \$ 3,799.75 | \$ 4,947.51 | \$ 1,147.76 | 30.2% | | |

8,679 104,154

HCWD1 - Radcliff Utility
PSC Case
Revenue Requirement Detail

Schedule 3

| | 2012 | | |
|--|---------------------|---------------------|---------------------|
| | Test Year (1) | Adjustments | Rate Year |
| Operating Expenses | | | |
| Collection System Labor | \$ 91,059 | \$ 3,145 | \$ 94,204 |
| Pumping System Labor | - | - | - |
| Customer Service Labor | 151,356 | 4,014 | 155,371 |
| Administrative Labor (4) | 102,927 | 12,227 | 115,154 |
| Professional Services-Engineering | - | - | - |
| Professional Services-Accounting | 7,370 | - | 7,370 |
| Professional Services-Legal | 4,559 | - | 4,559 |
| Information Technology Expense | 14,596 | - | 14,596 |
| Certification & Training | 1,708 | - | 1,708 |
| Travel and Lodging | 2,701 | - | 2,701 |
| Education & Conferences | 1,751 | - | 1,751 |
| Bad Debt Expense | 41,597 | - | 41,597 |
| Agency Collection Expense | 2,968 | - | 2,968 |
| Miscellaneous Customer Expense | 812 | - | 812 |
| Management Fee - Veolia | 2,102,540 | 79,391 | 2,181,931 |
| Contract Services | 94,933 | - | 94,933 |
| Investment Expense | - | - | - |
| Supplies for Collection System | - | - | - |
| Office Expense | 7,938 | - | 7,938 |
| Repairs & Maintenance | 1,727 | - | 1,727 |
| Inspection Expense | - | - | - |
| Insurance Services | 29,231 | (3,617) | 25,614 |
| Transportation Fuel & Repairs | 1,949 | - | 1,949 |
| Dues & Subscriptions | - | - | - |
| Advertising Expense | 42 | - | 42 |
| Regulatory Commission Expense | 5,812 | - | 5,812 |
| Rent Expense | 2,250 | - | 2,250 |
| Miscellaneous Expense | 8,133 | - | 8,133 |
| Utilities | 11,400 | - | 11,400 |
| Adjustment for Fort Knox (4) | (88,329) | 33,663 | (54,666) |
| Total Operating Expenses | \$ 2,601,032 | \$ 128,823 | \$ 2,729,855 |
| sum check (0) | | | |
| Amortization/Depreciation Expense | | | |
| Depreciation/Amortization (2) | \$ 981,121 | \$ 144,534 | \$ 1,125,655 |
| Total Amortization Depreciation Expenses | \$ 981,121 | \$ 144,534 | \$ 1,125,655 |
| Less Non-Operating Income/Expenses | | | |
| Interest Expense - Radcliff Utility (3) | \$ (86,791) | \$ 86,791 | \$ - |
| 3-year average debt service (principal and interest) | - | (348,955) | (348,955) |
| Penalties, Service Fee & Miscellaneous | 184,255 | - | 184,255 |
| Interest Income | 24,123 | - | 24,123 |
| Gain on Sale of Assets | (99,903) | 99,903 | - |
| Total Non-Operating Income/Expenses | \$ 21,685 | \$ (162,262) | \$ (140,577) |
| Less Capital Contributions (Cash) | | | |
| Tap Fees | \$ 3,000 | \$ - | \$ 3,000 |
| Total Capital Contributions | \$ 3,000 | \$ - | \$ 3,000 |
| Less Transfer from Reserves | \$ - | \$ - | \$ - |
| Net Revenue Requirements | \$ 3,557,468 | \$ 435,619 | \$ 3,993,086 |
| sum check (0) | | | |

(1) Test year period is the calendar year 2012 (January - December)

(2) Includes depreciation, allocated depreciation and amortization of acquisition costs associated with the Radcliff Utility

(3) Includes interest expense on debt allocated directly to the Radcliff Utility as well as allocated debt service associated with interest expense on the 2002 Variable Rate Bond issued for the Service Center. For this specific obligation, debt service is allocated to the Radcliff Utility based on the occupancy percentage of personnel in the Service Center dedicated to the Radcliff Utility. The allocation percentage is calculated based on both square footage of office space and an estimate for the time employees designate to the Radcliff Utility. Interest expense also includes the amortization of debt expense, amortization of allocated debt discount/expense, loan service fees, and customer interest expense

(4) Includes adjustment for reduced general and administrative costs as a result of the new contract operating agreement HCWD1 and the Fort Knox water system

HCWD1 - Radcliff Utility

PSC Case

3-Year Average Debt Service (Principal & Interest)

Schedule 4

| \$4,809,652.01 | | | |
|------------------------------|-------------------|-------------------|---------------------|
| KIA Loan # A97-03 (1) | | | |
| Payments Due | Principal | Interest/Fees | Total |
| 2013 | \$ 278,656 | \$ 70,869 | \$ 349,525 |
| 2014 | 289,346 | 59,616 | \$ 348,962 |
| 2015 | 300,445 | 47,933 | \$ 348,378 |
| Total | \$ 868,447 | \$ 178,418 | \$ 1,046,865 |

| | |
|---|---------------------|
| Total Debt Service | \$ 1,046,865 |
| Times (x) Debt Service Coverage | 1.0 |
| Total Debt Service Plus Coverage | \$ 1,046,865 |
| Total Debt Service Plus Coverage (3 years) | \$ 1,046,865 |
| 3-Year Average | \$ 348,955 |

(1) Debt service payment schedules provided by the HCWD1 staff.

| | 2012 | | | | | | | Total |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | Test Year | Rate Year | 2014 | 2015 | 2016 | 2017 | 2018 | |
| Capital Projects | | | | | | | | |
| Lincoln Trail I/I Reduction Project | \$ 276,425 | \$ 110,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 386,425 |
| Quiggins Gravity System Project | 445,904 | 20,000 | - | - | - | - | - | 465,904 |
| Boone Trace and Lincoln Trail Lift Station Improvements | 42,937 | 300,000 | - | - | - | - | - | 342,937 |
| WWTP Primary Treatment Building | 380,344 | - | - | - | - | - | - | 380,344 |
| Watkins LS Project | 13,018 | 35,000 | - | - | - | - | - | 48,018 |
| Drug Store Lift Station Replacement | 30,996 | 300,000 | 30,000 | - | - | - | - | 360,996 |
| WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP | - | 115,000 | - | - | - | - | - | 115,000 |
| Greenview and Cement LS Improvements | 13,823 | 30,000 | - | - | - | - | - | 43,823 |
| Greenview and Cement Gravity System Improvements | 3,713 | 90,000 | - | - | - | - | - | 93,713 |
| North Logsdon Parkway Gravity System Improvements | 265,182 | - | - | - | - | - | - | 265,182 |
| Stovall LS/FM Improvements | 113,571 | 5,000 | - | - | - | - | - | 118,571 |
| North Woodland Gravity System Improvements | 136,932 | - | - | - | - | - | - | 136,932 |
| John Hardin Force Maint Improvements | 2,053 | 10,000 | - | - | - | - | - | 12,053 |
| WWTP RAS/WAS Improvements | 4,311 | 70,000 | - | - | - | - | - | 74,311 |
| LS Bypass Improvements | 5,753 | 5,000 | - | - | - | - | - | 10,753 |
| North Logsdon LS Improvements Project | 25,633 | 400,000 | 200,000 | - | - | - | - | 625,633 |
| Quiggins and Boone Trace I/I Reduction Project | - | 600,000 | 400,000 | - | - | - | - | 1,000,000 |
| Seminole I/I Reduction Project | - | - | 300,000 | - | - | - | - | 300,000 |
| WWTP Oxidation Ditch Improvements | - | 200,000 | - | - | - | - | - | 200,000 |
| Quiggins Lift Station Improvements | - | - | - | - | 100,000 | - | - | 100,000 |
| Scenic Drive Main Sewer Line Replacement | - | - | - | - | - | - | - | - |
| Redmar Lift Station Improvements | - | - | - | 50,000 | 250,000 | - | - | 300,000 |
| Future WWTP Projects | - | - | 200,000 | 200,000 | 200,000 | - | - | 600,000 |
| Future Lift Station Projects | - | - | 300,000 | 400,000 | 400,000 | - | - | 1,100,000 |
| Future Collection System Projects | - | - | 100,000 | 100,000 | 100,000 | - | - | 300,000 |
| Future Projects | - | - | - | 400,000 | 150,000 | 1,300,000 | 1,400,000 | 3,250,000 |
| Total Capital Projects | \$ 1,760,594 | \$ 2,290,000 | \$ 1,530,000 | \$ 1,150,000 | \$ 1,200,000 | \$ 1,300,000 | \$ 1,400,000 | \$ 10,630,594 |
| Funding Sources | | | | | | | | |
| Rate Funded Capital | \$ 709,044 | \$ 502,539 | \$ 1,031,736 | \$ 855,043 | \$ 1,200,000 | \$ 1,293,142 | \$ 1,338,408 | \$ 6,929,912 |
| Cash Reserves | - | 421,727 | 48,264 | - | - | 6,858 | 61,592 | 538,441 |
| LS Grant (BRAC) (1) | 164,821 | 785,000 | 450,000 | 294,957 | - | - | - | 1,694,778 |
| SI Grant (BRAC) (1) | 886,730 | 580,734 | - | - | - | - | - | 1,467,464 |
| KIA Loans | - | - | - | - | - | - | - | - |
| Revenue Bonds | - | - | - | - | - | - | - | - |
| Total Funding Sources | \$ 1,760,594 | \$ 2,290,000 | \$ 1,530,000 | \$ 1,150,000 | \$ 1,200,000 | \$ 1,300,000 | \$ 1,400,000 | \$ 10,630,594 |
| Additional Funding Needs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

(1) The District has been awarded a total of \$3.75 million in grants from the Base Realignment And Closure (BRAC). BRAC funds can be used for sewer inflow and infiltration improvements and lift station improvements. The majority of these funds will be spent on projects from 2011 through 2014.

HCWD1 - Radcliff Utility
PSC Case
Revenue Offsets

Schedule 6

| | 2012 | | |
|--|-------------------|--------------------|-------------------|
| | <i>Test Year</i> | <i>Adjustments</i> | <i>Rate Year</i> |
| Revenue Offsets | | | |
| Penalties, Service Fee & Miscellaneous | \$ 184,255 | \$ - | \$ 184,255 |
| Gain on Sale of Assets | (99,903) | 99,903 | - |
| Interest Earnings | 24,123 | - | 24,123 |
| Tap Fees | 3,000 | - | 3,000 |
| Special Discharge Permit Fee | - | - | - |
| Discharge Permit Inspection | - | - | - |
| Private Line Clearing - Day | - | - | - |
| Private Line Clearing - Night | - | - | - |
| Service Callout - Day | - | - | - |
| Service Callout - Night | - | - | - |
| Total Revenue Offsets | \$ 111,476 | \$ 99,903 | \$ 211,378 |

HCWD1 - Radcliff Utility
PSC Case
Income Statement

Schedule 7

| | 2012 | | |
|--|---------------------|---------------------|---------------------|
| | Test Year | Adjustments | Rate Year |
| Operating Revenue | | | |
| Sewer User Charges | \$ 3,371,082 | \$ 622,004 | \$ 3,993,086 |
| Penalties, Service Fees, & Miscellaneous | 184,255 | - | 184,255 |
| Total Operating Revenues | \$ 3,555,337 | \$ 622,004 | \$ 4,177,341 |
| Operating Expenses | | | |
| Collection System Labor | \$ 91,059 | \$ 3,145 | \$ 94,204 |
| Pumping System Labor | - | - | - |
| Customer Service Labor | 151,356 | 4,014 | 155,371 |
| Administrative Labor | 102,927 | 12,227 | 115,154 |
| Professional Services-Engineering | - | - | - |
| Professional Services-Accounting | 7,370 | - | 7,370 |
| Professional Services-Legal | 4,559 | - | 4,559 |
| Information Technology Expense | 14,596 | - | 14,596 |
| Certification & Training | 1,708 | - | 1,708 |
| Travel and Lodging | 2,701 | - | 2,701 |
| Education & Conferences | 1,751 | - | 1,751 |
| Bad Debt Expense | 41,597 | - | 41,597 |
| Agency Collection Expense | 2,968 | - | 2,968 |
| Miscellaneous Customer Expense | 812 | - | 812 |
| Management Fee - Veolia | 2,102,540 | 79,391 | 2,181,931 |
| Contract Services | 94,933 | - | 94,933 |
| Investment Expense | - | - | - |
| Supplies for Collection System | - | - | - |
| Office Expense | 7,938 | - | 7,938 |
| Repairs & Maintenance | 1,727 | - | 1,727 |
| Inspection Expense | - | - | - |
| Insurance Services | 29,231 | (3,617) | 25,614 |
| Transportation Fuel & Repairs | 1,949 | - | 1,949 |
| Dues & Subscriptions | - | - | - |
| Advertising Expense | 42 | - | 42 |
| Regulatory Commission Expense | 5,812 | - | 5,812 |
| Rent Expense | 2,250 | - | 2,250 |
| Miscellaneous Expense | 8,133 | - | 8,133 |
| Utilities | 11,400 | - | 11,400 |
| Adjustment for Fort Knox | (88,329) | 33,663 | (54,666) |
| Total Operating Expenses | \$ 2,601,032 | \$ 128,823 | \$ 2,729,855 |
| Operating Income Before Depreciation/Amortization | \$ 954,306 | \$ 493,181 | \$ 1,447,487 |
| Less: Depreciation/Amortization | 981,121 | \$ 144,534 | \$ 1,125,655 |
| Operating Income | \$ (26,816) | \$ 348,647 | \$ 321,832 |
| Non-Operating Income/Expenses | | | |
| Interest Expense - Radcliff Utility | \$ (86,791) | \$ - | \$ (86,791) |
| Interest Income | 24,123 | - | 24,123 |
| Gain on Sale of Assets | (99,903) | 99,903 | - |
| Total Non-Operating Income/Expenses | \$ (162,570) | \$ 99,903 | \$ (62,667) |
| Income Before Capital Contributions | \$ (189,386) | \$ 448,550 | \$ 259,164 |
| Capital Contributions | | | |
| Grants | \$ 640,351 | \$ 725,383 | \$ 1,365,734 |
| Tap Fees (Cash) | 3,000 | - | 3,000 |
| Capital Contributions | 1,873 | - | 1,873 |
| Change in Net Assets | \$ 455,838 | \$ 1,173,933 | \$ 1,629,772 |

HCWD1 - Radcliff Utility
PSC Case
Balance Sheet

Schedule 8

| | 2012 | | |
|---|----------------------|---------------------|----------------------|
| | Test Year | Adjustments | Rate Year |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents (1) | \$ 2,954,024 | \$ (421,727) | \$ 2,532,297 |
| Other Current Assets | 416,109 | - | 416,109 |
| Total Current Assets | \$ 3,370,133 | \$ (421,727) | \$ 2,948,406 |
| Other Assets | | | |
| Restricted Reserves | \$ 338,723 | \$ - | \$ 338,723 |
| Radcliff Acquisition Costs, Net | 202,103 | - | 202,103 |
| Total Other Assets | \$ 540,826 | \$ - | \$ 540,826 |
| Property, Plant, and Equipment | \$ 36,289,459 | \$ 5,075,948 | \$ 41,365,407 |
| Less: Accumulated Depreciation | (14,736,228) | (1,125,655) | (15,861,883) |
| Net Property Plant and Equipment | \$ 21,553,231 | \$ 3,950,293 | \$ 25,503,524 |
| Total Assets | \$ 25,464,190 | \$ 3,528,567 | \$ 28,992,757 |
| Liabilities and Net Assets | | | |
| Current Liabilities | | | |
| Accounts Payable, Cust. Dep, Accr. Exp. | \$ 509,457 | \$ - | \$ 509,457 |
| Current Portion of Long-Term Debt | 278,656 | 10,690 | 289,346 |
| Accrued Interest on Long-Term Debt | 6,102 | - | 6,102 |
| Total Current Liabilities | \$ 794,215 | \$ 10,690 | \$ 804,905 |
| Long-Term Liabilities | | | |
| Bonds Payable | \$ 1,562,065 | \$ (278,656) | \$ 1,283,409 |
| Total Liabilities | \$ 2,356,280 | \$ (267,966) | \$ 2,088,314 |
| Net Assets | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 19,706,408 | \$ 4,218,260 | \$ 23,924,668 |
| Restricted | 338,723 | - | 338,723 |
| Unrestricted | 3,062,779 | (421,727) | 2,641,052 |
| Total Net Assets | \$ 23,107,910 | \$ 3,796,533 | \$ 26,904,443 |
| Total Liabilities and Net Assets | \$ 25,464,190 | | \$ 28,992,757 |

(1) Decrease in cash will be used to fund capital improvements in 2013.

HCWD1 - Radcliff Utility
PSC Case
Cost of Service Allocations

Schedule 9

| Support Schedule | Cost of Service | Volume | Inflow & Infiltration | Customer Service | |
|--|---------------------|---------------------|-----------------------|-----------------------|------------------|
| | | | | Billing & Collections | Meter Reading |
| Operating Expenses | | | | | |
| Collection System Labor | \$ 91,059 | \$ 10,244 | \$ 6,146 | \$ - | \$ 74,668 |
| Pumping System Labor | - | - | - | - | - |
| Customer Service Labor | 151,356 | - | - | 139,248 | 12,108 |
| Administrative Labor | 102,927 | 64,329 | 38,598 | - | - |
| Professional Services-Engineering | - | - | - | - | - |
| Professional Services-Accounting | 7,370 | 4,606 | 2,764 | - | - |
| Professional Services-Legal | 4,559 | 2,849 | 1,710 | - | - |
| Information Technology Expense | 14,596 | 9,123 | 5,474 | - | - |
| Certification & Training | 1,708 | 1,067 | 640 | - | - |
| Travel and Lodging | 2,701 | 1,688 | 1,013 | - | - |
| Education & Conferences | 1,751 | 1,094 | 657 | - | - |
| Bad Debt Expense | 41,597 | 25,998 | 15,599 | - | - |
| Agency Collection Expense | 2,968 | 1,855 | 1,113 | - | - |
| Miscellaneous Customer Expense | 812 | - | - | 812 | - |
| Management Fee - Veolia | 2,102,540 | 1,314,088 | 788,453 | - | - |
| Contractual Services | 94,933 | 59,333 | 35,600 | - | - |
| Investment Expense | - | - | - | - | - |
| Supplies for Collection System | - | - | - | - | - |
| Office Expense | 7,938 | 4,961 | 2,977 | - | - |
| Repairs & Maintenance | 1,727 | 1,080 | 648 | - | - |
| Inspection Expense | - | - | - | - | - |
| Insurance Services | 29,231 | 10,779 | 6,467 | - | 11,985 |
| Transportation Fuel & Repairs | 1,949 | 658 | 395 | - | 897 |
| Dues & Subscriptions | - | - | - | - | - |
| Advertising Expense | 42 | 26 | 16 | - | - |
| Regulatory Commission Expense | 5,812 | 3,633 | 2,180 | - | - |
| Rent Expense | 2,250 | 1,406 | 844 | - | - |
| Miscellaneous Expense | 8,133 | 5,083 | 3,050 | - | - |
| Utilities | 11,400 | 7,125 | 4,275 | - | - |
| Adjustment for Fort Knox | (88,329) | (55,206) | (33,123) | - | - |
| Total Operating Expenses | \$ 2,601,032 | \$ 1,475,821 | \$ 885,493 | \$ 140,060 | \$ 99,658 |
| Amortization/Depreciation Expense | | | | | |
| Depreciation/Amortization | \$ 981,121 | \$ 613,201 | \$ 367,921 | \$ - | \$ - |
| Total Amortization/Depreciation Expense | \$ 981,121 | \$ 613,201 | \$ 367,921 | \$ - | \$ - |
| Total Test Year Cost of Service | \$ 3,582,153 | \$ 2,089,022 | \$ 1,253,413 | \$ 140,060 | \$ 99,658 |
| Less: Non-Operating Income/Expenses | | | | | |
| Interest Expense | \$ (86,791) | \$ (54,244) | \$ (32,547) | \$ - | \$ - |
| Penalties, Service Fee & Miscellaneous | 184,255 | 115,159 | 69,096 | - | - |
| Interest Income | 24,123 | 15,077 | 9,046 | - | - |
| Gain on Sale of Assets | (99,903) | (62,439) | (37,464) | - | - |
| Total Non-Operating Income/Expenses | \$ 21,685 | \$ 13,553 | \$ 8,132 | \$ - | \$ - |
| Less: Capital Contributions | | | | | |
| Tap Fees | \$ 3,000 | \$ 1,875 | \$ 1,125 | \$ - | \$ - |
| Total Capital Contributions | \$ 3,000 | \$ 1,875 | \$ 1,125 | \$ - | \$ - |

Schedule 9 Con't.

| Support Schedule | Cost of Service | Volume | Inflow & Infiltration | Customer Service | |
|---|------------------------|---------------------|-----------------------|-----------------------|-------------------|
| | | | | Billing & Collections | Meter Reading |
| Adjustments to Test Year Cost: | | | | | |
| Deduction of Insurance Services | \$ (3,617) | \$ (2,261) | \$ (1,356) | \$ - | \$ - |
| Increase in Wages and Benefits for Collection System Employees for 2013 | 3,145 | 354 | 212 | - | 2,579 |
| Increase in Wages and Benefits for Customer Service Employees for 2013 | 4,014 | - | - | 4,014 | - |
| Increase in Wages and Benefits for Administrative Employees for 2013 | 12,227 | 7,642 | 4,585 | - | - |
| Addition of Annual Meter Reading Support O&M Expense | - | - | - | - | - |
| Addition of Annual Meter Reading Labor Expense | - | - | - | - | - |
| Addition of Expenses from new 2013 customers | - | - | - | - | - |
| Deduction of Allocated Expenses for Support Services | - | - | - | - | - |
| Deduction of transfer from reserves | - | - | - | - | - |
| Addition of contract operating cost increase for 2013 | 79,391 | 49,619 | 29,772 | - | - |
| Deduction of allocated interest expense | (86,791) | (54,244) | (32,547) | - | - |
| Addition of 3-year average debt service (principal, interest, and coverage) | 348,955 | 218,097 | 130,858 | - | - |
| Deduction for reduced interest earnings | - | - | - | - | - |
| Deduction for anticipated electricity savings | - | - | - | - | - |
| Deduction for new non-recurring charges | - | - | - | - | - |
| Deduction for reduced allocated G&A savings | 33,663 | 21,039 | 12,624 | - | - |
| Addition for one-time Gain/Loss on Sale | (99,903) | (62,439) | (37,464) | - | - |
| Addition of Amortized Rate Case Consultation (5 years) | 20,000 | 12,500 | 7,500 | - | - |
| Deduction of Depreciation | (8,185) | (5,115) | (3,069) | - | - |
| Addition of Depreciation | | | | | |
| Lincoln Trail I/I Reduction Project | 7,729 | 4,830 | 2,898 | - | - |
| Quiggins Gravity System Project | 9,318 | 5,824 | 3,494 | - | - |
| Boone Trace and Lincoln Trail Lift Station Improvements | 8,573 | 5,358 | 3,215 | - | - |
| WWTP Primary Treatment Building | 15,214 | 9,509 | 5,705 | - | - |
| Watkins LS Project | 1,200 | 750 | 450 | - | - |
| Drug Store Lift Station Replacement | 9,025 | 5,641 | 3,384 | - | - |
| WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP | 4,600 | 2,875 | 1,725 | - | - |
| Greenview and Cement LS Improvements | 1,096 | 685 | 411 | - | - |
| Greenview and Cement Gravity System Improvements | 1,874 | 1,171 | 703 | - | - |
| North Logsdon Parkway Gravity System Improvements | 5,304 | 3,315 | 1,989 | - | - |
| Stovall LS/FM Improvements | 2,964 | 1,853 | 1,112 | - | - |
| North Woodland Gravity System Improvements | 2,739 | 1,712 | 1,027 | - | - |
| John Hardin Force Main Improvements | 241 | 151 | 90 | - | - |
| WWTP RAS/WAS Improvements | 2,972 | 1,858 | 1,115 | - | - |
| LS Bypass Improvements | 269 | 168 | 101 | - | - |
| North Logsdon LS Improvements Project | 15,641 | 9,776 | 5,865 | - | - |
| Quiggins and Boone Trace I/I Reduction Project | 20,000 | 12,500 | 7,500 | - | - |
| Seminole I/I Reduction Project | 6,000 | 3,750 | 2,250 | - | - |
| WWTP Oxidation Ditch Improvements | 8,000 | 5,000 | 3,000 | - | - |
| Replace 5 Laptops/Workstations | 1,748 | 1,092 | 655 | - | - |
| Easement Jetter Machine | 1,780 | 1,113 | 668 | - | - |
| Trimble GeoXH 6000 GPS Receiver | 353 | 220 | 132 | - | - |
| Replace Sludge Belt Press | 330 | 206 | 124 | - | - |
| Service Center Roof Painting & Equip Bldg Door Coating | 198 | 124 | 74 | - | - |
| Vertical Edge 700 Phone System | 819 | 512 | 307 | - | - |
| Replace Influent & Effluent Refrigerated Samplers | 1,140 | 713 | 428 | - | - |
| Upgrade Utility Billing System | 303 | 189 | 114 | - | - |
| Chain Cutter Head | 150 | 219 | 131 | - | - |
| Internal Crane for CCTV Van | 529 | 330 | 198 | - | - |
| Ladder/Pipe Racks for Trucks | 257 | 161 | 96 | - | - |
| AutoDesk Infrastructure Design Premium | 220 | 138 | 83 | - | - |
| Aims 8000 Walt Power Invertors for Trucks | 343 | 214 | 129 | - | - |
| Aries Wireless Pole Camera | 355 | 222 | 133 | - | - |
| PT AutoCAD Drafter | 78 | 49 | 29 | - | - |
| Trailer for Bobcat | 743 | 464 | 279 | - | - |
| Smart Board | 132 | 83 | 50 | - | - |
| Replace Carpet in Large Conference Room | 18 | 11 | 7 | - | - |
| Replace Carpet in Lobby | 86 | 54 | 32 | - | - |
| Replace Lobby and Customer Service Area Furniture | 178 | 111 | 67 | - | - |
| Total Adjustments to Test Year Cost | \$ 435,619 | \$ 268,141 | \$ 160,884 | \$ 4,014 | \$ 2,579 |
| Adjusted Test Year COS Revenue Requirements | \$ 3,993,086.49 | \$ 2,341,735 | \$ 1,405,041 | \$ 144,074 | \$ 102,237 |

HCWD1 - Radcliff Utility
PSC Case
Rate Year Cost Categories

Schedule 11

| Functional Categories | Rate Year Cost of Service | Allocation Percentages | |
|-------------------------|---------------------------|------------------------|-----------------------|
| | | Volume Component (1) | Account Component (2) |
| Volume | \$ 2,341,735 | 100.0% | 0.0% |
| Inflow & Infiltration | \$ 1,405,041 | 50.0% | 50.0% |
| Billing and Collections | \$ 144,074 | 0.0% | 100.0% |
| Meter Reading | \$ 102,237 | 0.0% | 100.0% |

Total \$ 3,993,086

| Allocation \$s | |
|------------------|-------------------|
| Volume Component | Account Component |
| \$ 2,341,735 | \$ - |
| \$ 702,520 | \$ 702,520 |
| \$ - | \$ 144,074 |
| \$ - | \$ 102,237 |

Total \$ 3,044,255 \$ 948,831

- (1) Allocated costs to be recovered by the volumetric charge.
- (2) Allocated costs to be recovered by the base charge.

**HCWD1 - Radcliff Utility
PSC Case
Proposed Rates (Board Approved Option)**

Schedule 12

Minimum Charge Revenues

| Type of Charge | Proposed Charge (per bill) | Rate Year Number of Bills | Rate Year Revenue Under Proposed Charge |
|--------------------|-------------------------------|------------------------------|---|
| Minimum Charge (1) | \$ 19.881 | 104,154 | \$ 2,070,691 |

Total Revenues from Minimum Charge Under Proposed Rates \$ 2,070,691

Volumetric Charge Revenues

| Type of Charge | Proposed Charge (per kgal) | Rate Year Billable Flows | Rate Year Revenue Under Proposed Charge |
|---------------------------------------|-------------------------------|-----------------------------|---|
| Rate Block 1 (2,000 - 15,000 Gallons) | \$ 6.484 | 193,961 | \$ 1,257,586 |
| Rate Block 2 (Above 15,000 Gallons) | \$ 5.835 | 113,928 | 664,809 |

Total Revenues from Volumetric Charges Under Proposed Rates \$ 1,922,395

Total Rate Year Revenue From Proposed Rates and Charges (Calculated) \$ 3,993,086

Rate Year Revenue Requirements \$ 3,993,086

Additional Revenue Needed \$ -

HCWD1 - Radcliff Utility
PSC Case
Wholesale Rate Calculation

Schedule 13

| Rate Year | % Allocation to Wholesale | \$ Allocation to Wholesale |
|---------------------------------------|---------------------------|----------------------------|
| Operating Expenses | | |
| Collection System Labor (3) | 45.4% | \$ 42,798 |
| Pumping System Labor (3) | 45.4% | - |
| Customer Service Labor | 0% | - |
| Administrative Labor | 66.9% | 77,051 |
| Professional Services-Engineering | 45.4% | - |
| Professional Services-Accounting | 0% | - |
| Professional Services-Legal | 0% | - |
| Information Technology Expense | 0% | - |
| Certification & Training | 0% | - |
| Travel and Lodging | 0% | - |
| Education & Conferences | 0% | - |
| Bad Debt Expense | 0% | - |
| Agency Collection Expense | 0% | - |
| Miscellaneous Customer Expense | 0% | - |
| Management Fee - Veolia | 66.9% | 1,459,962 |
| Contract Services | 0% | - |
| Investment Expense | 0% | - |
| Supplies for Collection System | 45% | - |
| Office Expense | 0% | - |
| Repairs & Maintenance | 0% | - |
| Inspection Expense | 0% | - |
| Insurance Services | 0% | - |
| Transportation Fuel & Repairs | 0% | - |
| Dues & Subscriptions | 0% | - |
| Advertising Expense | 0% | - |
| Regulatory Commission Expense | 0% | - |
| Rent Expense | 0% | - |
| Miscellaneous Expense | 0% | - |
| Utilities | 0% | - |
| Adjustment for Fort Knox | 66.9% | (36,578) |
| Operating Expenses | | \$ 1,543,233 |
| | | 56.5% |
| Calculated Operating Cost (per kgal) | | \$ 1.825 |
| Capital Costs | | |
| Depreciation/Amortization (1) (3) | | \$ 973,103 |
| Interest (4) | | 51,537 |
| Capital Costs | | \$ 1,024,640 |
| Calculated Capital Cost (per kgal) | | \$ 1.212 |
| Wholesale Rate (per kgal) | | \$ 3.04 |

Rate Year Flow Data (Wastewater Plant Flows) (kgal) (2)

Wastewater Treated (kgal) 845,425

- (1) Includes only depreciation associated with the wastewater treatment plant and wastewater conveyance system.
- (2) Average annual flows treated at the wastewater treatment plant from 2009 through 2012
- (3) Costs allocated between the wastewater collection and conveyance system based on inch-feet of piping. Based on input from staff, it was determined that piping 10-inches and larger are conveyance system infrastructure
- (4) Interest allocated based on the percentage of allocated depreciation associated with the wastewater treatment plant and conveyance system only.

| Asset Description (1) | Service Life | Acquired Value | Depreciation | Accumulated Depreciation | OCLD | Allocation % | Allocated OCLD | Allocated Depreciation | Depreciation Deductions |
|--|--------------|----------------|--------------|--------------------------|---------------|--------------|----------------|------------------------|-------------------------|
| Land (GL Account: 4.00.31000) | | \$ 9,544 | \$ - | \$ - | 9,544 | 100.0% | \$ 9,544 | \$ - | |
| Subtotal | | \$ 9,544 | \$ - | \$ - | 9,544 | | | | |
| Sewer Plant (GL Account: 4.00.35201) | | | | | | | | | |
| Sewer Plant & Lift Stations | 57 | \$ 1,939,928 | \$ 37,742 | \$ 1,789,961 | 150,967 | 100.0% | \$ 150,967 | \$ 37,742 | |
| Sewer Plant Building | 40 | \$ 6,850 | \$ - | \$ 6,850 | \$ - | 100.0% | \$ - | \$ - | |
| Sewer Plant Additions & Lift Stations | 50 | \$ 1,360,880 | \$ 27,218 | \$ 974,930 | \$ 385,950 | 100.0% | \$ 385,950 | \$ 27,218 | |
| Sewer Lift Stations & Lines | 30 | \$ 1,562,409 | \$ 31,248 | \$ 1,171,803 | \$ 390,606 | 100.0% | \$ 390,606 | \$ 31,248 | |
| System Additions | 35 | \$ 493,849 | \$ 14,110 | \$ 335,817 | \$ 158,032 | 100.0% | \$ 158,032 | \$ 14,110 | |
| System Additions | 35 | \$ 109,474 | \$ 3,128 | \$ 72,248 | \$ 37,226 | 100.0% | \$ 37,226 | \$ 3,128 | |
| System Additions | 35 | \$ 253,731 | \$ 7,249 | \$ 162,383 | \$ 91,348 | 100.0% | \$ 91,348 | \$ 7,249 | |
| System Additions | 35 | \$ 273,419 | \$ 7,812 | \$ 169,512 | \$ 103,902 | 100.0% | \$ 103,902 | \$ 7,812 | |
| System Additions | 35 | \$ 567,555 | \$ 16,216 | \$ 349,532 | \$ 227,023 | 100.0% | \$ 227,023 | \$ 16,216 | |
| System Additions | 35 | \$ 307,696 | \$ 8,791 | \$ 178,465 | \$ 129,231 | 100.0% | \$ 129,231 | \$ 8,791 | |
| System Additions | 35 | \$ 203,112 | \$ 5,803 | \$ 112,949 | \$ 90,163 | 100.0% | \$ 90,163 | \$ 5,803 | |
| System Additions | 35 | \$ 264,084 | \$ 4,585 | \$ 139,682 | \$ 124,402 | 100.0% | \$ 124,402 | \$ 4,585 | |
| Sewer Plant Additions, Lines, & Lift Stations | 50 | \$ 9,486,613 | \$ 189,732 | \$ 4,643,976 | \$ 4,842,637 | 100.0% | \$ 4,842,637 | \$ 189,732 | |
| System Additions | 35 | \$ 119,970 | \$ 3,428 | \$ 59,981 | \$ 59,989 | 100.0% | \$ 59,989 | \$ 3,428 | |
| Replace Liners EQ Basin 1 & 3 | 50 | \$ 79,400 | \$ 1,388 | \$ 18,731 | \$ 43,669 | 100.0% | \$ 43,669 | \$ 1,388 | |
| Replace Lift Stations | 35 | \$ 37,974 | \$ 1,085 | \$ 18,603 | \$ 19,371 | 100.0% | \$ 19,371 | \$ 1,085 | |
| System Additions | 35 | \$ 9,802 | \$ 283 | \$ 4,848 | \$ 5,044 | 100.0% | \$ 5,044 | \$ 283 | |
| Sewer Construction | 35 | \$ 391,018 | \$ 11,172 | \$ 183,775 | \$ 207,243 | 100.0% | \$ 207,243 | \$ 11,172 | |
| System Additions | 35 | \$ 17,111 | \$ 495 | \$ 8,634 | \$ 8,677 | 100.0% | \$ 8,677 | \$ 495 | |
| System Additions | 35 | \$ 730,390 | \$ 20,868 | \$ 386,500 | \$ 343,890 | 100.0% | \$ 343,890 | \$ 20,868 | |
| System Additions | 35 | \$ 381,666 | \$ 10,905 | \$ 192,425 | \$ 189,241 | 100.0% | \$ 189,241 | \$ 10,905 | |
| Sewer Construction | 35 | \$ 169,840 | \$ 4,853 | \$ 67,934 | \$ 101,906 | 100.0% | \$ 101,906 | \$ 4,853 | |
| Sewer Construction | 35 | \$ 20,543 | \$ 587 | \$ 13,285 | \$ 7,258 | 100.0% | \$ 7,258 | \$ 587 | |
| Sewer Lift Station | 35 | \$ 294,439 | \$ 8,412 | \$ 97,165 | \$ 197,274 | 100.0% | \$ 197,274 | \$ 8,412 | |
| Sewer Lift Stations & Lines | 35 | \$ 12,564 | \$ 359 | \$ 3,894 | \$ 8,670 | 100.0% | \$ 8,670 | \$ 359 | |
| Logan Lift Station Replacement | 50 | \$ 4,809,632 | \$ 96,193 | \$ 1,298,606 | \$ 3,511,046 | 100.0% | \$ 3,511,046 | \$ 96,193 | |
| Sewer Plant Construction-Expansion | 35 | \$ 110,628 | \$ 6,018 | \$ 63,295 | \$ 145,333 | 100.0% | \$ 145,333 | \$ 6,018 | |
| Church & Kindervater Lift Station Replacement | 35 | \$ 85,739 | \$ 2,450 | \$ 26,579 | \$ 59,160 | 100.0% | \$ 59,160 | \$ 2,450 | |
| Lift Station Contova-Lincoln 1ml | 35 | \$ 81,896 | \$ 2,340 | \$ 28,388 | \$ 56,508 | 100.0% | \$ 56,508 | \$ 2,340 | |
| Construction of Storage Dam | 35 | \$ 29,857 | \$ - | \$ 29,857 | \$ - | 100.0% | \$ - | \$ - | |
| Hwy 313 Lift Station & Force Main | 35 | \$ 976,739 | \$ 27,807 | \$ 283,254 | \$ 693,485 | 100.0% | \$ 693,485 | \$ 27,807 | |
| Greensview Lift Station-Progress | 35 | \$ 67,763 | \$ 1,936 | \$ 18,295 | \$ 49,468 | 100.0% | \$ 49,468 | \$ 1,936 | |
| Greensview Lift Station Replacement | 35 | \$ 4,747 | \$ 136 | \$ 1,186 | \$ 3,561 | 100.0% | \$ 3,561 | \$ 136 | |
| Paradise Lift Stations 1 & 2 | 35 | \$ 300,046 | \$ 8,373 | \$ 77,819 | \$ 222,227 | 100.0% | \$ 222,227 | \$ 8,373 | |
| Sewer Plant Bar Screen Replacement | 35 | \$ 78,324 | \$ - | \$ 78,324 | \$ - | 100.0% | \$ - | \$ - | |
| Church St /Shelton Rd Manhole Replacement | 30 | \$ 5,400 | \$ 180 | \$ 2,145 | \$ 3,255 | 100.0% | \$ 3,255 | \$ 180 | |
| N Wilson Rd 955 Manhole Replacement | 30 | \$ 7,762 | \$ 259 | \$ 3,083 | \$ 4,679 | 100.0% | \$ 4,679 | \$ 259 | |
| Wilma Ave. 805 Manhole Replacement | 30 | \$ 5,600 | \$ 187 | \$ 2,224 | \$ 3,376 | 100.0% | \$ 3,376 | \$ 187 | |
| Pin Oak & Poplar St. Manhole Replacement | 30 | \$ 5,000 | \$ 167 | \$ 1,986 | \$ 3,014 | 100.0% | \$ 3,014 | \$ 167 | |
| Oak Dr. Lift Station Replacement | 35 | \$ 368,490 | \$ 10,528 | \$ 119,759 | \$ 248,731 | 100.0% | \$ 248,731 | \$ 10,528 | |
| Arlington Heights Lift Station Install | 35 | \$ 46,303 | \$ 1,323 | \$ 10,418 | \$ 35,885 | 100.0% | \$ 35,885 | \$ 1,323 | |
| Southern Heights Lift Station Install | 35 | \$ 50,745 | \$ 1,450 | \$ 11,418 | \$ 39,327 | 100.0% | \$ 39,327 | \$ 1,450 | |
| Replace Liners EQ Basins 1&2 Progress | 10 | \$ 246,933 | \$ 24,693 | \$ 137,870 | \$ 109,063 | 100.0% | \$ 109,063 | \$ 24,693 | |
| Replace Liners EQ Basins 1 & 2 | 10 | \$ 89,127 | \$ 8,913 | \$ 44,563 | \$ 44,564 | 100.0% | \$ 44,564 | \$ 8,913 | |
| Floating Aeration Pump for Basins | 10 | \$ 29,997 | \$ 3,000 | \$ 14,988 | \$ 15,009 | 100.0% | \$ 15,009 | \$ 3,000 | |
| Floating Aeration Pump for Basins | 10 | \$ 29,997 | \$ 3,000 | \$ 14,998 | \$ 14,999 | 100.0% | \$ 14,999 | \$ 3,000 | |
| Equalization Basins #2 & #3 | 10 | \$ 11,186 | \$ 1,119 | \$ 5,033 | \$ 6,153 | 100.0% | \$ 6,153 | \$ 1,119 | |
| IMEX-Flexfill-IM | 10 | \$ 1,583 | \$ 158 | \$ 712 | \$ 871 | 100.0% | \$ 871 | \$ 158 | |
| Lincoln Trail Odor Study | 24 | \$ 35,252 | \$ 1,469 | \$ 3,916 | \$ 31,336 | 100.0% | \$ 31,336 | \$ 1,469 | |
| Hwy 313 Lift Station Project | 35 | \$ 7,017 | \$ 200 | \$ 499 | \$ 6,617 | 100.0% | \$ 6,617 | \$ 200 | |
| Redmar Lift Station Pump 1 Rebuild | 15 | \$ 13,325 | \$ 888 | \$ 1,332 | \$ 11,993 | 100.0% | \$ 11,993 | \$ 888 | |
| Redmar Lift Station Pump 2 Rebuild | 15 | \$ 10,284 | \$ 685 | \$ 971 | \$ 9,313 | 100.0% | \$ 9,313 | \$ 685 | |
| C Square Lift Station Pump Rebuild | 15 | \$ 8,362 | \$ 557 | \$ 789 | \$ 7,573 | 100.0% | \$ 7,573 | \$ 557 | |
| Arlingtonwoods Lift Station | 35 | \$ 95,522 | \$ 2,729 | \$ 4,111 | \$ 92,111 | 100.0% | \$ 92,111 | \$ 2,729 | |
| Clarifier #1 Pump Rebuild | 15 | \$ 16,899 | \$ 1,126 | \$ 1,314 | \$ 15,585 | 100.0% | \$ 15,585 | \$ 1,126 | |
| Croesus Lift Station | 30 | \$ 74,910 | \$ 4,498 | \$ 1,747 | \$ 73,163 | 100.0% | \$ 73,163 | \$ 4,498 | |
| Returbished Plyght Pump | 15 | \$ 13,768 | \$ 1,530 | \$ 1,530 | \$ 12,238 | 100.0% | \$ 12,238 | \$ 1,530 | |
| Greensview/Pearman/Wilma Lift Station | 50 | \$ 153,526 | \$ 2,303 | \$ 2,303 | \$ 151,223 | 100.0% | \$ 151,223 | \$ 2,303 | |
| 3 Pressure Transducer Sensors for N Logsdon, Oak & Arlington | 10 | \$ 4,913 | \$ 234 | \$ 204 | \$ 4,709 | 100.0% | \$ 4,709 | \$ 234 | |
| Subtotal | | \$ 27,071,898 | \$ 631,384 | \$ 13,462,605 | \$ 13,609,293 | | | | |
| Sewer Plant Improvements (GL Account: 4.00.35211) | | | | | | | | | |
| Improve lighting | 7 | \$ 6,198 | \$ 885 | \$ 3,541 | \$ 2,657 | 100.0% | \$ 2,657 | \$ 885 | |
| Landscaping | 5 | \$ 1,208 | \$ 242 | \$ 966 | \$ 242 | 100.0% | \$ 242 | \$ 242 | |
| Wastewater Treatment Plant Improvements | 50 | \$ 95,071 | \$ 1,901 | \$ 7,605 | \$ 87,466 | 100.0% | \$ 87,466 | \$ 1,901 | |
| Install heater to improve HVAC | 7 | \$ 1,850 | \$ 264 | \$ 1,013 | \$ 837 | 100.0% | \$ 837 | \$ 264 | |
| Trojan PLC Equipment & Davit Crane | 40 | \$ 31,528 | \$ 788 | \$ 2,693 | \$ 28,835 | 100.0% | \$ 28,835 | \$ 788 | |
| WWTP Painting Project Phase 1 | 15 | \$ 116,258 | \$ 9,084 | \$ 24,223 | \$ 112,035 | 100.0% | \$ 112,035 | \$ 9,084 | |
| WWTP Painting Project Phase 1 | 10 | \$ 5,900 | \$ 590 | \$ 1,327 | \$ 4,573 | 100.0% | \$ 4,573 | \$ 590 | |
| Blacktop Lincoln Trail Lift Station | 35 | \$ 700 | \$ 20 | \$ 43 | \$ 657 | 100.0% | \$ 657 | \$ 20 | |
| 7% of Curbing for Service Center Parking Lot | 10 | \$ 2,285 | \$ 228 | \$ 476 | \$ 1,809 | 100.0% | \$ 1,809 | \$ 228 | |
| 7% Service Center Parking Lot | 15 | \$ 15,017 | \$ 1,011 | \$ 2,602 | \$ 13,015 | 100.0% | \$ 13,015 | \$ 1,011 | |
| WWTP Painting Project Phase 1 | 10 | \$ 26,113 | \$ 1,306 | \$ 2,611 | \$ 23,502 | 100.0% | \$ 23,502 | \$ 1,306 | |
| EQ Basin Chain Link Fence | 50 | \$ 117,772 | \$ 2,155 | \$ 4,710 | \$ 113,062 | 100.0% | \$ 113,062 | \$ 2,155 | |
| Radcliff WWTP Drainage Project | 50 | \$ 13,578 | \$ 272 | \$ 541 | \$ 13,035 | 100.0% | \$ 13,035 | \$ 272 | |
| Radcliff WWTP UV Building | 50 | \$ 453,479 | \$ 18,937 | \$ 51,753 | \$ 401,726 | | | | |
| Subtotal | | \$ 453,479 | \$ 18,937 | \$ 51,753 | \$ 401,726 | | | | |
| Gravity Collection Sewers (GL Account: 4.00.35202) | | | | | | | | | |
| Sewer Line Est /313 & Wilson | 50 | \$ 45,185 | \$ 910 | \$ 10,461 | \$ 35,024 | 45.4% | \$ 15,912 | \$ 413 | |
| Redmar Force Main-Progress | 50 | \$ 19,154 | \$ 389 | \$ 4,085 | \$ 15,069 | 45.4% | \$ 6,982 | \$ 177 | |
| Redmar Force Main Replacement | 50 | \$ 84,116 | \$ 1,688 | \$ 19,593 | \$ 64,523 | 45.4% | \$ 29,450 | \$ 767 | |
| Elm Road Force Main Replacement | 50 | \$ 10,202 | \$ 206 | \$ 2,161 | \$ 8,041 | 45.4% | \$ 3,694 | \$ 94 | |
| Knox Blvd New Line | 50 | \$ 10,800 | \$ 216 | \$ 2,268 | \$ 8,532 | 45.4% | \$ 3,876 | \$ 98 | |
| Thomas Street New Line | 50 | \$ 8,000 | \$ 160 | \$ 2,680 | \$ 5,320 | 45.4% | \$ 2,417 | \$ 73 | |
| Nevak Sewer Line Replacement | 50 | \$ 5,200 | \$ 104 | \$ 1,742 | \$ 3,458 | 45.4% | \$ 1,571 | \$ 47 | |
| S Woodland Dr /586 Sewer Line Replacement | 50 | \$ 6,858 | \$ 137 | \$ 2,298 | \$ 4,560 | 45.4% | \$ 2,072 | \$ 62 | |
| Caroly St 706 Sewer Line Replacement | 50 | \$ 3,000 | \$ 60 | \$ 2,680 | \$ 5,320 | 45.4% | \$ 2,417 | \$ 73 | |
| Hutchins/Cove E1 3&4 Sewer Line | 50 | \$ 19,000 | \$ 380 | \$ 4,815 | \$ 14,185 | 45.4% | \$ 6,444 | \$ 173 | |
| Eagle Pass Sewer Line Replacement | 50 | \$ 13,900 | \$ 278 | \$ 2,588 | \$ 11,312 | 45.4% | \$ 5,180 | \$ 127 | |
| Douglas/Fatesley Sewer Line | 50 | \$ 13,900 | \$ 278 | \$ 2,588 | \$ 11,312 | 45.4% | \$ 5,180 | \$ 127 | |

| | | | | | | | | | |
|--|----|--------------|------------|------------|--------------|--------|------------|-----------|------|
| Replace Old Boone Trace F/M Line | 50 | \$ 421,217 | \$ 8,424 | \$ 77,924 | \$ 441,291 | 45.4% | \$ 155,962 | \$ 1,027 | \$ - |
| 311/Cowley East Sewer Line Extension | 50 | \$ 662,177 | \$ 13,244 | \$ 122,502 | \$ 539,675 | 45.4% | \$ 245,181 | \$ 6,017 | \$ - |
| 311/Cowley East Sewer Line Extension | 50 | \$ 134,332 | \$ 6,687 | \$ 11,433 | \$ 308,899 | 45.4% | \$ 136,701 | \$ 3,038 | \$ - |
| Boone Trace F/M Line Replacement | 50 | \$ 63,197 | \$ 1,264 | \$ 6,319 | \$ 56,878 | 45.4% | \$ 25,840 | \$ 574 | \$ - |
| Briahy Fork Sewer Line | 50 | \$ 82,160 | \$ 1,643 | \$ 8,216 | \$ 73,944 | 45.4% | \$ 33,593 | \$ 747 | \$ - |
| Adena Trace | 50 | \$ 71,806 | \$ 1,436 | \$ 5,984 | \$ 65,822 | 45.4% | \$ 29,904 | \$ 652 | \$ - |
| Emerald Isle | 50 | \$ 15,727 | \$ 315 | \$ 1,311 | \$ 14,416 | 45.4% | \$ 6,559 | \$ 143 | \$ - |
| Chermont Sewer Line | 50 | \$ 223,799 | \$ 4,476 | \$ 18,277 | \$ 205,522 | 45.4% | \$ 93,376 | \$ 2,033 | \$ - |
| A Arnold Project | 50 | \$ 113,830 | \$ 6,277 | \$ 25,107 | \$ 288,732 | 45.4% | \$ 131,174 | \$ 2,852 | \$ - |
| Sewer Line Replacement - 3 houses on Atcher St | 50 | \$ 2,800 | \$ 56 | \$ 224 | \$ 2,576 | 45.4% | \$ 1,170 | \$ 25 | \$ - |
| Sewer lines installed at Tam MHP | 50 | \$ 4,020 | \$ 80 | \$ 321 | \$ 3,699 | 45.4% | \$ 1,680 | \$ 37 | \$ - |
| Slip lining on S. Atcher St | 10 | \$ 5,032 | \$ 503 | \$ 2,013 | \$ 3,019 | 45.4% | \$ 1,372 | \$ 229 | \$ - |
| Pin Oak Villa Phase 3 | 50 | \$ 12,200 | \$ 244 | \$ 976 | \$ 11,224 | 45.4% | \$ 5,099 | \$ 111 | \$ - |
| Mouser 2, 1 1/2" gravity sewer main 8 manholes | 50 | \$ 141,632 | \$ 2,833 | \$ 9,914 | \$ 131,718 | 45.4% | \$ 59,841 | \$ 1,287 | \$ - |
| 08 HWY 313 Interceptor/A. Arnold Project | 50 | \$ 5,849 | \$ 117 | \$ 331 | \$ 5,518 | 45.4% | \$ 2,507 | \$ 53 | \$ - |
| Bridge Community Church | 50 | \$ 26,375 | \$ 527 | \$ 1,319 | \$ 25,056 | 45.4% | \$ 11,383 | \$ 240 | \$ - |
| Warwick Castle | 50 | \$ 46,358 | \$ 927 | \$ 1,932 | \$ 44,426 | 45.4% | \$ 20,183 | \$ 421 | \$ - |
| Warbur Place Section 1 32/8" PVC | 50 | \$ 63,515 | \$ 1,270 | \$ 2,646 | \$ 60,869 | 45.4% | \$ 27,651 | \$ 577 | \$ - |
| Lateral CIPP | 50 | \$ 9,714 | \$ 194 | \$ 388 | \$ 9,326 | 45.4% | \$ 4,237 | \$ 88 | \$ - |
| Wilson Rd Main Relocate 182 ft. 8 in PVC & 2 Manholes | 50 | \$ 7,520 | \$ 150 | \$ 263 | \$ 7,257 | 45.4% | \$ 3,297 | \$ 68 | \$ - |
| Hillcrest Sewer Main Repair 1.048 lf of line & 4 manholes | 50 | \$ 57,280 | \$ 1,145 | \$ 1,527 | \$ 55,753 | 45.4% | \$ 25,329 | \$ 520 | \$ - |
| Pearman/Wilma Ave 2.311 lf of gravity main & 14 manholes | 50 | \$ 1,424,415 | \$ 28,488 | \$ 37,984 | \$ 1,386,431 | 45.4% | \$ 629,869 | \$ 12,942 | \$ - |
| Sheltonwoods Phase 2 3942' of main & 12 manholes | 50 | \$ 170,218 | \$ 3,404 | \$ 4,255 | \$ 165,963 | 45.4% | \$ 75,398 | \$ 1,546 | \$ - |
| Arlingtonwoods 5864' of main & 26 manholes | 50 | \$ 175,438 | \$ 3,509 | \$ 4,385 | \$ 171,053 | 45.4% | \$ 77,711 | \$ 1,594 | \$ - |
| Dyvert LS Elm 164 ft Main 1 Manhole | 50 | \$ 21,513 | \$ 430 | \$ 502 | \$ 21,011 | 45.4% | \$ 9,546 | \$ 193 | \$ - |
| Elm LS Elm 963 ft of main & 5 manholes | 50 | \$ 64,658 | \$ 1,293 | \$ 1,509 | \$ 63,149 | 45.4% | \$ 28,689 | \$ 587 | \$ - |
| Woods @ Atcher 98' of 8" main & 1 manhole | 50 | \$ 6,439 | \$ 129 | \$ 139 | \$ 6,300 | 45.4% | \$ 2,862 | \$ 59 | \$ - |
| Outdoor Properties 120 ft. of 8" main | 50 | \$ 9,282 | \$ 186 | \$ 186 | \$ 9,096 | 45.4% | \$ 4,132 | \$ 83 | \$ - |
| Radcliff Lateral Lining CIPP | 50 | \$ 7,559 | \$ 138 | \$ 138 | \$ 7,421 | 45.4% | \$ 3,371 | \$ 63 | \$ - |
| Greenview/Pearman/Wilma Main | 50 | \$ 314,350 | \$ 4,715 | \$ 4,715 | \$ 309,635 | 45.4% | \$ 140,670 | \$ 2,142 | \$ - |
| 85 ft of 8" main on Logan St | 50 | \$ 2,353 | \$ 23 | \$ 23 | \$ 2,330 | 45.4% | \$ 1,059 | \$ 10 | \$ - |
| 350 LF of 8" DI Pipe for Fredmar Force Main | 50 | \$ 48,232 | \$ - | \$ - | \$ 48,232 | 45.4% | \$ 21,912 | \$ - | \$ - |
| 1 Manhole for E2RC Relocation | 30 | \$ 18,782 | \$ - | \$ - | \$ 18,782 | 45.4% | \$ 8,533 | \$ - | \$ - |
| 321 LF of 18" PVC for E2RC Relocation | 50 | \$ 91,262 | \$ - | \$ - | \$ 91,262 | 45.4% | \$ 41,461 | \$ - | \$ - |
| Hwy 1500 Phase II Relocation 325 LF of 6" PVC & 727 LF of 8" PVC | 50 | \$ 45,377 | \$ - | \$ - | \$ 45,377 | 45.4% | \$ 20,615 | \$ - | \$ - |
| Hwy 1500 Phase II Relocation | 30 | \$ 5,989 | \$ - | \$ - | \$ 5,989 | 45.4% | \$ 2,721 | \$ - | \$ - |
| Subtotal | | \$ 5,271,597 | \$ 100,031 | \$ 417,326 | \$ 4,824,261 | | | | \$ - |
| Other Collection Plant Facilities (GL Account: 4.00.35300) | | | | | | | | | |
| Construction Crew Office Building | 40 | \$ 64,070 | \$ 1,602 | \$ 50,184 | \$ 13,886 | 100.0% | \$ 13,886 | \$ 1,602 | \$ - |
| Sludge Holding Tanks Building | 40 | \$ 85,930 | \$ 2,148 | \$ 64,738 | \$ 21,192 | 100.0% | \$ 21,192 | \$ 2,148 | \$ - |
| Subtotal | | \$ 150,000 | \$ 3,750 | \$ 114,922 | \$ 35,078 | | | | \$ - |
| Services to Customers (GL Account: 4.00.35400) | | | | | | | | | |
| Yard repairs for cleanout installation | 7 | \$ 3,357 | \$ 480 | \$ 1,918 | \$ 1,439 | 0.0% | \$ - | \$ - | \$ - |
| Paving for new connection for KNB at Elm Rd | 7 | \$ 1,150 | \$ 164 | \$ 657 | \$ 493 | 0.0% | \$ - | \$ - | \$ - |
| 22% River Rock/Landscaping at Service Center | 7 | \$ 1,253 | \$ 179 | \$ 657 | \$ 596 | 0.0% | \$ - | \$ - | \$ - |
| 22% Sewer Line Replacement at Service Center | 30 | \$ 1,745 | \$ 38 | \$ 213 | \$ 1,532 | 0.0% | \$ - | \$ - | \$ - |
| 22% Sealing & Stripping of Parking Lot at Service Center | 10 | \$ 2,384 | \$ 238 | \$ 814 | \$ 1,570 | 0.0% | \$ - | \$ - | \$ - |
| New Cleanout Installations | 7 | \$ 1,406 | \$ 291 | \$ 552 | \$ 854 | 0.0% | \$ - | \$ - | \$ - |
| 21% of 3 HVAC Units at Service Center | 35 | \$ 3,034 | \$ 29 | \$ 29 | \$ 3,005 | 0.0% | \$ - | \$ - | \$ - |
| Subtotal | | \$ 14,328 | \$ 1,349 | \$ 4,840 | \$ 9,488 | | | | \$ - |
| Flow Measuring Devices (GL Account: 4.00.35500) | | | | | | | | | |
| Isc0 4501 Pump Meter | 10 | \$ 3,745 | \$ - | \$ 3,745 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| Isc0 4501 Pump Meter | 10 | \$ 3,745 | \$ - | \$ 3,745 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| 860 H2S (s)-PPM Monitor | 10 | \$ 2,410 | \$ 241 | \$ 904 | \$ 1,506 | 45.4% | \$ 684 | \$ 109 | \$ - |
| Subtotal | | \$ 9,900 | \$ 241 | \$ 8,394 | \$ 1,506 | | | | \$ - |
| Pumpng Equipment Electric (GL Account: 4.00.36301) | | | | | | | | | |
| Godwin Driprime 4" Pump | 10 | \$ 28,168 | \$ 2,817 | \$ 15,492 | \$ 12,676 | 45.4% | \$ 5,759 | \$ 1,280 | \$ - |
| Control panel for lift station | 7 | \$ 5,616 | \$ 802 | \$ 3,209 | \$ 2,407 | 45.4% | \$ 1,093 | \$ 364 | \$ - |
| Wetwell for Audubon lift station | 7 | \$ 2,316 | \$ 331 | \$ 1,323 | \$ 993 | 45.4% | \$ 451 | \$ 150 | \$ - |
| Pump & Motor for Sludge at Plant | 7 | \$ 1,987 | \$ 284 | \$ 1,136 | \$ 851 | 45.4% | \$ 387 | \$ 129 | \$ - |
| Control Panel for C-Square lift station | 7 | \$ 6,786 | \$ 969 | \$ 3,878 | \$ 2,908 | 45.4% | \$ 1,321 | \$ 440 | \$ - |
| Access Road for Audubon Lift Station | 35 | \$ 3,573 | \$ 102 | \$ 383 | \$ 3,190 | 45.4% | \$ 1,449 | \$ 46 | \$ - |
| AT Portable Toilet | 10 | \$ 4,444 | \$ 444 | \$ 1,147 | \$ 3,297 | 45.4% | \$ 1,498 | \$ 202 | \$ - |
| Greenview/Pearman/Wilma LS Pumps | 10 | \$ 134,987 | \$ 10,124 | \$ 10,124 | \$ 124,863 | 45.4% | \$ 56,727 | \$ 4,599 | \$ - |
| Greenview/Pearman/Wilma LS Control Pumps | 7 | \$ 24,395 | \$ 2,613 | \$ 2,613 | \$ 21,782 | 45.4% | \$ 9,896 | \$ 1,187 | \$ - |
| HWY 313 Pump 3 Replacement | 10 | \$ 25,758 | \$ 859 | \$ 859 | \$ 24,899 | 45.4% | \$ 11,312 | \$ 390 | \$ - |
| 313 Lift Station Contractors for Control Panel | 7 | \$ 1,352 | \$ - | \$ - | \$ 1,352 | 45.4% | \$ 614 | \$ - | \$ - |
| Subtotal | | \$ 239,382 | \$ 19,346 | \$ 40,164 | \$ 199,218 | | | | \$ - |
| Pumpng Equipment Diesel (GL Account: 4.00.36302) | | | | | | | | | |
| Portable 6-inch Godwin T Pump | 10 | \$ 27,810 | \$ - | \$ 27,810 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| Subtotal | | \$ 27,810 | \$ - | \$ 27,810 | \$ - | | | | \$ - |
| Treatment and Disposal Plant Equipment (GL Account: 4.00.37300) | | | | | | | | | |
| Model I. Grit Classifier | 10 | \$ 34,600 | \$ 3,460 | \$ 22,490 | \$ 12,110 | 100.0% | \$ 12,110 | \$ 3,460 | \$ - |
| Ariat Spiral Devol Press | 10 | \$ 17,000 | \$ 1,700 | \$ 12,086 | \$ 4,914 | 100.0% | \$ 4,914 | \$ 1,700 | \$ - |
| Work Equipment | 10 | \$ 12,217 | \$ 1,222 | \$ 6,108 | \$ 6,109 | 100.0% | \$ 6,109 | \$ 1,222 | \$ - |
| Safety Equipment | 10 | \$ 8,998 | \$ 800 | \$ 4,499 | \$ 4,499 | 100.0% | \$ 4,499 | \$ 800 | \$ - |
| Aerator installation | 25 | \$ 11,615 | \$ 463 | \$ 1,858 | \$ 9,757 | 100.0% | \$ 9,757 | \$ 463 | \$ - |
| Hoise reel with clamp | 7 | \$ 2,024 | \$ 289 | \$ 1,157 | \$ 867 | 100.0% | \$ 867 | \$ 289 | \$ - |
| Blower & Motor Replacement (never used) | 7 | \$ 9,024 | \$ 1,289 | \$ 3,156 | \$ 5,868 | 100.0% | \$ 3,868 | \$ 1,289 | \$ - |
| Upgrade press-coated stub can fillers | 7 | \$ 7,527 | \$ 1,075 | \$ 4,302 | \$ 3,225 | 100.0% | \$ 3,225 | \$ 1,075 | \$ - |
| Upgrade to Sewer Camera | 7 | \$ 23,591 | \$ 3,357 | \$ 12,847 | \$ 10,653 | 100.0% | \$ 10,653 | \$ 3,357 | \$ - |
| Butterfly Valve-10 Basins #1 & #2 | 10 | \$ 2,070 | \$ 207 | \$ 799 | \$ 1,271 | 100.0% | \$ 1,271 | \$ 207 | \$ - |
| Root Cutter w/ ring assembly 8"-10" | 7 | \$ 1,843 | \$ 263 | \$ 724 | \$ 1,119 | 100.0% | \$ 1,119 | \$ 263 | \$ - |
| 5294 4" Camera System | 10 | \$ 17,164 | \$ 1,716 | \$ 4,005 | \$ 13,159 | 100.0% | \$ 13,159 | \$ 1,716 | \$ - |
| 59% of Pan Tilt Zoom Camera | 10 | \$ 4,540 | \$ 454 | \$ 643 | \$ 3,897 | 100.0% | \$ 3,897 | \$ 454 | \$ - |
| 25% Aduqmp MT 160 4 Cycle Rammer Compactor | 15 | \$ 699 | \$ 35 | \$ 16 | \$ 683 | 100.0% | \$ 683 | \$ 35 | \$ - |
| 25% Edco 18" Concrete & Asphalt Walk Behind Saw | 15 | \$ 610 | \$ 31 | \$ 31 | \$ 579 | 100.0% | \$ 579 | \$ 31 | \$ - |
| 10 ft Baffle for Oxidation Ditch #2 | 10 | \$ 1,400 | \$ 81 | \$ 81 | \$ 1,319 | 100.0% | \$ 1,319 | \$ 81 | \$ - |
| 8 ft Baffle for Oxidation Ditch #2 | 10 | \$ 1,400 | \$ 81 | \$ 81 | \$ 1,319 | 100.0% | \$ 1,319 | \$ 81 | \$ - |
| Filter Belt Press Conveyor & Belt | 10 | \$ 17,980 | \$ 899 | \$ 800 | \$ 17,080 | 100.0% | \$ 17,080 | \$ 899 | \$ - |
| Amp Probe Analyzer | 7 | \$ 3,105 | \$ 148 | \$ 148 | \$ 2,957 | 100.0% | \$ 2,957 | \$ 148 | \$ - |
| Ditch 1 & 2 Oxygen Reduction Sensor | 10 | \$ 1,012 | \$ - | \$ - | \$ 1,012 | 100.0% | \$ 1,012 | \$ - | \$ - |
| Subtotal | | \$ 178,327 | \$ 17,672 | \$ 77,951 | \$ 100,376 | | | | \$ - |
| Other Treatment and Disposal Plant Equipment (GL Account: 4.00.37600) | | | | | | | | | |
| Plant Gate Chain Link 16x27 | 20 | \$ 7,795 | \$ 390 | \$ 1,791 | \$ 3,002 | 100.0% | \$ 3,002 | \$ 390 | \$ - |
| Pressure Transmitter Model 1104 | 5 | \$ 1,017 | \$ 203 | \$ 593 | \$ 424 | 100.0% | \$ 424 | \$ 203 | \$ - |

| | | | | | | | | | |
|--|----|---------------|------------|---------------|---------------|--------|---------------|------------|------------|
| Actuator Parts & Installation | 15 | \$ 6,360 | \$ - | \$ 594 | \$ 5,775 | 100.0% | \$ 5,775 | \$ - | \$ - |
| Belt Filter Press Chute Modifications | 10 | \$ 10,039 | \$ 1,094 | \$ 2,527 | \$ 8,412 | 100.0% | \$ 8,412 | \$ 1,094 | \$ - |
| Crane Gantry | 15 | \$ 19,044 | \$ 544 | \$ 861 | \$ 18,183 | 100.0% | \$ 18,183 | \$ 544 | \$ - |
| 50% of 2 15,000 Watt Generators | 10 | \$ 2,280 | \$ 228 | \$ 161 | \$ 361 | 100.0% | \$ 361 | \$ 228 | \$ - |
| 50% of 6" Diamond Core Drill | 7 | \$ 799 | \$ 114 | \$ 180 | \$ 180 | 100.0% | \$ 180 | \$ 114 | \$ - |
| 50% of 6" WW Pump Bypass Hose | 15 | \$ 5,175 | \$ 338 | \$ 451 | \$ 451 | 100.0% | \$ 451 | \$ 338 | \$ - |
| Subtotal | | \$ 53,217 | \$ 3,166 | \$ 10,360 | \$ 36,788 | | | | |
| Office Furniture and Equipment (GL Account: 4.00.39100) | | | | | | | | | |
| 35% Breit's Furniture | 7 | \$ 3,010 | \$ 71 | \$ 1,819 | \$ 1,191 | 0.0% | \$ - | \$ - | \$ - |
| Workstation Desk-Manager | 13 | \$ 4,500 | \$ 463 | \$ 3,686 | \$ 814 | 0.0% | \$ - | \$ - | \$ - |
| Ultra SV14 Desktop Notebook | 8 | \$ 2,799 | \$ - | \$ 2,799 | \$ - | 0.0% | \$ - | \$ - | \$ - |
| 22% Panasonic Copier | 7 | \$ 2,812 | \$ 402 | \$ 1,814 | \$ 998 | 0.0% | \$ - | \$ - | \$ - |
| 26% Sage FAS100 Software | 10 | \$ 1,063 | \$ 106 | \$ 301 | \$ 564 | 0.0% | \$ - | \$ - | \$ - |
| Remit Plus Software | 10 | \$ 4,575 | \$ 458 | \$ 2,135 | \$ 2,440 | 0.0% | \$ - | \$ - | \$ - |
| 1/3 Document Imaging System | 10 | \$ 4,879 | \$ 488 | \$ 1,992 | \$ 2,887 | 0.0% | \$ - | \$ - | \$ - |
| 32% T3400 Convertible MiniTower Q600, 2.40GHz-Scott Schmuck | 5 | \$ 467 | \$ 93 | \$ 273 | \$ 194 | 0.0% | \$ - | \$ - | \$ - |
| 47% Phaser 3300MFPX Copier | 10 | \$ 705 | \$ 70 | \$ 264 | \$ 441 | 0.0% | \$ - | \$ - | \$ - |
| 47% Drive Thru Drive Unit | 10 | \$ 3,658 | \$ 366 | \$ 1,372 | \$ 2,286 | 0.0% | \$ - | \$ - | \$ - |
| 45% Latitude E4590 Intel Core 2 Duo SU9300, 1.2GHz-Charlene Enst | 5 | \$ 876 | \$ 175 | \$ 311 | \$ 365 | 0.0% | \$ - | \$ - | \$ - |
| 35% T3400 Convertible MiniTower Q600, 2.40GHz-Jenny Hull | 5 | \$ 740 | \$ 148 | \$ 425 | \$ 315 | 0.0% | \$ - | \$ - | \$ - |
| 35% T3400 MiniTower Q600, 2.40GHz-Brett Pyles | 5 | \$ 740 | \$ 148 | \$ 425 | \$ 315 | 0.0% | \$ - | \$ - | \$ - |
| 22% Zetta Server-Quad Core Xeon E5410 Processor, 2GB RAM, 2 | 10 | \$ 866 | \$ 87 | \$ 310 | \$ 556 | 0.0% | \$ - | \$ - | \$ - |
| Hand Rail for Loading Dock at Service Center | 7 | \$ 408 | \$ 58 | \$ 209 | \$ 199 | 0.0% | \$ - | \$ - | \$ - |
| Insignia 47" LCD w/Blue Ray Player | 7 | \$ 461 | \$ 46 | \$ 138 | \$ 323 | 0.0% | \$ - | \$ - | \$ - |
| 47% of Leightronics Mini Tric Controller, interface, DVD Player | 10 | \$ 692 | \$ 69 | \$ 207 | \$ 485 | 0.0% | \$ - | \$ - | \$ - |
| 47% Dell Inspiron 1510 1090s | 5 | \$ 288 | \$ 58 | \$ 132 | \$ 156 | 0.0% | \$ - | \$ - | \$ - |
| 47% 5 Vostro 3500 Laptops | 5 | \$ 1,570 | \$ 314 | \$ 707 | \$ 863 | 0.0% | \$ - | \$ - | \$ - |
| 26% SDI Geosync Enterprise for Utilities | 10 | \$ 3,850 | \$ 385 | \$ 930 | \$ 2,920 | 0.0% | \$ - | \$ - | \$ - |
| 47% Remote 1 Web Harris Computers | 10 | \$ 1,504 | \$ 150 | \$ 352 | \$ 1,152 | 0.0% | \$ - | \$ - | \$ - |
| 47% iCall IVR | 10 | \$ 3,701 | \$ 370 | \$ 740 | \$ 2,961 | 0.0% | \$ - | \$ - | \$ - |
| 7% Server Room A/C Unit | 10 | \$ 258 | \$ 27 | \$ 54 | \$ 204 | 0.0% | \$ - | \$ - | \$ - |
| 26% of 2 Dell Computers for GIS Mapping | 5 | \$ 808 | \$ 162 | \$ 270 | \$ 538 | 0.0% | \$ - | \$ - | \$ - |
| 48% Dell Laptop for Tim Osborne | 5 | \$ 264 | \$ 31 | \$ 30 | \$ 234 | 0.0% | \$ - | \$ - | \$ - |
| 47% of 6 workstation computers (Dist Supervisor, Billing Specialist,) | 5 | \$ 2,823 | \$ 235 | \$ 236 | \$ 2,587 | 0.0% | \$ - | \$ - | \$ - |
| 47% of Dell Web Server | 10 | \$ 1,390 | \$ 66 | \$ 66 | \$ 1,324 | 0.0% | \$ - | \$ - | \$ - |
| 70% of Tipping Rain Bucket Gauge | 10 | \$ 710 | \$ 24 | \$ 24 | \$ 686 | 0.0% | \$ - | \$ - | \$ - |
| 47% of New CSR Chairs | 20 | \$ 914 | \$ 15 | \$ 15 | \$ 899 | 0.0% | \$ - | \$ - | \$ - |
| 70% of Tipping Rain Bucket Gauge | 10 | \$ 674 | \$ 22 | \$ 22 | \$ 652 | 0.0% | \$ - | \$ - | \$ - |
| Subtotal | | \$ 52,203 | \$ 5,109 | \$ 22,458 | \$ 29,745 | | | | |
| Transportation Equipment (GL Account: 4.00.39200) | | | | | | | | | |
| 1999 Ford F250 Truck | 7 | \$ 23,005 | \$ - | \$ 23,005 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| John Deere Gator Utility Vehicle | 12 | \$ 6,142 | \$ 427 | \$ 6,142 | \$ - | 45.4% | \$ - | \$ 194 | \$ (427) |
| Timberwolf Cargo Trailer | 14 | \$ 4,095 | \$ 427 | \$ 3,668 | \$ 427 | 45.4% | \$ 194 | \$ 194 | \$ - |
| 2001 Sterling/Vactor Combo | 15 | \$ 194,875 | \$ 12,992 | \$ 125,501 | \$ 69,374 | 45.4% | \$ 31,517 | \$ 5,902 | \$ - |
| 2003 Ford F150 Truck | 10 | \$ 14,366 | \$ 541 | \$ 14,366 | \$ - | 45.4% | \$ - | \$ 246 | \$ (541) |
| 2003 Ford F350 Truck | 10 | \$ 35,323 | \$ 3,223 | \$ 24,349 | \$ 1,074 | 45.4% | \$ 488 | \$ 1,464 | \$ (3,223) |
| 2003 Ford F250 Truck | 10 | \$ 30,444 | \$ 2,803 | \$ 20,445 | \$ (1) | 45.4% | \$ (0) | \$ 1,273 | \$ (2,803) |
| Mini Cam with Koala Transportation | 10 | \$ 9,350 | \$ 935 | \$ 9,116 | \$ 234 | 45.4% | \$ 106 | \$ 425 | \$ (935) |
| 2007 Honda Ridgeline RTL | 7 | \$ 8,225 | \$ 1,175 | \$ 5,882 | \$ 2,643 | 45.4% | \$ 1,201 | \$ 534 | \$ - |
| 35% of 2004 Jeep Laredo | 7 | \$ 7,172 | \$ 256 | \$ 7,172 | \$ (2) | 45.4% | \$ (1) | \$ 116 | \$ (256) |
| 2007 Dodge Sprinter Van | 7 | \$ 10,532 | \$ 1,505 | \$ 7,397 | \$ 3,135 | 45.4% | \$ 1,424 | \$ 684 | \$ - |
| 2008 F150 4x2 White Regular Cab | 7 | \$ 16,448 | \$ 2,350 | \$ 10,770 | \$ 5,678 | 45.4% | \$ 2,580 | \$ 1,067 | \$ - |
| 2008 Kawasaki 4x4 Mule Utility Vehicle | 10 | \$ 9,860 | \$ 986 | \$ 4,272 | \$ 5,588 | 45.4% | \$ 2,539 | \$ 448 | \$ - |
| 2% of 2008 F250 Distribution Truck | 7 | \$ 435 | \$ 62 | \$ 270 | \$ 165 | 45.4% | \$ 75 | \$ 28 | \$ - |
| 2008 F450 Crane Truck | 10 | \$ 47,572 | \$ 4,757 | \$ 20,615 | \$ 26,957 | 45.4% | \$ 12,247 | \$ 2,161 | \$ - |
| 2008 F550 Dump Truck | 10 | \$ 36,217 | \$ 3,622 | \$ 13,392 | \$ 20,825 | 45.4% | \$ 9,461 | \$ 1,645 | \$ - |
| Electric Start 30 Gal Air Compressor & Power Inverters | 7 | \$ 5,992 | \$ 856 | \$ 2,995 | \$ 2,997 | 45.4% | \$ 1,361 | \$ 389 | \$ - |
| Trailer EX10 GAT E 2000 GVW Trailer | 10 | \$ 1,041 | \$ 104 | \$ 269 | \$ 772 | 45.4% | \$ 331 | \$ 47 | \$ - |
| 6000 lb Pneumatic Forklift | 7 | \$ 25,810 | \$ 3,687 | \$ 8,910 | \$ 16,900 | 45.4% | \$ 7,678 | \$ 1,675 | \$ - |
| 33% Solar Assisted Arrowhead | 7 | \$ 1,518 | \$ 217 | \$ 397 | \$ 1,121 | 45.4% | \$ 509 | \$ 324 | \$ - |
| 23% of 2008 Toyota Tacoma 2wd Truck | 7 | \$ 5,000 | \$ 714 | \$ 1,250 | \$ 3,750 | 45.4% | \$ 1,704 | \$ 109 | \$ - |
| 69% of Vac Truck Hydraulic Excavating Assembly | 7 | \$ 1,688 | \$ 241 | \$ 382 | \$ 1,306 | 45.4% | \$ 593 | \$ 262 | \$ - |
| 2011 Ford F450 | 7 | \$ 40,403 | \$ 3,772 | \$ 7,696 | \$ 32,707 | 45.4% | \$ 14,859 | \$ 6,025 | \$ - |
| CCTV Van | 7 | \$ 128,036 | \$ 15,242 | \$ 15,242 | \$ 112,794 | 45.4% | \$ 51,243 | \$ 1,213 | \$ - |
| 2012 Chevy Silverado | 7 | \$ 37,374 | \$ 2,670 | \$ 2,669 | \$ 34,705 | 45.4% | \$ 15,767 | \$ 240 | \$ - |
| 47% of 2012 Ford F150 VIN 1FTMF6F6CF6C22027 | 7 | \$ 8,858 | \$ 528 | \$ 527 | \$ 8,331 | 45.4% | \$ 3,785 | \$ - | \$ - |
| Subtotal | | \$ 689,879 | \$ 66,091 | \$ 338,400 | \$ 351,479 | | | | |
| Lab Equipment (GL Account: 4.00.39301) | | | | | | | | | |
| Analytical Balance Level Lab | 10 | \$ 3,070 | \$ - | \$ 3,070 | \$ - | 100.0% | \$ - | \$ - | \$ - |
| Compact Sample Refrigerator | 10 | \$ 3,820 | \$ 127 | \$ 3,326 | \$ 494 | 100.0% | \$ 494 | \$ 127 | \$ - |
| Spectro D2900 to Read Ammonia Levels | 10 | \$ 2,809 | \$ 281 | \$ 936 | \$ 1,873 | 100.0% | \$ 1,873 | \$ 281 | \$ - |
| Subtotal | | \$ 10,299 | \$ 408 | \$ 7,932 | \$ 2,367 | | | | |
| Power Operated Equipment (GL Account: 4.00.39302) | | | | | | | | | |
| John Deere 345 Lawn Tractor | 10 | \$ 3,435 | \$ - | \$ 3,435 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| John Deere 345 Mower | 10 | \$ 5,250 | \$ - | \$ 5,250 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| Rig K Sewer Machine | 10 | \$ 3,522 | \$ - | \$ 3,522 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| Portable Cam Inspection System | 10 | \$ 64,056 | \$ 6,249 | \$ 49,475 | \$ 14,581 | 45.4% | \$ 6,624 | \$ 2,839 | \$ - |
| 185 Atlas Copco Air Compressor | 10 | \$ 11,995 | \$ - | \$ 11,995 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| John Deere 5105 Tractor | 10 | \$ 16,191 | \$ - | \$ 16,191 | \$ - | 45.4% | \$ - | \$ - | \$ - |
| 2004 Case 580sm Backhoe | 10 | \$ 65,275 | \$ 6,328 | \$ 44,458 | \$ 20,817 | 45.4% | \$ 9,457 | \$ 2,966 | \$ - |
| Cues Camera System Upgrade | 10 | \$ 23,600 | \$ 2,360 | \$ 16,917 | \$ 6,683 | 45.4% | \$ 3,027 | \$ 1,072 | \$ - |
| Vactor Clean Kit Upgrade | 10 | \$ 11,780 | \$ 1,179 | \$ 8,694 | \$ 3,085 | 45.4% | \$ 1,406 | \$ 576 | \$ - |
| 2006 Bobcat S220 Loader | 10 | \$ 23,486 | \$ 2,349 | \$ 13,309 | \$ 10,177 | 45.4% | \$ 4,624 | \$ 1,067 | \$ - |
| 47% Finish Mower #RD1H84R | 10 | \$ 844 | \$ 84 | \$ 450 | \$ 304 | 45.4% | \$ 170 | \$ 78 | \$ - |
| Fork Lift Hopper Rubber Casters | 10 | \$ 1,211 | \$ 121 | \$ 404 | \$ 807 | 45.4% | \$ 367 | \$ 55 | \$ - |
| Generator for WWTP, Installation & Training | 10 | \$ 81,282 | \$ 8,128 | \$ 27,476 | \$ 53,806 | 100.0% | \$ 53,806 | \$ 8,928 | \$ - |
| 58% of Generators - Emergency Power Upgrades | 10 | \$ 72,857 | \$ 7,286 | \$ 7,893 | \$ 64,964 | 45.4% | \$ 29,514 | \$ 3,310 | \$ - |
| Subtotal | | \$ 394,792 | \$ 35,084 | \$ 211,489 | \$ 183,303 | | | | |
| Communication Equipment (GL Account: 30.00.1739935) | | | | | | | | | |
| Alto GSP/GIS Receiver | 10 | \$ 6,835 | \$ - | \$ 6,114 | \$ 721 | 45.4% | \$ 328 | \$ - | \$ - |
| Vodafone S15 Key Phone System | 10 | \$ 3,544 | \$ 177 | \$ 1,672 | \$ 1,872 | 45.4% | \$ 861 | \$ 89 | \$ - |
| 30% of Software - ArcPad 10, GPS, Analyst, & GIS Connect | 10 | \$ 714 | \$ 50 | \$ 50 | \$ 655 | 45.4% | \$ 298 | \$ 27 | \$ - |
| Receiver and Module for Oxidation Ditch 1&2 | 10 | \$ 2,898 | \$ 160 | \$ 160 | \$ 2,738 | 45.4% | \$ 1,240 | \$ 77 | \$ - |
| Vertical SHX Phone System | 10 | \$ 1,774 | \$ 190 | \$ 190 | \$ 1,584 | 45.4% | \$ 715 | \$ 90 | \$ - |
| Subtotal | | \$ 17,966 | \$ 604 | \$ 821 | \$ 9,742 | | | | |
| Total (Depreciation Summary Report) | | \$ 34,644,711 | \$ 903,172 | \$ 14,834,617 | \$ 19,810,025 | | \$ 16,759,187 | \$ 780,772 | \$ - |
| Less | | | | | | | | | |
| Disposals | | \$ (202,470) | \$ (4,363) | | | | | | |
| Net Total (Depreciation Summary Report) | | \$ 34,442,241 | \$ 898,809 | \$ 14,736,181 | \$ 19,715,551 | | | | |

96.43%

| Nominal Diameter | Length in Feet (Known) | % Total | Known % Allocation | Add Unknown | Revised Length in Feet | Revised Inch/Feet | % Total |
|------------------------|------------------------|---------|--------------------|-------------|------------------------|-------------------|---------|
| 2 | 4,046 | 0.5% | 3.7% | 8,317 | 12,363 | 24,725.23 | 0.3% |
| 4 | 14,700 | 1.9% | 13.5% | 30,216 | 44,916 | 179,664.29 | 2.5% |
| 6 | 9,257 | 1.2% | 8.5% | 19,028 | 28,285 | 169,709.43 | 2.4% |
| 8 | 215,984 | 28.0% | | 223,601 | 439,585 | 3,516,680.00 | 49.3% |
| 10 | 33,725 | 4.4% | 31.0% | 69,322 | 103,047 | 1,030,472.50 | 14.5% |
| 12 | 14,993 | 1.9% | 13.8% | 30,818 | 45,811 | 549,736.07 | 7.7% |
| 15 | 4,802 | 0.6% | 4.4% | 9,871 | 14,673 | 220,088.76 | 3.1% |
| 16 | 21,184 | 2.7% | 19.5% | 43,544 | 64,728 | 1,035,648.55 | 14.5% |
| 18 | 2,815 | 0.4% | 2.6% | 5,786 | 8,601 | 154,822.96 | 2.2% |
| 21 | 1,428 | 0.2% | 1.3% | 2,935 | 4,363 | 91,628.79 | 1.3% |
| 24 | 600 | 0.1% | 0.6% | 1,233 | 1,833 | 43,999.42 | 0.6% |
| 30 | 1,231 | 0.2% | 1.1% | 2,530 | 3,761 | 112,840.18 | 1.6% |
| Unknown (assume 8") | 447,202 | 57.9% | | | | | |
| Total | 771,967 | 100% | | 447,202 | 771,967 | 7,130,016 | 100% |
| Unknown Sewer Mains | | | | | | | |
| Allocated to 8-inch | 50.0% | 223,601 | | | | | |
| Allocated to all other | 50.0% | 223,601 | | | | | |

| | |
|---|--------|
| Collection System - 8-inches and below | 54.6% |
| Conveyance System - 10-inches and above | 45.4% |
| | 100.0% |

| | Current Hourly Rate | Hours per Week | 2012 | | | | Allocation to Radcliff Utility | | |
|--------------------------------------|------------------------|-------------------|---------------|-------------|------------|---------------|--------------------------------|--------------|---------------|
| | | | Test Year (1) | Adjustments | Rate Year | % Capitalized | Net O&M | % Allocation | \$ Allocation |
| Salaries & Wages | | | | | | | | | |
| Accountant | \$ 22.14 | 40 | \$ 46,051 | \$ 1,382 | \$ 47,433 | 25.0% | \$ 35,575 | 35.0% | \$ 12,451 |
| PT Salaries | \$ - | 40 | \$ 41,028 | \$ 1,231 | \$ 42,259 | 0.0% | \$ 42,259 | 28.0% | \$ 11,832 |
| Accounting Specialist | \$ 18.57 | 40 | \$ 38,626 | \$ 1,159 | \$ 39,784 | 25.0% | \$ 29,838 | 25.0% | \$ 7,460 |
| Project Coordinator | \$ 22.37 | 40 | \$ 46,430 | \$ 1,396 | \$ 47,825 | 33.0% | \$ 32,110 | 31.0% | \$ 9,954 |
| General Manager | \$ 49.68 | 40 | \$ 103,334 | \$ 21,674 | \$ 125,008 | 20.0% | \$ 100,006 | 25.0% | \$ 25,002 |
| Finance & Accounting Manager | \$ 32.89 | 40 | \$ 68,411 | \$ 2,052 | \$ 70,464 | 25.0% | \$ 52,848 | 25.0% | \$ 13,212 |
| Engineering Manager | \$ 33.21 | 40 | \$ 69,077 | \$ 2,072 | \$ 71,149 | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ 18.74 | 40 | \$ 38,979 | \$ 1,169 | \$ 40,149 | 0.0% | \$ 40,149 | 32.0% | \$ 12,848 |
| Operations Manager | \$ 34.51 | 40 | \$ 71,781 | \$ 2,153 | \$ 73,934 | 50.0% | \$ 36,967 | 15.0% | \$ 5,545 |
| WQ / Measurement Specialist | \$ 27.46 | 40 | \$ 57,117 | \$ 1,714 | \$ 58,830 | 0.0% | \$ 58,830 | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ 25.38 | 40 | \$ 52,790 | \$ 1,584 | \$ 54,374 | 50.0% | \$ 27,187 | 42.5% | \$ 11,554 |
| Overtime | | | | | | | | | |
| Accountant | \$ - | \$ - | \$ - | \$ - | \$ - | 25.0% | \$ - | 35.0% | \$ - |
| PT Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 28.0% | \$ - |
| Accounting Specialist | \$ - | \$ 464 | \$ - | \$ 14 | \$ 478 | 25.0% | \$ 358 | 25.0% | \$ 90 |
| Project Coordinator | \$ - | \$ - | \$ - | \$ - | \$ - | 33.0% | \$ - | 31.0% | \$ - |
| General Manager | \$ - | \$ - | \$ - | \$ - | \$ - | 20.0% | \$ - | 25.0% | \$ - |
| Finance & Accounting Manager | \$ - | \$ - | \$ - | \$ - | \$ - | 25.0% | \$ - | 25.0% | \$ - |
| Engineering Manager | \$ - | \$ - | \$ - | \$ - | \$ - | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ - | \$ 468 | \$ - | \$ 14 | \$ 482 | 0.0% | \$ 482 | 32.0% | \$ 154 |
| Operations Manager | \$ - | \$ - | \$ - | \$ - | \$ - | 50.0% | \$ - | 15.0% | \$ - |
| WQ / Measurement Specialist | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ - | \$ - | \$ - | \$ - | \$ - | 50.0% | \$ - | 42.5% | \$ - |
| Health | | | | | | | | | |
| Accountant | \$ 6.535 | \$ - | \$ - | \$ - | \$ 6,535 | 25.0% | \$ 4,901 | 35.0% | \$ 1,715 |
| PT Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 28.0% | \$ - |
| Accounting Specialist | \$ 6.535 | \$ - | \$ - | \$ - | \$ 6,535 | 25.0% | \$ 4,901 | 25.0% | \$ 1,225 |
| Project Coordinator | \$ 6.535 | \$ - | \$ - | \$ - | \$ 6,535 | 33.0% | \$ 4,378 | 31.0% | \$ 1,357 |
| General Manager | \$ 8,598 | \$ 3,893 | \$ - | \$ - | \$ 12,491 | 20.0% | \$ 9,993 | 25.0% | \$ 2,498 |
| Finance & Accounting Manager | \$ 4,488 | \$ - | \$ - | \$ - | \$ 4,488 | 25.0% | \$ 3,366 | 25.0% | \$ 842 |
| Engineering Manager | \$ 4,488 | \$ - | \$ - | \$ - | \$ 4,488 | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ 4,488 | \$ - | \$ - | \$ - | \$ 4,488 | 0.0% | \$ 4,488 | 32.0% | \$ 1,436 |
| Operations Manager | \$ 6,535 | \$ - | \$ - | \$ - | \$ 6,535 | 50.0% | \$ 3,268 | 15.0% | \$ 490 |
| WQ / Measurement Specialist | \$ 6,535 | \$ - | \$ - | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ 6,535 | \$ - | \$ - | \$ - | \$ 6,535 | 50.0% | \$ 3,268 | 42.5% | \$ 1,389 |
| W_Comp | | | | | | | | | |
| Accountant | \$ 74 | \$ - | \$ - | \$ - | \$ 74 | 25.0% | \$ 56 | 35.0% | \$ 19 |
| PT Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 28.0% | \$ - |
| Accounting Specialist | \$ 62 | \$ - | \$ - | \$ - | \$ 62 | 25.0% | \$ 47 | 25.0% | \$ 12 |
| Project Coordinator | \$ 74 | \$ - | \$ - | \$ - | \$ 74 | 33.0% | \$ 50 | 31.0% | \$ 15 |
| General Manager | \$ 200 | \$ - | \$ - | \$ - | \$ 200 | 20.0% | \$ 160 | 25.0% | \$ 40 |
| Finance & Accounting Manager | \$ 109 | \$ - | \$ - | \$ - | \$ 109 | 25.0% | \$ 82 | 25.0% | \$ 20 |
| Engineering Manager | \$ 318 | \$ - | \$ - | \$ - | \$ 318 | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ 62 | \$ - | \$ - | \$ - | \$ 62 | 0.0% | \$ 62 | 32.0% | \$ 20 |
| Operations Manager | \$ 330 | \$ - | \$ - | \$ - | \$ 330 | 50.0% | \$ 165 | 15.0% | \$ 25 |
| WQ / Measurement Specialist | \$ 1,057 | \$ - | \$ - | \$ - | \$ 1,057 | 0.0% | \$ 1,057 | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ 84 | \$ - | \$ - | \$ - | \$ 84 | 50.0% | \$ 42 | 42.5% | \$ 18 |
| Dental & Vision | | | | | | | | | |
| Accountant | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 25.0% | \$ 279 | 35.0% | \$ 98 |
| PT Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 28.0% | \$ - |
| Accounting Specialist | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 25.0% | \$ 279 | 25.0% | \$ 70 |
| Project Coordinator | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 33.0% | \$ 240 | 31.0% | \$ 77 |
| General Manager | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 20.0% | \$ 298 | 25.0% | \$ 74 |
| Finance & Accounting Manager | \$ 288 | \$ - | \$ - | \$ - | \$ 288 | 25.0% | \$ 216 | 25.0% | \$ 54 |
| Engineering Manager | \$ 288 | \$ - | \$ - | \$ - | \$ 288 | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Operations Manager | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 50.0% | \$ 186 | 15.0% | \$ 28 |
| WQ / Measurement Specialist | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 0.0% | \$ 372 | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ 372 | \$ - | \$ - | \$ - | \$ 372 | 50.0% | \$ 186 | 42.5% | \$ 79 |
| Life & LTD | | | | | | | | | |
| Accountant | \$ 519 | \$ - | \$ - | \$ - | \$ 519 | 25.0% | \$ 389 | 35.0% | \$ 136 |
| PT Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% | \$ - | 28.0% | \$ - |
| Accounting Specialist | \$ 437 | \$ - | \$ - | \$ - | \$ 437 | 25.0% | \$ 328 | 25.0% | \$ 82 |
| Project Coordinator | \$ 529 | \$ - | \$ - | \$ - | \$ 529 | 33.0% | \$ 354 | 31.0% | \$ 110 |
| General Manager | \$ 1,176 | \$ - | \$ - | \$ - | \$ 1,176 | 20.0% | \$ 941 | 25.0% | \$ 235 |
| Finance & Accounting Manager | \$ 774 | \$ - | \$ - | \$ - | \$ 774 | 25.0% | \$ 581 | 25.0% | \$ 145 |
| Engineering Manager | \$ 779 | \$ - | \$ - | \$ - | \$ 779 | 100.0% | \$ - | 19.8% | \$ - |
| Executive Assistant | \$ 441 | \$ - | \$ - | \$ - | \$ 441 | 0.0% | \$ 441 | 32.0% | \$ 141 |
| Operations Manager | \$ 812 | \$ - | \$ - | \$ - | \$ 812 | 50.0% | \$ 406 | 15.0% | \$ 61 |
| WQ / Measurement Specialist | \$ 646 | \$ - | \$ - | \$ - | \$ 646 | 0.0% | \$ 646 | 0.0% | \$ - |
| Dist. System GIS/Planning Specialist | \$ 595 | \$ - | \$ - | \$ - | \$ 595 | 50.0% | \$ 298 | 42.5% | \$ 126 |

| | | | | | | | | | | | | |
|--------------------------------------|----|---------|------------------------------|--------|----|---------|--------|----|---------|-------|---------|-------|
| OASDI | | | | | | | | | | | | |
| Accountant | \$ | 3,523 | \$ | 106 | \$ | 3,629 | 25.0% | \$ | 2,721 | 35.0% | \$ | 953 |
| PT Salaries | \$ | 3,139 | \$ | 94 | \$ | 3,233 | 0.0% | \$ | 3,233 | 28.0% | \$ | 905 |
| Accounting Specialist | \$ | 2,990 | \$ | 90 | \$ | 3,080 | 25.0% | \$ | 2,310 | 25.0% | \$ | 578 |
| Project Coordinator | \$ | 3,560 | \$ | 107 | \$ | 3,666 | 33.0% | \$ | 2,456 | 31.0% | \$ | 761 |
| General Manager | \$ | 7,905 | \$ | 1,658 | \$ | 9,563 | 20.0% | \$ | 7,650 | 25.0% | \$ | 1,913 |
| Finance & Accounting Manager | \$ | 5,233 | \$ | 157 | \$ | 5,390 | 25.0% | \$ | 4,043 | 25.0% | \$ | 1,011 |
| Engineering Manager | \$ | 5,284 | \$ | 159 | \$ | 5,443 | 100.0% | \$ | - | 19.8% | \$ | - |
| Executive Assistant | \$ | 3,018 | \$ | 91 | \$ | 3,108 | 0.0% | \$ | 3,108 | 32.0% | \$ | 995 |
| Operations Manager | \$ | 5,491 | \$ | 165 | \$ | 5,656 | 50.0% | \$ | 2,828 | 15.0% | \$ | 424 |
| WQ / Measurement Specialist | \$ | 4,369 | \$ | 131 | \$ | 4,501 | 0.0% | \$ | 4,501 | 0.0% | \$ | - |
| Dist. System GIS/Planning Specialist | \$ | 4,038 | \$ | 121 | \$ | 4,160 | 50.0% | \$ | 2,080 | 42.5% | \$ | 884 |
| Pension | | | | | | | | | | | | |
| Accountant | \$ | 9,003 | \$ | 144 | \$ | 9,147 | 25.0% | \$ | 6,860 | 35.0% | \$ | 2,401 |
| PT Salaries | \$ | - | \$ | - | \$ | - | 0.0% | \$ | - | 28.0% | \$ | - |
| Accounting Specialist | \$ | 7,642 | \$ | 122 | \$ | 7,764 | 25.0% | \$ | 5,823 | 25.0% | \$ | 1,456 |
| Project Coordinator | \$ | 9,097 | \$ | 146 | \$ | 9,242 | 33.0% | \$ | 6,192 | 31.0% | \$ | 1,920 |
| General Manager | \$ | 20,202 | \$ | 4,737 | \$ | 24,939 | 20.0% | \$ | 19,951 | 25.0% | \$ | 4,988 |
| Finance & Accounting Manager | \$ | 13,374 | \$ | 214 | \$ | 13,588 | 25.0% | \$ | 10,191 | 25.0% | \$ | 2,548 |
| Engineering Manager | \$ | 13,505 | \$ | 216 | \$ | 13,721 | 100.0% | \$ | - | 19.8% | \$ | - |
| Executive Assistant | \$ | 7,712 | \$ | 123 | \$ | 7,835 | 0.0% | \$ | 7,835 | 32.0% | \$ | 2,507 |
| Operations Manager | \$ | 14,033 | \$ | 225 | \$ | 14,258 | 50.0% | \$ | 7,129 | 15.0% | \$ | 1,069 |
| WQ / Measurement Specialist | \$ | 11,166 | \$ | 179 | \$ | 11,345 | 0.0% | \$ | 11,345 | 0.0% | \$ | - |
| Dist. System GIS/Planning Specialist | \$ | 10,321 | \$ | 165 | \$ | 10,486 | 50.0% | \$ | 5,243 | 42.5% | \$ | 2,228 |
| Total Administration | | | | | | | | | | | | |
| | \$ | 873,163 | \$ | 50,655 | \$ | 923,818 | | \$ | 625,747 | \$ | 150,399 | |
| | | | \$ | 12,175 | | | | | | | 24.0% | |
| | | | <i>Allocated to Rutcliff</i> | | | | | | | | | |

HCWD1 - Radcliff Utility
PSC Case
Commissioner

Schedule 16b

| | Current Hourly Rate | Hours per Week | 2012 | | Rate Year | % Capitalized | Net O&M | Allocation to Radcliff Utility | |
|----------------------------|------------------------|-------------------|-----------------------|-------------|-----------|---------------|-----------|--------------------------------|---------------|
| | | | Test Year (1) | Adjustments | | | | % Allocation | \$ Allocation |
| Salaries and Wages | | | | | | | | | |
| Commissioner | \$ 57.69 | 2 | \$ 6,000 | \$ - | \$ 6,000 | 0.0% | \$ 6,000 | 32.0% | \$ 1,920 |
| Commissioner | \$ 59.62 | 2 | \$ 6,200 | \$ - | \$ 6,200 | 0.0% | \$ 6,200 | 32.0% | \$ 1,984 |
| Commissioner | \$ 57.69 | 2 | \$ 6,000 | \$ - | \$ 6,000 | 0.0% | \$ 6,000 | 32.0% | \$ 1,920 |
| Commissioner | \$ 57.69 | 2 | \$ 6,000 | \$ - | \$ 6,000 | 0.0% | \$ 6,000 | 32.0% | \$ 1,920 |
| Commissioner | \$ 57.69 | 2 | \$ 6,000 | \$ - | \$ 6,000 | 0.0% | \$ 6,000 | 32.0% | \$ 1,920 |
| Overtime | | | | | | | | | |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Health | | | | | | | | | |
| Commissioner | | | \$ 1,680 | \$ - | \$ 1,680 | 0.0% | \$ 1,680 | 32.0% | \$ 538 |
| Commissioner | | | \$ 10,636 | \$ - | \$ 10,636 | 0.0% | \$ 10,636 | 32.0% | \$ 3,404 |
| Commissioner | | | \$ 1,680 | \$ - | \$ 1,680 | 0.0% | \$ 1,680 | 32.0% | \$ 538 |
| Commissioner | | | \$ 1,680 | \$ - | \$ 1,680 | 0.0% | \$ 1,680 | 32.0% | \$ 538 |
| Commissioner | | | \$ 10,636 | \$ - | \$ 10,636 | 0.0% | \$ 10,636 | 32.0% | \$ 3,404 |
| W_Comp | | | | | | | | | |
| Commissioner | | | \$ 10 | \$ - | \$ 10 | 0.0% | \$ 10 | 32.0% | \$ 3 |
| Commissioner | | | \$ 10 | \$ - | \$ 10 | 0.0% | \$ 10 | 32.0% | \$ 3 |
| Commissioner | | | \$ 10 | \$ - | \$ 10 | 0.0% | \$ 10 | 32.0% | \$ 3 |
| Commissioner | | | \$ 10 | \$ - | \$ 10 | 0.0% | \$ 10 | 32.0% | \$ 3 |
| Commissioner | | | \$ 10 | \$ - | \$ 10 | 0.0% | \$ 10 | 32.0% | \$ 3 |
| Dental & Vision | | | | | | | | | |
| Commissioner | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Commissioner | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Commissioner | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Commissioner | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Commissioner | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 32.0% | \$ 119 |
| Life & LTD | | | | | | | | | |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| Commissioner | | | \$ - | \$ - | - | 0.0% | \$ - | 32.0% | \$ - |
| OASDI | | | | | | | | | |
| Commissioner | | | \$ 459 | \$ 14 | \$ 473 | 0.0% | \$ 473 | 32.0% | \$ 151 |
| Commissioner | | | \$ 474 | \$ 14 | \$ 489 | 0.0% | \$ 489 | 32.0% | \$ 156 |
| Commissioner | | | \$ 459 | \$ 14 | \$ 473 | 0.0% | \$ 473 | 32.0% | \$ 151 |
| Commissioner | | | \$ 459 | \$ 14 | \$ 473 | 0.0% | \$ 473 | 32.0% | \$ 151 |
| Commissioner | | | \$ 459 | \$ 14 | \$ 473 | 0.0% | \$ 473 | 32.0% | \$ 151 |
| Pension | | | | | | | | | |
| Commissioner | | | \$ 1,173 | \$ 19 | \$ 1,192 | 0.0% | \$ 1,192 | 32.0% | \$ 381 |
| Commissioner | | | \$ 1,212 | \$ 19 | \$ 1,231 | 0.0% | \$ 1,231 | 32.0% | \$ 394 |
| Commissioner | | | \$ 1,173 | \$ 19 | \$ 1,192 | 0.0% | \$ 1,192 | 32.0% | \$ 381 |
| Commissioner | | | \$ 1,173 | \$ 19 | \$ 1,192 | 0.0% | \$ 1,192 | 32.0% | \$ 381 |
| Commissioner | | | \$ 1,173 | \$ 19 | \$ 1,192 | 0.0% | \$ 1,192 | 32.0% | \$ 381 |
| Total Commissioners | | | \$ 66,636 | \$ 164 | \$ 66,800 | | \$ 66,800 | | \$ 21,376 |
| | | | | \$ 32 | | | | | \$ 32.0% |
| | | | Allocated to Radcliff | | | | | | |

HCWD1 - Raulcliff Utility
PSC Case
Customer Service

Schedule 16c

| | Current Hourly Rate | Hours per Week | 2012 | | | | Allocation to Raulcliff Utility | | | |
|--|------------------------|-------------------|---------------|------------------------|------------|---------------|---------------------------------|--------------|---------------|--|
| | | | Test Year (1) | Adjustments | Rate Year | % Capitalized | Net O&M | % Allocation | \$ Allocation | |
| Salaries and Wages | | | | | | | | | | |
| Customer Service Representative | \$ 16.42 | 40 | \$ 34,154 | \$ 1,025 | \$ 35,178 | 0.0% | \$ 35,178 | 47.0% | \$ 16,534 | |
| Customer Service Manager | \$ 29.52 | 40 | \$ 61,402 | \$ 1,842 | \$ 63,244 | 0.0% | \$ 63,244 | 47.0% | \$ 29,725 | |
| Customer Service Representative (Vacant) | \$ 11.25 | 40 | \$ 11,700 | \$ 351 | \$ 12,051 | 0.0% | \$ 12,051 | 46.0% | \$ 5,543 | |
| Customer Service Representative | \$ 13.89 | 40 | \$ 28,891 | \$ 867 | \$ 29,758 | 0.0% | \$ 29,758 | 47.0% | \$ 13,986 | |
| Customer Service Representative | \$ 17.04 | 40 | \$ 35,443 | \$ 1,063 | \$ 36,506 | 0.0% | \$ 36,506 | 47.0% | \$ 17,158 | |
| Customer Service Representative | \$ 14.67 | 40 | \$ 30,514 | \$ 915 | \$ 31,429 | 0.0% | \$ 31,429 | 47.0% | \$ 14,772 | |
| Utility Billing Specialist | \$ 19.36 | 40 | \$ 40,269 | \$ 1,208 | \$ 41,477 | 0.0% | \$ 41,477 | 46.0% | \$ 19,079 | |
| Overtime | | | | | | | | | | |
| Customer Service Representative | | | \$ 171 | \$ 5 | \$ 176 | 0.0% | \$ 176 | 47.0% | \$ 83 | |
| Customer Service Manager | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 47.0% | \$ - | |
| Customer Service Representative (Vacant) | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 46.0% | \$ - | |
| Customer Service Representative | | | \$ 144 | \$ 4 | \$ 148 | 0.0% | \$ 148 | 47.0% | \$ 70 | |
| Customer Service Representative | | | \$ 177 | \$ 5 | \$ 182 | 0.0% | \$ 182 | 47.0% | \$ 86 | |
| Customer Service Representative | | | \$ 153 | \$ 5 | \$ 158 | 0.0% | \$ 158 | 47.0% | \$ 74 | |
| Utility Billing Specialist | | | \$ 201 | \$ 6 | \$ 207 | 0.0% | \$ 207 | 46.0% | \$ 95 | |
| Health | | | | | | | | | | |
| Customer Service Representative | | | \$ 4,488 | \$ - | \$ 4,488 | 0.0% | \$ 4,488 | 47.0% | \$ 2,109 | |
| Customer Service Manager | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 | |
| Customer Service Representative (Vacant) | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 46.0% | \$ - | |
| Customer Service Representative | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 | |
| Customer Service Representative | | | \$ 4,488 | \$ - | \$ 4,488 | 0.0% | \$ 4,488 | 47.0% | \$ 2,109 | |
| Customer Service Representative | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 | |
| Utility Billing Specialist | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 46.0% | \$ 3,006 | |
| W_Comp | | | | | | | | | | |
| Customer Service Representative | | | \$ 55 | \$ - | \$ 55 | 0.0% | \$ 55 | 47.0% | \$ 26 | |
| Customer Service Manager | | | \$ 104 | \$ - | \$ 104 | 0.0% | \$ 104 | 47.0% | \$ 49 | |
| Customer Service Representative (Vacant) | | | \$ 19 | \$ - | \$ 19 | 0.0% | \$ 19 | 46.0% | \$ 9 | |
| Customer Service Representative | | | \$ 46 | \$ - | \$ 46 | 0.0% | \$ 46 | 47.0% | \$ 22 | |
| Customer Service Representative | | | \$ 57 | \$ - | \$ 57 | 0.0% | \$ 57 | 47.0% | \$ 27 | |
| Customer Service Representative | | | \$ 49 | \$ - | \$ 49 | 0.0% | \$ 49 | 47.0% | \$ 23 | |
| Utility Billing Specialist | | | \$ 64 | \$ - | \$ 64 | 0.0% | \$ 64 | 46.0% | \$ 29 | |
| Dental & Vision | | | | | | | | | | |
| Customer Service Representative | | | \$ 373 | \$ - | \$ 373 | 0.0% | \$ 373 | 47.0% | \$ 175 | |
| Customer Service Manager | | | \$ 373 | \$ - | \$ 373 | 0.0% | \$ 373 | 47.0% | \$ 175 | |
| Customer Service Representative (Vacant) | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 46.0% | \$ - | |
| Customer Service Representative | | | \$ 373 | \$ - | \$ 373 | 0.0% | \$ 373 | 47.0% | \$ 175 | |
| Customer Service Representative | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 47.0% | \$ - | |
| Customer Service Representative | | | \$ 373 | \$ - | \$ 373 | 0.0% | \$ 373 | 47.0% | \$ 175 | |
| Utility Billing Specialist | | | \$ 373 | \$ - | \$ 373 | 0.0% | \$ 373 | 46.0% | \$ 172 | |
| Life & LTD | | | | | | | | | | |
| Customer Service Representative | | | \$ 429 | \$ - | \$ 429 | 0.0% | \$ 429 | 47.0% | \$ 202 | |
| Customer Service Manager | | | \$ 771 | \$ - | \$ 771 | 0.0% | \$ 771 | 47.0% | \$ 362 | |
| Customer Service Representative (Vacant) | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 46.0% | \$ - | |
| Customer Service Representative | | | \$ 363 | \$ - | \$ 363 | 0.0% | \$ 363 | 47.0% | \$ 171 | |
| Customer Service Representative | | | \$ 446 | \$ - | \$ 446 | 0.0% | \$ 446 | 47.0% | \$ 210 | |
| Customer Service Representative | | | \$ 383 | \$ - | \$ 383 | 0.0% | \$ 383 | 47.0% | \$ 180 | |
| Utility Billing Specialist | | | \$ 505 | \$ - | \$ 505 | 0.0% | \$ 505 | 46.0% | \$ 232 | |
| OASDI | | | | | | | | | | |
| Customer Service Representative | | | \$ 2,626 | \$ 79 | \$ 2,705 | 0.0% | \$ 2,705 | 47.0% | \$ 1,271 | |
| Customer Service Manager | | | \$ 4,697 | \$ 141 | \$ 4,838 | 0.0% | \$ 4,838 | 47.0% | \$ 2,274 | |
| Customer Service Representative (Vacant) | | | \$ 895 | \$ 27 | \$ 922 | 0.0% | \$ 922 | 46.0% | \$ 424 | |
| Customer Service Representative | | | \$ 2,221 | \$ 67 | \$ 2,288 | 0.0% | \$ 2,288 | 47.0% | \$ 1,075 | |
| Customer Service Representative | | | \$ 2,725 | \$ 82 | \$ 2,807 | 0.0% | \$ 2,807 | 47.0% | \$ 1,319 | |
| Customer Service Representative | | | \$ 2,346 | \$ 70 | \$ 2,416 | 0.0% | \$ 2,416 | 47.0% | \$ 1,136 | |
| Utility Billing Specialist | | | \$ 3,096 | \$ 93 | \$ 3,189 | 0.0% | \$ 3,189 | 46.0% | \$ 1,467 | |
| Pension | | | | | | | | | | |
| Customer Service Representative | | | \$ 6,710 | \$ 107 | \$ 6,818 | 0.0% | \$ 6,818 | 47.0% | \$ 3,204 | |
| Customer Service Manager | | | \$ 12,004 | \$ 192 | \$ 12,196 | 0.0% | \$ 12,196 | 47.0% | \$ 5,732 | |
| Customer Service Representative (Vacant) | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 46.0% | \$ - | |
| Customer Service Representative | | | \$ 5,767 | \$ 91 | \$ 5,767 | 0.0% | \$ 5,767 | 47.0% | \$ 2,711 | |
| Customer Service Representative | | | \$ 6,364 | \$ 111 | \$ 7,075 | 0.0% | \$ 7,075 | 47.0% | \$ 3,325 | |
| Customer Service Representative | | | \$ 5,995 | \$ 96 | \$ 6,091 | 0.0% | \$ 6,091 | 47.0% | \$ 2,863 | |
| Utility Billing Specialist | | | \$ 7,912 | \$ 127 | \$ 8,038 | 0.0% | \$ 8,038 | 46.0% | \$ 3,698 | |
| Total Customer Service | | | \$ 347,358 | \$ 8,579 | \$ 355,937 | | \$ 355,937 | | \$ 166,557 | |
| | | | | \$ 4,014 | | | | | \$ 46.8% | |
| | | | | Allocated to Raulcliff | | | | | | |

| | Current Hourly Rate | Hours per Week | 2012 | | | | Allocation to Radcliff Utility | | |
|---------------------------------|------------------------|-------------------|---------------|-------------|-----------|---------------|--------------------------------|--------------|---------------|
| | | | Test Year (1) | Adjustments | Rate Year | % Capitalized | Net O&M | % Allocation | \$ Allocation |
| Salaries and Wages | | | | | | | | | |
| Distribution Operator - III | \$ 17.60 | 40 | \$ 36,608 | \$ 1,098 | \$ 37,706 | 0.0% | \$ 37,706 | 47.0% | \$ 17,722 |
| Distribution Operator - I or II | \$ 14.39 | 40 | \$ 29,931 | \$ 898 | \$ 30,829 | 0.0% | \$ 30,829 | 47.0% | \$ 14,490 |
| Distribution Operator - I or II | \$ 18.21 | 40 | \$ 37,877 | \$ 1,136 | \$ 39,013 | 0.0% | \$ 39,013 | 47.0% | \$ 18,336 |
| Distribution Operator - I | \$ 17.38 | 40 | \$ 36,150 | \$ 1,085 | \$ 37,235 | 40.0% | \$ 22,341 | 0.0% | \$ - |
| Distribution Operator - I | \$ 13.97 | 40 | \$ 29,058 | \$ 872 | \$ 29,929 | 0.0% | \$ 29,929 | 0.0% | \$ - |
| Distribution Operator - III | \$ 17.30 | 40 | \$ 35,984 | \$ 1,080 | \$ 37,064 | 0.0% | \$ 37,064 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | \$ - | 40 | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 19.70 | 40 | \$ 40,976 | \$ 1,229 | \$ 42,205 | 0.0% | \$ 42,205 | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 17.07 | 40 | \$ 35,506 | \$ 1,065 | \$ 36,571 | 0.0% | \$ 36,571 | 47.0% | \$ 17,188 |
| Distribution Operator - I or II | \$ 13.43 | 40 | \$ 27,934 | \$ 838 | \$ 28,772 | 0.0% | \$ 28,772 | 47.0% | \$ 13,523 |
| Distribution Operator - I or II | \$ 15.37 | 40 | \$ 31,970 | \$ 959 | \$ 32,929 | 0.0% | \$ 32,929 | 0.0% | \$ - |
| Distribution Supervisor | \$ 28.39 | 40 | \$ 59,051 | \$ 1,772 | \$ 60,823 | 0.0% | \$ 60,823 | 1.5% | \$ 912 |
| TEMP Summer Help | \$ 9.80 | 40 | \$ 4,951 | \$ 149 | \$ 5,100 | 0.0% | \$ 5,100 | 0.0% | \$ - |
| Overtime | | | | | | | | | |
| Distribution Operator - III | | | \$ 2,306 | \$ 69 | \$ 2,375 | 0.0% | \$ 2,375 | 47.0% | \$ 1,116 |
| Distribution Operator - I or II | | | \$ 1,886 | \$ 57 | \$ 1,943 | 0.0% | \$ 1,943 | 47.0% | \$ 913 |
| Distribution Operator - I or II | | | \$ 2,386 | \$ 72 | \$ 2,458 | 0.0% | \$ 2,458 | 47.0% | \$ 1,155 |
| Distribution Operator - I | | | \$ 2,277 | \$ 68 | \$ 2,345 | 40.0% | \$ 1,407 | 0.0% | \$ - |
| Distribution Operator - I | | | \$ 1,831 | \$ 55 | \$ 1,886 | 0.0% | \$ 1,886 | 0.0% | \$ - |
| Distribution Operator - III | | | \$ 2,267 | \$ 68 | \$ 2,335 | 0.0% | \$ 2,335 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 2,581 | \$ 77 | \$ 2,658 | 0.0% | \$ 2,658 | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 2,237 | \$ 67 | \$ 2,304 | 0.0% | \$ 2,304 | 47.0% | \$ 1,083 |
| Distribution Operator - I or II | | | \$ 1,760 | \$ 53 | \$ 1,813 | 0.0% | \$ 1,813 | 47.0% | \$ 852 |
| Distribution Operator - I or II | | | \$ 2,014 | \$ 60 | \$ 2,074 | 0.0% | \$ 2,074 | 0.0% | \$ - |
| Distribution Supervisor | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 1.5% | \$ - |
| TEMP Summer Help | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Health | | | | | | | | | |
| Distribution Operator - III | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 |
| Distribution Operator - I | | | \$ 6,535 | \$ - | \$ 6,535 | 40.0% | \$ 3,921 | 0.0% | \$ - |
| Distribution Operator - I | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 0.0% | \$ - |
| Distribution Operator - III | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 47.0% | \$ 3,071 |
| Distribution Operator - I or II | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 0.0% | \$ - |
| Distribution Supervisor | | | \$ 6,535 | \$ - | \$ 6,535 | 0.0% | \$ 6,535 | 1.5% | \$ 98 |
| TEMP Summer Help | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| W_Comp | | | | | | | | | |
| Distribution Operator - III | | | \$ 660 | \$ - | \$ 660 | 0.0% | \$ 660 | 47.0% | \$ 310 |
| Distribution Operator - I or II | | | \$ 538 | \$ - | \$ 538 | 0.0% | \$ 538 | 47.0% | \$ 253 |
| Distribution Operator - I or II | | | \$ 675 | \$ - | \$ 675 | 0.0% | \$ 675 | 47.0% | \$ 317 |
| Distribution Operator - I | | | \$ 651 | \$ - | \$ 651 | 40.0% | \$ 391 | 0.0% | \$ - |
| Distribution Operator - I | | | \$ 519 | \$ - | \$ 519 | 0.0% | \$ 519 | 0.0% | \$ - |
| Distribution Operator - III | | | \$ 666 | \$ - | \$ 666 | 0.0% | \$ 666 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 720 | \$ - | \$ 720 | 0.0% | \$ 720 | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 641 | \$ - | \$ 641 | 0.0% | \$ 641 | 47.0% | \$ 301 |
| Distribution Operator - I or II | | | \$ 500 | \$ - | \$ 500 | 0.0% | \$ 500 | 47.0% | \$ 235 |
| Distribution Operator - I or II | | | \$ 573 | \$ - | \$ 573 | 0.0% | \$ 573 | 0.0% | \$ - |
| Distribution Supervisor | | | \$ 1,059 | \$ - | \$ 1,059 | 0.0% | \$ 1,059 | 1.5% | \$ 16 |
| TEMP Summer Help | | | \$ 92 | \$ - | \$ 92 | 0.0% | \$ 92 | 0.0% | \$ - |
| Dental & Vision | | | | | | | | | |
| Distribution Operator - III | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 47.0% | \$ 175 |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 47.0% | \$ 175 |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 47.0% | \$ 175 |
| Distribution Operator - I | | | \$ 372 | \$ - | \$ 372 | 40.0% | \$ 223 | 0.0% | \$ - |
| Distribution Operator - I | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 0.0% | \$ - |
| Distribution Operator - III | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 47.0% | \$ 175 |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 47.0% | \$ 175 |
| Distribution Operator - I or II | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 0.0% | \$ - |
| Distribution Supervisor | | | \$ 372 | \$ - | \$ 372 | 0.0% | \$ 372 | 1.5% | \$ 6 |
| TEMP Summer Help | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Life & LTD | | | | | | | | | |
| Distribution Operator - III | | | \$ 417 | \$ - | \$ 417 | 0.0% | \$ 417 | 47.0% | \$ 196 |
| Distribution Operator - I or II | | | \$ 340 | \$ - | \$ 340 | 0.0% | \$ 340 | 47.0% | \$ 160 |
| Distribution Operator - I or II | | | \$ 425 | \$ - | \$ 425 | 0.0% | \$ 425 | 47.0% | \$ 200 |
| Distribution Operator - I | | | \$ 410 | \$ - | \$ 410 | 40.0% | \$ 246 | 0.0% | \$ - |
| Distribution Operator - I | | | \$ 328 | \$ - | \$ 328 | 0.0% | \$ 328 | 0.0% | \$ - |
| Distribution Operator - III | | | \$ 418 | \$ - | \$ 418 | 0.0% | \$ 418 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | | | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | | | \$ 453 | \$ - | \$ 453 | 0.0% | \$ 453 | 0.0% | \$ - |

| | | | | | | | |
|---------------------------------|-------------------|------------------------------|-------------------|-------|-------------------|-------|-------------------|
| Distribution Operator - I or II | \$ 403 | \$ - | \$ 403 | 0.0% | \$ 403 | 47.0% | \$ 189 |
| Distribution Operator - I or II | \$ 316 | \$ - | \$ 316 | 0.0% | \$ 316 | 47.0% | \$ 149 |
| Distribution Operator - I or II | \$ 360 | \$ - | \$ 360 | 0.0% | \$ 360 | 0.0% | \$ - |
| Distribution Supervisor | \$ 666 | \$ - | \$ 666 | 0.0% | \$ 666 | 1.5% | \$ 10 |
| TEMP Summer Help | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| OASDI | | | | | | | |
| Distribution Operator - III | \$ 2,977 | \$ 89 | \$ 3,066 | 0.0% | \$ 3,066 | 47.0% | \$ 1,441 |
| Distribution Operator - I or II | \$ 2,434 | \$ 73 | \$ 2,507 | 0.0% | \$ 2,507 | 47.0% | \$ 1,178 |
| Distribution Operator - I or II | \$ 3,080 | \$ 92 | \$ 3,173 | 0.0% | \$ 3,173 | 47.0% | \$ 1,491 |
| Distribution Operator - I | \$ 2,940 | \$ 88 | \$ 3,028 | 40.0% | \$ 1,817 | 0.0% | \$ - |
| Distribution Operator - I | \$ 2,263 | \$ 71 | \$ 2,434 | 0.0% | \$ 2,434 | 0.0% | \$ - |
| Distribution Operator - III | \$ 2,926 | \$ 88 | \$ 3,014 | 0.0% | \$ 3,014 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 3,332 | \$ 100 | \$ 3,432 | 0.0% | \$ 3,432 | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 2,887 | \$ 87 | \$ 2,974 | 0.0% | \$ 2,974 | 47.0% | \$ 1,398 |
| Distribution Operator - I or II | \$ 2,272 | \$ 68 | \$ 2,340 | 0.0% | \$ 2,340 | 47.0% | \$ 1,100 |
| Distribution Operator - I or II | \$ 2,600 | \$ 78 | \$ 2,678 | 0.0% | \$ 2,678 | 0.0% | \$ - |
| Distribution Supervisor | \$ 4,517 | \$ 136 | \$ 4,653 | 0.0% | \$ 4,653 | 1.5% | \$ 70 |
| TEMP Summer Help | \$ 379 | \$ 11 | \$ 390 | 0.0% | \$ 390 | 0.0% | \$ - |
| Pension | | | | | | | |
| Distribution Operator - III | \$ 7,608 | \$ 122 | \$ 7,729 | 0.0% | \$ 7,729 | 47.0% | \$ 3,633 |
| Distribution Operator - I or II | \$ 6,220 | \$ 100 | \$ 6,320 | 0.0% | \$ 6,320 | 47.0% | \$ 2,970 |
| Distribution Operator - I or II | \$ 7,871 | \$ 126 | \$ 7,997 | 0.0% | \$ 7,997 | 47.0% | \$ 3,759 |
| Distribution Operator - I | \$ 7,513 | \$ 120 | \$ 7,633 | 40.0% | \$ 4,580 | 0.0% | \$ - |
| Distribution Operator - I | \$ 6,039 | \$ 97 | \$ 6,135 | 0.0% | \$ 6,135 | 0.0% | \$ - |
| Distribution Operator - III | \$ 7,478 | \$ 120 | \$ 7,598 | 0.0% | \$ 7,598 | 0.0% | \$ - |
| Heavy Equipment Operator - IVD | \$ - | \$ - | \$ - | 0.0% | \$ - | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 8,515 | \$ 136 | \$ 8,652 | 0.0% | \$ 8,652 | 0.0% | \$ - |
| Distribution Operator - I or II | \$ 7,379 | \$ 118 | \$ 7,497 | 0.0% | \$ 7,497 | 47.0% | \$ 3,523 |
| Distribution Operator - I or II | \$ 5,805 | \$ 93 | \$ 5,898 | 0.0% | \$ 5,898 | 47.0% | \$ 2,772 |
| Distribution Operator - I or II | \$ 6,644 | \$ 106 | \$ 6,750 | 0.0% | \$ 6,750 | 0.0% | \$ - |
| Distribution Supervisor | \$ 11,545 | \$ 185 | \$ 11,729 | 0.0% | \$ 11,729 | 1.5% | \$ 176 |
| TEMP Summer Help | \$ 968 | \$ 15 | \$ 983 | 0.0% | \$ 983 | 0.0% | \$ - |
| Total Collection System | \$ 631,639 | \$ 15,145 | \$ 646,784 | | \$ 623,500 | | \$ 129,473 |
| | | \$ 3,145 | | | | | 20.8% |
| | | <i>Allocated to Ruckliff</i> | | | | | |

HCWD1 - Radcliff Utility
PSC Case
Legal

Schedule 16e

| | Current Hourly Rate | Hours per Week | 2012 | | | | Allocation to Radcliff Utility | |
|--|------------------------|-------------------|-----------------------|-------------|-----------|---------------|--------------------------------|--------------|
| | | | Test Year (1) | Adjustments | Rate Year | % Capitalized | Net O&M | % Allocation |
| Salaries and Wages Attorney (Professional Services) | \$ 27,512 | | \$ 77 | \$ 27,589 | 0.0% | \$ 27,589 | 30.2% | \$ 8,332 |
| Total Legal | \$ 27,512 | | \$ 77 | \$ 27,589 | | \$ 27,589 | | \$ 8,332 |
| | | | \$ 23 | | | | | 30.2% |
| | | | Allocated to Radcliff | | | | | |

HCWD1 - Radcliff Utility
PSC Case
Property, General, and Liability Insurance

Schedule 17

| | 2012 | | |
|------------------------|----------------------|--------------------|------------------|
| | <i>Test Year (1)</i> | <i>Adjustments</i> | <i>Rate Year</i> |
| Insurance Services (1) | \$ 29,231 | \$ (3,617) | \$ 25,614 |

(1) Adjustment per estimated premium breakdown by utility fund provided by Hardin County staff.

| Capital Projects - New Additions | Estimated Cost | Completion Year | Service Life | Monthly Depreciation | Months in Service for Rate Year | Depreciation Adjustment |
|---|---------------------|-----------------|--------------|----------------------|---------------------------------|-------------------------|
| Lincoln Trail I/I Reduction Project | \$ 386,425 | 2013 | 50 | \$ 644 | 12 | \$ 7,729 |
| Quiggins Gravity System Project | \$ 465,904 | 2014 | 50 | \$ 777 | 12 | \$ 9,318 |
| Boone Trace and Lincoln Trail Lift Station Improvements | \$ 342,937 | 2014 | 40 | \$ 714 | 12 | \$ 8,573 |
| WWTP Primary Treatment Building | \$ 380,344 | 2013 | 25 | \$ 1,268 | 12 | \$ 15,214 |
| Watkins LS Project | \$ 48,018 | 2014 | 40 | \$ 100 | 12 | \$ 1,200 |
| Drug Store Lift Station Replacement | \$ 360,996 | 2014 | 40 | \$ 752 | 12 | \$ 9,025 |
| WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP | \$ 115,000 | 2013 | 25 | \$ 383 | 12 | \$ 4,600 |
| Greenview and Cement LS Improvements | \$ 43,823 | 2014 | 40 | \$ 91 | 12 | \$ 1,096 |
| Greenview and Cement Gravity System Improvements | \$ 93,713 | 2014 | 50 | \$ 156 | 12 | \$ 1,874 |
| North Logsdon Parkway Gravity System Improvements | \$ 265,182 | 2013 | 50 | \$ 442 | 12 | \$ 5,304 |
| Stovall LS/FM Improvements | \$ 118,571 | 2013 | 40 | \$ 247 | 12 | \$ 2,964 |
| North Woodland Gravity System Improvements | \$ 136,932 | 2013 | 50 | \$ 228 | 12 | \$ 2,739 |
| John Hardin Force Main Improvements | \$ 12,053 | 2013 | 50 | \$ 20 | 12 | \$ 241 |
| WWTP RAS/WAS Improvements | \$ 74,311 | 2013 | 25 | \$ 248 | 12 | \$ 2,972 |
| LS Bypass Improvements | \$ 10,753 | 2013 | 40 | \$ 22 | 12 | \$ 269 |
| North Logsdon LS Improvements Project | \$ 625,633 | 2014 | 40 | \$ 1,303 | 12 | \$ 15,641 |
| Quiggins and Boone Trace I/I Reduction Project | \$ 1,000,000 | 2014 | 50 | \$ 1,667 | 12 | \$ 20,000 |
| Seminole I/I Reduction Project | \$ 300,000 | 2014 | 50 | \$ 500 | 12 | \$ 6,000 |
| WWTP Oxidation Ditch Improvements | \$ 200,000 | 2014 | 25 | \$ 667 | 12 | \$ 8,000 |
| Capital Outlays | | | | | | |
| Replace 5 Laptops/Workstations | \$ 8,738 | 2013 | 5 | \$ 146 | 12 | \$ 1,748 |
| Easement Jetter Machine | \$ 17,800 | 2013 | 10 | \$ 148 | 12 | \$ 1,780 |
| Trimble Geo.XH 6000 GPS Receiver | \$ 3,525 | 2013 | 10 | \$ 29 | 12 | \$ 353 |
| Replace Sludge Belt Press | \$ 3,300 | 2013 | 10 | \$ 28 | 12 | \$ 330 |
| Service Center Roof Painting & Equip. Bldg. Door Coating | \$ 6,930 | 2013 | 35 | \$ 17 | 12 | \$ 198 |
| Vertical Edge 700 Phone System | \$ 8,192 | 2013 | 10 | \$ 68 | 12 | \$ 819 |
| Replace Influent & Effluent Refrigerated Samplers | \$ 11,400 | 2013 | 10 | \$ 95 | 12 | \$ 1,140 |
| Upgrade Utility Billing System | \$ 3,032 | 2013 | 10 | \$ 25 | 12 | \$ 303 |
| Chain Cutter Head | \$ 3,500 | 2013 | 10 | \$ 29 | 12 | \$ 350 |
| Internal Crane for CCTV Van | \$ 3,700 | 2013 | 7 | \$ 44 | 12 | \$ 529 |
| Ladder/Pipe Racks for Trucks | \$ 1,800 | 2013 | 7 | \$ 21 | 12 | \$ 257 |
| AutoDesk Infrastructure Design Premium | \$ 2,204 | 2013 | 10 | \$ 18 | 12 | \$ 220 |
| Aims 8000 Walt Power Invertors for Trucks | \$ 2,400 | 2013 | 7 | \$ 29 | 12 | \$ 343 |
| Aries Wireless Pole Camera | \$ 3,550 | 2013 | 10 | \$ 30 | 12 | \$ 355 |
| PT AutoCAD Drafter | \$ 1,560 | 2013 | 20 | \$ 7 | 12 | \$ 78 |
| Trailer for Bobcat | \$ 5,200 | 2013 | 7 | \$ 62 | 12 | \$ 743 |
| Smart Board | \$ 1,320 | 2013 | 10 | \$ 11 | 12 | \$ 132 |
| Replace Carpet in Large Conference Room | \$ 630 | 2013 | 35 | \$ 2 | 12 | \$ 18 |
| Replace Carpet in Lobby | \$ 3,008 | 2013 | 35 | \$ 7 | 12 | \$ 86 |
| Replace Lobby and Customer Service Area Furniture | \$ 3,566 | 2013 | 20 | \$ 15 | 12 | \$ 178 |
| Total | \$ 5,075,948 | | | | | \$ 132,718 |

| Amortized Cost | Estimated Cost | Projected Competition Date | Service Life | Monthly Depreciation | Months in Service for Rate Year | Depreciation Adjustment |
|-----------------------------|-------------------|----------------------------|--------------|----------------------|---------------------------------|-------------------------|
| Amortized Rate Case Expense | \$ 100,000 | 2011 | 5 | \$ 1,667 | 12 | \$ 20,000 |
| Total | \$ 100,000 | | | | | \$ 20,000 |

**HCWD1 - Radcliff Utility
PSC Case
Contractual Operating Agreement**

Schedule 19

| | 2012 | | |
|--------------------------|----------------------|--------------------|------------------|
| | <i>Test Year (1)</i> | <i>Adjustments</i> | <i>Rate Year</i> |
| Contractual Services (1) | \$ 2,102,540 | \$ 79,391 | \$ 2,181,931 |

(1) HCWD1 capitalizes a portion of the Veolia contract operating agreement.

**HCWD1 - Radcliff Utility
PSC Case
Adjustment for Fort Knox Water**

Schedule 20

| | 2012 | | |
|---------------------|----------------------|--------------------|------------------|
| | <i>Test Year (1)</i> | <i>Adjustments</i> | <i>Rate Year</i> |
| Fort Knox Water (1) | \$ (88,329) | \$ 33,663 | \$ (54,666) |

(1) Adjustment to recognize reduced allocations of general and administrative costs to the Radcliff Utility due to the new contract operating agreement between HCWD1 and the Fort Knox water system. The Radcliff Utility was allocated 17.86% of a total of \$306,102 available savings.



HARDIN COUNTY WATER DISTRICT NO. 1
GRANT TRACKING
AS OF DECEMBER 31, 2012

| Influent & Infiltration (I&I) | Lift Station Improvements (LS) | System Improvements (SI) | Total Grant \$\$ Available |
|-------------------------------|--------------------------------|--------------------------|----------------------------|
| 2009 | 2010 | 2011 | |
| \$ 1,500,000 | \$ 2,250,000 | \$ 2,500,000 | \$ 6,250,000 |

| | |
|--------------|--|
| Date Awarded | |
| Award Amount | |

| Projects Funded with Grant \$\$ Closed & Capitalized | Asset # | Amount Funded | | Total Funded Assets | Amount Unfunded | Total Capitalized | Project Closed/Date Capitalized | Total Accumulated Depreciation A/O 12/31/12 | Yearly Depreciation Expense |
|--|-------------|------------------------|----------------------|----------------------|------------------------|---------------------|---------------------------------|---|-----------------------------|
| 4.1071 - Pearman/Wilma | 214 | \$ 1,361,050.93 | | \$ 49,814.92 | \$ 1,410,865.85 | \$ 13,548.86 | | | |
| 4.1081 - Hillcrest Sewer Main | 213 | \$ 45,423.07 | | \$ 4,900.00 | \$ 50,323.07 | \$ 6,956.77 | | | |
| 4.1082 - L/S Elimination Elm, Byerly & Crocus | 219,220,221 | \$ - | \$ 128,484.82 | \$ - | \$ 128,484.82 | \$ 32,595.90 | | | |
| 4.1083 - Greenview/Pearman/Wilma Phase II | 234 | \$ 6,135.94 | \$ 1,100.00 | \$ 291,298.63 | \$ 298,534.57 | \$ 15,816.07 | | | |
| 4.1096 - Greenview/Pearman/Wilma Main Line Phase II | 231,232,233 | \$ - | \$ 305,766.86 | \$ - | \$ 305,766.86 | \$ 7,141.07 | | | |
| 4.3014 - Radcliff Lateral Lining | 226 | \$ - | \$ - | \$ 7,506.27 | \$ 7,506.27 | \$ 53.00 | | | |
| | | | | \$ - | \$ - | \$ - | | | |
| Funded \$\$ Used - Closed Projects | | \$ 1,412,609.94 | \$ 435,351.68 | \$ 353,519.82 | \$ 2,201,481.44 | \$ 76,111.67 | | | |
| | | | | | | \$ 2,277,593.11 | | \$ 37,984.40 | \$ 28,488.29 |
| | | | | | | | 8/31/2011 | \$ 1,527.47 | \$ 1,145.60 |
| | | | | | | | 8/31/2011 | \$ 3,758.55 | \$ 3,221.62 |
| | | | | | | | 10/31/11 & 11/30/11 | \$ 4,715.26 | \$ 6,287.01 |
| | | | | | | | 3/31/2012 | \$ 15,040.70 | \$ 20,054.26 |
| | | | | | | | 3/31/2012 | \$ 138.59 | \$ 151.19 |
| | | | | | | | 2/1/2012 | | \$ 59,347.97 |

| Projects Funded with Grant \$\$ - Still Open | Amount Funded | | Total Funded Assets | Amount Unfunded | Total Project Costs | |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|---|
| 4.1080 - Lincoln Trail Area Sewer Main Repair | \$ 1,489.98 | \$ - | \$ 163,507.72 | \$ 164,997.70 | \$ 31,014.77 | \$ 276,425.22 |
| 4.1084 - Quiggins Area Sewer - Phase I & II | \$ 85,900.08 | \$ - | \$ 297,321.65 | \$ 383,221.73 | \$ 61,807.68 | \$ 445,904.41 |
| 4.3003 - Boone Trace Lift Station Project | \$ - | \$ 17,220.08 | \$ - | \$ 17,220.08 | \$ 25,716.51 | \$ 42,936.59 |
| 4.3010 - Lift Station Elimination Study | \$ - | \$ 8,549.46 | \$ - | \$ 8,549.46 | \$ 35,216.15 | \$ 43,765.61 |
| 4.3015 - Watkins Lift Station Replacement Project | \$ - | \$ 11,655.61 | \$ - | \$ 11,655.61 | \$ 1,361.96 | \$ 13,017.57 |
| 4.3016 - Drugstore Lift Station Replacement Project | \$ - | \$ 4,250.00 | \$ - | \$ 4,250.00 | \$ 4,863.30 | \$ 9,113.30 |
| 4.3028 - Greenview & Cement Lift Station Improvements | \$ - | \$ 11,576.72 | \$ - | \$ 11,576.72 | \$ 2,245.92 | \$ 13,822.64 |
| 4.3029 - Greenview & Cement Basin Improvements | \$ - | \$ - | \$ 550.00 | \$ 550.00 | \$ 3,163.41 | \$ 3,713.41 |
| 4.3031 - North Logsdon Parkway Sewer Improvements | \$ - | \$ - | \$ 217,636.79 | \$ 217,636.79 | \$ 8,508.21 | \$ 265,182.00 |
| 4.3033 - Stovall Lift Station & Force Main | \$ - | \$ 59,320.67 | \$ - | \$ 59,320.67 | \$ 13,051.81 | \$ 113,571.48 |
| 4.3036 - John Hardin Force Main Realignment | \$ - | \$ 1,617.50 | \$ - | \$ 1,617.50 | \$ 435.78 | \$ 2,053.28 |
| 4.3038 - Lift Station Bypass Pumping Improvements | \$ - | \$ 5,681.20 | \$ - | \$ 5,681.20 | \$ 72.00 | \$ 5,753.20 |
| 4.3039 - North Logsdon Parkway Lift Station Project | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,750.00 |
| | | | | | | \$ 21,883 of Proj #4-3010 moved here Jan 2103 |
| Funded \$\$ Used - Open Projects | \$ 87,390.06 | \$ 119,871.24 | \$ 679,016.16 | \$ 886,277.46 | \$ 187,457.50 | \$ 1,239,008.71 |
| | | | | | | \$80,412.75 Un-billed as of Dec 2012 |
| | | | | | | \$875.00 Un-billed as of Dec 2012 |
| | | | | | | Closed to Project # 4-3016 & 4-3039 Jan 2013 |
| | | | | | | Accrued \$39,037 back to Dec 2012 per Audit |
| | | | | | | Accrued \$41,199 back to Dec 2012 per Audit |
| | | | | | | \$21,883 of Proj #4-3010 moved here Jan 2103 + \$3,750 Un-billed as of Dec 2012 |

| | | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| Total Funded \$\$ Used | \$ 1,500,000.00 | \$ 555,222.92 | \$ 1,032,535.98 | \$ 3,087,758.90 |
| Balance of Grant \$\$ - December 31, 2012 | \$ - | \$ 1,694,777.08 | \$ 1,467,464.02 | \$ 3,162,241.10 |

**HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 12/31/2012**

| <u>Source</u> | <u>Date Awarded</u> | <u>Title</u> | <u>Amount Awarded</u> | <u>Amount Used</u> | <u>Amount Remaining</u> |
|------------------------|-------------------------|--|---------------------------|--------------------|-----------------------------|
| KIA WX21093020 Grant | 3/14/2007 | KIA - Constantine Road Grant | \$1,000,000.00 | \$111,925.00 | \$888,075.00 |
| KY EBDG for BRAC Grant | 1/12/2010 | Radcliff WW Pump Station Upgrades | \$2,250,000.00 | \$555,222.92 | \$1,694,777.08 |
| KY EBDG for BRAC Grant | 9/16/2011 | Radcliff WW System Improvements Project | \$2,500,000.00 | \$1,032,535.98 | \$1,467,464.02 |
| KY EBDG for BRAC Grant | 11/10/2011 | Louisville Water-Fort Knox Interconnect Pr | \$4,500,000.00 | \$67,416.70 | \$4,432,583.30 |
| Fort Knox - CLIN 0033 | 7/21/2011 | WWTP Improvements (2910) | \$415,000.00 | \$306,466.38 | \$108,533.62 |
| Fort Knox - CLIN 0034 | 7/21/2011 | Brooks Field Phase III Improvements (2923) | \$100,000.00 | \$100,000.00 | \$0.00 |
| Fort Knox - CLIN 0035 | 7/21/2011 | Basin 2 Improvements | \$406,000.00 | \$234,493.02 | \$171,506.98 |
| Fort Knox - CLIN 0036 | 7/21/2011 | Basin 6 Improvements | \$107,000.00 | \$107,000.00 | \$0.00 |
| Fort Knox - CLIN 0037 | 7/21/2011 | Dietz Lift Station (2704) | \$1,025,000.00 | \$114,288.19 | \$910,711.81 |
| Fort Knox - CLIN 0038 | 7/21/2011 | Basin 8 Improvements | \$403,000.00 | \$95,571.34 | \$307,428.66 |
| Fort Knox - CLIN 0039 | 7/21/2011 | Matthews LS & Force Main (2918) | \$675,000.00 | \$56,615.39 | |
| Fort Knox - CLIN 0039 | 7/21/2011 | Chaffee Pump Station (2924) | | \$221,946.74 | \$396,437.87 |
| Fort Knox - CLIN 0040 | 7/21/2011 | Van Voorhis Area Improvements (2824) | \$1,200,000.00 | \$871,730.16 | \$328,269.84 |
| Fort Knox - CLIN 0041 | 7/21/2011 | Lift Station Generators | \$50,000.00 | \$50,000.00 | \$0.00 |
| Fort Knox - CLIN 0042 | 7/21/2011 | Godman Airfield Improvements (4914) | \$1,160,000.00 | \$212,714.78 | \$947,285.22 |

| <u>Source</u> | <u>Date Awarded</u> | <u>Title</u> | <u>Amount Awarded</u> | <u>Amount Used</u> | <u>Amount Remaining</u> |
|-----------------------|---------------------|---|------------------------|-----------------------|-------------------------|
| Fort Knox - CLIN 0043 | 7/21/2011 | Basin 3 Storm Water Improvements | \$250,000.00 | \$104,549.33 | \$145,450.67 |
| Fort Knox - CLIN 0044 | 7/21/2011 | Basin 4 Storm Water Improvements | \$125,000.00 | \$125,000.00 | \$0.00 |
| Fort Knox - CLIN 0045 | 7/21/2011 | Basin 5 Storm Water Improvements | \$200,000.00 | \$182.70 | \$199,817.30 |
| Fort Knox - CLIN 0054 | 9/4/2012 | Rehab/Replace MH & ML (1,4,5,6,9) (2933 | \$600,000.00 | \$225,896.41 | \$374,103.59 |
| Fort Knox - CLIN 0057 | 9/4/2012 | Storm System Improvements | \$305,000.00 | \$0.00 | \$305,000.00 |
| Funding Totals | | | \$17,271,000.00 | \$4,593,555.04 | \$12,677,444.96 |

01 - Radcliff Utility
Case
Revenue Requirements
Test Year Ended 12/31/12

Schedule 1

| | 2012 | | Rate Year | Pro forma Adjustments | |
|---|--------------|-------------|--------------|--|------------|
| | Test Year | Adjustments | | | |
| Required Income Available for Debt Service (1) | \$ 348,955 | - \$ | 348,955 | Operating Expenses | |
| Plus: | | | | Insurance Services | \$ (3,617) |
| Operating Expenses | \$ 2,601,032 | \$ 128,823 | \$ 2,729,855 | Veolia Contract Operating Costs | 79,391 |
| Depreciation/Amortization (rate funded capital) | 981,121 | 144,534 | 1,125,655 | Salaries and Benefits | 19,387 |
| Total Revenue Requirements | \$ 3,931,108 | \$ 273,357 | 4,204,465 | Reduced G&A savings From Fort Knox Water | 33,663 |
| | | | | Subtotal Operating Expense Adjustments | \$ 128,823 |
| Less: | | | | Non-Operating Expenses | |
| Interest Income | \$ 24,123 | - \$ | 24,123 | One-time gain/loss on sale from assets | \$ 99,903 |
| Revenue Requirement from Operations | \$ 3,906,984 | \$ 273,357 | 4,180,341 | Depreciation/Amortization | |
| Less: | | | | Amortization of Rate Case (5-year) | \$ 20,000 |
| Other Non-Operating Revenue/Expenses | \$ 87,352 | \$ 99,903 | 187,255 | Deduction of Depreciation | (8,185) |
| Less: | | | | Lincoln Trail I/I Reduction Project | 7,729 |
| Transfer from Reserves for Capital | \$ - | - \$ | - | Quiggins Gravity System Project | 9,318 |
| Revenue Requirement from Sewer Sales | \$ 3,819,632 | \$ 173,454 | \$ 3,993,086 | Boone Trace and Lincoln Trail Lift Station Improvements | 8,573 |
| Revenue From Sewer Sales During Test Year | \$ 3,371,082 | - \$ | 3,371,082 | WWTP Primary Treatment Building | 15,214 |
| Revenue Adjustment for Winter Quarter Billing | \$ - | - \$ | - | Watkins LS Project | 1,200 |
| Net Revenue From Sewer Sales During Test Year | \$ 3,371,082 | - \$ | 3,371,082 | Drug Store Lift Station Replacement | 9,025 |
| Increase Needed | | \$ | 622,004 | WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of W | 4,600 |
| % Increase Needed | | | 18.45% | Greenview and Cement LS Improvements | 1,096 |
| Check | | | | Greenview and Cement Gravity System Improvements | 1,874 |
| Total Revenue Requirement | \$ | | 4,204,465 | North Logsdon Parkway Gravity System Improvements | 5,304 |
| Less: | | | | Stovall LS/FM Improvements | 2,964 |
| Total Test Year Revenues from Operations | \$ | | 3,558,337 | North Woodland Gravity System Improvements | 2,739 |
| Interest Income | \$ | | 24,123 | John Hardin Force Main Improvements | 241 |
| % Increase Needed | \$ | | 622,004 | WWTP RAS/WAS Improvements | 2,972 |
| Revenue Requirement Summary | | | | LS Bypass Improvements | 269 |
| Debt Service Requirement | \$ | | 348,955 | North Logsdon LS Improvements Project | 15,641 |
| Less: Income Available for Debt Service | | | | Quiggins and Boone Trace I/I Reduction Project | 20,000 |
| Adjusted Revenues from Sewer Sales During Test Year | \$ | | 3,371,082 | Seminole I/I Reduction Project | 6,000 |
| Plus: Other Non-Operating Revenues/Expenses | | | 187,255 | WWTP Oxidation Ditch Improvements | 8,000 |
| Plus: Interest Income | | | 24,123 | Replace 5 Laptops/Workstations | 1,748 |
| Less: Operating Expenses | | | 2,729,855 | Easement Jetter Machine | 1,780 |
| Less: Depreciation/Amortization (rate funded capital) | | | 1,125,655 | Trimble GeoXH 6000 GPS Receiver | 353 |
| Plus: Transfer from Reserves | | | - | Replace Sludge Belt Press | 330 |
| Income Available for Debt Service | \$ | | (273,049) | Service Center Roof Painting & Equip. Bldg. Door Coating | 198 |
| Increase Needed | \$ | | 622,004 | Vertical Edge 700 Phone System | 819 |
| % Increase | | | 18.45% | Replace Influent & Effluent Refrigerated Samplers | 1,140 |
| | | | | Upgrade Utility Billing System | 303 |
| | | | | Chain Cutter Head | 350 |
| | | | | Internal Crane for CCTV Van | 529 |
| | | | | Ladder/Pipe Racks for Trucks | 257 |
| | | | | AutoDesk Infrastructure Design Premium | 220 |
| | | | | Aims 8000 Walt Power Invertors for Trucks | 343 |
| | | | | Arica Wireless Pole Camera | 355 |
| | | | | PT AutoCAD Drafter | 78 |
| | | | | Trailer for Bobcat | 743 |
| | | | | Smart Board | 132 |
| | | | | Replace Carpet in Large Conference Room | 18 |
| | | | | Replace Carpet in Lobby | 86 |
| | | | | Replace Lobby and Customer Service Area Furniture | 178 |
| | | | | Subtotal Depreciation/Amortization Adjustments | 144,534 |

Note: Of the total \$144,534 of Depreciation and Amortization, \$91,973 is for Grant Funded Projects as per Testimony, Question #15.



Donald Skeeters
R. Terry Bennett
David T. Wilson II
Michael A. Pike
Derrick R. Staton

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July 27, 2010

Ms. Margaret Gray
Division Chief/Contracting Officer
UP Contracting Division IV
DESC-EF- Entergy Enterprise BU
8725 John J. Kingman Rd.
Ft. Belvoir, VA 22060-6222

Re: 0600-08-R-0803-Ft. Knox, Kentucky

Dear Ms. Gray:

The undersigned and this office act as legal counsel for Hardin County Water District No. 1. Set forth below are the opinions of this office pertaining to certain legal issues applicable to Water District's in general and the above referenced Request For Proposal (RFP) in particular.

1. Is Hardin County Water District No. 1 (District) authorized to impose a surcharge in order to finance the necessary capital improvements?

Answer: The legal authority for the imposition of surcharges is set forth in KRS 74.395 a copy of which is attached. Furthermore, I recently had a conversation with Gerald Wuetcher, Senior Counsel at the Kentucky Public Service Commission, wherein the willingness of the Kentucky Public Service Commission to approve surcharges in appropriate circumstances was reaffirmed;

2. Is the District entitled to capture depreciation expense applicable to assets which were provided to the District for less than original cost or below fair market value and for which there was no cash expended on behalf of the District?

Answer: This topic was addressed by the Kentucky Supreme Court in the 1986 decision of Public Service Commission of Kentucky v. Dewitt Water District, 720 S.W. 2d 725 (Ky 1986). A copy of said opinion is attached. It is the opinion of the undersigned that with near certainty the Dewitt opinion authorizes recapture of depreciation regardless of the nature of the initial contribution of capital to the District.

3. Is it reasonable to expect the Kentucky Public Service Commission to approve a contract wherein the customer (DOD) is charged a fixed monthly rate sufficient to cover the cost of capital improvements required by the RFP?

Answer: I also discussed this topic with Gerald Wuetcher, Senior Counsel with the Kentucky Public Service Commission, in preparation for addressing this topic. First, it should be noted that the Kentucky Public Service Commission has recently approved a similar arrangement relative to the District agreeing to acquire and operate the sanitary and storm sewer systems at Fort Knox Military Installation. In discussing this topic with Mr. Wuetcher, he pointed out that 807 KAR 5:011 § 13 pertain to special contracts. This regulation obligates parties to special contracts to file copies of same with the Public Service Commission. Moreover, the applicable regulation authorizes the Kentucky Public Service Commission to approve the special contracts as well as the rates and schedules set forth therein.

4. Is the District exempt from state and federal income tax obligations?

Answer: The District is a "type of special district which constitutes a political subdivision of the Commonwealth". Davis v. Powell's Valley Water District, 920 S.W. 2d 75 (App.1995). Special District in Kentucky is defined to mean "any agency, authority, or political subdivision of the State which exercises less than state wide jurisdiction and which is organized for the purpose of performing governmental or other prescribed functions within limited boundaries." KRS 65.005. Accordingly, as a political subdivision of the state, it is uniformly accepted that the District is exempt from state and federal income tax obligations. Also attached is a letter from the District's Certified Public Accounting firm confirming this exemption.

I hope this information proves to be useful. If you need additional documentation or other information, please do not hesitate to contact me.

Sincerely,

SKEETERS, BENNETT, WILSON & PIKE



David T. Wilson II

DTW:dnf

cc: James Bruce, General Manager

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PUBLIC SERVICE COMMISSION OF
KENTUCKY, Appellant,

v.

DEWITT WATER DISTRICT, Appellee.

EAST CLARK WATER DISTRICT and
Warren County Water
District, Appellant,

v.

PUBLIC SERVICE COMMISSION and
David L. Armstrong, Attorney General,
Division of Consumer Protection, Ap-
pellee.

Supreme Court of Kentucky.

Nov. 26, 1986.

In one case, the Franklin Circuit Court held that depreciation expense on contributed property should be allowed to water district the same as for other property. In other cases, the Franklin Circuit Court determined that the Public Service Commission properly disallowed rate recovery for depreciation expense on contributed property to water districts. After conflicting action by the Court of Appeals, the Supreme Court, Wintersheimer, J., held that: (1) Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts that were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; (2) disallowance of depreciation with respect to the water districts was unreasonable and amounted to confiscatory governmental policy; and (3) depreciation expense on publicly owned water district plant that had been purchased by federal grants and contributions and/or tap-on fees should be allowed in revenue requirement of public water districts.

One Court of Appeals decision affirmed; the other decision reversed.

Vance, J., concurred in result only.

1. Public Utilities ⇐194

It is responsibility of reviewing court to protect parties subject to regulatory authority of Public Service Commission from arbitrary and capricious action.

2. Waters and Water Courses ⇐203(6)

Public Service Commission's denial of rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unlawful act in contravention of statutory and regulatory requirements; statute requires regulated utilities to keep accounts in uniform system in accordance with specific standards, statute requires Commission to consider costs of reproduction, among other factors, in valuing plant property for rate-making purposes, and statute requires that water districts be permitted to charge rates which will provide for adequate depreciation reserves. KRS 74.480, 278.220, 278.290.

3. Waters and Water Courses ⇐203(6)

Fact that Kentucky was original value state did not preclude water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors from taking depreciation expense on contributed property, where original cost was only one factor to be considered in valuing utility's property, under statutes, with Public Service Commission being required to consider various factors, including cost of reproduction as going concern. KRS 278-290.

4. Waters and Water Courses ⇐203(6)

Public Service Commission's denial of rate recovery for depreciation expense on contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was unreasonable and amounted to confiscatory governmental policy; disallowance of depreciation expense as rate recovery permitted substan-

tial portion of property of district to be consumed by current customers without requiring customers to pay for a replacement, and total plants, not just portion financed by noncontributed funds, were wearing out.

5. Waters and Water Courses ⇐203(6)

When considering issue of confiscation and determining whether Public Service Commission's denial of rate recovery for depreciation expense on contributed property was confiscatory with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors, future as well as present must be considered, with determination being made as to whether rates complained of were yielding and would yield sum sufficient to meet operating expenses.

6. Waters and Water Courses ⇐203(6)

Public Service Commission's disallowance of depreciation expense by denying rate recovery for depreciation expense on contributed property to water districts which were nonprofit utilities that were political subdivisions of county government with no private capital and no corporate investors was not sound utility management practice; if districts did not have sufficient revenues to cover replacement costs, due to refusal to recognize total depreciation expense, districts would be forced to short-term credit market for funding, which would raise overall cost to district, and higher rates were concededly inevitable in event districts were forced into short-term credit market.

7. Waters and Water Courses ⇐203(6)

Purpose of depreciation expense as applied to nonprofit water districts does not relate to recoupment of investment, but rather, relates to renewal and replacement. KRS 74.480, 278.220, 278.290.

8. Waters and Water Courses ⇐203(6)

Proper rate-making treatment for depreciation expense of contributed property with respect to water districts which were nonprofit utilities that were political subdivisions of county government with no pri-

vate capital and no corporate investors was to allow depreciation on contributed plant as operating expense, with fact that utility did not make investment in plant being of no consequence in context of publicly owned facilities.

9. Waters and Water Courses ⇐203(6)

Depreciation expense on publicly owned water district plant that has been purchased by federal grants and contributions and/or customer tap-on fees should be allowed in revenue requirement; publicly owned water district had no private investor capital and its rates did not generate return on rate base, and public water districts relied on internally generated cash flow.

John N. Hughes, Thomas A. Marshall, Frankfort, for Public Service Commission.

James M. Honaker, Frankfort, for Dewitt Water District.

Charles E. English, Murry A. Raines, English Lucas Priest & Owsley, Bowling Green, James W. Clay, Winchester, for East Clark Water District and Warren County Water District.

David L. Armstrong, Atty. Gen., Frankfort, Pamela Johnson, James D. Brannen, Paul E. Reilander Jr., Frankfort, for Attorney General, Division of Consumer Protection.

WINTERSHEIMER, Justice.

These two cases represent a conflict between panels of the Court of Appeals as well as a conflict in the same division of the Franklin Circuit Court. Both Court of Appeals opinions were rendered the same day and recognize that their conflict should be resolved by this Court.

The question is whether the Public Service Commission may disallow a depreciation expense on contributed property when determining the rates of publicly-owned water districts.

The resolution of this question is important and it appears that both sides have

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some merit to their respective positions. If depreciation is considered to be the allocation of an investment over a period of time, it could be said that depreciation expenses on contributed property should not be allowed because to allow such an expense would require the customers to, in part, pay again for facilities for which they had already paid in full. On the other hand, failure to allow depreciation for rate-making purposes on contributed property would necessarily cause this property to be utilized only by the present generation and become unavailable as an ongoing asset.

Contributed property is property obtained by the water district either through government grants or directly from customer contributions. Consequently, the water district has title to but no specific investment in the property. No imputed interest expense is claimed. However, for rate-making purposes, the water districts desire to list as an expense depreciation on the contributed properties. The Commission considers depreciation for accounting purposes but not for rate-making.

In the Dewitt case, the circuit court held that depreciation expense on contributed property should be allowed the same as for other property. The court noted that recipients of this contributed property would be limited to the present generation if depreciation expense were not allowed. In the East Clark Water case the circuit court held that the appropriate role of depreciation is to recapture invested capital. Here, the water districts have no investments in these facilities because they are contributed property. Consequently, the circuit court determined that the Commission properly disallowed rate recovery for depreciation expense on contributed property.

There are approximately 115 water districts in the Commonwealth of Kentucky which are nonprofit political subdivisions of county government. They have no investor or private capital. Their rates, as regulated by the Public Service Commission do not generate a return on rate base. The water districts are permitted to earn net revenues based either on a debt services

Ky. Dec. 717-728 S.W.2d-8

cost formula or on a percentage of operating expenses known as an operating ratio. Lower operating expenses mean lower rate recovery.

The Dewitt Water District has 88 customers and is a publicly owned utility which has furnished water service in a rural section of Knox County since 1971.

The Warren County Water District has been in existence for 16 years. It has two divisions, a water division and a sewer division. It owns a water treatment plant but also purchases treated water from the city of Bowling Green.

The East Clark Water District provides water services to residential customers living in rural Clark County. It began its operation in March, 1979, and has approximately 800 customers.

The districts argue that the Commission's rate-making determination in regard to a disallowance for depreciation is an unlawful and unreasonable exercise of its regulatory authority and that the regulatory agency has acted in an arbitrary and capricious manner. They also maintain that the customers and the company are virtually one and the same and that they desire to pay rates which are sufficient to provide for the orderly replacement of existing water plant facilities. They contend that there is no question relating to private capital and no outside investors involved in this situation.

The Public Service Commission argues that the depreciation expense should not be allowed and that the order of the Commission be upheld as being in conformity with the law, both statutory and case law. They maintain that the water districts failed to accept the distinction between accounting and rate making and that the criteria for appellate review has been properly met in the East Clark and Warren County cases.

The Attorney General's Consumer Protection Division argues that the Commission properly disallowed depreciation because nonprofit water districts that attempt to charge customers for facilities purchased with grant money and customer

contributions are violating the spirit of the grants and frustrating the governmental intent. In addition the Attorney General contends that the districts are attempting to assess a double charge on tap-on fees and other customer contributions and the result is a confiscation of rate-payer funds in violation of the law.

This Court affirms the decision of the Court of Appeals in the Dewitt water case and reverses the decision in the East Clark and Warren County cases. Depreciation expense on contributed plant property may be considered as an operating expense for rate-making purposes in matters involving publicly held water districts as distinguished from investor-owned companies.

The Public Service Commission's disallowance of rate of recovery for depreciation expense on contributed property was arbitrary, capricious and confiscatory.

The standard of review of commission action is found in KRS 278.410 which provides for judicial review on a showing by clear and convincing evidence that the Commission's order is unlawful or unreasonable. The decision to disregard depreciation expenses on contributed property effectively reduced recoverable revenues for each of the districts involved.

[1] It is the responsibility of the reviewing court to protect the parties subject to the regulatory authority of the Commission from arbitrary and capricious action. *Kentucky Power Company v. Energy Regulatory Commission of Kentucky, Ky.*, 628 S.W.2d 904 (1981) holds that judicial intervention is permissible only when the reviewing court determines that the Commission has not dealt fairly with the utility. The failure of the Commission to allow a rate recovery for depreciation expense on contributed property could have a substantial impact on the financial stability of the publicly-owned systems and their ability to continue to provide needed water utility services to the rural areas of this state.

The disallowance of depreciation expense on contributed property by the Commission is opposed to its statutory mandate, consti-

tutional prohibitions against confiscation and sound utility management practices.

[2] The Commission's denial of rate-recovery for depreciation expense on contributed property is an unlawful act in contravention of statutory and regulatory requirements. KRS 278.220 and the Uniform System of Accounts require the water district to account for depreciation on all classes of depreciable property as an operating expense.

Water districts subject to the regulatory jurisdiction of the commission are required to maintain a uniform system of accounts, KRS 278.220. The applicable system promulgated by the Public Service Commission for water and sewer districts is codified in a regulation manual entitled, "Uniform System of Accounts for Class C and D Sewer Utilities," which became effective October 1, 1979. This manual specifically requires that depreciation of contributed property be accounted for in language identical to the National Association of Railway and Utility Commissioners (NARUC) regulation pertaining to donated property which is in accord with generally accepted accounting principles set forth by the American Institute of Public Accountants.

The uniform system required by the Commission provides that depreciation expense be treated as a utility-operating expense account. Section 408 of the uniform system, entitled Depreciation Expense, provides that the account shall include the amount of depreciation expense for all classes of depreciable utility plant in service. The clear language of the Commission's own regulations draws no distinction between depreciation of contributed and noncontributed plant property. The source of the funds does not affect the properties' status as depreciable or nondepreciable. Consequently, the stated rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to view the expense the same as for that of noncontributed property.

KRS 278.290 requires the Commission to consider cost of reproduction, among other

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factors, in its valuation of plant property for rate-making purposes. The Commission must follow the valuation standards set out in KRS 278.290 so that there will be a check on its assessment of assets and liabilities of utilities subject to its regulation.

KRS 278.290(1) provides the method for valuation of a utility's property for rate-making purposes. The plant to be valued is the plant used to give the service.

There are essentially three methods for evaluating a utility's property. The original cost method uses the cost of utility plant to the person first devoting it to public use. The fair value method examines the fair value of the utility's property in service at the time of the rate inquiry. The reproduction cost method applies the reproduction cost to the utility's existing plant.

[3] The Commission argues that water districts are not entitled to take depreciation expense on contributed property because Kentucky is an original value state. It cites *Princess Anne Utilities Corporation v. Commonwealth*, 211 Va. 620, 179 S.E.2d 714 (1971) as authority that an original value jurisdiction should not allow depreciation on contributed property. KRS 278.290 provides that Kentucky is not exclusively an original cost jurisdiction. Original cost is only one factor to be considered in valuing the utility's property. The Commission must consider various factors including cost of reproduction as a going concern.

We have previously held that contributed property must be included in valuing the utility plant for purposes of assessing a rate base. Rate base is the value of the facility of a utility employed in providing its services. *City of Covington v. Public Service Commission*, Ky., 318 S.W.2d 391 (1958) held that the Commission's order excluding a federal grant from the city's water plant's rate base was unlawful. We are not convinced by the Commission's attempts to distinguish *City of Covington*, *supra*, on the basis that its holding is limited to "rate base" cases. The concern in

City of Covington is the proper valuation for public utilities in assessing the revenue requirements needed by the utility. The Commission cannot disregard contributed plant property purchased through federal grants in making its determination. If the Commission must consider all plant property for rate-making purposes, it follows that it must consider all operating expenses incurred in conjunction with the use of the property. Therefore, depreciation expense must be treated uniformly for all plant property thus acquired.

Depreciation is a concern to most enterprises, but it is of particular importance to water and sewer utilities because of the relatively large investment in utility plants required to produce each dollar of annual revenue. Water districts are capital intensive, asset-wasting enterprises. The structure of a water plant, comprised of innumerable components, demands allocation of proper depreciation to ensure financial stability. Adequate depreciation allowance is critical in order to allot to the district sufficient revenue to provide for a replacement fund for all its plant property, contributed or noncontributed.

KRS 74.480 requires the Commission to establish such rates and charges for water as will be sufficient at all times to provide an adequate fund for renewals, replacement and reserves.

This statute indicates the legislative intent that water operations must have sufficient revenues to provide for depreciation. The Commission's reduction of the depreciation expense is in contravention of this legislative directive. Therefore it is an unlawful act.

[4] The Commission cites no authority for disallowing depreciation of the property of the water district. Reference to a "well-established policy of disallowing depreciation in connection with facilities funded with contributions in aid of construction" is not sufficient. KRS 278.220 provides that regulated utilities shall keep their accounts in a uniform system in accordance with the standards of NARUC. The guidelines of

the Commission define depreciation as "loss in service value not restored by current maintenance" and require that depreciation be treated as an operating expense. KRS 74.480 requires that districts be permitted to charge rates which will provide for adequate depreciation reserves. Consequently depreciation should be allowed as an expense. The Commission's disallowance of depreciation in this situation is unreasonable and amounts to a confiscatory governmental policy.

A determination by the Commission will not withstand judicial review if it is unreasonable pursuant to KRS 278.410. Unreasonable has been construed in a rate-making sense to be the equivalent of confiscatory. This Court has equated an unjust and unreasonable rate to confiscation of utility property. We have declared that rates established by a regulatory agency must enable the utility to operate successfully and maintain its financial integrity in order to meet the just and reasonable non-confiscatory tests. See *Commonwealth ex rel Stephens v. South Central Bell Telephone Company, Ky.*, 545 S.W.2d 927 (1976).

The rates established by the Commission will not generate sufficient revenues to enable the districts to provide for an adequate depreciation account and replacement fund. Disallowance of depreciation expense as a rate recovery permits a substantial portion of the property of the district to be consumed by present customers without requiring the customers to pay for replacement. Approximately 50 percent of Warren County's total utility plant is attributable to federal grants. Sixty-four percent of the East Clark District's plant is attributable to federal grants and customer contributions.

Both state and federal constitutions protect against confiscation of property without regard to the source of acquisition funds. See *Board of Commissioners v. New York Telephone Company*, 271 U.S. 28, 31, 46 S.Ct. 363, 70 L.Ed. 808 (1926).

[5] When considering the concept of confiscation, the future as well as the

present must be considered. It must be determined whether the rates complained of are yielding and will yield a sum sufficient to meet operating expenses. See *McCardle v. Indianapolis Water Company*, 272 U.S. 400, 47 S.Ct. 144, 71 L.Ed. 816 (1926). Depreciation is uniformly recognized as an operating expense and it is important that the amounts set aside to cover depreciation of public utility property be large enough to replace the property when it is worn out. 64 Am.Jur.2d *Public Utilities* § 182 (1972).

The districts' total plants are wearing out, not just that portion financed by non-contributed funds. The Commission's disallowance of rate recovery of depreciation expense is unreasonable and constitutes a taking of the property of the districts without just compensation.

[6] The Commission's disallowance of depreciation expense is not sound utility management practice. The Commission has ignored one of its most important roles which is to provide the lowest possible cost to the rate payer. In refusing to recognize the total depreciation expense, it does not consider the obvious. If the districts do not have sufficient revenues to cover replacement costs, they will be forced to the short-term credit market for funding which will raise the overall cost to the district. The Commission conceded that higher rates were inevitable in the event the districts were forced into the short-term credit market. In the Dewitt case, the Commission expressed its concern over rate case expense. Invocation of the bonding authority provided by KRS 74.300 would undoubtedly escalate the expenses of all the districts involved far beyond the present cost.

Other jurisdictions have recognized the necessity of setting rates sufficient to provide for replacement costs. *Westwood Lake v. Dade County, Fla.*, 264 So.2d 7 (1972) held that to arbitrarily disregard that part of a utility's equipment because it was contributed ignores reality and would result in rate increases later when it was necessary to replace the equipment. *Du*

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Page Utility Company v. Illinois Commerce Commission, 47 Ill.2d 550, 267 N.E.2d 662 (1971) stated in part that depreciation should be allowed because a utility will need to replace from time to time properties which become obsolete in order to sustain customer services.

Therefore in order to properly assess the revenue requirements of water districts, it is critical that the commission consider all of the district's operating expenses. Failure to do so will result in an inaccurate computation of the operating ratio on which the allowable rates hinge and jeopardize the financial integrity and stability of the districts.

It is important to remember that this case involves water districts which are nonprofit utilities organized under Chapter 74 of the Kentucky Revised Statutes. The owners and consuming ratepayers are essentially the same individuals because the districts are political subdivisions of county government. They have no private capital and no corporate investors who must be satisfied as to traditional profits. Their rates do not generate a return on rate base. The water districts are permitted to earn net revenues based on a debt service formula or on an operating ratio computed in accordance with a percentage of operating expenses. Lowering operating expenses means lowering rate recovery.

[7] Water lines are indivisible and not identifiable as to the source of funds used to purchase them. The elements causing depreciation indiscriminately take their toll over time on the service life of all plant facilities. The districts are responsible for making replacements and are obliged by statute to make provisions for future replacements. The purpose of depreciation expense as applied to nonprofit water districts does not relate to a recoupment of investment. The overriding statutory concept is renewal and replacement. The Commission's argument relative to recoupment of investment is without merit and unconvincing.

[8] The Commission is required by statute to treat depreciation as an operating

expense to provide an adequate fund for renewals, replacement and reserves. The proper rate-making treatment for depreciation expense of contributed property is to allow depreciation on contributed plant as an operating expense. The fact that the utility did not make an investment in the plant is of no consequence in the context of publicly-owned facilities. The water district must eventually replace this plant which customers are using and the ratepayers are therefore obligated to provide funds for this replacement. The proper rate-making treatment of depreciation expense on property financed by federal grants and customer contributions is to treat the expense the same as that for noncontributed property. See *City of Covington*.

The Commission misinterprets and misapplies *Public Service Commission v. Continental Telephone Co., Ky.*, 692 S.W.2d 794 (1985), which related to job development tax credit, intrastate toll revenues and return on rate base. There was no issue of depreciation expense involved in that case which can be applied here.

Chapter 74, by definition, does not apply to privately owned utilities which have investors to provide needed funds on their behalf in expectation of legitimate monetary dividends. The water districts sole concern is continuous water service to its members and consumers who are one and the same.

Board of Public Utilities Commissioners v. New York Telephone Co., supra, held that constitutional protections against confiscation does not depend on the source of money used to purchase the property. It is enough that it is used to render the service.

The propriety of permitting a reasonable depreciation deduction on property of a utility is not dependent on the source of funds for the original construction of the plant. See *DuPage, supra*, and *Langan v. West Kaansburg Water Co.*, 51 N.J.Super. 41, 143 A.2d 185 (1958).

Any water district will be required to replace property and plant which have be-

It must be complained sum suffices. See *Water Compa.*, 71 L.Ed. 818 formly recognize and it is set aside to utility property the property Jur.2d *Public*

are wearing anced by non-mission's dis-f depreciation constitutes a districts with-

allowance of sound utility a Commission mportant roles it possible cost ig to recognize , it does not districts do to cover re- forced to the funding which to the district. at higher rates at the districts arm credit mar- he Commission rate case ex- nding authority ld undoubtedly ill the districts :sent cost.

recognized the efficient to pro- its. *Westwood a.*, 264 So.2d 7 arily disregard ment because it ality and would er when it was equipment. *Du*



**HCWD1 - Radcliff Utility
PSC Case**

Capital Projects

Lincoln Trail I/I Reduction Project
 Quiggins Gravity System Project
 Boone Trace and Lincoln Trail Lift Station Improvements
 WWTP Primary Treatment Building
 Watkins LS Project
 Drug Store Lift Station Replacement
 WWTP Plant Clarifier, Oxidaton Ditch, and Lower Half of WWTP
 Greenview and Cement LS Improvements
 Greenview and Cement Gravity System Improvements
 North Logsdon Parkway Gravity System Improvements
 Stovall LS/FM Improvements
 North Woodland Gravity System Improvements
 John Hardin Force Main Improvements
 WWTP RAS/WAS Improvements
 LS Bypass Improvements
 North Logsdon LS Improvements Project
 Quiggins and Boone Trace I/I Reduction Project
 Seminole I/I Reduction Project
 WWTP Oxidation Ditch Improvements

| Start Date | Proposed In Service Date | Cost of Construction |
|------------|--------------------------|----------------------|
| 10/1/2011 | 5/1/2013 | \$ 386,425 |
| 3/1/2011 | 9/1/2014 | 465,904 |
| 9/1/2013 | 1/1/2014 | 342,937 |
| 6/1/2012 | 2/1/2013 | 380,344 |
| 10/1/2013 | 1/1/2014 | 48,018 |
| 9/1/2013 | 1/1/2014 | 360,996 |
| 9/1/2013 | 12/1/2013 | 115,000 |
| 10/1/2013 | 10/1/2014 | 43,823 |
| 10/1/2013 | 10/1/2014 | 93,713 |
| 6/1/2012 | 5/1/2013 | 265,182 |
| 6/1/2012 | 5/1/2013 | 118,571 |
| 6/1/2012 | 5/1/2013 | 136,932 |
| 9/1/2013 | 11/1/2013 | 12,053 |
| 7/1/2013 | 9/1/2013 | 74,311 |
| 6/1/2012 | 12/1/2013 | 10,753 |
| 8/1/2013 | 5/1/2014 | 625,633 |
| 9/1/2013 | 8/1/2014 | 1,000,000 |
| 1/1/2014 | 10/1/2014 | 300,000 |
| 10/1/2013 | 8/1/2014 | 200,000 |



Labor Allocation Methodologies: 807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

| | |
|-------|--|
| Labor | Generally based upon estimates of how much time each employee spends working for Funds other than their home department. However, some employees, such as meter readers and Customer Service Representatives (CSR's), are based upon total Revenues of County Water and Radcliff Sewer(52%/48%). The Engineering Manager is 100% capitalized to each open project for the month by tracking the number of hours spent on overseeing these projects. The Board of Commissioners and Legal Counsel are based upon the prior years Topics of Discussion and Motions made. Following is a breakdown by department of how labor is Allocated: |
|-------|--|

| | | |
|----------------------------------|-----------------------|---|
| Methodology Description for 2012 | PWTP | 100 % Direct County Water |
| | County Distribution | Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Meter Technician at 52.5% Co. Water, 47% Radcliff and .5% FK Wat; Operators at 100% Co. Water. Dist Supvsr at 98.5% Co. Water, 1.5% Radcliff. If time is worked in other Funds or Departments, then it is recorded directly to that Fund or Department. |
| | FK Water Distribution | GIS & Admin Clerk at 100% FK Water; FK Dist Supvsr at 100% FK Water; Operators at 100% FK Water. If time is worked in other Funds, then it is recorded directly to that Fund or Department. |
| | Cust Svc | CSR's at 52% Co. Water & 48% Radcliff; C/S Supvsr at 52% Co. Water & 48% Radcliff; Utility Billing Specialist at 51% Co. Water, 46% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water |
| | Maint | Maintenance at 98% Co. Water & 2% FK Water |
| | Admin | Admin - Various splits depending on amount of time EE spends on each Fund |
| | Commissioner | Based on Topics of Discussion & Motions made by Board Jan - Sept 2012 |
| | Legal | Based on Topics of Discussion & Motions made by Board Jan - Sept 2012 |

****NOTE**** FK Water was Acquired on 02/01/12. Therefore, All Labor Allocated to this Fund is based on Estimated time

| | |
|------------------|--|
| Labor Allocation | For Budgeting Purposes, after each employee's Labor and Benefits are calculated for the year, approved salary increases and known and/or projected insurance increases are then applied. Once total Labor and Benefits are calculated, Labor is then allocated to each Department within each Fund based upon the allocations described above. Once the total by Department for each Fund is calculated, the Percent to Total is calculated and used to Allocate actual Labor and Benefit dollars monthly. |
|------------------|--|

| | |
|-----------------------------------|---|
| Engineering Mgr Labor Capitalized | The Engineering Mgr's Labor is initially coded to Operations. Since this position is 100% Capitalized to the Construction-in-Progress Accounts (CIP) manually, he will keep track of his time spent on each project per month at which time the total Labor and Benefits is credited to Operation Expense and Capitalized to each CIP he has worked on. |
|-----------------------------------|---|

| | |
|------------------------------|--|
| Admin/Dist Labor Capitalized | Part of seven (7) other employees labor are Capitalized. The amounts of Labor Capitalized are calculated by Department and include six (6) Administration and one (Distribution) employees. The yearly amounts for each Department is broken down into months. The Engineering Mgr's monthly capitalized labor is subtracted from each monthly Administration total. The resulting factor is then credited to Operations on the County Water and capitalized to each CIP Project that had activity for the month. The positions and percent of labor capitalized are as follows: |
|------------------------------|--|

| Position | % Labor Capitalized |
|--------------------------|---------------------|
| Accountant | 25% |
| Accounting Specialist | 25% |
| Finance & Accounting Mgr | 25% |
| Project Coordinator | 50% |
| General Manager | 20% |
| GIS/Planning Specialist | 50% |
| Distribution Inspector | 40% |

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

Board Approved 12/20/11

807 KAR 5:071 Section 3(2)(c) & 807 KAR 6:001 Section 16(9)(t)(1-3)

14-Jun-13
4 54 PM

| 1 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
|-------------|-------------------------------------|----------|---------|-------|---------|----------|--------|--------------|----------|------------|-----------|------------|
| DIV | TITLE | #FTE | #PTE | P_GDE | CLASS | HRATE | HRS/WK | FT-SALS | PT-SALS | \$/MON | OT | Flex \$234 |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 15.74 | 40 | \$ 32,739 | \$ 0 | \$ 2,728 | \$ 481 | \$ 2,808 |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.00 | 40 | \$ 27,040 | \$ 0 | \$ 2,253 | \$ 0 | \$ 4,624 |
| ADM | Accountant | 10 | | E1 | CLER | \$ 20.79 | 40 | \$ 43,243 | \$ 0 | \$ 3,604 | \$ 0 | \$ 4,624 |
| ADM | Executive Assistant | 10 | | 1 | CLER | \$ 16.90 | 40 | \$ 35,152 | \$ 0 | \$ 2,929 | \$ 636 | \$ 4,624 |
| ADM | Accounting Specialist | 10 | | 3 | CLER | \$ 17.48 | 40 | \$ 36,358 | \$ 0 | \$ 3,030 | \$ 934 | \$ 4,624 |
| ADM | Project Coordinator | 10 | | E1 | CLER | \$ 21.38 | 40 | \$ 44,470 | \$ 0 | \$ 3,706 | \$ 0 | \$ 4,624 |
| ADM | General Manager | 10 | | | CLER | \$ 49.07 | 40 | \$ 102,066 | \$ 0 | \$ 8,505 | \$ 0 | \$ 9,726 |
| ADM | Finance & Accounting Manager | 10 | | S2 | CLER | \$ 31.00 | 40 | \$ 64,480 | \$ 0 | \$ 5,373 | \$ 0 | \$ 2,808 |
| ADM | Engineering Manager | 10 | | S2 | SLS-OUT | \$ 31.35 | 40 | \$ 65,208 | \$ 0 | \$ 5,434 | \$ 0 | \$ 4,624 |
| CS | Customer Service Manager | 10 | | S1 | CLER | \$ 27.65 | 40 | \$ 57,512 | \$ 0 | \$ 4,793 | \$ 0 | \$ 4,624 |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 |
| COMM | Commissioner | 10 | | | CLER | \$ 59.62 | 2 | \$ 6,200 | \$ 0 | \$ 517 | \$ 0 | \$ 9,447 |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 9,447 |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.07 | 40 | \$ 27,186 | \$ 0 | \$ 2,265 | \$ 525 | \$ 2,808 |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 15.97 | 40 | \$ 33,218 | \$ 0 | \$ 2,768 | \$ 480 | \$ 2,808 |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.90 | 40 | \$ 28,912 | \$ 0 | \$ 2,409 | \$ 747 | \$ 4,624 |
| DIST | Distribution Operator - III | 10 | | 2 | OPER | \$ 16.76 | 40 | \$ 34,861 | \$ 0 | \$ 2,905 | \$ 1,642 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 12.79 | 40 | \$ 26,603 | \$ 0 | \$ 2,217 | \$ 1,230 | \$ 4,624 |
| CS | Utility Billing Specialist | 10 | | 2 | CLER | \$ 18.31 | 40 | \$ 38,085 | \$ 0 | \$ 3,174 | \$ 564 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 17.06 | 40 | \$ 35,485 | \$ 0 | \$ 2,957 | \$ 1,625 | \$ 4,624 |
| ADM | Dist System GIS/Planning Specialist | 10 | | E1 | CLER | \$ 23.72 | 40 | \$ 49,338 | \$ 0 | \$ 4,111 | \$ 0 | \$ 4,624 |
| DIST | Distribution Operator - I | 10 | | | OPER | \$ 16.49 | 40 | \$ 34,299 | \$ 0 | \$ 2,858 | \$ 1,620 | \$ 4,624 |
| DIST | Distribution Operator - I | 10 | | 2 | OPER | \$ 11.36 | 40 | \$ 23,629 | \$ 0 | \$ 1,969 | \$ 1,705 | \$ 4,624 |
| DIST | Heavy Equipment Operator - IVD | 10 | | 4 | OPER | \$ 20.75 | 40 | \$ 43,160 | \$ 0 | \$ 3,597 | \$ 2,027 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 18.23 | 40 | \$ 37,918 | \$ 0 | \$ 3,160 | \$ 1,779 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 15.05 | 40 | \$ 31,304 | \$ 0 | \$ 2,609 | \$ 1,455 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 16.79 | 40 | \$ 34,923 | \$ 0 | \$ 2,910 | \$ 1,624 | \$ 4,624 |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 14.44 | 40 | \$ 30,035 | \$ 0 | \$ 2,503 | \$ 1,409 | \$ 4,624 |
| ADM | Operations Manager | 10 | | S2 | SLS-OUT | \$ 32.81 | 40 | \$ 68,245 | \$ 0 | \$ 5,687 | \$ 0 | \$ 4,624 |
| DIST | Distribution Supervisor | 10 | | S1 | OPER | \$ 20.88 | 40 | \$ 43,430 | \$ 0 | \$ 3,619 | \$ 0 | \$ 4,624 |
| DIST | TEMP Summer Help | | 0.2 | 3 | OPER | \$ 11.00 | 40 | \$ 0 | \$ 5,557 | \$ 463 | \$ 0 | \$ 0 |
| LEG | Attorney | 10 | | | ATTY | | 40 | \$ 20,400 | \$ 0 | \$ 1,700 | \$ 0 | \$ 0 |
| MAINT | Maint. & Controls Specialist | 10 | | 4 | OPER | \$ 24.76 | 40 | \$ 51,501 | \$ 0 | \$ 4,292 | \$ 1,880 | \$ 4,624 |
| PIRTLE | Plant Supervisor | 10 | | S1 | OPER | \$ 27.05 | 40 | \$ 56,264 | \$ 0 | \$ 4,689 | \$ 0 | \$ 4,624 |
| ADM | WQ / Measurement Specialist | 10 | | E1 | OPER | \$ 25.49 | 40 | \$ 53,019 | \$ 0 | \$ 4,418 | \$ 0 | \$ 4,624 |
| FK WAT-Dist | Distribution Operator - IV | 09 | | 3 | OPER | \$ 16.60 | 40 | \$ 34,528 | \$ 0 | \$ 2,877 | \$ 1,000 | \$ 4,624 |
| FK WAT-Dist | Distribution Operator - I or II | 09 | | 1 | OPER | \$ 12.70 | 40 | \$ 26,416 | \$ 0 | \$ 2,201 | \$ 750 | \$ 4,624 |
| FK WAT-Dist | Distribution Operator - I or II | 09 | | 1 | OPER | \$ 12.70 | 40 | \$ 26,416 | \$ 0 | \$ 2,201 | \$ 750 | \$ 4,624 |
| FK WAT-Dist | Heavy Equipment Operator - IVD | 09 | | 4 | OPER | \$ 19.20 | 40 | \$ 39,936 | \$ 0 | \$ 3,328 | \$ 1,000 | \$ 4,624 |
| FK WAT-Dist | Distribution Supervisor | 09 | | S1 | OPER | \$ 26.70 | 40 | \$ 55,536 | \$ 0 | \$ 4,628 | \$ 0 | \$ 4,624 |
| FK WAT-Dist | Dist System GIS/Planning Specialist | 09 | | E1 | OPER | \$ 18.16 | 40 | \$ 37,773 | \$ 0 | \$ 3,148 | \$ 0 | \$ 4,624 |
| FK WAT-Dist | Accounting Specialist | 09 | | 3 | CLER | \$ 15.20 | 40 | \$ 31,616 | \$ 0 | \$ 2,635 | \$ 500 | \$ 4,624 |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 18.52 | 40 | \$ 38,522 | \$ 0 | \$ 3,210 | \$ 963 | \$ 4,624 |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 18.90 | 40 | \$ 39,312 | \$ 0 | \$ 3,276 | \$ 983 | \$ 4,624 |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 17.32 | 40 | \$ 36,026 | \$ 0 | \$ 3,002 | \$ 901 | \$ 4,624 |
| PIRTLE | WTP Operator - Class V | 10 | | 3 | OPER | \$ 19.77 | 40 | \$ 41,122 | \$ 0 | \$ 3,427 | \$ 1,028 | \$ 4,624 |
| PIRTLE | WTP Operator - Class 1A 2A | 10 | | 1 | OPER | \$ 15.14 | 40 | \$ 31,491 | \$ 0 | \$ 2,624 | \$ 787 | \$ 2,808 |
| | TOTAL | 47 36667 | 0 24289 | | | | | \$ 1,778,976 | \$ 5,557 | \$ 148,711 | \$ 31,027 | \$ 209,135 |
| | STAFF | 41 36667 | | | | | | \$ 1,728,376 | \$ 5,557 | \$ 144,494 | \$ 31,027 | \$ 190,242 |

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

| 1 | 5 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
|-------------|-------------------------------------|-----------|--------------|-----------|------------|------------|-------------|--------------|----------|-------------|--------------|
| DIV | TITLE | DENT/VSN | LIFE_ADD<D | FLEX_140 | OASDI | PENSION | W_COMP | TOTAL | %_CAPIZD | \$_CAPIZD | \$_NET O&M |
| CS | Customer Service Representative | \$ 361 | \$ 369 | \$ 1,680 | \$ 2,541 | \$ 6,299 | \$ 59 | \$ 47,337 | 0.0% | \$ 0 | \$ 47,337 |
| CS | Customer Service Representative | \$ 361 | \$ 305 | \$ 1,680 | \$ 2,069 | \$ 5,127 | \$ 49 | \$ 41,254 | 0.0% | \$ 0 | \$ 41,254 |
| ADM | Accountant | \$ 361 | \$ 485 | \$ 1,680 | \$ 3,308 | \$ 8,199 | \$ 78 | \$ 61,978 | 25.0% | -\$ 15,495 | \$ 46,484 |
| ADM | Executive Assistant | \$ 361 | \$ 395 | \$ 1,680 | \$ 2,738 | \$ 6,785 | \$ 63 | \$ 52,435 | 0.0% | \$ 0 | \$ 52,435 |
| ADM | Accounting Specialist | \$ 361 | \$ 409 | \$ 1,680 | \$ 2,853 | \$ 7,071 | \$ 65 | \$ 54,355 | 25.0% | -\$ 13,589 | \$ 40,767 |
| ADM | Project Coordinator | \$ 361 | \$ 499 | \$ 1,680 | \$ 3,402 | \$ 8,432 | \$ 80 | \$ 63,549 | 50.0% | -\$ 31,774 | \$ 31,774 |
| ADM | General Manager | \$ 361 | \$ 1,128 | \$ 1,680 | \$ 7,808 | \$ 19,352 | \$ 184 | \$ 142,304 | 20.0% | -\$ 28,461 | \$ 113,843 |
| ADM | Finance & Accounting Manager | \$ 0 | \$ 724 | \$ 1,680 | \$ 4,933 | \$ 12,225 | \$ 116 | \$ 86,966 | 25.0% | -\$ 21,741 | \$ 65,224 |
| ADM | Engineering Manager | \$ 361 | \$ 731 | \$ 1,680 | \$ 4,988 | \$ 12,363 | \$ 352 | \$ 90,308 | 100.0% | -\$ 90,308 | \$ 0 |
| CS | Customer Service Manager | \$ 361 | \$ 645 | \$ 1,680 | \$ 4,400 | \$ 10,904 | \$ 104 | \$ 80,230 | 0.0% | \$ 0 | \$ 80,230 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 0 | \$ 474 | \$ 1,176 | \$ 11 | \$ 17,668 | 0.0% | \$ 0 | \$ 17,668 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 0 | \$ 459 | \$ 1,138 | \$ 11 | \$ 17,415 | 0.0% | \$ 0 | \$ 17,415 |
| CS | Customer Service Representative | \$ 361 | \$ 306 | \$ 1,680 | \$ 2,120 | \$ 5,254 | \$ 49 | \$ 40,288 | 0.0% | \$ 0 | \$ 40,288 |
| CS | Customer Service Representative | \$ 361 | \$ 373 | \$ 1,680 | \$ 2,578 | \$ 6,389 | \$ 60 | \$ 47,947 | 0.0% | \$ 0 | \$ 47,947 |
| CS | Customer Service Representative | \$ 361 | \$ 324 | \$ 1,680 | \$ 2,269 | \$ 5,623 | \$ 52 | \$ 44,593 | 0.0% | \$ 0 | \$ 44,593 |
| DIST | Distribution Operator - III | \$ 361 | \$ 391 | \$ 1,680 | \$ 2,792 | \$ 6,921 | \$ 892 | \$ 54,165 | 0.0% | \$ 0 | \$ 54,165 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,129 | \$ 5,277 | \$ 681 | \$ 42,884 | 0.0% | \$ 0 | \$ 42,884 |
| CS | Utility Billing Specialist | \$ 361 | \$ 428 | \$ 1,680 | \$ 2,957 | \$ 7,328 | \$ 69 | \$ 56,095 | 0.0% | \$ 0 | \$ 56,095 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 399 | \$ 1,680 | \$ 2,839 | \$ 7,036 | \$ 908 | \$ 54,957 | 0.0% | \$ 0 | \$ 54,957 |
| ADM | Dist System GIS/Planning Specialist | \$ 361 | \$ 555 | \$ 1,680 | \$ 3,774 | \$ 9,354 | \$ 89 | \$ 69,775 | 50.0% | -\$ 34,888 | \$ 34,888 |
| DIST | Distribution Operator - I | \$ 361 | \$ 384 | \$ 1,680 | \$ 2,748 | \$ 6,810 | \$ 878 | \$ 53,405 | 40.0% | -\$ 21,362 | \$ 32,043 |
| DIST | Distribution Operator - I | \$ 361 | \$ 265 | \$ 1,680 | \$ 1,938 | \$ 4,803 | \$ 605 | \$ 39,610 | 0.0% | \$ 0 | \$ 39,610 |
| DIST | Heavy Equipment Operator - IVD | \$ 361 | \$ 485 | \$ 1,680 | \$ 3,457 | \$ 8,567 | \$ 1,105 | \$ 65,466 | 0.0% | \$ 0 | \$ 65,466 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 425 | \$ 1,680 | \$ 3,037 | \$ 7,527 | \$ 971 | \$ 58,322 | 0.0% | \$ 0 | \$ 58,322 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 351 | \$ 1,680 | \$ 2,506 | \$ 6,211 | \$ 801 | \$ 49,294 | 0.0% | \$ 0 | \$ 49,294 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 392 | \$ 1,680 | \$ 2,796 | \$ 6,929 | \$ 894 | \$ 54,224 | 0.0% | \$ 0 | \$ 54,224 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 339 | \$ 1,680 | \$ 2,405 | \$ 5,962 | \$ 769 | \$ 47,584 | 0.0% | \$ 0 | \$ 47,584 |
| ADM | Operations Manager | \$ 361 | \$ 765 | \$ 1,680 | \$ 5,221 | \$ 12,939 | \$ 369 | \$ 94,203 | 50.0% | -\$ 47,102 | \$ 47,102 |
| DIST | Distribution Supervisor | \$ 361 | \$ 488 | \$ 1,680 | \$ 3,322 | \$ 8,234 | \$ 1,112 | \$ 63,252 | 0.0% | \$ 0 | \$ 63,252 |
| DIST | TEMP Summer Help | \$ 0 | \$ 0 | \$ 0 | \$ 425 | \$ 0 | \$ 0 | \$ 5,982 | 0.0% | \$ 0 | \$ 5,982 |
| LEG | Attorney | \$ 0 | \$ 0 | \$ 0 | \$ 1,561 | \$ 3,868 | \$ 39 | \$ 25,867 | 0.0% | \$ 0 | \$ 25,867 |
| MAINT | Maint & Controls Specialist | \$ 361 | \$ 578 | \$ 1,680 | \$ 4,084 | \$ 10,121 | \$ 1,318 | \$ 76,147 | 0.0% | \$ 0 | \$ 76,147 |
| PIRTLE | Plant Supervisor | \$ 277 | \$ 631 | \$ 1,680 | \$ 4,304 | \$ 10,668 | \$ 1,440 | \$ 79,889 | 0.0% | \$ 0 | \$ 79,889 |
| ADM | WQ / Measurement Specialist | \$ 361 | \$ 596 | \$ 1,680 | \$ 4,056 | \$ 10,052 | \$ 1,357 | \$ 75,746 | 0.0% | \$ 0 | \$ 75,746 |
| FK WAT-Dist | Distribution Operator - IV | \$ 361 | \$ 388 | \$ 1,680 | \$ 2,718 | \$ 6,736 | \$ 884 | \$ 52,919 | 0.0% | \$ 0 | \$ 52,919 |
| FK WAT-Dist | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,078 | \$ 5,151 | \$ 676 | \$ 42,034 | 0.0% | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,078 | \$ 5,151 | \$ 676 | \$ 42,034 | 0.0% | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Heavy Equipment Operator - IVD | \$ 361 | \$ 448 | \$ 1,680 | \$ 3,132 | \$ 7,761 | \$ 1,022 | \$ 59,964 | 0.0% | \$ 0 | \$ 59,964 |
| FK WAT-Dist | Distribution Supervisor | \$ 361 | \$ 623 | \$ 1,680 | \$ 4,249 | \$ 10,530 | \$ 1,422 | \$ 79,024 | 0.0% | \$ 0 | \$ 79,024 |
| FK WAT-Dist | Dist System GIS/Planning Specialist | \$ 361 | \$ 425 | \$ 1,680 | \$ 2,890 | \$ 7,162 | \$ 967 | \$ 55,881 | 0.0% | \$ 0 | \$ 55,881 |
| FK WAT-Dist | Accounting Specialist | \$ 361 | \$ 354 | \$ 1,680 | \$ 2,457 | \$ 6,089 | \$ 809 | \$ 48,491 | 0.0% | \$ 0 | \$ 48,491 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 432 | \$ 1,680 | \$ 3,021 | \$ 7,486 | \$ 986 | \$ 58,075 | 0.0% | \$ 0 | \$ 58,075 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 440 | \$ 1,680 | \$ 3,083 | \$ 7,640 | \$ 1,006 | \$ 59,129 | 0.0% | \$ 0 | \$ 59,129 |
| PIRTLE | WTP Operator - Class IV | \$ 277 | \$ 406 | \$ 1,680 | \$ 2,825 | \$ 7,001 | \$ 922 | \$ 54,662 | 0.0% | \$ 0 | \$ 54,662 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 462 | \$ 1,680 | \$ 3,224 | \$ 7,992 | \$ 1,053 | \$ 61,545 | 0.0% | \$ 0 | \$ 61,545 |
| PIRTLE | WTP Operator - Class 1A - 2A | \$ 0 | \$ 354 | \$ 1,680 | \$ 2,469 | \$ 6,122 | \$ 806 | \$ 46,516 | 0.0% | \$ 0 | \$ 46,516 |
| | TOTAL | \$ 16,066 | \$ 19,391 | \$ 75,600 | \$ 138,890 | \$ 343,177 | \$ 26,893 | \$ 2,644,712 | | -\$ 304,719 | \$ 2,339,992 |
| | STAFF | \$ 14,262 | \$ 19,391 | \$ 70,560 | \$ 135,019 | \$ 333,583 | \$ 26,799 | \$ 2,554,817 | | -\$ 304,719 | \$ 2,250,098 |
| | | | | | | | | | | | \$ 304,719 |
| | | | | | | | | | | | 11.5% |
| | | | | | | | 25000 | | | | |
| | | | | | | | 0.929623862 | | | | |

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

| | 5 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
|-------------|--------------------------------------|--------|-------------|---------|---------|----------|--------------|------------|-----------|--------------|------------|
| | | | 0 275363636 | | | | | | | | |
| DIV | TITLE | %_WAT | %_RASEW | %_FKSEW | %_FKSTM | %_FK WAT | \$_WAT | \$_RASEW | \$_FKSEW | \$_FKSTM | \$_FK WAT |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 24,615 | \$ 22,722 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 21,452 | \$ 19,802 | \$ 0 | \$ 0 | \$ 0 |
| ADM | Accountant | 53.7% | 26.9% | 12.5% | 1.9% | 5.0% | \$ 24,962 | \$ 12,504 | \$ 5,810 | \$ 883 | \$ 2,324 |
| ADM | Executive Assistant | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 14,420 | \$ 13,109 | \$ 13,109 | \$ 3,933 | \$ 7,865 |
| ADM | Accounting Specialist | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 11,211 | \$ 10,192 | \$ 10,192 | \$ 3,057 | \$ 6,115 |
| ADM | Project Coordinator | 48.0% | 25.0% | 15.0% | 2.0% | 10.0% | \$ 15,252 | \$ 7,944 | \$ 4,766 | \$ 635 | \$ 3,177 |
| ADM | Finance & Accounting Manager | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 51,457 | \$ 28,461 | \$ 17,076 | \$ 5,692 | \$ 11,157 |
| ADM | Engineering Manager | 5.1% | 19.8% | 30.0% | 5.1% | 40.0% | \$ 17,937 | \$ 16,306 | \$ 16,306 | \$ 4,892 | \$ 9,784 |
| CS | Customer Service Manager | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 41,719 | \$ 38,510 | \$ 0 | \$ 0 | \$ 0 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 4,859 | \$ 4,417 | \$ 4,417 | \$ 1,325 | \$ 2,650 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 20,950 | \$ 19,338 | \$ 0 | \$ 0 | \$ 2,612 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 24,932 | \$ 23,014 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 23,188 | \$ 21,405 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - III | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 28,166 | \$ 25,999 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 22,300 | \$ 20,584 | \$ 0 | \$ 0 | \$ 0 |
| CS | Utility Billing Specialist | 51.0% | 46.0% | 1.0% | 0.5% | 1.5% | \$ 28,608 | \$ 25,804 | \$ 561 | \$ 280 | \$ 841 |
| DIST | Distribution Operator - I or II | 52.5% | 47.0% | 0.0% | 0.0% | 0.5% | \$ 28,878 | \$ 25,830 | \$ 0 | \$ 0 | \$ 250 |
| ADM | Dist. System GIS/Planning Specialist | 42.5% | 30.0% | 13.0% | 2.0% | 12.5% | \$ 14,827 | \$ 10,466 | \$ 4,535 | \$ 698 | \$ 4,361 |
| DIST | Distribution Operator - I | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 32,043 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 39,610 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Heavy Equipment Operator - IVD | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 65,466 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 58,322 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 25,633 | \$ 23,661 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 54,224 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 47,584 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| ADM | Operations Manager | 13.5% | 15.0% | 15.0% | 10.3% | 46.2% | \$ 6,353 | \$ 7,065 | \$ 7,065 | \$ 4,857 | \$ 21,761 |
| DIST | Distribution Supervisor | 98.5% | 1.5% | 0.0% | 0.0% | 0.0% | \$ 62,303 | \$ 949 | \$ 0 | \$ 0 | \$ 0 |
| DIST | TEMP Summer Help | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 5,982 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| LEG | Attorney | 58.0% | 23.0% | 14.0% | 5.0% | 0.0% | \$ 15,003 | \$ 5,949 | \$ 3,621 | \$ 1,293 | \$ 0 |
| MAINT | Maint & Controls Specialist | 98.0% | 0.0% | 0.0% | 0.0% | 2.0% | \$ 74,624 | \$ 0 | \$ 0 | \$ 0 | \$ 1,523 |
| PIRTLE | Plant Supervisor | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 79,889 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| ADM | WQ / Measurement Specialist | 99.0% | 0.0% | 0.0% | 0.0% | 1.0% | \$ 74,989 | \$ 0 | \$ 0 | \$ 0 | \$ 757 |
| FK WAT-Dist | Distribution Operator - IV | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 52,919 |
| FK WAT-Dist | Distribution Operator - I or II | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Distribution Operator - I or II | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Heavy Equipment Operator - IVD | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 59,964 |
| FK WAT-Dist | Distribution Supervisor | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 79,024 |
| FK WAT-Dist | Dist. System GIS/Planning Specialist | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 55,881 |
| FK WAT-Dist | Accounting Specialist | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 48,491 |
| PIRTLE | WTP Operator - Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 58,075 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator - Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 59,129 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator - Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 54,662 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator - Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 61,546 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator - Class 1A - 2A | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 46,516 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | TOTAL | | | | | | \$ 1,354,432 | \$ 395,621 | \$ 99,049 | \$ 31,024 | \$ 459,865 |
| | STAFF | | | | | | \$ 1,321,822 | \$ 373,664 | \$ 79,421 | \$ 24,928 | \$ 450,262 |
| | | | | | | | 57.9% | 16.9% | 4.2% | 1.3% | 19.7% |
| | | | | | | | | | | \$ 1,880,126 | |
| | | | | | | | | | | \$ 1,799,836 | |

2012 Salary & Benefit Summary

11:01 AM

2012 Year Ending 12/31/11

SUMMARY BY CATEG

(Using Current Year)

| DRY | WATE | PTSA | PTSA | OT | HEALTH | DENTASH | LIFE-1TD | OASDI | PERSON | FLEX_140 | LESS CAPZD | W_COMP | TOTAL | % WAT | % RASEW | % FKSEW | % FKSTM | % FKWAT | % OF | |
|-------|------|--------------|----------|--------------|------------|-----------|-----------|------------|------------|-----------|-------------|-----------|--------------|--------------|------------|-----------|-----------|------------|------------|--------|
| TOTAL | | | | | | | | | | | | | | | | | | | TOTAL | |
| 3.0 | | \$ 30,200 | \$ 0 | 101 | \$ 18,803 | \$ 1,804 | \$ 0 | \$ 2,310 | \$ 5,728 | \$ 5,040 | \$ 0 | \$ 54 | \$ 64,027 | \$ 17,408 | \$ 18,027 | \$ 18,027 | \$ 4,802 | \$ 9,603 | 2.7% | |
| 3.8 | | \$ 30,400 | \$ 0 | 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,561 | \$ 3,866 | \$ 0 | \$ 0 | \$ 30 | \$ 25,867 | \$ 15,023 | \$ 5,940 | \$ 3,821 | \$ 1,293 | \$ 0 | \$ 1,116 | 1.1% |
| 3.4 | | \$ 252,224 | \$ 0 | 0 | \$ 4,000 | \$ 32,370 | \$ 2,525 | \$ 19,601 | \$ 48,579 | \$ 11,760 | \$ 0 | \$ 6,457 | \$ 380,348 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 380,348 | 18.3% |
| 10.0 | | \$ 561,379 | \$ 0 | 0 | \$ 1,570 | \$ 49,270 | \$ 3,246 | \$ 43,081 | \$ 108,773 | \$ 18,600 | \$ -283,307 | \$ 2,753 | \$ 508,262 | \$ 231,406 | \$ 108,046 | \$ 78,860 | \$ 24,648 | \$ 87,301 | \$ 87,301 | 21.7% |
| 9.0 | | \$ 242,736 | \$ 0 | 0 | \$ 4,662 | \$ 25,930 | \$ 1,437 | \$ 18,929 | \$ 46,907 | \$ 10,080 | \$ 0 | \$ 6,214 | \$ 359,816 | \$ 259,918 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 15.4% |
| 7.0 | | \$ 244,661 | \$ 0 | 0 | \$ 2,798 | \$ 26,921 | \$ 2,525 | \$ 18,933 | \$ 45,924 | \$ 11,760 | \$ 0 | \$ 440 | \$ 357,743 | \$ 185,465 | \$ 170,595 | \$ 561 | \$ 280 | \$ 841 | \$ 841 | 15.3% |
| 1.0 | | \$ 51,501 | \$ 0 | 0 | \$ 1,680 | \$ 4,824 | \$ 361 | \$ 4,084 | \$ 10,121 | \$ 1,680 | \$ 0 | \$ 1,318 | \$ 78,147 | \$ 74,824 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 3.3% |
| 11.0 | | \$ 375,646 | \$ 5,507 | \$ 18,117 | \$ 50,868 | \$ 3,968 | \$ 4,217 | \$ 30,365 | \$ 74,278 | \$ 18,480 | \$ -21,362 | \$ 9,817 | \$ 667,783 | \$ 470,511 | \$ 87,023 | \$ 0 | \$ 0 | \$ 250 | \$ 250 | 24.3% |
| 27.2 | | \$ 1,778,976 | \$ 5,507 | \$ 31,027 | \$ 209,130 | \$ 18,068 | \$ 19,361 | \$ 138,860 | \$ 343,177 | \$ 75,000 | \$ -304,719 | \$ 26,823 | \$ 2,389,892 | \$ 1,354,432 | \$ 395,621 | \$ 99,042 | \$ 31,024 | \$ 459,865 | \$ 459,865 | 100.0% |
| 41.4 | | \$ 1,778,376 | \$ 0 | \$ 1,778,376 | \$ 90,242 | \$ 14,262 | \$ 19,361 | \$ 135,019 | \$ 333,563 | \$ 70,560 | \$ -304,719 | \$ 26,798 | \$ 2,250,080 | \$ 57,9% | 18.9% | 4.2% | 1.3% | 19.7% | 100.0% | |
| | | | | | | | | | | | | | \$ 2,844,712 | | | | | | | |

SUMMARY BY UTILITY

(Using Current Year)

| WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | WATER | SEWER | % OF |
|-------|-------|-----------|----------|-----------|------------|----------|-----------|------------|------------|-----------|------------|--------------|--------------|----------|-------|-------|-------|-------|-------|-----------|
| TOTAL | | | | | | | | | | | | | | | | | | | | TOTAL |
| 1.0 | | \$ 17,665 | \$ 3,18 | \$ 17,665 | \$ 121,080 | \$ 9,302 | \$ 11,227 | \$ 80,481 | \$ 156,899 | \$ 43,773 | \$ 178,433 | \$ 1,338,289 | \$ 15,531 | \$ 57.2% | | | | | | \$ 57.2% |
| 2.0 | | \$ 25,507 | \$ 1,640 | \$ 25,507 | \$ 35,356 | \$ 2,718 | \$ 3,278 | \$ 23,482 | \$ 58,021 | \$ 12,782 | \$ -51,519 | \$ 381,074 | \$ 4,547 | 16.7% | | | | | | \$ 16.7% |
| 3.0 | | \$ 23,560 | \$ 1,411 | \$ 23,560 | \$ 8,652 | \$ 620 | \$ 821 | \$ 5,879 | \$ 14,528 | \$ 3,200 | \$ -12,868 | \$ 87,911 | \$ 1,138 | 4.2% | | | | | | \$ 4.2% |
| 4.0 | | \$ 23,560 | \$ 1,411 | \$ 23,560 | \$ 2,723 | \$ 213 | \$ 257 | \$ 1,841 | \$ 4,550 | \$ 1,022 | \$ -8,040 | \$ 30,667 | \$ 357 | 1.3% | | | | | | \$ 1.3% |
| 5.0 | | \$ 343,61 | \$ 1,111 | \$ 343,61 | \$ 41,100 | \$ 3,157 | \$ 3,811 | \$ 27,295 | \$ 67,442 | \$ 14,857 | \$ -59,885 | \$ 454,580 | \$ 5,285 | 19.4% | | | | | | \$ 19.4% |
| 6.0 | | \$ 16,068 | \$ 0 | \$ 16,068 | \$ 19,365 | \$ 1,389 | \$ 1,389 | \$ 138,915 | \$ 343,236 | \$ 75,814 | \$ 304,774 | \$ 2,313,516 | \$ 26,827 | 100.0% | | | | | | \$ 100.0% |
| | | | | | | | | | | | | | \$ 2,340,416 | | | | | | | |

| | | 2012 | | 2011 | | Amount allocate on line accounts | | | | | | | | | | |
|-------|---|------------|-------------|------------|-------|----------------------------------|--------|-----------|-------|-----------|-------|-----------|------|------------|-------|------------|
| | | TOTAL | % CHG 11+12 | BUDGET | % CHG | \$_WAT | % | \$_RASEW | % | \$_FKSEW | % | \$_FKSTM | % | \$_FKWAT | % | \$ |
| WATER | 1 | \$ 30,697 | 0.0% | \$ 30,697 | 0.0% | \$ 17,665 | 57.2% | \$ 3,18 | 10.0% | \$ 17,665 | 57.2% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| SEWER | 2 | \$ 25,507 | 0.0% | \$ 25,507 | 0.0% | \$ 1,640 | 6.4% | \$ 1,640 | 6.4% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| WATER | 3 | \$ 23,560 | 0.0% | \$ 23,560 | 0.0% | \$ 1,411 | 5.9% | \$ 1,411 | 5.9% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| SEWER | 4 | \$ 23,560 | 0.0% | \$ 23,560 | 0.0% | \$ 1,411 | 5.9% | \$ 1,411 | 5.9% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| WATER | 5 | \$ 343,61 | 0.0% | \$ 343,61 | 0.0% | \$ 11,111 | 3.2% | \$ 11,111 | 3.2% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| SEWER | 6 | \$ 16,068 | 0.0% | \$ 16,068 | 0.0% | \$ 19,365 | 120.4% | \$ 1,389 | 8.6% | \$ 1,389 | 8.6% | \$ 0 | 0.0% | \$ 0 | 0.0% | \$ 0 |
| TOTAL | | \$ 778,376 | 0.0% | \$ 778,376 | 0.0% | \$ 454,580 | 58.4% | \$ 26,827 | 3.4% | \$ 99,042 | 12.7% | \$ 31,024 | 3.9% | \$ 459,865 | 59.0% | \$ 459,865 |

Labor OHT Cost: 45.1%

| Dept + Debt + CO | Net Adm | Fund % |
|------------------|-----------------|-------------|
| \$ 1,221,732.48 | \$ 651,258.71 | 57% WA Adm |
| \$ 3,438,235.02 | \$ 303,340.32 | 27% RA Adm |
| \$ 4 | \$ 142,115.00 | 13% FKS Adm |
| \$ 317,639.15 | \$ 27,837.00 | 3% FKST Adm |
| | \$ 1,134,609.03 | |

| Total FTYW Available to pay GAA other funds | WA Adm | RA Adm | FKS Adm | FKST Adm |
|---|---------------|--------------|--------------|--------------|
| \$ 328,979.81 | \$ 185,459.57 | \$ 88,229.12 | \$ 41,606.40 | \$ 10,584.79 |

Water Assets Depreciation Allocation (Shared Assets)

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

The Following Assets are on Water Depreciation Schedule
 Only and Depreciation is Allocated Mthly via Journal Entries

| Asset # | Asset Description | Water % | FK Sewer % | Radcliff % | Methodology |
|---------------|--|---------|------------|------------|---|
| | Meters; Inventory/Installation/Service; Rings/Lids; | | | | |
| Various | Setters/Tubing, New Service/Installation | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 638 & 635 | 3 Comm Phone System & Upgrade | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 636 | Dell Poweredge 850 Rack Server | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 651 | 2009 Toyota Tocomo - Distribution/Meter Readers | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 566 | 2005 Chevy Colorada 1/2ton Truck-Meter Readers | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 666 | Web Page Design | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 661 | Audiotel Machine for Check Scanning | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 646 | Remit Plus Software | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 650 | Server Installation & Transfer | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 545 | Precision 390 E4300 1.80 Ghz - Jim Bruce | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Jim |
| 546 | Precision 390 E4300 1.80 Ghz - Stephanie Brown | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Stephanie |
| 547 | Precision 390 E4300 1.80 Ghz - Charlie Miller | 60% | 10% | 30% | Based on 2009 Budgeted Salaries & Benefits for Charlie |
| 548 | Precision 390 E4300 1.80 Ghz - Karen Brown | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Karen |
| 549 | Precision 390 E4300 1.80 Ghz - Field Reps | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 543 | Precision 390 E4300 1.80 Ghz - Check Reader | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 536 | Lattitude D430 1.20 Ghz - Brett Pyles | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Brett |
| 537 | Lattitude D430 1.20 Ghz - Jim Bruce | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Jim |
| 538 | Vostro 1500 1.40 Ghz - Mike Mosely/Meter Reading | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 539 | Precision 390 1.86 Ghz - Linda Thompson/Billing | 50% | 5% | 45% | Based on 2009 Budgeted Salaries & Benefits for Linda |
| 540 | Precision 390 1.86 Ghz - Charlene Easter/Cust Svc Mgr | 50% | 5% | 45% | Based on 2009 Budgeted Salaries & Benefits for Charlene |
| 541 | Precision 390 1.86 Ghz - Credit Desk/CSR area | 53% | 0% | 47% | Based on 2009 Budgeted Salaries & Benefits for CSR's |
| 542 | Precision 390 1.86 Ghz - Christie Campbell/Admin Clerk | 53% | 0% | 47% | Based on 2009 Budgeted Salaries & Benefits for Christie |
| 535 | 30 Stackable Chairs | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 532,533 & 534 | Dell PWS390 CMT PC's - CSR's | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 531 | Precision 390 - Drive Thru - CSR | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 529 | Office Pro 2007 Software License | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 528 | Server | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 527 | IT Study | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 525 | New Security Camera | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 521 | Credit Card Swipe Machine Software - CSR | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 526 | Dell Email Server & Software | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 523 | GIS Workstation & Replacement PC | 79% | 0% | 21% | Based on # of Megabites System uses per Daniel - W=344 mb; R=90mb |
| 519 | Furniture for Cust Svc Mgr Office - Charlene | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 683 | 3" Senses in Field Meter Tester - Large Meters | 52% | 0% | 48% | Total Lrg Meters=23; 11=Meters in Radcliff (11/23 = 48%) |
| 489 | Geo XH HandHeld GPS Unit - Daniel | 50% | 0% | 50% | Evenly split per Daniel between Water & Radcliff |
| 488 | Color Aerial Photography | 50% | 0% | 50% | Evenly split per Daniel between Water & Radcliff |
| 487 | GIS Updated Aerial Imagery | 50% | 0% | 50% | Evenly split per Daniel between Water & Radcliff |
| 484 & 486 | GIS Mapping | 79% | 0% | 21% | Based on # of Megabites System uses per Daniel - W=344 mb; R=90mb |
| 368 | Ultrasonic Flow Meter | 80% | 10% | 10% | Estimated usage per Brett |

| 691 Vinyl Fence at Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
|--|---|---------|------------|------------|---|
| 55 Carpet & Ceramic Tile at Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 54 3 Heat Pumps for Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 524 Field Service Rep's Office Doors | | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 51 Ice Blockers for Service Center Roof | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 50 Meter Shop Air Conditioner | | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 48 Server Software Laptop & PC's | | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 49 Re-do Restroom Floors - Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 46 Meter Shop Doors | | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 44 Heat Detectors - Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 43 Flag Pole at Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 27 Service Center | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 41 Drive Thru Improvements | | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| 40 Air Temp | | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| Water Assets Depreciation Allocation | | | | | |
| The Following Assets are split between Water, Ft. Knox and Radcliff and are on Depreciation Schedule Accordingly | | | | | |
| Asset # | Asset Description | Water % | FK Sewer % | Radcliff % | Methodology |
| 674 | 2008 Extended Cab F250 - Distribution Spvsr | 98% | 0% | 2% | Based on 2009 Budgeted Salaries & Benefits for Rich Stranahan |
| 574 | 2007 Honda Ridgeline RTL - Jim Bruce | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Jim |
| 571 | 2007 Dodge Sprinter Van - Maint Spvsr | 75% | 0% | 25% | Based on 2009 Budgeted Salaries & Benefits for Curt Pickerell |
| 567 | 2004 Jeep Laredo - Operations Mgr - Brett Pyles | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Brett |
| 551 | Sage Fixed Asset Software (MAS100) | 42% | 32% | 26% | Based on Plant Asset Dollars Net of Depreciation per 2008 Audit |
| 550 | Panasonic DP-C354 Copier - Service Center | 71% | 7% | 22% | Based on 2009 Total Budgeted Salaries & Benefits |
| 520 | Operations Mgr Office Furniture - Brett Pyles | 40% | 25% | 35% | Based on 2009 Budgeted Salaries & Benefits for Brett |
| 611 | Finish Mower Model #RDTH84R | 53% | 0% | 47% | Based on Number of Billings - March 2009 Y-T-D |
| Any New Assets are based on the same Methodology as above. | | | | | |

Depreciation Monthly Allocation - Shared Assets

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

Assets are Booked on County Water Depreciation Schedule

| Dec-12 | | 2012 Y-T-D | | | | | | | |
|----------------------------|-----------------------|--------------------|---------------|-----|--------------|-----|-------------|---------------|--|
| | | Depreciation Split | | | | | | | |
| Class | Water Current Mth | % | Water | % | Radcliff | % | Ft. Knox | Total | |
| AB | \$ 480.66 | 50% | \$ 240.33 | 45% | \$ 216.30 | 5% | \$ 24.03 | \$ 480.66 | |
| AD | \$ 60,240.34 | 71% | \$ 42,770.64 | 22% | \$ 13,252.87 | 7% | \$ 4,216.82 | \$ 60,240.34 | |
| AM | \$ 941.83 | 40% | \$ 376.73 | 35% | \$ 329.64 | 25% | \$ 235.46 | \$ 941.83 | |
| CS | \$ 107,504.76 | 53% | \$ 56,977.52 | 47% | \$ 50,527.24 | 0% | \$ - | \$ 107,504.76 | |
| FM | \$ 172.03 | 80% | \$ 137.62 | 10% | \$ 17.20 | 10% | \$ 17.20 | \$ 172.03 | |
| GI | \$ 3,397.88 | 50% | \$ 1,698.94 | 50% | \$ 1,698.94 | 0% | \$ - | \$ 3,397.88 | |
| GS | \$ 12,095.20 | 79% | \$ 9,555.21 | 21% | \$ 2,539.99 | 0% | \$ - | \$ 12,095.20 | |
| MT | \$ 579.12 | 52% | \$ 301.14 | 48% | \$ 277.98 | 0% | \$ - | \$ 579.12 | |
| PC | \$ 230.00 | 60% | \$ 138.00 | 30% | \$ 69.00 | 10% | \$ 23.00 | \$ 230.00 | |
| Allocated Deprec Adj Entry | \$ 185,641.82 | | \$ 112,196.14 | | \$ 68,929.16 | | \$ 4,516.52 | \$ 185,641.82 | |
| | | | 60.44% | | 37.13% | | 2.43% | | |
| Cr | AJE Needed 1.06.40301 | \$ 73,445.68 | | | | | | | |
| Dr | 4.06.40301 | \$ 68,929.16 | | | | | | | |
| Dr | 2.00.40301 | \$ 4,516.52 | | | | | | | |
| | | \$ 73,445.68 | \$ 73,445.68 | | | | | | |

| | |
|------------------------|--|
| Purchase of New Assets | <p>After 2009/2010, if it is deemed that the purchase of a new asset should be "shared" between more than one fund, the purchase price of the asset is "split" between the funds and entered seperately on the depreciation schedules. The methodology used in determing the split of costs between funds is very similar in nature as that of the "shared assets" in that it is determined how much of the asset will be used in the other funds. This may be based on the budgeted time of the employee using the asset, for example purchasing a new vehicle for the Meter Readers. In this case, the asset would be "split" as follows: 53% to County Water and 47% to Radcliff Sewer as the Meter Readers budgeted time is based on the Revenue Splits.</p> |
|------------------------|--|

| 2012 Depreciation for Split Assets | | 807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3) | | | | | | | | | |
|--|---------------------|---|--------------------|-------|------------------|------|---------------------|-------|-----------------|-------|---------------------|
| DOES NOT INCLUDE ASSETS SPLIT ONLY BETWEEN FK SEWER & RADCLIFF SEWER | | | | | | | | | | | |
| Asset Description | Water | % | FK Sewer | % | FK Storm | % | Radcliff | % | FK Water | % | |
| River Rock for Service Center Landscaping | 577.89 | 71% | 56.98 | 7% | | | 179.06 | 22% | | | 100% |
| Sewer Line at Service Center | 187.76 | 71% | 18.51 | 7% | | | 58.18 | 22% | | | 100% |
| Curbing for Service Center Parking Lot | 202.86 | 71% | 48.57 | 17% | 14.29 | 5% | 20.00 | 7% | | | 100% |
| Service Center Parking Lot | 2,317.49 | 71% | 554.89 | 17% | 163.20 | 5% | 228.49 | 7% | | | 100% |
| 3 HVAC Units for Service Center | 101.84 | 74% | 5.51 | 4% | 1.38 | 1% | 28.90 | 21% | | | 100% |
| Software: ArcPad 10, GPS Analyst, GPS Correct | 84.29 | 42.5% | 25.78 | 13.0% | 3.97 | 2.0% | 59.50 | 30.0% | 24.79 | 12.5% | 100% |
| Operations Mgrs. Furniture | 171.98 | 40% | 107.49 | 25% | | | 71.66 | 35% | | | 100% |
| Panasonic Copier | 907.59 | 71% | 89.48 | 7% | | | 401.75 | 22% | | | 100% |
| Sage FAS100 Software | 171.99 | 42% | 131.04 | 32% | | | 106.47 | 26% | | | 100% |
| Phaser Copier 3300MFPX | 79.45 | 53% | | | | | 70.45 | 47% | | | 100% |
| Convertible Minitower Computer Sschmuck | 102.20 | 35% | 48.18 | 33% | | | 93.44 | 32% | | | 100% |
| 1/3 Document Imaging System | 487.88 | 34% | 487.88 | 33% | | | 487.88 | 33% | | | 100% |
| Remit Plus Software | 457.50 | 50% | | | | | 457.50 | 50% | | | 100% |
| Latitude Computer - CEaster | 194.58 | 50% | 9.73 | 5% | | | 175.12 | 45% | | | 100% |
| Convertible Minitower Computer Bpyles | 169.05 | 40% | 52.83 | 25% | | | 147.92 | 35% | | | 100% |
| convertible minitower computer jhuff | 169.05 | 40% | 52.83 | 25% | | | 147.92 | 35% | | | 100% |
| Drive Thru Drawer Unit & Counter | 412.45 | 53% | | | | | 365.75 | 47% | | | 100% |
| Handrail for Loading Dock | 131.63 | 71% | 18.54 | 7% | | | 58.27 | 22% | | | 100% |
| Zeus Server | 279.39 | 71% | 27.55 | 7% | | | 86.57 | 22% | | | 100% |
| Sealing & Striping of SC Parking Lot | 752.85 | 71% | 73.50 | 7% | | | 238.35 | 22% | | | 100% |
| Insignia 47" LCD TV | 51.93 | 53% | | | | | 46.05 | 47% | | | 100% |
| Leightronics Mini Tnet Controller Int. DVD player | 78.00 | 53% | | | | | 69.17 | 47% | | | 100% |
| Dell Inspiron 1150 | 64.85 | 53% | | | | | 57.50 | 47% | | | 100% |
| S Dell Vostro Laptops | 354.04 | 53% | | | | | 313.96 | 47% | | | 100% |
| SDI Geosync Enterprise for Utilities | 725.64 | 49% | 236.94 | 16% | 133.28 | 9% | 385.03 | 26% | | | 100% |
| Remote Access Iweb Harris | 169.60 | 53% | | | | | 150.40 | 47% | | | 100% |
| Icall | 417.38 | 53% | | | | | 370.13 | 47% | | | 100% |
| Server AC Unit | 261.27 | 71% | 62.56 | 17% | 18.40 | 5% | 25.76 | 7% | | | 100% |
| 2 Dell Computers GIS Mapping | 304.53 | 49% | 99.44 | 16% | 55.93 | 9% | 161.59 | 26% | | | 100% |
| Dell Laptop Tim Osborne | 33.31 | 52% | | | | | 30.74 | 48% | | | 100% |
| Web Server | 71.80 | 53% | | | | | 66.28 | 47% | | | 100% |
| 6 Workstation Computers (Dist Sup, Billing & 4 CSR'S) | 254.90 | 53% | | | | | 235.29 | 47% | | | 100% |
| New CSR Chairs | 17.19 | 53% | | | | | 15.24 | 47% | | | 100% |
| 2004 Jeep Laredo | 292.45 | 40% | | 25% | | | 255.89 | 35% | | | 100% |
| 2007 Dodge Sprinter Van | 4,513.39 | 75% | | | | | 1,504.54 | 25% | | | 100% |
| Honda Ridgeline | 1,342.86 | 40% | 839.29 | 25% | | | 1,175.00 | 35% | | | 100% |
| Ext Cab F250 Dist Supervisor | 3,044.82 | 98% | | | | | 62.14 | 2% | | | 100% |
| Solar Assisted Arrow Board | 223.43 | 34% | 216.86 | 33% | | | 216.86 | 33% | | | 100% |
| Toyota Tundra | 1,142.72 | 40% | 999.86 | 35% | | | 714.29 | 25% | | | 100% |
| Vac Truck Hydro Excavating Assembly | 20.09 | 5% | 120.56 | 30% | 20.09 | 5% | 241.12 | 60% | | | 100% |
| 2012 Ford F150 | 605.43 | 53% | | | | | 527.28 | 47% | | | 100% |
| Edco 18" Concrete Asphalt Walk Behind Saw | 91.56 | 75% | | | | | 30.53 | 25% | | | 100% |
| Multiquip MTX60 4 Cycle Rammer Compactor | 104.95 | 75% | | | | | 34.98 | 25% | | | 100% |
| Dixie Chopper | 412.50 | 50% | 412.50 | 50% | | | | | | | 100% |
| Finish Mower | 95.14 | 53% | | | | | 84.37 | 47% | | | 100% |
| Total | \$ 22,653.50 | | \$ 4,797.30 | | \$ 410.54 | | \$ 10,257.32 | | \$ 24.79 | | \$ 38,143.45 |
| | 59.39% | | 12.58% | | 1.08% | | 26.89% | | 0.06% | | |
| Total of Split Assets Other than County Water | | | \$ 15,489.95 | | | | | | | | |

Other Cost Allocations Methodologies

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

| | |
|--------------------|--|
| Other Direct Costs | After assessing that Labor, Assets and Depreciation should be shared or split between Funds, it was determined that other costs should be shared as well especially in the areas of Customer Service and Administration Costs. The methodology used to determine the percentage of cost to be split to other Funds is very similar to the Labor Allocation and Asset Allocation methodologies in that an overall average of an employees time and square footage of office space etc. was used to calculate some of the Allocations. Other determining factors include the percent of total revenues between County Water and Radcliff Sewer, square feet of the Service Center attributable to the refinance of existing debt to the 2002 Variable rate debt with the Bank of New York (BoNY), etc. |
|--------------------|--|

Since we have gone to a new accounting software, MicroSoft Dynamics - GP, we can automatically set up allocations to take effect immediately by coding to a specific general ledger number. Below are the accounts that are allocated and the percentages allocated to other Funds - FK Sewer, FK Storm and Radcliff Sewer along with the Allocation Method used:

| Legend | Allocation Methodology Description |
|--------|--|
| A | Total Personnel Costs by Utility from 2010 Budgeted Wages |
| B | % of Total Dollar Revenues Billed with \$0 for FK Sewer & Storm |
| C | Based upon the occupancy % of Personnel Devoted to Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees Designate to Radcliff Swr |
| D | Total Personnel Costs for Radcliff from 2010 Budgeted Wages with Balance to County Water |
| E | Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr & Storm |

| GL Account | Account Description | % | Allocation Methodolgy |
|------------|--|---------|-----------------------|
| 1.94.62000 | Water.Allocated C/S. Material & Supplies-Misc | | |
| 1.04.62000 | County Water | 75.00% | A |
| 2.00.92100 | Fort Knox Sewer | 4.00% | |
| 3.00.92100 | Fort Knox Storm | 1.00% | |
| 4.04.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.94.62300 | Water.Allocated C/S.Miscellaneous Customer Exp | | |
| 1.04.62300 | County Water | 53.00% | B |
| 4.04.90301 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |
| 1.94.63600 | Water.Allocated C/S.Contractual Services | | |
| 1.04.63600 | County Water | 53.00% | B |
| 4.04.92303 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |
| 1.94.63800 | Water.Allocated C/S.Bill Printing/Mailing Contract | | |
| 1.04.63800 | County Water | 53.00% | B |
| 4.04.92303 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |

| | | | |
|------------|--|---------|---|
| 1.94.63900 | Water.Allocated C/S.Contractd Security Service | | |
| 1.04.63900 | County Water | 53.00% | B |
| 4.04.92303 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |
| 1.94.67900 | Water.Allocated C/S.Cash Over/Short | | |
| 1.04.67900 | County Water | 53.00% | B |
| 4.04.92303 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |
| 1.96.42705 | Water.Allocated Admin.Remarket & Other Bond Fees | | |
| 1.06.42705 | County Water | 87.00% | C |
| 4.06.93006 | Radcliff Sewer | 13.00% | |
| | | 100.00% | |
| 1.96.61500 | Water.Allocated Admin.Utilities | | |
| 1.06.61500 | County Water | 75.00% | A |
| 2.00.93004 | Fort Knox Sewer | 4.00% | |
| 3.00.93004 | Fort Knox Storm | 1.00% | |
| 4.06.93004 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.62000 | Water.Allocated Admin.Material & Supplies - Misc | | |
| 1.06.62000 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.62100 | Water.Allocated Admin.Computer Supplies | | |
| 1.06.62100 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.63600 | Water.Allocated Admin.Contractual Services | | |
| 1.06.63600 | County Water | 53.00% | B |
| 4.06.92303 | Radcliff Sewer | 47.00% | |
| | | 100.00% | |
| 1.96.63700 | Water.Allocated Admin.Uniform Expense | | |
| 1.06.63700 | County Water | 93.00% | E |
| 4.03.71000 | Radcliff Sewer | 7.00% | |
| | | 100.00% | |
| 1.96.65000 | Water.Allocated Admin.Transport Fuel & Repairs | | |
| 1.06.65000 | County Water | 75.00% | A |
| 2.00.92901 | Fort Knox Sewer | 4.00% | |
| 3.00.92901 | Fort Knox Storm | 1.00% | |
| 4.06.92901 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.67500 | Water.Allocated Admin.Miscellaneous Expense | | |
| 1.06.67500 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |

| | | | |
|------------|--|---------|---|
| 1.96.67600 | Water.Allocated Admin.Phone Expense | | |
| 1.06.67600 | County Water | 75.00% | A |
| 2.00.93004 | Fort Knox Sewer | 4.00% | |
| 3.00.93004 | Fort Knox Storm | 1.00% | |
| 4.06.93004 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.67700 | Water.Allocated Admin.Dues & Subscriptions | | |
| 1.06.67700 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.67800 | Water.Allocated Admin.Postage & Mailing | | |
| 1.06.67800 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.68000 | Water.Allocated Admin.Safety Expense | | |
| 1.06.68000 | County Water | 80.00% | D |
| 4.06.92100 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.68100 | Water.Allocated Admin.Information Technology Exp | | |
| 1.06.68100 | County Water | 75.00% | A |
| 2.00.93000 | Fort Knox Sewer | 4.00% | |
| 3.00.93000 | Fort Knox Storm | 1.00% | |
| 4.06.93000 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.68300 | Water.Allocated Admin.Certification & Training | | |
| 1.06.68300 | County Water | 75.00% | A |
| 2.00.93005 | Fort Knox Sewer | 4.00% | |
| 3.00.93005 | Fort Knox Storm | 1.00% | |
| 4.06.93005 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.68400 | Water.Allocated Admin.Travel & Lodging | | |
| 1.06.68400 | County Water | 75.00% | A |
| 2.00.92900 | Fort Knox Sewer | 4.00% | |
| 3.00.92900 | Fort Knox Storm | 1.00% | |
| 4.06.92900 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.96.68500 | Water.Allocated Admin.Education & Conferences | | |
| 1.06.68500 | County Water | 75.00% | A |
| 2.00.93010 | Fort Knox Sewer | 4.00% | |
| 3.00.93010 | Fort Knox Storm | 1.00% | |
| 4.06.93010 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |
| 1.97.68200 | Water.Allocated Commission.Commission Expense | | |
| 1.07.68200 | County Water | 80.00% | D |
| 4.06.92000 | Radcliff Sewer | 20.00% | |
| | | 100.00% | |

2012 Expense Allocation
Actual Costs
Labor & Benefit Allocation

| | County Water | FK Sewer | FK Storm | Radcliff Sewer | FK Water | Total | Allocation Methodology |
|------------------------|--------------|-----------|-----------|----------------|------------|--------------|------------------------|
| Pirtle Water Treatment | \$ 386,451 | \$ - | \$ - | \$ - | \$ - | \$ 386,451 | A |
| Distribution | \$ 434,755 | \$ - | \$ - | \$ 91,059 | \$ 193 | \$ 526,007 | B |
| FK Water Distribution | \$ - | \$ - | \$ - | \$ - | \$ 377,653 | \$ 377,653 | C |
| Cust Svc | \$ 164,528 | \$ 508 | \$ 254 | \$ 151,356 | \$ 670 | \$ 317,315 | D |
| Maintenance | \$ 62,485 | \$ - | \$ - | \$ - | \$ 1,178 | \$ 63,663 | E |
| Admin | \$ 193,106 | \$ 62,983 | \$ 19,683 | \$ 84,661 | \$ 47,043 | \$ 407,477 | F |
| Commissioner | \$ 19,242 | \$ 17,492 | \$ 5,247 | \$ 17,492 | \$ 9,656 | \$ 69,130 | G |
| Legal | \$ 16,040 | \$ 2,775 | \$ 991 | \$ 4,559 | \$ - | \$ 24,365 | H |
| Total Labor/Benefits | \$ 1,276,607 | \$ 83,758 | \$ 26,176 | \$ 349,128 | \$ 436,393 | \$ 2,172,061 | |
| % of Total Labor Costs | 58.8% | 3.9% | 1.2% | 16.1% | 20.1% | 100.0% | |

HCWD1 took over operations of FK Water on February 1, 2012. Expenses only include 11 months

Legend:

Labor Methodology Description

| | |
|---|---|
| A | 100 % Direct County Water |
| B | Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Dist Supvsr at 98.5% Co. Wat, 1.5% Rad; Operators at 100% Co. Water; Meter Technician at 52.5% Co. Wat, 47% Radcliff & .5% FK Water |
| C | GIS & Admin Clerk at 100% FK Water; FK Dist Supvsr at 100% FK Water; Operators at 100% FK Water |
| D | CSR's at 52% Co. Water & 48% Radcliff; C/5 Supvsr at 52% Co. Water & 48% Radcliff; Billing Specialist at 51% Co. Water, 48% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water |
| E | Maintenance at 98% Co. Water & 2% FK Water |
| F | Executive Assistant, Accounting Specialist & Finance & Accounting Mgr at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water; Accountant at 53.7% Co. Water, 26.9% Radcliff, 12.5% FK Swr, 1.9% FK Storm & 5% FK Water; Project Coordinator at 48% Co. Water, 25% Radcliff, 15% FK Swr, 2% FK Storm & 10% FK Water; General Mgr at 45.2% Co. Water, 25% Radcliff, 15% FK Swr, 5% FK Storm & 9.8% FK Water; GIS/Planning Specialist at 42.5% Co. Water, 30% Radcliff, 13% FK Swr, 2% FK Storm & 12.5% FK Storm; Operations Mgr at 13.5% Co. Water, 15% Radcliff, 15% FK Swr, 10.3% FK Storm, & 46.2% FK Water; WQ Specialist at 99% Co. Water & 1% FK Water. Engineering Mgr is 100% Capitalized to open CIP Projects. |
| G | Commissioners at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water |
| H | Atty at 58% Co. Water, 23% Radcliff, 14% FK Swr & 5% FK Storm. FK Water Legal Fees were 100% capitalized to FK Water Acquisition Project. |

2012 Other Expense Account Allocations
DOES NOT INCLUDE DIRECT COSTS TO SEWER & STORM UTILITIES

| County Water | FK Sewer | FK Storm | Radcliff Sewer | FK Water | Total | Allocation Methodology |
|---------------------------------------|--------------|-------------|----------------|-------------|------------|--|
| C/S Material & Supplies | \$ 5,117 | \$ 230 | \$ 58 | \$ 1,151 | \$ - | \$ 6,556 J |
| C/S Maint & Repairs | \$ 916 | \$ - | \$ - | \$ 812 | \$ - | \$ 1,727 K |
| C/S Contractual Svcs | \$ 33,911 | \$ - | \$ - | \$ 69,536 | \$ - | \$ 103,447 K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Contracted Security Svc | \$ 1,161 | \$ - | \$ - | \$ - | \$ - | \$ 1,161 K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Bill Printing/Mailing | \$ 43,306 | \$ - | \$ - | \$ - | \$ - | \$ 43,306 K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Cash Over & Short | \$ 34 | \$ - | \$ - | \$ - | \$ - | \$ 34 K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| Admin Allocated Depreciation | \$ (73,357) | \$ 4,517 | \$ - | \$ 68,840 | \$ - | \$ - L - Assets are Booked as Co. Water Assets but are shared with FK Swr & Radcliff Swr |
| Admin Var Rate L/T Debt | \$ 31,547 | \$ 1,127 | \$ - | \$ 4,882 | \$ - | \$ 37,556 M |
| Admin Remark/Bond Fees | \$ 7,571 | \$ - | \$ - | \$ 1,131 | \$ - | \$ 8,702 M |
| Admin Utilities | \$ 22,079 | \$ 1,944 | \$ 432 | \$ 8,646 | \$ - | \$ 33,102 J - Utilities & Phone Exp Allocated to one Account |
| Admin Materials & Supplies | \$ 5,568 | \$ - | \$ - | \$ 6,510 | \$ - | \$ 12,078 N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Contractual Svcs | \$ 14,830 | \$ - | \$ - | \$ 13,151 | \$ - | \$ 27,980 K |
| Admin Uniform Expense | \$ 20,679 | \$ - | \$ - | \$ 1,727 | \$ - | \$ 22,406 O |
| Admin Transport Fuel/Repairs | \$ 7,003 | \$ 374 | \$ 93 | \$ 1,949 | \$ - | \$ 9,419 J |
| Admin Miscellaneous Expense | \$ 6,668 | \$ - | \$ - | \$ - | \$ - | \$ 6,668 N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Phone Expense | \$ 10,344 | \$ - | \$ - | \$ - | \$ - | \$ 10,344 J - Utilities & Phone Exp Allocated to one Account |
| Admin Dues & Subscriptions | \$ 4,331 | \$ - | \$ - | \$ - | \$ - | \$ 4,331 N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Postage & Mailing | \$ 4,778 | \$ - | \$ - | \$ - | \$ - | \$ 4,778 N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Safety Expense | \$ 4,583 | \$ - | \$ - | \$ - | \$ - | \$ 4,583 N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin IT Expense | \$ 53,998 | \$ 2,919 | \$ 730 | \$ 14,596 | \$ - | \$ 72,243 J |
| Admin Certification & Training | \$ 5,804 | \$ 310 | \$ 77 | \$ 1,548 | \$ - | \$ 7,739 J |
| Admin Travel & Lodging | \$ 10,128 | \$ 540 | \$ 135 | \$ 2,701 | \$ - | \$ 13,504 J |
| Admin Education & Conference | \$ 5,875 | \$ 501 | \$ 99 | \$ 1,751 | \$ - | \$ 8,226 J |
| Commission Expense | \$ 3,354 | \$ - | \$ - | \$ 774 | \$ - | \$ 4,127 N |
| Allocated FK Water G&A Exp | \$ (188,460) | \$ (41,606) | \$ (10,585) | \$ (88,329) | \$ 328,980 | \$ - P |
| Total Other Allocated Expenses | \$ 41,770 | \$ (29,145) | \$ (8,961) | \$ 111,376 | \$ 328,980 | \$ 444,021 |
| % of Other Allocated Expenses | 9.4% | -6.6% | -2.0% | 25.1% | 74.1% | 100% |
| Total Allocated Expenses | \$ 1,318,377 | \$ 54,613 | \$ 17,215 | \$ 460,504 | \$ 765,373 | \$ 2,616,082 |
| % of Total Allocated Expenses | 50.4% | 2.1% | 0.7% | 17.6% | 29.3% | 100% |

Legend:

Other Expense Accounts Allocation Methodology Description

| | |
|---|--|
| J | Total Personnel costs by Utility from 2010 Budgeted Wages |
| K | % of Total Dollar Revenues Billed for Co. Water & Radcliff Swr with \$0 for FK Sewer, Storm & FK Water |
| L | Assets Booked as Co. Water Assets but Depreciation is Shared with FK Swr & Radcliff Swr. See Depreciation Allocation-Shared Assets for Complete Methodology Descriptions |
| M | Based on the Occupancy % of Personnel Devoted to FK Swr & Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees devote to each |
| N | Total Personnel costs for Radcliff Swr from 2010 Budgeted Wages with balance to Co. Water |
| O | Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr, FK Storm or FK Water |
| P | Net S,G&A Overhead to charge FK Water and Credit other Funds. See calculation on 2012 Labor Budget Spreadsheet |

Comparative Income Statement
Operating Expenses at December 31, 2012

| Operating Expenses | Direct Costs | Allocated Costs | Total Costs | |
|-------------------------------------|---------------------|-------------------|---------------------|---|
| Collection System Labor | \$ - | \$ 91,059 | \$ 91,059 | |
| Customer Service Labor | \$ - | \$ 151,356 | \$ 151,356 | |
| Administration Labor | \$ - | \$ 102,927 | \$ 102,927 | Admin & Commission Labor plus Commission Expense |
| Professional Services-Accounting | \$ 7,370 | \$ - | \$ 7,370 | |
| Professional Services-Legal | \$ - | \$ 4,559 | \$ 4,559 | Legal Labor |
| Information Technology Expense | \$ - | \$ 14,596 | \$ 14,596 | |
| Management Fee - Veolia | \$ 2,102,540 | \$ - | \$ 2,102,540 | |
| Contractual Services | \$ 12,247 | \$ 82,686 | \$ 94,933 | C/S Contractual plus Admin Contractual |
| Insurance Expense | \$ 29,231 | \$ - | \$ 29,231 | |
| Transportation Fuel & Repairs | \$ - | \$ 1,949 | \$ 1,949 | |
| Utility Regulatory Expense | \$ 5,812 | \$ - | \$ 5,812 | |
| Office Supplies | \$ 277 | \$ 7,661 | \$ 7,938 | C/S & Admin Material & Supplies |
| Utilities | \$ 2,754 | \$ 8,646 | \$ 11,400 | Water, Sewer & Phone Expenses |
| Bad Debt Expense | \$ 41,597 | \$ - | \$ 41,597 | Direct Write Off of Radcliff Sewer Accounts |
| Agency Collection Expense | \$ 2,968 | \$ - | \$ 2,968 | Expense Attributable to Radcliff Sewer Accounts |
| Advertising Expense | \$ 42 | \$ - | \$ 42 | |
| Rent Expense | \$ 2,250 | \$ - | \$ 2,250 | |
| Travel & Lodging | \$ - | \$ 2,701 | \$ 2,701 | |
| Certification & Training | \$ 160 | \$ 1,548 | \$ 1,708 | |
| Education & Conferences | \$ - | \$ 1,751 | \$ 1,751 | |
| Routine Maintenance Service | \$ - | \$ 1,727 | \$ 1,727 | Admin Uniform Expense |
| Miscellaneous Customer Expense | \$ - | \$ 812 | \$ 812 | C/S Maint & Repairs |
| Miscellaneous Expense | \$ 7,415 | \$ - | \$ 7,415 | Registration Fees, Easement Fees, Oistribution Mat for water line at RPTB |
| Customer Deposit Interest Expense | \$ 717 | \$ - | \$ 717 | |
| Allocated FK Water G&A Expense | \$ - | \$ (88,329) | \$ (88,329) | |
| Total Operating Expense | \$ 2,215,380 | \$ 385,650 | \$ 2,601,030 | |
| | | | | |
| Depreciation & Amortization Expense | \$ 912,281 | \$ 68,840 | \$ 981,121 | |
| Interest Expense | \$ 80,777 | \$ 6,014 | \$ 86,791 | |
| | | | | |
| Total Expenses 2012 | \$ 3,208,438 | \$ 460,504 | \$ 3,668,942 | |



| Hardin County Water District #1 | | Board Approved 12/20/11 | | | 807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(1)(1-3) | | | | | | 4-Jun-13 | | |
|---------------------------------|--------------------------------------|-------------------------|---------|-------|---|----------|-------|--------------|----------|------------|-----------|----------------------|---------|
| 2012 Salary & Benefit Summary | | | | | | | | | | | | | 9:36 AM |
| 1 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | |
| DIV | TITLE | #FTE | #PTE | P_GDE | CLASS | HRATE | HRSWK | FT-SALS | PT-SALS | \$/MON | OT | Anthem or Flex \$234 | |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 15.74 | 40 | \$ 32,739 | \$ 0 | \$ 2,728 | \$ 481 | \$ 2,808 | |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.00 | 40 | \$ 27,040 | \$ 0 | \$ 2,253 | \$ 0 | \$ 4,624 | |
| ADM | Accountant | 10 | | E1 | CLER | \$ 20.79 | 40 | \$ 43,243 | \$ 0 | \$ 3,604 | \$ 0 | \$ 4,624 | |
| ADM | Executive Assistant | 10 | | 1 | CLER | \$ 16.90 | 40 | \$ 35,152 | \$ 0 | \$ 2,929 | \$ 636 | \$ 4,624 | |
| ADM | Accounting Specialist | 10 | | 3 | CLER | \$ 17.48 | 40 | \$ 36,358 | \$ 0 | \$ 3,030 | \$ 934 | \$ 4,624 | |
| ADM | Project Coordinator | 10 | | E1 | CLER | \$ 21.38 | 40 | \$ 44,470 | \$ 0 | \$ 3,706 | \$ 0 | \$ 4,624 | |
| ADM | General Manager | 10 | | | CLER | \$ 49.07 | 40 | \$ 102,066 | \$ 0 | \$ 8,505 | \$ 0 | \$ 9,726 | |
| ADM | Finance & Accounting Manager | 10 | | S2 | CLER | \$ 31.00 | 40 | \$ 64,480 | \$ 0 | \$ 5,373 | \$ 0 | \$ 2,808 | |
| ADM | Engineering Manager | 10 | | S2 | SLS-OUT | \$ 31.35 | 40 | \$ 65,208 | \$ 0 | \$ 5,434 | \$ 0 | \$ 4,624 | |
| CS | Customer Service Manager | 10 | | S1 | CLER | \$ 27.65 | 40 | \$ 57,512 | \$ 0 | \$ 4,793 | \$ 0 | \$ 4,624 | |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 | |
| COMM | Commissioner | 10 | | | CLER | \$ 59.62 | 2 | \$ 6,200 | \$ 0 | \$ 517 | \$ 0 | \$ 9,447 | |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 | |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 0 | |
| COMM | Commissioner | 10 | | | CLER | \$ 57.69 | 2 | \$ 6,000 | \$ 0 | \$ 500 | \$ 0 | \$ 9,447 | |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.07 | 40 | \$ 27,186 | \$ 0 | \$ 2,265 | \$ 525 | \$ 2,808 | |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 15.97 | 40 | \$ 33,218 | \$ 0 | \$ 2,768 | \$ 480 | \$ 2,808 | |
| CS | Customer Service Representative | 10 | | 2 | CLER | \$ 13.90 | 40 | \$ 28,912 | \$ 0 | \$ 2,409 | \$ 747 | \$ 4,624 | |
| DIST | Distribution Operator - III | 10 | | 2 | OPER | \$ 16.76 | 40 | \$ 34,861 | \$ 0 | \$ 2,905 | \$ 1,642 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 12.79 | 40 | \$ 26,603 | \$ 0 | \$ 2,217 | \$ 1,230 | \$ 4,624 | |
| CS | Utility Billing Specialist | 10 | | 2 | CLER | \$ 18.31 | 40 | \$ 38,085 | \$ 0 | \$ 3,174 | \$ 564 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 17.06 | 40 | \$ 35,485 | \$ 0 | \$ 2,957 | \$ 1,625 | \$ 4,624 | |
| ADM | Dist. System GIS/Planning Specialist | 10 | | E1 | CLER | \$ 23.72 | 40 | \$ 49,338 | \$ 0 | \$ 4,111 | \$ 0 | \$ 4,624 | |
| DIST | Distribution Operator - I | 10 | | 1 | OPER | \$ 16.49 | 40 | \$ 34,299 | \$ 0 | \$ 2,858 | \$ 1,620 | \$ 4,624 | |
| DIST | Distribution Operator - I | 10 | | 2 | OPER | \$ 11.36 | 40 | \$ 23,629 | \$ 0 | \$ 1,969 | \$ 1,705 | \$ 4,624 | |
| DIST | Heavy Equipment Operator - IVD | 10 | | 4 | OPER | \$ 20.75 | 40 | \$ 43,160 | \$ 0 | \$ 3,597 | \$ 2,027 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 18.23 | 40 | \$ 37,918 | \$ 0 | \$ 3,160 | \$ 1,779 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 15.05 | 40 | \$ 31,304 | \$ 0 | \$ 2,609 | \$ 1,455 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 16.79 | 40 | \$ 34,923 | \$ 0 | \$ 2,910 | \$ 1,624 | \$ 4,624 | |
| DIST | Distribution Operator - I or II | 10 | | 1 | OPER | \$ 14.44 | 40 | \$ 30,035 | \$ 0 | \$ 2,503 | \$ 1,409 | \$ 4,624 | |
| ADM | Operations Manager | 10 | | S2 | SLS-OUT | \$ 32.81 | 40 | \$ 68,245 | \$ 0 | \$ 5,687 | \$ 0 | \$ 4,624 | |
| DIST | Distribution Supervisor | 10 | | S1 | OPER | \$ 20.88 | 40 | \$ 43,430 | \$ 0 | \$ 3,619 | \$ 0 | \$ 4,624 | |
| DIST | TEMP Summer Help | | 0.2 | 3 | OPER | \$ 11.00 | 40 | \$ 0 | \$ 5,557 | \$ 463 | \$ 0 | \$ 0 | |
| LEG | Attorney | 10 | | | ATTY | | 40 | \$ 20,400 | \$ 0 | \$ 1,700 | \$ 0 | \$ 0 | |
| MAINT | Maint & Controls Specialist | 10 | | 4 | OPER | \$ 24.76 | 40 | \$ 51,501 | \$ 0 | \$ 4,292 | \$ 1,880 | \$ 4,624 | |
| PIRTLE | Plant Supervisor | 10 | | S1 | OPER | \$ 27.05 | 40 | \$ 56,264 | \$ 0 | \$ 4,689 | \$ 0 | \$ 4,624 | |
| ADM | WQ / Measurement Specialist | 10 | | E1 | OPER | \$ 25.49 | 40 | \$ 53,019 | \$ 0 | \$ 4,418 | \$ 0 | \$ 4,624 | |
| FK WAT-Dist | Distribution Operator - IV | 0.9 | | 3 | OPER | \$ 16.60 | 40 | \$ 34,528 | \$ 0 | \$ 2,877 | \$ 1,000 | \$ 4,624 | |
| FK WAT-Dist | Distribution Operator - I or II | 0.9 | | 1 | OPER | \$ 12.70 | 40 | \$ 26,416 | \$ 0 | \$ 2,201 | \$ 750 | \$ 4,624 | |
| FK WAT-Dist | Distribution Operator - I or II | 0.9 | | 1 | OPER | \$ 12.70 | 40 | \$ 26,416 | \$ 0 | \$ 2,201 | \$ 750 | \$ 4,624 | |
| FK WAT-Dist | Heavy Equipment Operator - IVD | 0.9 | | 4 | OPER | \$ 19.20 | 40 | \$ 39,936 | \$ 0 | \$ 3,328 | \$ 1,000 | \$ 4,624 | |
| FK WAT-Dist | Distribution Supervisor | 0.9 | | S1 | OPER | \$ 26.70 | 40 | \$ 55,536 | \$ 0 | \$ 4,628 | \$ 0 | \$ 4,624 | |
| FK WAT-Dist | Dist. System GIS/Planning Specialist | 0.9 | | E1 | OPER | \$ 18.16 | 40 | \$ 37,773 | \$ 0 | \$ 3,148 | \$ 0 | \$ 4,624 | |
| FK WAT-Dist | Accounting Specialist | 0.9 | | 3 | CLER | \$ 15.20 | 40 | \$ 31,616 | \$ 0 | \$ 2,635 | \$ 500 | \$ 4,624 | |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 18.52 | 40 | \$ 38,522 | \$ 0 | \$ 3,210 | \$ 963 | \$ 4,624 | |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 18.90 | 40 | \$ 39,312 | \$ 0 | \$ 3,276 | \$ 983 | \$ 4,624 | |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 17.32 | 40 | \$ 36,026 | \$ 0 | \$ 3,002 | \$ 901 | \$ 4,624 | |
| PIRTLE | WTP Operator - Class IV | 10 | | 3 | OPER | \$ 19.77 | 40 | \$ 41,122 | \$ 0 | \$ 3,427 | \$ 1,028 | \$ 4,624 | |
| PIRTLE | WTP Operator - Class 1A - 2A | 10 | | 1 | OPER | \$ 15.14 | 40 | \$ 31,491 | \$ 0 | \$ 2,624 | \$ 787 | \$ 2,808 | |
| | TOTAL | 47 36667 | 0 24289 | | | | | \$ 1 778,976 | \$ 5,557 | \$ 148,711 | \$ 31,027 | \$ 209,135 | |
| | STAFF | 41 36667 | | | | | | \$ 1 728,376 | \$ 5,557 | \$ 144,494 | \$ 31,027 | \$ 190,242 | |

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

| 1 | 5 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
|-------------|--------------------------------------|-----------|--------------|-----------|------------|------------|-------------|--------------|----------|-------------|--------------|
| DIV | TITLE | DENT/VISN | LIFE,ADD<D | FLEX_140 | OASDI | PENSION | W_COMP | TOTAL | %_CAPIZD | \$_CAPIZD | \$_NET O&M |
| CS | Customer Service Representative | \$ 361 | \$ 369 | \$ 1,680 | \$ 2,541 | \$ 6,299 | \$ 59 | \$ 47,337 | 0.0% | \$ 0 | \$ 47,337 |
| CS | Customer Service Representative | \$ 361 | \$ 305 | \$ 1,680 | \$ 2,069 | \$ 5,127 | \$ 49 | \$ 41,254 | 0.0% | \$ 0 | \$ 41,254 |
| ADM | Accountant | \$ 361 | \$ 485 | \$ 1,680 | \$ 3,308 | \$ 8,199 | \$ 78 | \$ 61,978 | 25.0% | -\$ 15,495 | \$ 46,484 |
| ADM | Executive Assistant | \$ 361 | \$ 395 | \$ 1,680 | \$ 2,738 | \$ 6,785 | \$ 63 | \$ 52,435 | 0.0% | \$ 0 | \$ 52,435 |
| ADM | Accounting Specialist | \$ 361 | \$ 409 | \$ 1,680 | \$ 2,853 | \$ 7,071 | \$ 65 | \$ 54,355 | 25.0% | -\$ 13,589 | \$ 40,767 |
| ADM | Project Coordinator | \$ 361 | \$ 499 | \$ 1,680 | \$ 3,402 | \$ 8,432 | \$ 80 | \$ 63,549 | 50.0% | -\$ 31,774 | \$ 31,774 |
| ADM | General Manager | \$ 361 | \$ 1,128 | \$ 1,680 | \$ 7,808 | \$ 19,352 | \$ 184 | \$ 142,304 | 20.0% | -\$ 28,461 | \$ 113,843 |
| ADM | Finance & Accounting Manager | \$ 0 | \$ 724 | \$ 1,680 | \$ 4,933 | \$ 12,225 | \$ 116 | \$ 86,966 | 25.0% | -\$ 21,741 | \$ 65,224 |
| ADM | Engineering Manager | \$ 361 | \$ 731 | \$ 1,680 | \$ 4,988 | \$ 12,363 | \$ 352 | \$ 90,308 | 100.0% | -\$ 90,308 | \$ 0 |
| CS | Customer Service Manager | \$ 361 | \$ 645 | \$ 1,680 | \$ 4,400 | \$ 10,904 | \$ 104 | \$ 80,230 | 0.0% | \$ 0 | \$ 80,230 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 0 | \$ 474 | \$ 1,176 | \$ 11 | \$ 17,668 | 0.0% | \$ 0 | \$ 17,668 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 1,680 | \$ 459 | \$ 1,138 | \$ 11 | \$ 9,648 | 0.0% | \$ 0 | \$ 9,648 |
| COMM | Commissioner | \$ 361 | \$ 0 | \$ 0 | \$ 459 | \$ 1,138 | \$ 11 | \$ 17,415 | 0.0% | \$ 0 | \$ 17,415 |
| CS | Customer Service Representative | \$ 361 | \$ 306 | \$ 1,680 | \$ 2,120 | \$ 5,254 | \$ 49 | \$ 40,288 | 0.0% | \$ 0 | \$ 40,288 |
| CS | Customer Service Representative | \$ 361 | \$ 373 | \$ 1,680 | \$ 2,578 | \$ 6,389 | \$ 60 | \$ 47,947 | 0.0% | \$ 0 | \$ 47,947 |
| CS | Customer Service Representative | \$ 361 | \$ 324 | \$ 1,680 | \$ 2,269 | \$ 5,623 | \$ 52 | \$ 44,593 | 0.0% | \$ 0 | \$ 44,593 |
| DIST | Distribution Operator - III | \$ 361 | \$ 391 | \$ 1,680 | \$ 2,792 | \$ 6,921 | \$ 892 | \$ 54,165 | 0.0% | \$ 0 | \$ 54,165 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,129 | \$ 5,277 | \$ 681 | \$ 42,884 | 0.0% | \$ 0 | \$ 42,884 |
| CS | Utility Billing Specialist | \$ 361 | \$ 428 | \$ 1,680 | \$ 2,957 | \$ 7,328 | \$ 69 | \$ 56,095 | 0.0% | \$ 0 | \$ 56,095 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 399 | \$ 1,680 | \$ 2,839 | \$ 7,036 | \$ 908 | \$ 54,957 | 0.0% | \$ 0 | \$ 54,957 |
| ADM | Dist System GIS/Planning Specialist | \$ 361 | \$ 555 | \$ 1,680 | \$ 3,774 | \$ 9,354 | \$ 89 | \$ 69,775 | 50.0% | -\$ 34,888 | \$ 34,888 |
| DIST | Distribution Operator - I | \$ 361 | \$ 384 | \$ 1,680 | \$ 2,748 | \$ 6,810 | \$ 878 | \$ 53,405 | 40.0% | -\$ 21,362 | \$ 32,043 |
| DIST | Distribution Operator - I | \$ 361 | \$ 265 | \$ 1,680 | \$ 1,938 | \$ 4,803 | \$ 605 | \$ 39,610 | 0.0% | \$ 0 | \$ 39,610 |
| DIST | Heavy Equipment Operator - IVD | \$ 361 | \$ 485 | \$ 1,680 | \$ 3,457 | \$ 8,567 | \$ 1,105 | \$ 65,466 | 0.0% | \$ 0 | \$ 65,466 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 425 | \$ 1,680 | \$ 3,037 | \$ 7,527 | \$ 971 | \$ 58,322 | 0.0% | \$ 0 | \$ 58,322 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 351 | \$ 1,680 | \$ 2,506 | \$ 6,211 | \$ 801 | \$ 49,294 | 0.0% | \$ 0 | \$ 49,294 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 392 | \$ 1,680 | \$ 2,796 | \$ 6,929 | \$ 894 | \$ 54,224 | 0.0% | \$ 0 | \$ 54,224 |
| DIST | Distribution Operator - I or II | \$ 361 | \$ 339 | \$ 1,680 | \$ 2,405 | \$ 5,962 | \$ 769 | \$ 47,584 | 0.0% | \$ 0 | \$ 47,584 |
| ADM | Operations Manager | \$ 361 | \$ 765 | \$ 1,680 | \$ 5,221 | \$ 12,939 | \$ 369 | \$ 94,203 | 50.0% | -\$ 47,102 | \$ 47,102 |
| DIST | Distribution Supervisor | \$ 361 | \$ 488 | \$ 1,680 | \$ 3,322 | \$ 8,234 | \$ 1,112 | \$ 63,252 | 0.0% | \$ 0 | \$ 63,252 |
| DIST | TEMP Summer Help | \$ 0 | \$ 0 | \$ 0 | \$ 425 | \$ 0 | \$ 0 | \$ 5,982 | 0.0% | \$ 0 | \$ 5,982 |
| LEG | Attorney | \$ 0 | \$ 0 | \$ 0 | \$ 1,561 | \$ 3,868 | \$ 39 | \$ 25,867 | 0.0% | \$ 0 | \$ 25,867 |
| MAINT | Maint. & Controls Specialist | \$ 361 | \$ 578 | \$ 1,680 | \$ 4,084 | \$ 10,121 | \$ 1,318 | \$ 76,147 | 0.0% | \$ 0 | \$ 76,147 |
| PIRTLE | Plant Supervisor | \$ 277 | \$ 631 | \$ 1,680 | \$ 4,304 | \$ 10,668 | \$ 1,440 | \$ 79,889 | 0.0% | \$ 0 | \$ 79,889 |
| ADM | WQ / Measurement Specialist | \$ 361 | \$ 596 | \$ 1,680 | \$ 4,056 | \$ 10,052 | \$ 1,357 | \$ 75,746 | 0.0% | \$ 0 | \$ 75,746 |
| FK WAT-Dist | Distribution Operator - IV | \$ 361 | \$ 388 | \$ 1,680 | \$ 2,718 | \$ 6,736 | \$ 884 | \$ 52,919 | 0.0% | \$ 0 | \$ 52,919 |
| FK WAT-Dist | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,078 | \$ 5,151 | \$ 676 | \$ 42,034 | 0.0% | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Distribution Operator - I or II | \$ 361 | \$ 298 | \$ 1,680 | \$ 2,078 | \$ 5,151 | \$ 676 | \$ 42,034 | 0.0% | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Heavy Equipment Operator - IVD | \$ 361 | \$ 448 | \$ 1,680 | \$ 3,132 | \$ 7,761 | \$ 1,022 | \$ 59,964 | 0.0% | \$ 0 | \$ 59,964 |
| FK WAT-Dist | Distribution Supervisor | \$ 361 | \$ 623 | \$ 1,680 | \$ 4,249 | \$ 10,530 | \$ 1,422 | \$ 79,024 | 0.0% | \$ 0 | \$ 79,024 |
| FK WAT-Dist | Dist. System GIS/Planning Specialist | \$ 361 | \$ 425 | \$ 1,680 | \$ 2,890 | \$ 7,162 | \$ 967 | \$ 55,881 | 0.0% | \$ 0 | \$ 55,881 |
| FK WAT-Dist | Accounting Specialist | \$ 361 | \$ 354 | \$ 1,680 | \$ 2,457 | \$ 6,089 | \$ 809 | \$ 48,491 | 0.0% | \$ 0 | \$ 48,491 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 432 | \$ 1,680 | \$ 3,021 | \$ 7,486 | \$ 986 | \$ 58,075 | 0.0% | \$ 0 | \$ 58,075 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 440 | \$ 1,680 | \$ 3,083 | \$ 7,640 | \$ 1,006 | \$ 59,129 | 0.0% | \$ 0 | \$ 59,129 |
| PIRTLE | WTP Operator - Class IV | \$ 277 | \$ 406 | \$ 1,680 | \$ 2,825 | \$ 7,001 | \$ 922 | \$ 54,662 | 0.0% | \$ 0 | \$ 54,662 |
| PIRTLE | WTP Operator - Class IV | \$ 361 | \$ 462 | \$ 1,680 | \$ 3,224 | \$ 7,992 | \$ 1,053 | \$ 61,545 | 0.0% | \$ 0 | \$ 61,545 |
| PIRTLE | WTP Operator - Class 1A - 2A | \$ 0 | \$ 354 | \$ 1,680 | \$ 2,469 | \$ 6,120 | \$ 806 | \$ 46,516 | 0.0% | \$ 0 | \$ 46,516 |
| | TOTAL | \$ 16,066 | \$ 19,391 | \$ 75,600 | \$ 138,890 | \$ 343,177 | \$ 26,893 | \$ 2,644,712 | | -\$ 304,719 | \$ 2,339,992 |
| | STAFF | \$ 14,262 | \$ 19,391 | \$ 70,560 | \$ 135,019 | \$ 333,583 | \$ 26,799 | \$ 2,554,817 | | -\$ 304,719 | \$ 2,250,098 |
| | | | | | | | | | | | \$ 304,719 |
| | | | | | | | | | | | 11.5% |
| | | | | | | | 25000 | | | | |
| | | | | | | | 0 929623862 | | | | |

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

| 1 | 5 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
|-------------|--------------------------------------|----------|-------------|---------|---------|----------|--------------|------------|-----------|--------------|------------|
| | | | 0.275363636 | | | | | | | | |
| DIV | TITLE | %_WAT | %_RASEW | %_FKSEW | %_FKSTM | %_FK WAT | \$_WAT | \$_RASEW | \$_FKSEW | \$_FKSTM | \$_FK WAT |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 24,615 | \$ 22,722 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 21,452 | \$ 19,802 | \$ 0 | \$ 0 | \$ 0 |
| ADM | Accountant | 53.7% | 26.9% | 12.5% | 1.9% | 5.0% | \$ 24,962 | \$ 12,504 | \$ 5,810 | \$ 883 | \$ 2,324 |
| ADM | Executive Assistant | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 14,420 | \$ 13,109 | \$ 13,109 | \$ 3,933 | \$ 7,865 |
| ADM | Accounting Specialist | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 11,211 | \$ 10,192 | \$ 10,192 | \$ 3,057 | \$ 6,115 |
| ADM | Project Coordinator | 48.0% | 25.0% | 15.0% | 2.0% | 10.0% | \$ 15,252 | \$ 7,944 | \$ 4,766 | \$ 635 | \$ 3,177 |
| ADM | General Manager | 45.2% | 25.0% | 15.0% | 5.0% | 9.8% | \$ 51,457 | \$ 28,461 | \$ 17,076 | \$ 5,692 | \$ 11,157 |
| ADM | Finance & Accounting Manager | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 17,937 | \$ 16,306 | \$ 16,306 | \$ 4,892 | \$ 9,784 |
| ADM | Engineering Manager | 5.1% | 19.8% | 30.0% | 5.1% | 40.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Manager | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 41,719 | \$ 38,510 | \$ 0 | \$ 0 | \$ 0 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 4,859 | \$ 4,417 | \$ 4,417 | \$ 1,325 | \$ 2,650 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 2,653 | \$ 2,412 | \$ 2,412 | \$ 724 | \$ 1,447 |
| COMM | Commissioner | 27.5% | 25.0% | 25.0% | 7.5% | 15.0% | \$ 4,789 | \$ 4,354 | \$ 4,354 | \$ 1,306 | \$ 2,612 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 20,950 | \$ 19,338 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 24,932 | \$ 23,014 | \$ 0 | \$ 0 | \$ 0 |
| CS | Customer Service Representative | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 23,188 | \$ 21,405 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - III | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 28,166 | \$ 25,999 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 22,300 | \$ 20,584 | \$ 0 | \$ 0 | \$ 0 |
| CS | Utility Billing Specialist | 51.0% | 46.0% | 1.0% | 0.5% | 1.5% | \$ 28,608 | \$ 25,804 | \$ 561 | \$ 280 | \$ 841 |
| DIST | Distribution Operator - I or II | 52.5% | 47.0% | 0.0% | 0.0% | 0.5% | \$ 28,878 | \$ 25,830 | \$ 0 | \$ 0 | \$ 250 |
| ADM | Dist. System GIS/Planning Specialist | 42.5% | 30.0% | 13.0% | 2.0% | 12.5% | \$ 14,827 | \$ 10,466 | \$ 4,535 | \$ 698 | \$ 4,361 |
| DIST | Distribution Operator - I | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 32,043 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 39,610 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Heavy Equipment Operator - IVD | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 65,466 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 58,322 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 52.0% | 48.0% | 0.0% | 0.0% | 0.0% | \$ 25,633 | \$ 23,661 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 54,224 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| DIST | Distribution Operator - I or II | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 47,584 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| ADM | Operations Manager | 13.5% | 15.0% | 15.0% | 10.3% | 46.2% | \$ 6,353 | \$ 7,065 | \$ 7,065 | \$ 4,857 | \$ 21,761 |
| DIST | Distribution Supervisor | 98.5% | 1.5% | 0.0% | 0.0% | 0.0% | \$ 62,303 | \$ 949 | \$ 0 | \$ 0 | \$ 0 |
| DIST | TEMP Summer Help | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 5,982 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| LEG | Attorney | 58.0% | 23.0% | 14.0% | 5.0% | 0.0% | \$ 15,003 | \$ 5,949 | \$ 3,621 | \$ 1,293 | \$ 0 |
| MAINT | Maint. & Controls Specialist | 98.0% | 0.0% | 0.0% | 0.0% | 2.0% | \$ 74,624 | \$ 0 | \$ 0 | \$ 0 | \$ 1,523 |
| PIRTLE | Plant Supervisor | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 79,889 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| ADM | WQ / Measurement Specialist | 99.0% | 0.0% | 0.0% | 0.0% | 1.0% | \$ 74,989 | \$ 0 | \$ 0 | \$ 0 | \$ 757 |
| FK WAT-Dist | Distribution Operator - IV | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 52,919 |
| FK WAT-Dist | Distribution Operator - I or II | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Distribution Operator - I or II | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 42,034 |
| FK WAT-Dist | Heavy Equipment Operator - IVD | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 59,964 |
| FK WAT-Dist | Distribution Supervisor | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 79,024 |
| FK WAT-Dist | Dist. System GIS/Planning Specialist | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 55,881 |
| FK WAT Dist | Accounting Specialist | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 48,491 |
| PIRTLE | WTP Operator - Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 58,075 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 59,129 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 54,662 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator Class IV | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% | \$ 61,546 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| PIRTLE | WTP Operator - lass 1A 2A | 100.0% | 0.0% | 0.0 | 0.0% | 0.0% | \$ 46,516 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| | TOTAL | | | | | | \$ 1,354,432 | \$ 395,621 | \$ 99,049 | \$ 31,024 | \$ 459,865 |
| | STAFF | | | | | | \$ 1,321,822 | \$ 373,664 | \$ 79,421 | \$ 24,928 | \$ 450,262 |
| | | | | | | | 57.9% | 16.9% | 4.2% | 1.3% | 19.7% |
| | | = Capizd | | | | | | | | | |
| | | | | | | | | | | \$ 1,880,126 | |
| | | | | | | | | | | \$ 1,799,836 | |

SUMMARY BY DIVISION
 (Using Current Year)

| | #FTE | FTSAL | PTSAL | OT | HEALTH | DENTAL/VA | LIFE-LTD | OASDI | PENSION | FLEX_140 | LESS CAPZD | W_COMP | TOTAL | \$_WAT | \$_RASEW | \$_FKSEW | \$_FKST4 | \$_FKWAT | % OF TOTAL |
|------------|------|--------------|----------|-----------|------------|-----------|-----------|------------|------------|-----------|-------------|-----------|--------------|--------------|------------|-----------|-----------|------------|------------|
| CONM | 5.0 | \$ 30,200 | \$ 0 | \$ 0 | \$ 18,803 | \$ 1,804 | \$ 0 | \$ 2,310 | \$ 5,726 | \$ 5,640 | \$ 0 | \$ 54 | \$ 64,027 | \$ 17,008 | \$ 18,007 | \$ 4,802 | \$ 4,802 | \$ 0.603 | 2.7% |
| LEG | 1.0 | \$ 20,400 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,561 | \$ 3,868 | \$ 0 | \$ 0 | \$ 0 | \$ 25,667 | \$ 15,000 | \$ 9,949 | \$ 3,821 | \$ 1,250 | \$ 0 | 1.1% |
| FK WAT-Ord | 6.4 | \$ 252,221 | \$ 0 | \$ 4,000 | \$ 33,370 | \$ 2,525 | \$ 2,833 | \$ 18,091 | \$ 45,579 | \$ 11,780 | \$ 0 | \$ 8,457 | \$ 380,340 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 380,347 | 16.3% |
| ADM | 10.0 | \$ 561,979 | \$ 0 | \$ 1,570 | \$ 49,529 | \$ 3,246 | \$ 6,786 | \$ 43,081 | \$ 106,773 | \$ 16,800 | \$ -283,357 | \$ 2,753 | \$ 589,292 | \$ 271,406 | \$ 108,048 | \$ 78,880 | \$ 24,648 | \$ 67,301 | 21.7% |
| PRITLE | 6.0 | \$ 242,736 | \$ 0 | \$ 4,662 | \$ 25,930 | \$ 1,624 | \$ 2,725 | \$ 18,928 | \$ 46,807 | \$ 10,080 | \$ 0 | \$ 8,214 | \$ 369,816 | \$ 259,816 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 15.4% |
| CS | 7.0 | \$ 244,091 | \$ 0 | \$ 2,788 | \$ 26,921 | \$ 2,525 | \$ 2,750 | \$ 18,033 | \$ 46,824 | \$ 11,700 | \$ 0 | \$ 442 | \$ 357,743 | \$ 185,465 | \$ 170,566 | \$ 0 | \$ 0 | \$ 0 | 15.4% |
| MAINT | 1.0 | \$ 51,501 | \$ 0 | \$ 1,880 | \$ 4,824 | \$ 361 | \$ 578 | \$ 4,084 | \$ 10,121 | \$ 1,680 | \$ 0 | \$ 1,318 | \$ 78,147 | \$ 24,824 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 3.2% |
| DIST | 11.0 | \$ 375,648 | \$ 5,567 | \$ 18,117 | \$ 50,868 | \$ 3,968 | \$ 4,217 | \$ 30,385 | \$ 74,279 | \$ 16,480 | \$ -21,382 | \$ 9,817 | \$ 567,783 | \$ 470,511 | \$ 97,023 | \$ 0 | \$ 0 | \$ 0 | 24.3% |
| TOTAL | 47.4 | \$ 1,778,978 | \$ 5,567 | \$ 31,027 | \$ 209,136 | \$ 18,068 | \$ 19,391 | \$ 138,650 | \$ 343,177 | \$ 75,000 | \$ -304,719 | \$ 26,893 | \$ 2,209,992 | \$ 1,354,432 | \$ 395,621 | \$ 99,040 | \$ 31,024 | \$ 450,965 | 100.0% |
| STAFF | 41.4 | \$ 1,728,376 | \$ 5,567 | \$ 31,027 | \$ 190,242 | \$ 14,262 | \$ 19,391 | \$ 139,019 | \$ 333,583 | \$ 70,580 | \$ -304,719 | \$ 26,799 | \$ 2,209,098 | \$ 1,354,432 | \$ 395,621 | \$ 99,040 | \$ 31,024 | \$ 450,965 | 100.0% |

SUMMARY BY UTILITY
 (Using Current Year)

| | #FTE | FTSAL | PTSAL | OT | HEALTH | DENTAL/VA | LIFE-LTD | OASDI | PENSION | FLEX_140 | LESS CAPZD | TOTAL | W_COMP | % OF TOTAL |
|----------|------|--------------|----------|-----------|------------|-----------|-----------|------------|------------|-----------|-------------|--------------|-----------|------------|
| Water | 27.4 | \$ 1,030,027 | \$ 3,218 | \$ 17,965 | \$ 121,089 | \$ 9,302 | \$ 11,227 | \$ 80,418 | \$ 198,689 | \$ 43,772 | \$ -178,433 | \$ 1,339,285 | \$ 15,571 | 57.2% |
| R Sewer | 8.0 | \$ 300,770 | \$ 840 | \$ 5,246 | \$ 36,358 | \$ 2,718 | \$ 3,278 | \$ 23,482 | \$ 58,021 | \$ 12,782 | \$ -51,519 | \$ 391,074 | \$ 4,547 | 16.7% |
| FK Sewer | 2.0 | \$ 75,307 | \$ 0 | \$ 1,313 | \$ 9,852 | \$ 680 | \$ 821 | \$ 5,879 | \$ 14,526 | \$ 3,200 | \$ 12,808 | \$ 97,911 | \$ 1,138 | 4.2% |
| FK Storm | 0.6 | \$ 22,586 | \$ 0 | \$ 411 | \$ 2,773 | \$ 213 | \$ 257 | \$ 1,841 | \$ 4,550 | \$ 1,002 | \$ -4,040 | \$ 30,687 | \$ 387 | 1.3% |
| FK WAT | 9.3 | \$ 349,811 | \$ 1,092 | \$ 6,088 | \$ 41,100 | \$ 3,157 | \$ 3,811 | \$ 27,295 | \$ 67,442 | \$ 14,857 | \$ 59,880 | \$ 454,580 | \$ 5,285 | 19.4% |
| TOTAL | 47.4 | \$ 1,779,297 | \$ 5,558 | \$ 31,033 | \$ 200,172 | \$ 18,058 | \$ 19,395 | \$ 138,915 | \$ 343,238 | \$ 75,814 | \$ -304,774 | \$ 2,313,518 | \$ 28,867 | 100.0% |

SUMMARY BY DIVISION
 (Next Year - For Line Account Budgets)

| | 2012 % Capz | 252% | 252% | 0.0% | 252% | 1.2% | 0.0% | 252% | 0.0% | 2011 | Amount allocate on line accounts | 2011 | % CHD | % CHD | \$_WAT | \$_RASEW | \$_FKSEW | \$_FKST4 | \$_FKWAT | +- \$ | |
|------------|-------------|--------------|----------|-----------|------------|------------|------------|-----------|-------------|-----------|----------------------------------|-----------|-------|--------------|------------|--------------|------------|------------|------------|------------|------|
| CONM | | \$ 30,200 | \$ 0 | \$ 20,697 | \$ 2,310 | \$ 5,800 | \$ 0 | \$ 54 | \$ 64,027 | 0.10% | \$ 58,724 | \$ 17,411 | 10.0% | 10.0% | \$ 18,015 | \$ 18,015 | \$ 4,805 | \$ 4,805 | \$ 0.608 | \$ 27 | |
| LEG | | \$ 20,400 | \$ 0 | \$ 0 | \$ 0 | \$ 1,561 | \$ 0 | \$ 390 | \$ 25,667 | 0.1% | \$ 25,545 | \$ 1,122 | 1.4% | 1.4% | \$ 15,022 | \$ 9,967 | \$ 3,828 | \$ 1,250 | \$ 0 | \$ -1 | |
| FK WAT-Ord | | \$ 252,221 | \$ 0 | \$ 4,000 | \$ 37,728 | \$ 19,600 | \$ 49,100 | \$ 11,800 | \$ 0 | \$ 8,457 | \$ 380,008 | \$ 0 | 0.1% | 0.0% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 380,997 | \$ -1 | |
| ADM | | \$ 575,700 | \$ 0 | \$ 1,600 | \$ 58,083 | \$ 44,200 | \$ 108,000 | \$ 16,800 | \$ -280,500 | \$ 2,753 | \$ 517,816 | \$ 0 | 1.8% | 20.0% | \$ 235,665 | \$ 107,988 | \$ 80,311 | \$ 25,101 | \$ 68,558 | \$ 2 | |
| PRITLE | | \$ 248,900 | \$ 0 | \$ 4,800 | \$ 30,292 | \$ 19,400 | \$ 47,400 | \$ 10,100 | \$ 0 | \$ 8,214 | \$ 387,106 | \$ 0 | 2.0% | -28.9% | \$ 387,108 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| CS | | \$ 250,900 | \$ 0 | \$ 2,800 | \$ 32,198 | \$ 19,400 | \$ 47,400 | \$ 11,800 | \$ 0 | \$ 440 | \$ 385,137 | \$ 0 | 2.0% | \$ 327,182 | \$ 11,600 | \$ 189,299 | \$ 174,121 | \$ 573 | \$ 266 | \$ 858 | \$ 0 |
| MAINT | | \$ 52,800 | \$ 0 | \$ 1,900 | \$ 5,563 | \$ 4,200 | \$ 10,200 | \$ 1,700 | \$ 0 | \$ 1,318 | \$ 77,681 | \$ 0 | 2.0% | \$ 75,112 | \$ 3,600 | \$ 78,128 | \$ 0 | \$ 0 | \$ 1,554 | \$ -1 | |
| DIST | | \$ 385,100 | \$ 5,700 | \$ 16,500 | \$ 59,052 | \$ 31,200 | \$ 75,100 | \$ 18,500 | \$ -21,901 | \$ 9,817 | \$ 578,668 | \$ 0 | 1.9% | \$ 580,000 | \$ -1,700 | \$ 479,666 | \$ 98,917 | \$ 0 | \$ 0 | \$ 250 | \$ 0 |
| TOTAL | | \$ 1,816,221 | \$ 5,700 | \$ 31,700 | \$ 244,582 | \$ 141,871 | \$ 347,000 | \$ 75,700 | \$ -312,401 | \$ 26,893 | \$ 2,377,275 | \$ 0 | 1.6% | \$ 2,089,833 | \$ 18,300 | \$ 1,380,533 | \$ 403,028 | \$ 100,525 | \$ 31,487 | \$ 481,721 | \$ 1 |
| STAFF | | \$ 1,765,621 | \$ 5,700 | \$ 31,700 | \$ 228,885 | \$ 138,000 | \$ 337,300 | \$ 70,700 | \$ -312,401 | \$ 26,799 | \$ 2,287,314 | \$ 0 | 1.6% | \$ 1,928,584 | \$ 18,600 | \$ 58,100 | \$ 426 | \$ 1,300 | \$ 481,721 | \$ 1 | |

SUMMARY BY UTILITY
 (2012 Budget)

| | #FTE | FTSAL | PTSAL | OT | HEALTH | DENTAL/VA | LIFE-LTD | OASDI | PENSION | FLEX_140 | LESS CAPZD | TOTAL | W_COMP | % OF TOTAL |
|----------|------|--------------|----------|-----------|------------|-----------|-----------|------------|------------|-----------|-------------|--------------|-----------|------------|
| Water | 27.4 | \$ 1,054,717 | \$ 3,710 | \$ 18,403 | \$ 121,471 | \$ 9,331 | \$ 11,263 | \$ 82,387 | \$ 201,310 | \$ 43,851 | \$ 15,817 | \$ 1,380,569 | \$ 15,571 | 56.0% |
| R Sewer | 8.0 | \$ 307,885 | \$ 866 | \$ 5,274 | \$ 35,460 | \$ 2,724 | \$ 3,288 | \$ 24,611 | \$ 59,825 | \$ 12,833 | \$ -52,990 | \$ 420,015 | \$ 4,547 | 17.2% |
| FK Sewer | 2.0 | \$ 78,800 | \$ 0 | \$ 1,342 | \$ 9,845 | \$ 679 | \$ 829 | \$ 5,989 | \$ 14,672 | \$ 3,201 | \$ 13,137 | \$ 100,537 | \$ 1,137 | 4.2% |
| FK Storm | 0.6 | \$ 24,056 | \$ 0 | \$ 420 | \$ 2,770 | \$ 213 | \$ 257 | \$ 1,878 | \$ 4,586 | \$ 1,003 | \$ -4,138 | \$ 31,488 | \$ 387 | 1.1% |
| FK WAT | 9.3 | \$ 352,751 | \$ 1,107 | \$ 6,157 | \$ 40,626 | \$ 3,121 | \$ 3,787 | \$ 27,565 | \$ 67,385 | \$ 14,703 | \$ 5,223 | \$ 481,730 | \$ 5,223 | 19.7% |
| TOTAL | 47.4 | \$ 1,816,220 | \$ 5,700 | \$ 31,700 | \$ 202,172 | \$ 18,068 | \$ 19,395 | \$ 141,871 | \$ 347,000 | \$ 75,700 | \$ -312,401 | \$ 2,377,318 | \$ 28,867 | 100.0% |

Label GHA Calc: 45.1%

Calculation of How Much extra Admin salaries are charged to FK, above Trans Fee lator recovery and FK Dist Dept salaries.

| | Total Admin Costs | Dept + Dist +CO | Net Admin | Fund % |
|--|-------------------|-----------------|-----------------|-------------|
| \$ 481,721 Total Salaries Charged to FWW | \$ 1,873,029.19 | \$ 1,221,732.48 | \$ 651,296.71 | 57% WA Adm |
| \$ 35,742 Transition Fee salaries | \$ 3,438,236.82 | \$ 3,134,894.70 | \$ 303,342.12 | 27% RA Adm |
| \$ 380,567 FA Distribution Dept total salaries | \$ 2,569,747.51 | \$ 2,417,832.51 | \$ 142,115.00 | 17% FK3 Adm |
| \$ 45,972 Amount to loan away from total 4.4% GBA charged to FWW | \$ 305,987.15 | \$ 317,830.15 | \$ 37,837.00 | 7% FKST Adm |
| Total 4.4% GBA Available from FWW | \$ 8,228,578.67 | \$ 7,051,869.84 | \$ 1,176,708.83 | |

\$ 512,551 Total 2012 FWW Revenue
 \$ 374,882 4.4% GBA charged to FWW (paying other funds GBA)
 \$ 45,972 Amount used for GBA Salaries
 \$ 328,969 Net GBA to charge FWW and pay other funds

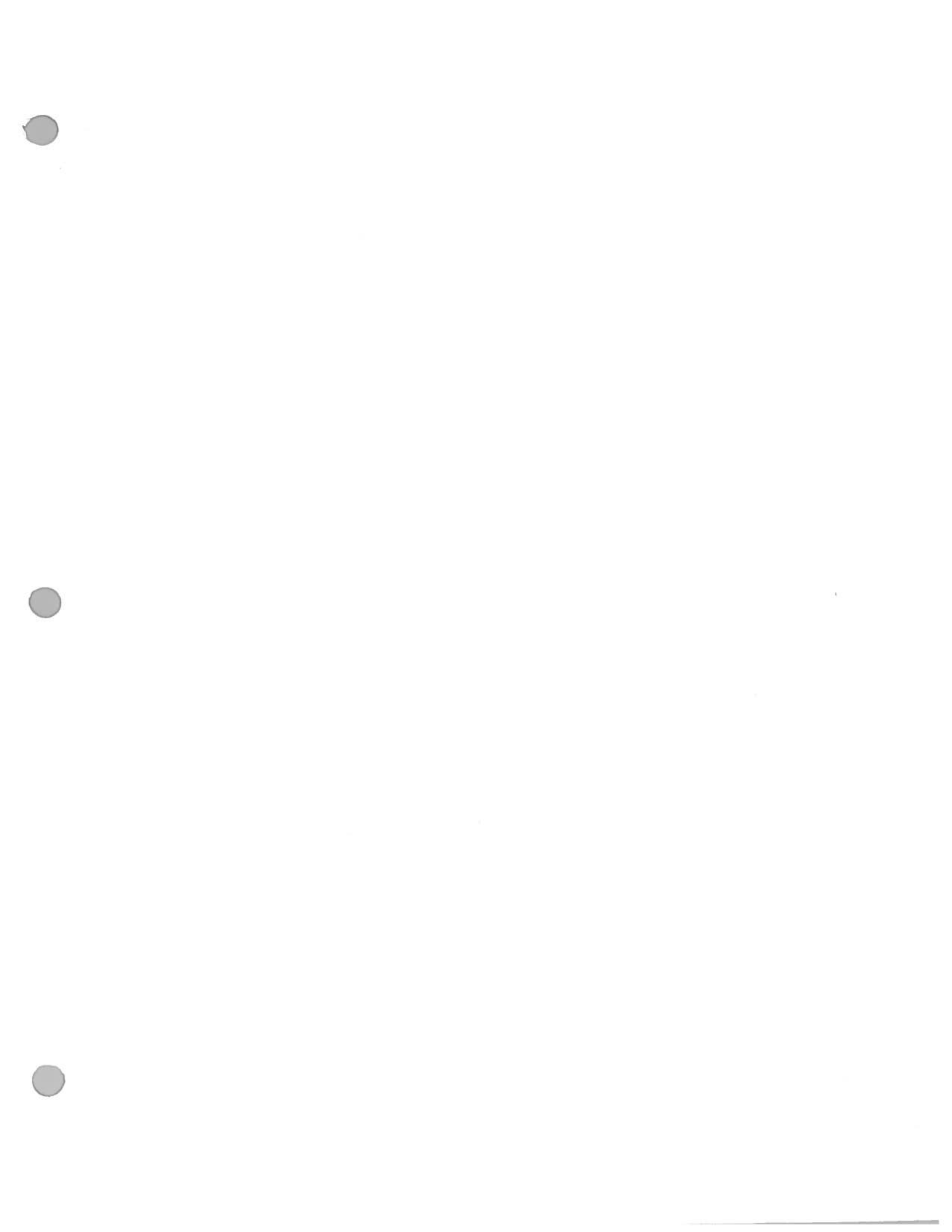
| | Total FWW Available to pay GBA other funds |
|--------------|--|
| \$ 328,969 | \$ 186,459.57 |
| \$ 45,972 | \$ 68,339.12 |
| \$ 328,969 | \$ 41,008.40 |
| \$ 10,544.79 | \$ 10,544.79 |



2012 Self Billing for Radcliff Sewer for Water & Sewer Service at three different locations

| 2012 | Arlington Lift Station | Lincoln Lift Station | 350 New St.- WWT Plant | Monthly Total |
|--------|------------------------|----------------------|------------------------|---------------|
| Jan | \$ 5.32 | \$ 22.57 | \$ 186.07 | \$ 213.96 |
| Feb | \$ 5.32 | \$ 23.01 | \$ 178.55 | \$ 206.88 |
| Mar | \$ 5.32 | \$ 23.46 | \$ 190.60 | \$ 219.38 |
| April | \$ 5.32 | \$ 23.90 | \$ 177.22 | \$ 206.44 |
| May | \$ 5.32 | \$ 24.34 | \$ 200.77 | \$ 230.43 |
| June | \$ 5.32 | \$ 24.78 | \$ 181.64 | \$ 211.74 |
| July | \$ 5.32 | \$ 27.89 | \$ 245.06 | \$ 278.27 |
| August | \$ 5.32 | \$ 23.46 | \$ 206.51 | \$ 235.29 |
| Sept | \$ 5.32 | \$ 22.57 | \$ 210.95 | \$ 238.84 |
| Oct | \$ 5.32 | \$ 22.57 | \$ 217.60 | \$ 245.49 |
| Nov | \$ 5.32 | \$ 44.00 | \$ 190.57 | \$ 239.89 |
| Dec | \$ 5.32 | \$ 22.13 | \$ 199.88 | \$ 227.33 |
| Totals | \$ 63.84 | \$ 304.68 | \$ 2,385.42 | \$ 2,753.94 |

The two Lift Station self-billings is for Water Service for the Wet Wells and maintaining nearby Lift Stations. 350 New Street is the location of our Radcliff Waste Water Treatment Plant which houses our contractor, Veolia.



2012 Expense Allocation
Actual Costs
Labor & Benefit Allocation

| | County Water | FK Sewer | FK Storm | Radcliff Sewer | FK Water | Total | Allocation Methodology |
|-------------------------------|---------------------|------------------|------------------|-------------------|-------------------|---------------------|------------------------|
| Pirtle Water Treatment | \$ 386,451 | \$ - | \$ - | \$ - | \$ - | \$ 386,451 | A |
| Distribution | \$ 434,755 | \$ - | \$ - | \$ 91,059 | \$ 193 | \$ 526,007 | B |
| FK Water Distribution | \$ - | \$ - | \$ - | \$ - | \$ 377,653 | \$ 377,653 | C |
| Cust Svc | \$ 164,528 | \$ 508 | \$ 254 | \$ 151,356 | \$ 670 | \$ 317,315 | D |
| Maintenance | \$ 62,485 | \$ - | \$ - | \$ - | \$ 1,178 | \$ 63,663 | E |
| Admin | \$ 193,106 | \$ 62,983 | \$ 19,683 | \$ 84,661 | \$ 47,043 | \$ 407,477 | F |
| Commissioner | \$ 19,242 | \$ 17,492 | \$ 5,247 | \$ 17,492 | \$ 9,656 | \$ 69,130 | G |
| Legal | \$ 16,040 | \$ 2,775 | \$ 991 | \$ 4,559 | \$ - | \$ 24,365 | H |
| Total Labor/Benefits | \$ 1,276,607 | \$ 83,758 | \$ 26,176 | \$ 349,128 | \$ 436,393 | \$ 2,172,061 | |
| % of Total Labor Costs | 58.8% | 3.9% | 1.2% | 16.1% | 20.1% | 100.0% | |

***** HCWD1 took over operations of FK Water on February 1, 2012. Expenses only include 11 months

Legend: Labor Methodology Description

| | |
|---|---|
| A | 100 % Direct County Water |
| B | Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Dist Supvrs at 98.5% Co. Wat, 1.5% Rad; Operators at 100% Co. Water; Meter Technician at 52.5% Co. Wat, 47% Radcliff & .5% FK Water |
| C | GIS & Admin Clerk at 100% FK Water; FK Dist Supvrs at 100% FK Water; Operators at 100% FK Water |
| D | CSR's at 52% Co. Water & 48% Radcliff; C/S Supvrs at 52% Co. Water & 48% Radcliff; Billing Specialist at 51% Co. Water, 48% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water |
| E | Maintenance at 98% Co. Water & 2% FK Water |
| F | Executive Assistant, Accounting Specialist & Finance & Accounting Mgr at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water; Accountant at 53.7% Co. Water, 26.9% Radcliff, 12.5% FK Swr, 1.9% FK Storm & 5% FK Water; Project Coordinator at 48% Co. Water, 25% Radcliff, 15% FK Swr, 2% FK Storm & 10% FK Water; General Mgr at 45.2% Co. Water, 25% Radcliff, 15% FK Swr, 5% FK Storm & 9.8% FK Water; GIS/Planning Specialist at 42.5% Co. Water, 30% Radcliff, 13% FK Swr, 2% FK Storm & 12.5% FK Storm; Operations Mgr at 13.5% Co. Water, 15% Radcliff, 15% FK Swr, 10.3% FK Storm, & 46.2% FK Water; WQ Specialist at 99% Co. Water & 1% FK Water. Engineering Mgr is 100% Capitalized to open CIP Projects. |
| G | Commissioners at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water |
| H | Atty at 58% Co. Water, 23% Radcliff, 14% FK Swr & 5% FK Storm. FK Water Legal Fees were 100% capitalized to FK Water Acquisition Project. |

2012 Other Expense Account Allocations
DOES NOT INCLUDE DIRECT COSTS TO SEWER & STORM UTILITIES

| | County Water | FK Sewer | FK Storm | Radcliff Sewer | FK Water | Total | Allocation Methodology |
|---------------------------------------|---------------------|--------------------|-------------------|-------------------|-------------------|---------------------|---|
| C/S Material & Supplies | \$ 5,117 | \$ 230 | \$ 58 | \$ 1,151 | \$ - | \$ 6,556 | J |
| C/S Maint & Repairs | \$ 916 | \$ - | \$ - | \$ 812 | \$ - | \$ 1,727 | K |
| C/S Contractual Svcs | \$ 33,911 | \$ - | \$ - | \$ 69,536 | \$ - | \$ 103,447 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Contracted Security Svc | \$ 1,161 | \$ - | \$ - | \$ - | \$ - | \$ 1,161 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Bill Printing/Mailing | \$ 43,306 | \$ - | \$ - | \$ - | \$ - | \$ 43,306 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Cash Over & Short | \$ 34 | \$ - | \$ - | \$ - | \$ - | \$ 34 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| Admin Allocated Depreciation | \$ (73,357) | \$ 4,517 | \$ - | \$ 68,840 | \$ - | \$ - | L - Assets are Booked as Co. Water Assets but are shared with FK Swr & Radcliff Swr |
| Admin Var Rate L/T Debt | \$ 31,547 | \$ 1,127 | \$ - | \$ 4,882 | \$ - | \$ 37,556 | M |
| Admin Remark/Bond Fees | \$ 7,571 | \$ - | \$ - | \$ 1,131 | \$ - | \$ 8,702 | M |
| Admin Utilities | \$ 22,075 | \$ 1,944 | \$ 432 | \$ 8,646 | \$ - | \$ 33,102 | J - Utilities & Phone Exp Allocated to one Account |
| Admin Materials & Supplies | \$ 5,568 | \$ - | \$ - | \$ 6,510 | \$ - | \$ 12,078 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Contractual Svcs | \$ 14,830 | \$ - | \$ - | \$ 13,151 | \$ - | \$ 27,980 | K |
| Admin Uniform Expense | \$ 20,679 | \$ - | \$ - | \$ 1,727 | \$ - | \$ 22,406 | O |
| Admin Transport Fuel/Repairs | \$ 7,003 | \$ 374 | \$ 93 | \$ 1,949 | \$ - | \$ 9,419 | J |
| Admin Miscellaneous Expense | \$ 6,668 | \$ - | \$ - | \$ - | \$ - | \$ 6,668 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Phone Expense | \$ 10,344 | \$ - | \$ - | \$ - | \$ - | \$ 10,344 | J - Utilities & Phone Exp Allocated to one Account |
| Admin Dues & Subscriptions | \$ 4,331 | \$ - | \$ - | \$ - | \$ - | \$ 4,331 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Postage & Mailing | \$ 4,778 | \$ - | \$ - | \$ - | \$ - | \$ 4,778 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Safety Expense | \$ 4,583 | \$ - | \$ - | \$ - | \$ - | \$ 4,583 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin IT Expense | \$ 53,998 | \$ 2,919 | \$ 730 | \$ 14,596 | \$ - | \$ 72,243 | J |
| Admin Certification & Training | \$ 5,804 | \$ 310 | \$ 77 | \$ 1,548 | \$ - | \$ 7,739 | J |
| Admin Travel & Lodging | \$ 10,128 | \$ 540 | \$ 135 | \$ 2,701 | \$ - | \$ 13,504 | J |
| Admin Education & Conference | \$ 5,875 | \$ 501 | \$ 99 | \$ 1,751 | \$ - | \$ 8,226 | J |
| Commission Expense | \$ 3,354 | \$ - | \$ - | \$ 774 | \$ - | \$ 4,127 | N |
| Allocated FK Water G&A Exp | \$ (188,460) | \$ (41,606) | \$ (10,585) | \$ (88,329) | \$ 328,980 | \$ - | P |
| Total Other Allocated Expenses | \$ 41,770 | \$ (29,145) | \$ (8,961) | \$ 111,376 | \$ 328,980 | \$ 444,021 | |
| % of Other Allocated Expenses | 9.4% | -6.6% | -2.0% | 25.1% | 74.1% | 100% | |
| Total Allocated Expenses | \$ 1,318,377 | \$ 54,613 | \$ 17,215 | \$ 460,504 | \$ 765,373 | \$ 2,616,082 | |
| % of Total Allocated Expenses | 50.4% | 2.1% | 0.7% | 17.6% | 29.3% | 100% | |

Legend: Other Expense Accounts Allocation Methodology Description

| | |
|---|--|
| J | Total Personnel costs by Utility from 2010 Budgeted Wages |
| K | % of Total Dollar Revenues Billed for Co. Water & Radcliff Swr with \$0 for FK Sewer, Storm & FK Water |
| L | Assets Booked as Co. Water Assets but Depreciation is Shared with FK Swr & Radcliff Swr. See Depreciation Allocation-Shared Assets for Complete Methodology Descriptions |
| M | Based on the Occupancy % of Personnel Devoted to FK Swr & Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees devote to each |
| N | Total Personnel costs for Radcliff Swr from 2010 Budgeted Wages with balance to Co. Water |
| O | Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr, FK Storm or FK Water |
| P | Net S,G&A Overhead to charge FK Water and Credit other Funds. See calculation on 2012 Labor Budget Spreadsheet |



2012 Expense Allocation
Actual Costs
Labor & Benefit Allocation

| | County Water | FK Sewer | FK Storm | Radcliff Sewer | FK Water | Total | Allocation Methodology |
|-------------------------------|---------------------|------------------|------------------|-------------------|-------------------|---------------------|------------------------|
| Pirtle Water Treatment | \$ 386,451 | \$ - | \$ - | \$ - | \$ - | \$ 386,451 | A |
| Distribution | \$ 434,755 | \$ - | \$ - | \$ 91,059 | \$ 193 | \$ 526,007 | B |
| FK Water Distribution | \$ - | \$ - | \$ - | \$ - | \$ 377,653 | \$ 377,653 | C |
| Cust Svc | \$ 164,528 | \$ 508 | \$ 254 | \$ 151,356 | \$ 670 | \$ 317,315 | D |
| Maintenance | \$ 62,485 | \$ - | \$ - | \$ - | \$ 1,178 | \$ 63,663 | E |
| Admin | \$ 193,106 | \$ 62,983 | \$ 19,683 | \$ 84,661 | \$ 47,043 | \$ 407,477 | F |
| Commissioner | \$ 19,242 | \$ 17,492 | \$ 5,247 | \$ 17,492 | \$ 9,656 | \$ 69,130 | G |
| Legal | \$ 16,040 | \$ 2,775 | \$ 991 | \$ 4,559 | \$ - | \$ 24,365 | H |
| Total Labor/Benefits | \$ 1,276,607 | \$ 83,758 | \$ 26,176 | \$ 349,128 | \$ 436,393 | \$ 2,172,061 | |
| % of Total Labor Costs | 58.8% | 3.9% | 1.2% | 16.1% | 20.1% | 100.0% | |

HCWD1 took over operations of FK Water on February 1, 2012. Expenses only include 11 months

Legend:

Labor Methodology Description

| | |
|---|---|
| A | 100 % Direct County Water |
| B | Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Dist Supvsr at 98.5% Co. Wat, 1.5% Rad; Operators at 100% Co. Water; Meter Technician at 52.5% Co. Wat, 47% Radcliff & .5% FK Water |
| C | GIS & Admin Clerk at 100% FK Water; FK Dist Supvsr at 100% FK Water; Operators at 100% FK Water |
| D | CSR's at 52% Co. Water & 48% Radcliff; C/S Supvsr at 52% Co. Water & 48% Radcliff; Billing Specialist at 51% Co. Water, 48% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water |
| E | Maintenance at 98% Co. Water & 2% FK Water |
| F | Executive Assistant, Accounting Specialist & Finance & Accounting Mgr at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water; Accountant at 53.7% Co. Water, 26.9% Radcliff, 12.5% FK Swr, 1.9% FK Storm & 5% FK Water; Project Coordinator at 48% Co. Water, 25% Radcliff, 15% FK Swr, 2% FK Storm & 10% FK Water; General Mgr at 45.2% Co. Water, 25% Radcliff, 15% FK Swr, 5% FK Storm & 9.8% FK Water; GIS/Planning Specialist at 42.5% Co. Water, 30% Radcliff, 13% FK Swr, 2% FK Storm & 12.5% FK Storm; Operations Mgr at 13.5% Co. Water, 15% Radcliff, 15% FK Swr, 10.3% FK Storm, & 46.2% FK Water; WQ Specialist at 99% Co. Water & 1% FK Water. Engineering Mgr is 100% Capitalized to open CIP Projects. |
| G | Commissioners at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water |
| H | Atty at 58% Co. Water, 23% Radcliff, 14% FK Swr & 5% FK Storm. FK Water Legal Fees were 100% capitalized to FK Water Acquisition Project. |

2012 Other Expense Account Allocations
DOES NOT INCLUDE DIRECT COSTS TO SEWER & STORM UTILITIES

| County | FK | FK | Radcliff | FK | FK | Allocation | |
|---------------------------------------|---------------------|--------------------|-------------------|-------------------|-------------------|---------------------|---|
| Water | Sewer | Storm | Sewer | Water | Total | Methodology | |
| C/S Material & Supplies | \$ 5,117 | \$ 230 | \$ 58 | \$ 1,151 | \$ - | \$ 6,556 | J |
| C/S Maint & Repairs | \$ 916 | \$ - | \$ - | \$ 812 | \$ - | \$ 1,727 | K |
| C/S Contractual Svcs | \$ 33,911 | \$ - | \$ - | \$ 69,536 | \$ - | \$ 103,447 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Contracted Security Svc | \$ 1,161 | \$ - | \$ - | \$ - | \$ - | \$ 1,161 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Bill Printing/Mailing | \$ 43,306 | \$ - | \$ - | \$ - | \$ - | \$ 43,306 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| C/S Cash Over & Short | \$ 34 | \$ - | \$ - | \$ - | \$ - | \$ 34 | K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item |
| Admin Allocated Depreciation | \$ (73,357) | \$ 4,517 | \$ - | \$ 68,840 | \$ - | \$ - | L - Assets are Booked as Co. Water Assets but are shared with FK Swr & Radcliff Swr |
| Admin Var Rate L/T Debt | \$ 31,547 | \$ 1,127 | \$ - | \$ 4,882 | \$ - | \$ 37,556 | M |
| Admin Remark/Bond Fees | \$ 7,571 | \$ - | \$ - | \$ 1,131 | \$ - | \$ 8,702 | M |
| Admin Utilities | \$ 22,079 | \$ 1,944 | \$ 432 | \$ 8,646 | \$ - | \$ 33,102 | J - Utilities & Phone Exp Allocated to one Account |
| Admin Materials & Supplies | \$ 5,568 | \$ - | \$ - | \$ 6,510 | \$ - | \$ 12,078 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Contractual Svcs | \$ 14,830 | \$ - | \$ - | \$ 13,151 | \$ - | \$ 27,980 | K |
| Admin Uniform Expense | \$ 20,679 | \$ - | \$ - | \$ 1,727 | \$ - | \$ 22,406 | O |
| Admin Transport Fuel/Repairs | \$ 7,003 | \$ 374 | \$ 93 | \$ 1,949 | \$ - | \$ 9,419 | J |
| Admin Miscellaneous Expense | \$ 6,668 | \$ - | \$ - | \$ - | \$ - | \$ 6,668 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Phone Expense | \$ 10,344 | \$ - | \$ - | \$ - | \$ - | \$ 10,344 | J - Utilities & Phone Exp Allocated to one Account |
| Admin Dues & Subscriptions | \$ 4,331 | \$ - | \$ - | \$ - | \$ - | \$ 4,331 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Postage & Mailing | \$ 4,778 | \$ - | \$ - | \$ - | \$ - | \$ 4,778 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin Safety Expense | \$ 4,583 | \$ - | \$ - | \$ - | \$ - | \$ 4,583 | N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account |
| Admin IT Expense | \$ 53,998 | \$ 2,919 | \$ 730 | \$ 14,596 | \$ - | \$ 72,243 | J |
| Admin Certification & Training | \$ 5,804 | \$ 310 | \$ 77 | \$ 1,548 | \$ - | \$ 7,739 | J |
| Admin Travel & Lodging | \$ 10,128 | \$ 540 | \$ 135 | \$ 2,701 | \$ - | \$ 13,504 | J |
| Admin Education & Conference | \$ 5,875 | \$ 501 | \$ 99 | \$ 1,751 | \$ - | \$ 8,226 | J |
| Commission Expense | \$ 3,354 | \$ - | \$ - | \$ 774 | \$ - | \$ 4,127 | N |
| Allocated FK Water G&A Exp | \$ (188,460) | \$ (41,606) | \$ (10,585) | \$ (88,329) | \$ 328,980 | \$ - | P |
| Total Other Allocated Expenses | \$ 41,770 | \$ (29,145) | \$ (8,961) | \$ 111,376 | \$ 328,980 | \$ 444,021 | |
| % of Other Allocated Expenses | 9.4% | -6.6% | -2.0% | 25.1% | 74.1% | 100% | |
| Total Allocated Expenses | \$ 1,318,377 | \$ 54,613 | \$ 17,215 | \$ 460,504 | \$ 765,373 | \$ 2,616,082 | |
| % of Total Allocated Expenses | 50.4% | 2.1% | 0.7% | 17.6% | 29.3% | 100% | |

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| M | Based on the Occupancy % of Personnel Devoted to FK Swr & Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees devote to each |
| N | Total Personnel costs for Radcliff Swr from 2010 Budgeted Wages with balance to Co. Water |
| O | Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr, FK Storm or FK Water |
| P | Net S,G&A Overhead to charge FK Water and Credit other Funds. See calculation on 2012 Labor Budget Spreadsheet |



AGREEMENT

BY AND BETWEEN

HARDIN COUNTY WATER DISTRICT No. 1

AND

VEOLIA WATER NORTH AMERICA – SOUTH, LLC

TO PROVIDE

**OPERATIONS MAINTENANCE AND MANAGEMENT OF
WASTEWATER UTILITY SYSTEM**

**AT
RADCLIFF, KY**

February 8, 2008

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AGREEMENT

THIS AGREEMENT, made and entered into this 14th of February, 2008 (hereinafter referred to as the "Agreement"), by and between the HARDIN COUNTY WATER DISTRICT No. 1 hereinafter referred to as the "DISTRICT", and Veolia Water North America – South, LLC hereinafter referred to as "VEOLIA WATER."

WITNESSETH:

WHEREAS, the DISTRICT and VEOLIA WATER entered into an Agreement ("Agreement") in June, 2005 to work together to privatize the wastewater and storm water utility systems at Ft. Knox, Kentucky (the "Fort Knox Operations") under Defense Energy Support Center Solicitation No. SP0600-01-R-0121; and

WHEREAS, the success of that Agreement brought about interest by the City of Radcliff ("CITY") in determining whether economies of scale exist that could likewise reduce costs and provide more effective service in the operation, maintenance and management of the CITY's wastewater utility system (the "Radcliff System"); and

WHEREAS, the DISTRICT entered into a Memorandum of Agreement with the CITY to carry out a study to determine if opportunities exist to reduce rates and to improve and expand service to meet the needs of the BRAC activities on Ft Knox; and,

WHEREAS, the DISTRICT and the CITY entered into a Wastewater System Acquisition Agreement on January 31, 2008 (the "Radcliff Agreement") to enact the transfer of all assets and liabilities of the CITY System to the DISTRICT, which included, as part of the Radcliff Agreement, VEOLIA WATER providing O&M services to the DISTRICT in connection with operation, maintenance and management of the Radcliff System; and,

WHEREAS, the DISTRICT and VEOLIA WATER shall enter into this Agreement to provide the terms under which VEOLIA WATER will operate, maintain and manage the CITY System only if the transfer of the CITY system to the DISTRICT is approved by the Kentucky Public Service Commission;

NOW, THEREFORE, in consideration of the mutual covenants and Agreement s hereinafter set forth, the DISTRICT and the VEOLIA WATER agree as follows:

1. **General Terms of the Agreement:**

- .1 **Scope of this Agreement:** The intention of the parties is that the terms of this Agreement will exclusively govern the services to be performed by VEOLIA WATER in connection with the Radcliff Sewer System. A separate document sets forth terms regarding VEOLIA WATER and the DISTRICT's other relationship regarding the Fort Knox Operations which requires specialized language relating to the Federal Acquisition Regulations and other federal procurement laws incorporated therein by reference but which shall not apply to the services

4. **General Duties of VEOLIA WATER:**

- .1 VEOLIA WATER shall operate and maintain the system so as to provide reliable, cost-effective, and compliant service ("work") over the term of the contract as described herein. The work to be provided by VEOLIA WATER is divided into various categories and sections which are further defined and described in this section.
- .2 VEOLIA WATER shall establish, maintain and adhere to a Quality Management Plan within ninety (90) days of project start. The plan shall include staffing, customer feedback system, method of system inspection, record keeping and environmental compliance plan.
- .3 The DISTRICT reserves the right to monitor and evaluate the progress and performance of VEOLIA WATER to assure that the terms of this Agreement are being met in accordance with applicable wastewater industry monitoring and evaluating criteria and standards. VEOLIA WATER shall cooperate with the DISTRICT relating to such monitoring and evaluation.
- .4 VEOLIA WATER shall develop and/or supply and utilize computerized programs for process control, maintenance, and laboratory Quality Assurance/Quality Control. The maintenance program will be capable of exporting information to the DISTRICT's GIS Mapping system.
- .5 VEOLIA WATER shall provide sufficient financial information to the DISTRICT for the purposes of preparing accounting reports which classify costs into categories or accounts as required by the Kentucky Public Service Commission. In lieu of duplicate reports, VEOLIA may produce for the DISTRICT a digital computer file with its costs allocated to its own account numbers, into a spreadsheet or database program, with sufficient other explanation or use for each expense for the DISTRICT to further categorize the expenses into other required Uniform System Chart of Accounts.
- .6 VEOLIA WATER will provide for the collection and hauling of solid waste, screenings, grit, sludge and scum ("Waste") to the DISTRICT's existing or approved disposal sites. It shall be the sole right and responsibility of the DISTRICT to designate, approve or select disposal sites to be used by VEOLIA WATER for the DISTRICT's waste materials. All Waste and/or byproduct treated and/or generated during VEOLIA WATER's performance of services is and shall remain the sole and exclusive property of the DISTRICT. All manifests or other documentation required for disposal of Waste shall be signed by or in the name of the DISTRICT or its authorized representative.
- .7 Upon request of the DISTRICT, VEOLIA WATER will provide a listing of recommended capital improvements required for the Project. VEOLIA WATER

will not be relieved of its responsibility to perform if the recommendations are not implemented; provided however, that the capital improvement necessary to: (I) meet effluent requirements; (ii) meet federal, state or local laws, rules or regulations for the safety of persons in or about the Project; or (iii) meet ADA (Americans with Disabilities Act) requirements. If the project(s) are approved, the DISTRICT will make arrangements for the design and construction of said improvements.

- .8 VEOLIA WATER shall provide its own telephone, cable television company, computer internet, natural gas and electrical service. The DISTRICT and VEOLIA WATER however do agree that if the rates are less expensive as government rates versus a corporate rate then the service will be in the name of the DISTRICT and paid by VEOLIA WATER.
- .9 Prior to operating two-way, portable, or land mobile devices VEOLIA WATER shall be certain these are compatible with Ft Knox regulations because of the interchange of personnel and equipment between the two project.
- .10 VEOLIA WATER will be permitted to use the offices, maintenance shops, and materials storage/staging areas at Radcliff for the operation of the project but not for non related project activities unless provided for in writing from the DISTRICT.
- .11 VEOLIA WATER shall be responsible for the disposition of VEOLIA WATER removed or salvaged materials in accordance with CITY, County, State and Federal regulations..
- .12 VEOLIA WATER shall provide a vehicle for its project manager and a lawn mower required to cut grass. The above property shall be readily identifiable as to include both the DISTRICT and VEOLIA WATER markings on each vehicle.
- .13 VEOLIA WATER shall employ sound utility practices to ensure continuous, dependable, and reliable utility service is provided to the Installation 24 hours each day and to minimize the scope and length of any service disruption. VEOLIA WATER shall ensure it is able to receive the Service Requests 24 hours a day, every day. Once a request is received, VEOLIA WATER shall respond in accordance with their Service Interruption/Contingency Plan which shall be provided to the DISTRICT ninety (90) days after start of the contract. The standards shall distinguish between different categories (routine, emergency) of service requests and service interruptions and, identify response times for each category. The standards will match those currently being utilized in the service provided to Ft Knox.
- .14 Intentionally Left Blank

- .15 VEOLIA WATER shall comply with all applicable State and Federal environmental laws and regulations.
- .16 VEOLIA WATER shall comply with industry standards regarding work in and around environmentally sensitive or contaminated property.
- .17 VEOLIA WATER shall provide an inventory of all materials, tools, chemicals and supplies on hand at the site with in 24 hours of starting the contract. .
- .18 Intentionally Left Blank
- .19 VEOLIA WATER shall at its expense comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials included in its scope of work and the proper handling and disposal of hazardous wastes and hazardous substances generated by VEOLIA WATER during its activities.
- .20 VEOLIA WATER Duties - Personnel related work and scope:
 - .1 VEOLIA WATER will offer employment to all existing full time CITY employees as long as their positions are necessary to VEOLIA WATER'S performance under this Agreement and they continue to perform their duties in a satisfactory manner and subject to all such individuals taking and successfully passing a drug screen test and a physical evaluation to be administered by a VEOLIA WATER company physican.
 - .2 VEOLIA WATER will agree to lease a single employee for a period not to exceed six months per the Utility Transfer Agreement signed between the DISTRICT and the CITY. VEOLIA WATER will enter into a separate agreement with the CITY for that employee and will reimburse them for that cost. The employee after the six months would be offered employment under the same terms listed in Section 20.1.
 - .3 VEOLIA WATER will as an alternative to offering full time employment, provide three employees with a cash settlement option that would meet the requirements of the DISTRICT in the Utility Transfer Agreement signed between the DISTRICT and the CITY. The cash settlement will not exceed one year's base wage plus income taxes, and will require that the individual in exchange for a cash settlement terminate employment with the CITY and waive any right to employment with VEOLIA WATER. The completion of the transaction to occur before start of the contract.
 - .4 VEOLIA WATER will provide said employees with the same wage as paid by the CITY on July 1, 2007 and industry competitive fringe benefits package. VEOLIA WATER will accept existing CITY employee time with the CITY in establishing their vacation time with VEOLIA WATER.

performed under this Agreement unless otherwise specifically stated herein. This Agreement shall not modify or change the terms under which VEOLIA WATER performs services for the DISTRICT in connection with the Fort Knox Operations. Definitions of words and phrases used in this Agreement and the attachments are contained in APPENDIX A.

- .2 DISTRICT Property: All land, buildings, facilities, easements, licenses, rights-of-way, equipment and vehicles presently or hereinafter acquired or owned by the DISTRICT shall remain the exclusive property of the DISTRICT unless specifically provided for otherwise in this Agreement.
- .3 Binding Agreement: This Agreement shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Agreement without the prior written consent of the other party. Consent shall not be unreasonably withheld, conditioned or delayed.
- .4 Notices: All notices shall be in writing and transmitted to the party's addresses and persons listed below. All notices shall be deemed effectively given when delivered, if delivered personally or by courier, mail service, i.e., Federal Express or DHL; delivered after such notice has been deposited in the United States mail postage prepaid, if mailed certified or registered U.S. mail, return receipt requested; or received by the party for which notice is intended, if given in any other manner.

If to the DISTRICT to:

Primary Address;

Hardin County Water District No.1
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160

with a copy to:

Mr. David Wilson
Skeeters, Bennett, Wilson and
Pike
550 West Lincoln Trail Blvd.
Radcliff, KY 40160

If to VEOLIA WATER to:

Veolia Water North America – South, LLC
Mr. Robert Nicholas, Area Manager
14055 Riveredge Drive – Suite 240
Tampa, Florida 33637

With a copy to:

Veolia Water North America - South, LLC
Mr. Van Cates, Senior Counsel
14055 Riveredge Drive – Suite 240
Tampa, Florida 33637

- .5 Radcliff Agreement: It is understood that certain requirements from the Radcliff Agreement are set forth in Appendix F is incorporated herein for all purposes. VEOLIA WATER agrees to comply with all such requirements..
- .6 Entire Agreement: This Agreement, including APPENDICES A through F, is the entire Agreement between the parties with respect to the Radcliff Sewer System. This Agreement may be modified only by written Agreement signed by both parties. Wherever used, the terms "VEOLIA WATER" and "DISTRICT" shall include the respective officers, agents, directors, elected or appointed officials and employees, where appropriate VEOLIA WATER's or anyone acting on their behalf.
- .7 Savings Clause: If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.
- .8 Nature of Services: The services provided under this Agreement are of a professional nature and shall be performed in accordance with good and accepted industry practices for contract operators similarly situated. However, such services shall not be considered engineering services, and nothing herein is intended to imply that VEOLIA WATER is to supply professional engineering services to the DISTRICT, unless specifically stated in this Agreement to the contrary.
- .9 Attorneys Fees: If any litigation is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation, in addition to any other relief to which it may be entitled.
- .10 No Third Party Beneficiaries: Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).
- .11 Designated Representative: Prior to the commencement of work under this Agreement, each party shall designate in writing an employee or other representative of the designating party who shall have full authority to approve changes in the Scope of Work and compensation therefore, execute written Change Orders reflecting such changes, render decisions promptly, and furnish information expeditiously to the other party when necessary.
- .12 Governing Law: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Kentucky, excluding any choice of law rules, which may direct the application of the laws of any other jurisdiction. More particularly, any action pertaining to this Agreement taken in

a court of law shall, unless otherwise prevented by law, be subject to venue and jurisdiction in Hardin County, Kentucky,

- .13 Severability: If any provision of this Agreement is deemed invalid, illegal, such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable, or if it cannot be so amended without materially altering the intention of the parties, it will be stricken, (ii) the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction, and (iii) the remainder of this Agreement will remain in full force and effect.
- .14 Dispute Resolution: In the event of dispute between DISTRICT and VEOLIA WATER, said parties shall immediately enter into discussions to arrive at a mutually satisfactory solution to said dispute. If a mutually satisfactory solution cannot be reached between VEOLIA WATER and the DISTRICT, then the parties hereby knowingly, voluntarily and irrevocably agree that any disputes or conflicts in any way arising out of or relating to this Agreement shall first be mediated, by a professional mediator, based in Kentucky and mutually agreed to by both parties, and if mediation fails to resolve the dispute between the Parties, then the dispute shall be resolved by binding arbitration after which each party would select an arbitrator, and those two arbitrators would then select the final arbitrator who would arbitrate the dispute.
- .15 Work Deliverables: All documentation pertaining to any and all services and work performed, pertaining to this contract, including but not limited to: photos, videos, compact disc, studies, data, computations, reports, etc., excluding VEOLIA WATER proprietary software processes, shall be provided to the DISTRICT upon request. Moreover, VEOLIA WATER hereby agrees that all photos, videos, studies and related data, reports and any other data completed as a deliverable requirement under this Agreement is the sole property of the DISTRICT.
- .16 Labor Dispute: In the event activities by employee groups or unions cause a disruption in VEOLIA WATER's ability to perform at the Project, the DISTRICT, with VEOLIA WATER's assistance or VEOLIA WATER at its own option, may seek appropriate injunctive court orders. During any such disruption, VEOLIA WATER shall operate the facilities on a best efforts basis until any such disruptions cease.
- .17 Force Majeure: Neither party shall be liable for its failure to perform its obligations under this Agreement, if such failure is due to any Unforeseen Circumstances beyond its reasonable control. However, this Section may not be used by either party to avoid, delay or otherwise affect any payments due to the other party.

- .18 Entire Agreement: This Agreement constitutes the entire understanding and Agreement between the parties relating to the services provided by VEOLIA WATER to DISTRICT and supersedes any and all prior Agreements whether written or oral, which may exist between the parties regarding the services. This Agreement may be amended only by a written instrument signed by each party.
- .19 Successors and Assigns: This Agreement shall be binding upon, and to the benefit of the parties hereto, their successors and assigns.

2. Status as Contractor, Subcontractor:

- .1 The parties agree that VEOLIA WATER shall be an independent contractor and both VEOLIA WATER and his/her employees, subcontractors and agents shall not be considered to be employees of the DISTRICT.
- .2 VEOLIA WATER shall not employ any subcontractor, supplier, or other individual or entity against whom the DISTRICT may have reasonable objection. VEOLIA WATER shall not be required to employ any subcontractor, supplier or other individual or entity to furnish or perform any of VEOLIA WATER's work against whom VEOLIA WATER has reasonable objection.
- .3 VEOLIA WATER shall be solely responsible for scheduling and coordinating their subcontractors, suppliers and other individuals and entities performing or furnishing any of the work under a direct or indirect contract with VEOLIA WATER. All work performed for VEOLIA WATER by a subcontractor or supplier will be pursuant to an appropriate sub-Agreement or purchase order between VEOLIA WATER and the subcontractor or supplier which specifically binds the subcontractor or supplier to the applicable terms and conditions of this Agreement.
- .4 Intentionally Left Blank
- .5 VEOLIA WATER agrees to cooperate with other DISTRICT subcontractors, engineers, consultants or other agencies that would not be under contract to VEOLIA WATER but to the DISTRICT which said cooperation may require reasonable access to data and reports, access to facilities owned by the DISTRICT or sharing other information about the operations of the Project as requested by the DISTRICT.
- .6 All employees, contractors and representatives of VEOLIA WATER, performing work at the Project shall provide proof of security clearance required by Fort Knox because of the interchange of personnel and equipment.

3. **Agreement Term:**

- .1 The Initial Term of this Agreement shall begin March 15, 2008 and shall terminate on the same date as the Fort Knox agreement between DISTRICT and VEOLIA WATER (i.e., with seventeen years (17 years) and four (4) months remaining. Thereafter, this Agreement shall be automatically renewed for successive terms of five (5) years each, unless canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration.
- .2 Both parties agree that the beginning date of March 15, 2008 may be sooner or later based on the time required to obtain final state agency approval but with no change in the end dates. All costs would be prorated accordingly.
- .3 The DISTRICT may terminate this Agreement (1) the District sells or transfers the Radcliff Sewer System to another entity; or (3) on the tenth and fifteenth anniversary of the Ft Knox Agreement Commencement Date for convenience with 120 day prior written notice. Either party may terminate this Agreement at anytime for a material breach of the Agreement by the other party; only after giving written notice of breach; and, except in case of a breach by the DISTRICT for non-payment of VEOLIA WATER's invoices, in which case termination may be immediate by VEOLIA WATER, only after allowing the other party sixty (60) days to cure or commence taking reasonable steps to cure the breach.
- .4 In the event that this Agreement is terminated for the DISTRICT's convenience prior to the expiration of the initial term or any successive term, the DISTRICT shall pay VEOLIA WATER a termination fee based on the remaining unamortized balance of start up costs and capital expenditures made by VEOLIA WATER, all as set forth in Appendix F.
- .5 Upon notice of termination by the DISTRICT, VEOLIA WATER shall assist the DISTRICT in assuming operation of the Project. If additional Cost is incurred by VEOLIA WATER at request of the DISTRICT, the DISTRICT shall pay VEOLIA WATER such Cost within the same terms of a routine monthly invoice as provided for herein.
- .6 Upon termination or expiration of this Agreement and all renewals and extensions of it, VEOLIA WATER will return the Project to the DISTRICT in the same condition as it was upon the effective date of this Agreement, ordinary wear and tear excepted. Equipment and other personal property purchased by VEOLIA WATER for use in the operation or maintenance of the Project shall remain the property of VEOLIA WATER upon termination or expiration of this Agreement, unless the property was directly paid for by the DISTRICT, or the DISTRICT specifically reimbursed VEOLIA WATER for the cost incurred to purchase the property, or this Agreement provides to the contrary.

- .5 VEOLIA WATER will continue to provide employment to all personnel who accept employment with VEOLIA WATER, so long as their positions are necessary to VEOLIA WATER's performance under this Agreement, and they continue to perform their duties in a satisfactory manner. Where applicable, all such personnel must hold current licenses, certificates or authority to perform the work required of their respective positions.
- .6 VEOLIA WATER will implement and maintain an employee safety program in compliance with applicable laws, rules and regulations and make recommendations to the DISTRICT regarding the need, if any, for the DISTRICT to rehabilitate, expand or modify the Project to comply with governmental safety regulations applicable to VEOLIA WATER's operations hereunder and federal regulations promulgated pursuant to ADA.
- .7 VEOLIA WATER because of cross utilization of staff from Radcliff at Ft Knox shall not employ any person for work on this Agreement if such person is identified as a potential threat to the health, safety, security, general well being, or operational mission of the Ft Knox installation or population.
- .8 VEOLIA WATER's personnel shall present a neat appearance and be readily recognized as VEOLIA WATER employees and shall, due to cross utilization of staff at the Ft Knox installation, ensure each employee obtains from Security Forces an ID card that shall include at a minimum the employee's name, photograph and VEOLIA WATERS name. At the DISTRICT's discretion, uniforms worn by VEOLIA WATER employees shall include the DISTRICT's name or logo.
- .9 VEOLIA WATER shall ensure that employees meet all applicable federal, state, and local certification, licensing, and health and safety requirements to perform all assigned tasks and functions of this Agreement..
- .10 VEOLIA WATER, because of cross utilization of the staff at Ft Knox, shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its employees for unescorted entrance into restricted areas on the Post.
- .11 VEOLIA WATER, due to cross utilization of staff at Ft Knox, shall apply for personnel security clearances required for performance after the contract is awarded.
- .12 VEOLIA WATER shall maintain a current list of employees.

- .13 Within a reasonable time after start-up, if a majority of existing staff do not transfer employment, VEOLIA WATER will staff the Project with employees who have met appropriate licensing and certification requirements of the Commonwealth of Kentucky.
 - .14 VEOLIA WATER shall provide ongoing training and education for appropriate personnel in all necessary areas of modern wastewater process control, operations, maintenance, safety, and supervisory skills.
 - .15 VEOLIA WATER shall operate, maintain and/or monitor the Project on a 24 hour per day, seven day per week schedule. This does not mean staffing the wastewater plant 24 hour per day 7 day per week..
- .21 VEOLIA WATER's Duties - Maintenance related scope and work:
- .1 VEOLIA WATER shall be responsible for the maintenance of the Wastewater treatment plant and Collection system so as to provide reliable, cost effective and compliant service over the term of the contract. The utility system shall be operated and maintained in accordance with all applicable federal, state and local laws/regulations. At a minimum, performance standards and /or specification shall follow best engineering and management practices consistent with the following:
 - a. Wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA) and Factory Mutual Global. Additional standards for operations and maintenance of the utility systems the Offeror proposes.
 - b. C.12.1 Quality Management Plan: VEOLIA WATER shall establish, maintain and adhere to a Quality Management Plan to ensure the provision of reliable, cost-effective and compliant service over the term of the contract.
 - .2 VEOLIA WATER shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by the DISTRICT and assist the DISTRICT in enforcing existing equipment warranties and guarantees.
 - .3 VEOLIA WATER shall provide the DISTRICT with full documentation that preventive maintenance is being performed on the DISTRICT owned equipment, in accordance with manufacturer's recommendations, at intervals and in sufficient detail as may be determined by the DISTRICT. Such a maintenance program must include documentation of corrective and preventive maintenance and a spare parts inventory.

- .4 VEOLIA WATER may modify the process and/or facilities to achieve the objectives of this Agreement and charge the Costs to the Maintenance and Repair Limit; provided, however, no modification shall be without the DISTRICT's prior written approval, if the complete modification Cost shall be in excess of Two Thousand Five Hundred Dollars (\$2,500.00).
 - .5 In any emergency affecting the safety of persons or property, VEOLIA WATER may act without written Agreement or change order, at VEOLIA WATER's discretion, to prevent threatened damage, injury or loss. VEOLIA WATER shall be compensated by the DISTRICT for any such emergency work notwithstanding the lack of a written Agreement. Such compensation shall include VEOLIA WATER's Costs for the emergency work plus a reasonable mark-up for overhead and profit.
 - .6 Subject to the availability of funds within the Maintenance and Repair Limit, VEOLIA WATER will perform all Maintenance and Repairs for the Project, and submit a monthly accounting to the DISTRICT, along with a detailed invoice, if Maintenance and Repair expenditures for the Project exceed the Maintenance and Repair Limit specified in Section 6, "Fees and Compensation."
 - .7 VEOLIA WATER shall assist the DISTRICT in preparing an Annual Renewals and Replacement plan which shall be completed no later than October 1 of each year. This document will be separate from the plan prepared for the Ft Knox utility systems.
- .22 VEOLIA WATER's Duties – Radcliff Wastewater Treatment Plant related work and scope:
- .1 VEOLIA WATER shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after the start-up date of the effluent quality requirements provided for in APPENDIX C-1 that are a result of VEOLIA WATER's negligence. The DISTRICT will assist VEOLIA WATER to contest any such fines in administrative proceedings and/or in court prior to any payment by VEOLIA WATER. VEOLIA WATER shall pay the cost of any such contest.
 - .2 Within the design capacity and capabilities of the Radcliff Wastewater Treatment Plant ("Plant") described in APPENDIX B, VEOLIA WATER will manage, operate and maintain the Plant so that effluent discharged from the Plant's out-falls meets the requirements specified in APPENDIX C, Section 1.

- .3 VEOLIA WATER shall maintain the present industrial waste sampling and laboratory analysis program, as described in APPENDIX D. Results of all industrial sampling and testing shall be reported to the DISTRICT in a timely manner.
- .4 As required by law, permit or court order and government contract, VEOLIA WATER will prepare Plant performance reports and submit them to the DISTRICT for signature and transmittal to appropriate authorities.
- .5 VEOLIA WATER will provide laboratory testing and sampling presently required by Plant performance portions of the NPDES permit, the Clean Water Act, the Safe Drinking Water Act, and/or any federal, state or local rules and regulations, statutes or ordinances, permit or license requirements or judicial and regulatory orders and decrees and shall keep results of said testing and reports readily available and on-site at the Plant for inspection, review and copying by the DISTRICT whenever requested.
- .6 VEOLIA WATER will be responsible for reading, maintaining, and calibrating all meters on the utility systems..
- .7 Intentionally Left Blank
- .23 VEOLIA WATER's Duties – Radcliff Wastewater Collection System related scope and work:
 - .1 This section shall apply to VEOLIA WATER's maintenance and repair services for the District's Radcliff Wastewater Collection System.
 - .2 Services pursuant to this Article are limited to 12,480 actual straight time and 624 overtime man-hours per annum for six (6) personnel (four (4) field workers and two (2) lift station mechanics). In an Emergency requiring the payment of overtime, VEOLIA WATER shall invoice the DISTRICT for the premium portion of the costs, if overtime is required above and beyond 624 hours but is not regularly scheduled overtime associated with a shift.
 - .3 For purposes of this Section, an "actual straight time man-hour" shall mean an actual hour of labor by one person unburdened by vacation, holiday or other leave allowances.
 - .4 For purposes of this Section, the "premium portion of the costs" shall mean that multiplier required by the governmental overtime law(s) plus any additional taxes, fees or insurance resulting from the extra money paid; i.e., FICA, unemployment insurance, and workers' compensation.

- .5 Costs associated with the services described in this Section shall be charged to the Maintenance and Repair Limit.
- .6 Intentionally Left Blank.
- .7 VEOLIA WATER shall establish a Wastewater Collection System cleaning and inspection program which monitors 10% of the line and manholes every year after the first year of the contract. The program should include a combination of flow monitoring, smoke testing, water jet cleaning and TV inspection. The inspection information shall be in a format which can be tracked by the computerized maintenance system and be exported to the DISTRICT's GIS Mapping and its engineering consultant.
- .8 VEOLIA WATER shall provide information to the DISTRICT to up date record drawings for all existing and new facilities installed on a regular basis.
- .9 Intentionally Left Blank
- .10 VEOLIA WATER shall perform day to day maintenance of the Radcliff Wastewater Collection System including responding to sewer line blockages, raising manhole rings and making dig down repairs to problems in the Wastewater Collection System.
- .11 Intentionally Left Blank.
- .12 Intentionally Left Blank.
- .24 VEOLIA WATER Duties - Transition Service related scope and work:
 - .1 VEOLIA WATER shall assist the DISTRICT in the coordination of DISTRICT sub contractors working on the Radcliff Wastewater Utility System.
 - .2 VEOLIA WATER shall assist the DISTRICT in the transition from the CITY of Radcliff to DISTRICT ownership including all meetings, tasks, measurements, documentation and certification required.
 - .3 Fifteen (15) days after VEOLIA WATER begins service under this Agreement, VEOLIA WATER shall provide a physical inventory of the DISTRICT's vehicles and equipment in use at the Project and a general statement as to the condition of each vehicle or piece of equipment.

- .4 VEOLIA WATER shall provide the DISTRICT with a physical inventory of chemicals and other consumables on hand when VEOLIA WATER begins services under this Agreement.
 - .5 VEOLIA WATER shall provide the DISTRICT with the same quantity of chemicals or equivalent upon termination of this Agreement. VEOLIA WATER shall propose an Operational Transition Plan.
 - .6 VEOLIA WATER shall provide periodic reports to the DISTRICT for their use and for dissemination. These reports will include a monthly reporting that includes State required reports, maintenance/rehabilitation/replacement effort undertaken and outages.
 - .7 VEOLIA WATER will also assist the DISTRICT by providing information required for the annual Public Service Commission reports due by February 1 each year and the Upgrades, Renewals and Replacement Plan by October 1 of each year.
- .25 VEOLIA WATER Duties - Initial Capital Upgrades related scope and work:
- .1 VEOLIA WATER shall assist the DISTRICT in the coordination of Initial Capital Upgrades required as part of the transfer including but not limited to signage, security and maintenance.
 - .2 VEOLIA WATER shall assist the DISTRICT with installing alarms and lights at the Plant and largest lift stations.
 - .3 Intentionally Left Blank
 - .4 VEOLIA WATER shall identify in the first thirty (30) days minor repairs to the facilities and equipment.
- .26 VEOLIA WATER Duties - Customer Service related scope and work:
- .1 Visits may be made at a reasonable time by the DISTRICT's employees so designated by the DISTRICT's representative. Keys for the Project shall be provided to the DISTRICT by VEOLIA WATER for such visits. All visitors to the Project shall comply with VEOLIA WATER's operating and safety procedures.
 - .2 Access to the utility systems is granted to VEOLIA WATER by the DISTRICT.
 - .3 VEOLIA WATER shall follow the same response times, as set out in the Service Interruptions and Contingencies in place for Ft Knox, for the Radcliff system. This requires a telephone response to any Emergency

where power is off or sewerage is being spilled in 15 minutes and a physical presence at the location of the problem within one hour to the notification.

- .4 VEOLIA WATER shall provide a repair response notification procedure to the DISTRICT on the first day of the contract.
 - .5 Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, shall be coordinated with the District at least 2 weeks prior to implementation.
 - .6 VEOLIA WATER shall record all service request calls and provide a monthly accounting to the DISTRICT.
 - .7 VEOLIA WATER shall coordinate connections or disconnections with the DISTRICT.
 - .8 VEOLIA WATER will follow all State and Federal requirements requiring pre-dig notification and coordination.
 - .9 VEOLIA WATER shall be responsible for locating underground utility system components required by State and Federal requirements. .
 - .10 VEOLIA WATER shall be available for meetings with the DISTRICT.
- .27 VEOLIA WATER Duties - Capital Upgrades, Renewals and Replacements related scope and work:
- .1 VEOLIA WATER shall assist the DISTRICT in coordinating DISTRICT subcontractors in carrying out capital upgrades and renewals and replacements.
 - .2 VEOLIA WATER shall participate with the DISTRICT in preparing an Annual Capital Upgrades and Renewals and Replacement report.
- .28 Scope Changes: For Changes in Scope related to the services described in Section 4.1 through 4.26 above, the Annual Fee shall be increased (or decreased) by an amount equal to VEOLIA WATER's additional (reduced) Cost associated with the Change in Scope plus fifteen percent (15%). Modifications of the Annual Fee as a result of conditions described in Section 4 shall be effective at the beginning of the next Agreement year. A Change in Scope of services shall occur when and as VEOLIA WATER's costs of providing services under this Agreement change as a result of and limited to;
- .1 Any change in Project operations, personnel qualifications or staffing or other cost which is a result of an Unforeseen Circumstance;

- .2 Increases or decreases of not less than five percent (5%) in the influent flow or loadings as demonstrated by a twelve month moving average compared to the twelve month period ending on the effective date of this Agreement (baseline flow and loading information is located in APPENDIX C);
 - .3 Increases or decreases in rates or other related charges (including taxes) imposed upon VEOLIA WATER by a utility provider (see Section 4.8) or taxing authority, excluding taxes based on VEOLIA WATER's net income.
 - .4 The DISTRICT's request of VEOLIA WATER and VEOLIA WATER's consent to provide additional services.
 - .5 Increases or decreases in insurance premium costs or healthcare benefit costs which are not caused by the fault of either party.
 - .6 Intentionally Left Blank.
 - .7 Intentionally Left Blank.
 - .8 Notwithstanding the terms of this section, additional compensation requested by VEOLIA WATER could be subject to approval of an equivalent increase in the tariff rate from the Kentucky Public Service Commission. Until said tariff change is approved, no additional compensation shall be paid to VEOLIA WATER and VEOLIA WATER shall not be obligated to perform any change or incur any cost in connection with a change.
 - .9 The DISTRICT shall indemnify and hold VEOLIA WATER harmless of any fines or penalties resulting from or non-compliance with a specific scope change requested by the DISTRICT, or by law, of which VEOLIA WATER incurs additional costs and the DISTRICT does not or cannot pay those additional costs, until VEOLIA WATER is compensated as described above.
- .29 Additional Work: Additional Work outside of the initial work may be proposed by VEOLIA WATER and subject to approval by the DISTRICT. Work associated with Additional Work shall not begin nor shall fees accrue until a written Notice to Proceed has been issued to VEOLIA WATER from the DISTRICT. A Notice to Proceed shall be issued for each Additional Work proposed.
- .1 All Additional Work, which shall be requested in writing by VEOLIA WATER, shall require VEOLIA WATER to provide appropriate documentation which might include a schedule of milestones, work

schedules, complete cost estimates, estimated hours and subcontractor costs. Said estimate may be requested by the DISTRICT as either a Not to Exceed amount, a time and materials estimate, or an hourly cost estimate with or without a Not to Exceed amount.

- .2 All Additional Work requests shall be in writing on a form acceptable to the DISTRICT and shall be submitted no less than forty-five (45) days prior to when the work is proposed to begin by VEOLIA WATER. At its discretion, the DISTRICT may reduce or waive the 45 day period.

5 DISTRICT Duties: This Agreement requires the DISTRICT to perform certain tasks and activities and responsibilities which have been agreed to and are generally as follows;

- .1 The DISTRICT shall request funding as needed to fund and provide all necessary Capital Upgrades and Renewals and Replacements. Priority shall be given to safety and regulatory related expenses described in the Annual Capital Upgrades and Renewals and Replacement Plan prepared and submitted to the DISTRICT with the assistance of VEOLIA WATER. Any loss, damage, or injury resulting from the DISTRICT's failure to provide capital improvements and/or funds in excess of the Maintenance and Repair Limit, when reasonably requested by VEOLIA WATER, shall be the sole responsibility of the DISTRICT.
- .2 The DISTRICT shall keep in force all Project warranties, guarantees, easements and licenses that have been granted to the DISTRICT and are not transferred to VEOLIA WATER under this Agreement.
- .3 The DISTRICT shall pay all excises, ad valorem, property, franchise and occupational fees, or other fees associated with the Project, if any, other than fees or taxes imposed upon VEOLIA WATER's net income and/or payroll taxes for VEOLIA WATER's employees.
- .4 In the event VEOLIA WATER is required to pay any sales tax or use taxes on the value of the services provided by VEOLIA WATER hereunder or the services provided by any VEOLIA WATER of VEOLIA WATER, such payments shall be reimbursed by the DISTRICT, unless the DISTRICT furnishes a valid and properly executed exemption certificate relieving the DISTRICT and VEOLIA WATER of the obligation for such taxes. In the event the DISTRICT furnishes an exemption certificate which is invalid or not applicable to services by VEOLIA WATER, the DISTRICT shall indemnify VEOLIA WATER for any taxes, interest, penalties, and increment costs, expenses or fees which it may incur as a result of VEOLIA WATER's reliance on such certificate.
- .5 The DISTRICT shall provide VEOLIA WATER, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of the DISTRICT's heavy equipment that is available so that VEOLIA WATER may discharge its obligations under this Agreement in the most cost effective manner.

- .6 The DISTRICT shall provide all registrations and licenses for the DISTRICT's vehicles used in connection with the Project.
- .7 The DISTRICT shall provide for VEOLIA WATER's exclusive use of all vehicles and equipment presently in full-time by the CITY of Radcliff excluding a Jeep and a lawn mower in use at the Project. It is agreed by both parties that the existing vehicles are aged and the DISTRICT will have to replace over the next few years.
- .8 The DISTRICT shall provide the Project with appropriate security personnel and/or devices to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by the DISTRICT and shall accept liability for such losses, except to the extent such losses are directly caused by the negligent acts or omissions of VEOLIA WATER.
- .9 The DISTRICT warrants that during the interim period between the initial Project inspection by VEOLIA WATER and when VEOLIA WATER commences full operations and maintenance, the plants, facilities and equipment have been operated only in the normal course of business, all scheduled and proper maintenance have been performed, and there are no issues known to the DISTRICT regarding the condition of the Project and Facility composing the Project and/or any equipment used by the Project.
- .10 Intentionally Left Blank .
- .11 The parties anticipate that the Project, as of the Commencement Date, will not be required to comply with the Accidental Release Prevention Program as set forth in the applicable sections of the Federal Clean Air Act ("RMP"). Following the Commencement Date, in the event it is later determined that the Project must comply with RMP, the DISTRICT shall be responsible for all Costs associated with bringing the Project into RMP compliance.
- .12 DISTRICT shall perform Environmental Reviews when the utility system is modified per local, State and Federal regulations .
- .13 DISTRICT shall be responsible for accomplishing all required upgrades and renewals and replacements to maintain and operate the utility system in a safe, reliable condition.
- .14 DISTRICT shall be responsible for providing VEOLIA WATER with copies of digital GIS Mapping data and information for use in operation and maintenance activities. VEOLIA agrees to purchase any licenses or software required to utilize and access said information provided by the DISTRICT.
- .15 Intentionally Left Blank.

6. Fees and Compensation:

- .1 VEOLIA WATER's compensation under this Agreement through June 30, 2009 is \$157,972 per month or \$1,895,664 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$11,564 per month and \$138,768 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months. Both parties agree the start date could fluctuate, if so, the monthly compensation will be prorated.
- .2 Agreement Year: Agreement Year, for the purposes of this Agreement shall mean an increment of twelve calendar months commencing July 1, 2008.
- .3 VEOLIA WATER has based its Annual Fee on offering employment to a maximum of 16 (sixteen) existing personnel in addition to a VEOLIA WATER Project Manager. An effort will be made to hire those qualified CITY workers for the positions available from the existing staff at the Wastewater System identified on the list of displaced or adversely affected workers provided to the DISTRICT as part of the Utility Transfer Agreement with the CITY. VEOLIA WATER shall pay the employees their current wage identified in the Utility Transfer Agreement and a similar benefit package. It is also agreed by the DISTRICT and VEOLIA WATER that VEOLIA WATER may offer a buyout option or may lease employees from the CITY. Should for any reason the DISTRICT require VEOLIA WATER to hire more than 16 personnel, VEOLIA WATER shall be entitled to request and negotiate additional compensation and adjusted Annual Fee.
- .4 The Annual Fee for services under this Agreement is based upon the following wastewater treatment influent characteristics:
 - .1 Flow = 2.0795 million gallons per day
 - .2 CBOD5 = 209 mg/l
 - .3 TSS = 241 mg/l
 - .4 Ammonia Nitrogen = 23 mg/l

The above influent characteristics are the actual twelve (12) months' average for the period ended October, 2007. Any change of five percent (5%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope.

- .5 VEOLIA WATER's expenses for hauling by truck and disposing of Waste are based on paying \$179 a pull and \$23.57 a ton for eligible Outerloop Landfill facility which is approximately 31 road miles from the Project. Any change in

Costs shall give rise to a Change in Scope and the additional costs shall be added to the Annual Fee.

- .6 VEOLIA WATER shall provide natural gas and electricity required to operate the Project and have based its costs on current rates. Any decrease or increase in rates or other related charges (including taxes) imposed upon VEOLIA WATER by a utility provided or taxing authority – excluding taxes based on VEOLIA WATER’s net income shall be considered a change in scope of service. VEOLIA WATER has not budgeted for water or sewer service which the DISTRICT will provide for use in operating and maintaining the system...
- .7 The Performance Start Date is February 1, 2008. VEOLIA WATER shall not be able to bill or recover any amounts, expenses or costs prior to the Performance Start Date and all prior costs may only be recovered or included in the above agreed Annual Fee amount.
- .8 If actual Maintenance and Repair expenditures are less than the Maintenance and Repair Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Maintenance and Repair expenditures exceed the Maintenance and Repair Limit, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Maintenance and Repair expenditures equal eighty percent (80%) of Maintenance and Repair Limit.
- .9 If actual Electrical expenditures are less than the Electrical Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Electrical expenditures exceed the Electrical Limit, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Electrical expenditures equal eighty percent (80%) of Electrical Limit.
- .10 If actual Odor Control Chemical expenditures are less than the Odor Control Chemical Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Odor Control Chemical expenditures exceed the Odor Control Chemical, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Odor Control Chemical expenditures equal eighty percent (80%) of Odor Control Chemical Limit.
- .11 Any increases in the Annual Fee shall be negotiated each year after the first seventeen (17) months at least four (4) months prior to the anniversary of this Agreement’s Commencement Date. Should the DISTRICT and VEOLIA WATER fail to agree, the increase in the Annual Fee will be determined by the

application of the procedures in APPENDIX E. The Maintenance and Repair Limit shall increase or decrease by a percentage equal to the change in the Annual Fee.

- .12 In addition to the Annual Fee, the DISTRICT shall reimburse VEOLIA WATER for documented costs associated with severance or employee buyouts related to the transition of CITY staff which could include wage, taxes and benefits estimated to be one year of salary for a maximum of three employees. These costs would be paid within ninety days of the start of the contract. For estimating purposes only, the cost is proposed to be \$168,000 in wages.
- .13 Intentionally left blank.
- .14 The cost of temporary connections will be charged against the Maintenance and Repair Limit.

7 **Method of Payment:** The DISTRICT agrees to pay VEOLIA WATER for services rendered pursuant to this Agreement the sums set forth and in the manner set forth in this Agreement and computed as follows:

- .1 VEOLIA WATER shall invoice the DISTRICT monthly an amount equivalent to One-twelfth (1/12) of the Annual Fee for the current year which shall be due and payable with thirty (30) days after the DISTRICT has received an invoice. VEOLIA WATER shall provide an invoice for services rendered and compensation due on or before the thirtieth (30) day of each month and no more than once for each thirty day period.
- .2 The DISTRICT agrees to pay VEOLIA WATER for services rendered pursuant to this Agreement. Payment shall be made within thirty (30) days after receiving an invoice.
- .3 Any monies payable pursuant to Section 6.9 will be paid within sixty (60) calendar days after the end of each Agreement Year.
- .4 All other compensation to VEOLIA WATER is due upon receipt of VEOLIA WATER's invoice and payable within thirty (30) days after presenting an invoice to the DISTRICT.
- .5 The DISTRICT reserves the right to make payment to VEOLIA WATER electronically or by ACH bank transfer (wire) method into an account as designated by VEOLIA WATER and any added costs for said payment method shall be paid or absorbed by each party whose own bank or bank account sending or receiving payment assesses said fee(s).
- .6 Intentionally Left Blank.

- .7 Interest on Unpaid Amounts: The DISTRICT shall pay interest at an annual rate equal to the prime rate as shown in the Wall Street Journal, said rate of interest not to exceed any limitation provided by law, on payments not paid and received within thirty (30) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation. This provision does not apply to payments made in accordance with the preceding paragraph.

8. Insurance Requirements:

- .1 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in this section. Each party shall provide the other party with satisfactory proof of insurance.
- .2 Insurance required shall be with companies qualified to do business in the Commonwealth of Kentucky with a general policyholder's financial rating of not less than "A as set forth in the most current edition of "A.M. Best".
- .3 No such policies shall be cancelable or subject to material reduction in coverage limits or other modification except after thirty (30) days prior written notice to the Owner. VEOLIA WATER shall not do nor permit to be done anything which shall invalidate the insurance policies referred to in this section. If any insurance policy referred to in this Agreement are cancelled or terminated for any reason and are not replaced with an insurance policy of the type and coverage specified herein, the DISTRICT, at its own discretion, may terminate this Agreement pursuant to Section 3 of this Agreement.
- .4 VEOLIA WATER will provide at least thirty (30) days' notice of the cancellation of any policy it is required to maintain under this Agreement. VEOLIA WATER may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law. Each party shall include the other party as an additional insured on the coverages, excluding workers' compensation, employer's liability and professional liability, required to be maintained hereby.
- .5 VEOLIA WATER will be required to provide various type of insurance, and coverage limits as listed in the following table:

| Type of Coverage | Coverage | Annual Aggregate | Other Requirements |
|-------------------------------|-----------------------------------|------------------|---|
| Commercial General Liability | \$2,000,000 per occurrence | \$4,000,000 | Claims which may arise from all operations including completed operations |
| Business Automobile Liability | \$2,000,000 combined single limit | | |

| Type of Coverage | Coverage | Annual Aggregate | Other Requirements |
|---|------------------------|------------------|---|
| Fire Legal Liability | \$500,000 any one fire | \$1,000,000 | |
| Workers' Compensation | Statutory | | |
| Employer's Liability Each Accident – | \$1,000,000 | NA | Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky |
| Employer's Liability Disease – Each Employee | \$1,000,000 | NA | Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky |
| Employer's Liability Disease – Policy Limit | \$1,000,000 | NA | Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky |
| Contractor's Pollution Liability | \$5,000,000 Each Claim | \$5,000,000 | Shall include errors and omissions coverage |

- .6 VEOLIA WATER shall maintain during the term of this Agreement at least the insurance coverage shown above, and shall require their insurance carrier to submit certificate(s) of insurance to DISTRICT evidencing the maintenance of at least the above insurance coverage. All such insurance coverage and submission of certificate(s) evidencing same shall be maintained throughout the course of the work and Owner shall be noticed in the event of changes to same. All policies shall be written through a company duly authorized by the Commonwealth of Kentucky licensed to transact that class of insurance in the Commonwealth of Kentucky.
- .7 VEOLIA WATER shall maintain Commercial General Liability insurance, insuring VEOLIA WATER's negligence, in an amount not less than \$2,000,000 each occurrence and \$4,000,000 aggregate for bodily injury and/or property damage. The DISTRICT will be included as an additional insured on VEOLIA WATER's Commercial General Liability policy but solely with respects to claims arising out of the negligence of VEOLIA WATER.
- .8 VEOLIA WATER shall maintain Business Automobile Liability insurance, insuring owned, non-owned and hire automobiles in an amount not less than \$2,000,000 combined single limit. The DISTRICT will be included as an additional insured on VEOLIA WATER's Business Automobile Liability policy but solely with respects to claims arising out of the negligence of VEOLIA WATER.
- .9 The DISTRICT agrees to also maintain insurance coverage equivalent to:

- .1 Statutory workers' compensation for all of the DISTRICT's employees associated with the Project as required by the Commonwealth of Kentucky.
- .2 Property damage insurance for all property, including vehicles owned by the DISTRICT and operated by VEOLIA WATER under this Agreement. Any property, including vehicles, not properly or fully insured shall be the financial responsibility of the DISTRICT.

9. Indemnity and Liability:

- .1 VEOLIA WATER agrees to indemnify and save the DISTRICT harmless from and against all third party claims, demands, liability, damages, suits, actions or causes of action of every kind and nature, which may be brought or asserted against the DISTRICT to the extent caused by the negligent acts, errors or omissions of VEOLIA WATER or their consultants or subcontractors in the performance of this Agreement.
- .2 DISTRICT agrees to indemnify and hold VEOLIA WATER harmless from and against all third party claims, demands, liability, damages, suits, actions or causes of action of every kind and nature which may be brought or asserted against VEOLIA WATER to the extent caused by the negligent acts, errors or omissions of the DISTRICT or its consultants or subcontractors in the performance of this Agreement.
- .3 Neither party nor their affiliated companies, nor the officers, agents and employees or DISTRICT's of any of the foregoing, shall be liable to the other in any action or claim for consequential or special damages, loss of profits, loss of opportunity, loss of product or loss of use. Any protection against liability for losses or damages afforded any individual or entity by these terms shall apply whether the action in which recovery of damages is sought is based on contract, tort (including sole, concurrent or other negligence and strict liability of any protected individual or entity), and statute or otherwise. To the extent permitted by law, any statutory remedies which are inconsistent with these terms are waived.
- .4 The DISTRICT shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on the DISTRICT and/or VEOLIA WATER that are not a result of VEOLIA WATER's negligence, willful misconduct and or omissions, or are otherwise directly related to the ownership of the Project and shall indemnify and hold VEOLIA WATER harmless from the payment of any such fines and/or penalties.
- .5 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, VEOLIA WATER's liability for performance or non-

performance of any obligation arising under the Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 9.1 of this Agreement, shall be limited to a cumulative aggregate over the full initial term and any extended term(s) of this Agreement of an amount not to exceed \$8,000,000. The above limit does not apply to or include proceeds or recoveries from the insurance policies provided by VIOLA WATER under this Agreement.

- .6 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, DISTRICT's liability for performance or non-performance of any obligation arising under this Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 9.1 of this Agreement, shall be limited to a cumulative aggregate over the full initial term and any extended term(s) of this Agreement of an amount not to exceed \$5,000,000. The above limit does not apply to or include proceeds or recoveries from the insurance policies provided by the DISTRICT under this Agreement.

10. Annual Performance Bond Provided by VEOLIA WATER:

- .1 VEOLIA WATER agrees to provide an annual Performance Bond or other surety instrument acceptable to the DISTRICT, in an amount equal to the Annual Fee. Evidence of said bond for the second and subsequent years, in form acceptable to the DISTRICT, shall be provided to the DISTRICT no later than the end of the eleventh month of each year. The conditions, specific obligation and use of said bond shall comply with the following;
- .1 That VEOLIA WATER shall carry out its duties and obligations under the terms of this Agreement, to the extent that the DISTRICT is not required to obtain a replacement contractor to take the place of VEOLIA WATER, and that VEOLIA WATER does not operate or cause the DISTRICT to be fined, sued or otherwise found in default of their Contract with the Government. Said replacement of VEOLIA WATER can only be after the DISTRICT and VEOLIA WATER have attempted to resolve the dispute in accordance with terms of this Agreement.
- .2 The DISTRICT may not use the bond in the event that VEOLIA WATER requests to be released from this Agreement, and the DISTRICT agrees to provide said release, and that VEOLIA WATER provides all assistance, cooperation and payment of additional costs or advertising as needed to obtain a replacement contractor who is able to take over and carry out all terms of this Agreement.
- .3 The bond shall be for the current Contract Year, but may include an automatic extension clause as long as the amount of the bond equals the Annual Fee.

.4 The surety shall appear in the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the Commonwealth of Kentucky.

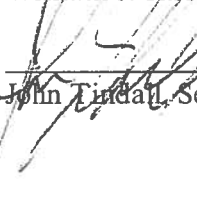
.2 Any fee or premium to purchase required bond shall be paid directly by VEOLIA WATER, however, cost of same may be recovered in the Annual Fee.

WITNESSETH:

Both parties indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this Agreement have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1

By: 
William J. Rissel, Chairperson of Board of Commissioners

By: 
John Tindal, Secretary of Board of Commissioners

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By: 
Signature, Authorized Person

By: JEFFREY J KOWAL, PRESIDENT
Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 8th day of February, 2008, the above named person(s) personally appeared before me, and did provide evidence that they officially represent HARDIN COUNTY WATER DISTRICT No. 1, and that the instrument was signed on behalf of the organizations which they represent.

Aaron B. Fles
Notary Public, Commonwealth of Kentucky

Aaron B. Fles
Printed Name

Oct 30, 2008
Date Commission Expires

On this 14 day of February, 2008, the above named person(s) personally appeared before me, and did provide evidence that they officially represent VEOLIA WATER NORTH AMERICA – SOUTH, LLC, and that the instrument was signed on behalf of the organizations which they represent.

Catherine E. Dennis
Notary Public, State of ~~Texas~~ Georgia

Catherine E. Dennis
Printed Name

Date Commission Expires

Notary Public, Gwinnett County, Georgia
My Commission Expires August 9, 2008

APPENDIX A

DEFINITIONS

1. "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BOD5 in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BOD5.
2. "Annual Fee" means a predetermined, fixed sum for VEOLIA WATER's services. The Annual Fee includes Cost and profit.
3. "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of DISTRICT's Certificate of Approval. Biologically toxic substances include, but are not limited to, hazardous wastes, hazardous substances, heavy metals, phenols, cyanides, pesticides and herbicides.
4. "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Two Thousand Five Hundred Dollars (\$2,500); or (2) major repairs which significantly extend equipment or facility service life and cost more than Two Thousand Five Hundred Dollars (\$2,500) or (3) expenditures that are planned, non-routine and budgeted by the DISTRICT.
5. "Change in Law" means (a) the enactment, adoption, promulgation, modification or repeal after the Contract Date of any federal, State, or local law, ordinance, code, rule, regulation or other similar legislation or the repeal, modification or change in interpretation after the Contract Date, of any federal, State, or local law, ordinance, code, rule, regulation, official permit, license or approval by any regulatory or judicial entity having jurisdiction with respect to the design, construction, operation, maintenance, or management of the Facility, or (b) the imposition, after the Contract Date, of any material conditions on the issuance, modification or renewal of any official permit, license or approval necessary for the operation and maintenance of the Facility, which, in either case, modifies the Company's obligations of Facility performance or decreases or increases the cost of the Company's operation or maintenance of the Facility.
6. "Commencement Date" or "Performance Start Date" means March 15, 2008, or the ultimate date upon which final state agency approval is obtained by the parties.
7. "Contract Date" means the first date written on page 1 of this Agreement.
8. "Cost" means all Direct Cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles.

9. "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
10. "Facility" or "Facilities" means the wastewater and storm water utility systems that are the subject of the prime contract between the DISTRICT and the Government.
11. "Government" means the United States Government.
12. "Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or by VEOLIA WATER to maximize the service life of the equipment, sewer, vehicles and facilities.
13. "Maintenance and Repair Limit" means the total Maintenance and Repair expenditures that VEOLIA WATER has included in the Annual Fee. Such expenditures exclude any labor costs for VEOLIA WATER's staff assigned to the Project. VEOLIA WATER's specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermo graphic and electrical analyses, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.
14. "Project" means all equipment, vehicles, grounds, rights of way, sewers and facilities described in APPENDIX B and, where appropriate, the management, operations and maintenance of such.
15. "Repairs" means those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.
16. "Unforeseen Circumstances" shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement , or upon the Project, which is beyond the reasonable control of the party relying thereon and either impacts the costs of performing hereunder or constitutes a justification for a delay in or non-performance of action required by this Agreement , including but not limited to (I) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance, (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction, (iii) any change in law, regulation, rule, requirement, interpretation or statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, province or governmental body, (iv) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of VEOLIA WATER; (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and

maintenance of the Project, (vi) for the benefit of the DISTRICT only, delays or additional costs caused by the negligent acts or omissions of VEOLIA WATER or its subcontractors, (vii) for the benefit of VEOLIA WATER only, delays or additional costs caused by the negligent acts or omissions of DISTRICT or its other subcontractors, and (viii) the presence of hazardous wastes or hazardous substances at the Project or in the plant influent that is not caused by the negligence or willful misconduct of VEOLIA WATER.

17. Utility Transfer Agreement shall mean the agreement between the CITY of Radcliff and the DISTRICT transferring the Radcliff sewer system to the DISTRICT.

APPENDIX B

DESCRIPTION OF PROJECT

VEOLIA WATER agrees to provide the services necessary for the management, operation and maintenance of the following:

1. All equipment and facilities now existing within the present property boundaries of or being used to operate the DISTRICT's Wastewater Treatment Plant that services the CITY of Radcliff. The Wastewater Treatment Plant consists of the following:
 1. Preliminary Treatment
 2. Three Equalization Basins – Two Lined and One Unlined
 3. Mechanical Bar Screens
 4. Vortex Grit Removal System
 5. Influent Lift Station
 6. Septage Receiving Station
 7. Three Extended Aeration Oxidation Ditches
 8. Three Secondary Clarifiers
 9. Sludge pumping including return activated sludge pumps and waste activated sludge pumps
 10. Two Ultraviolet Disinfection Chambers
 11. Two Aerobic Digesters and three 150 hp Blowers
 12. Sludge Dewatering Facility with one (1) Belt Press
 13. Non potable water system
2. Intentionally Left Blank
3. The Emergency Generator at the plant.
4. All equipment and facilities now existing within the present property boundaries of pumping stations. Pumping stations consist of the following:

| | |
|-----------------------|-----------------------|
| 1. CITY Hall | 27. Classic Cars |
| 2. Conroe Drive | 28. Swope's |
| 3. Safari Trail | 29. Audubon |
| 4. Sherwood | 30. Drug Store |
| 5. Spring Street East | 31. Hensley's |
| 6. Watkins | 32. Indiana Trail |
| 7. Crocus Drive | 33. Paradise No. 1 |
| 8. Skylark Drive | 34. A. Arnold and Son |
| 9. Woodcreek | 35. Emmaus Circle |
| 10. Apple Wood | 36. Hillcrest |
| 11. Cypress Drive | 37. Industrial Park |
| 12. Redmar Boulevard | 38. John Hardin |
| 13. Doc's | 39. Peyton Place |

- | | |
|-----------------------------|--------------------------|
| 14. Elm Road | 40. Cement |
| 15. Paradise No. 2 | 41. North Logsdon |
| 16. Byerly Boulevard | 42. Stovall |
| 17. Church Methodist | 43. Battle Training Road |
| 18. Deerhaven | 44. Oak Drive (Heards) |
| 19. Globe | 45. Highway 313 |
| 20. Kindergarten (Woodland) | 46. Boone Trace |
| 21. Logan | 47. Brown Street |
| 22. Maple Forest | 48. Seminole |
| 23. Marvin's | 49. Christopher Court |
| 24. Master Street | 50. Quiggins |
| 25. Red Hawk Drive | 51. Greenview Lane |
| 26. Wendover Court | 52. Lincoln Trail |

5. All equipment, grounds and facilities now existing within the present easement for the sewer lines. Sewer lines consists of the following;

| Diameter | Lineal Feet |
|----------|-------------|
| 2 inch | 783 |
| 6 inch | 763 |
| 8 inch | 42,568 |
| 10 inch | 3,224 |
| 12 inch | 9 |
| Unknown | 586,039 |

Manholes = 2,485 as of 4/10/06

APPENDIX C

NPDES PERMIT AND PROJECT CHARACTERISTICS FOR WASTEWATER TREATMENT

1. VEOLIA WATER will operate so that effluent will meet the requirement of NPDES permit No. KY0022390 (issued on March 1, 2003) a full and complete copy of which is adopted by reference herein as of the date hereof. VEOLIA WATER shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs:
 - a. The Project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities,
 - b. Dischargers into the DISTRICT's sewer system violate any or all regulations as stated in the DISTRICT's Industrial Water and Sewer Permit or as required by law,
 - c. The flow or influent BOD5 and/or suspended solids exceeds the Project design parameters which are 4 million gallons of flow per day, 3,471 pounds of BOD5 per day, 4,021 pounds of suspended solids and a daily peaking factor of 3 times flow,
 - d. If the Project is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond VEOLIA WATER's control.
 - e. In the event any one of the Project influent characteristics, suspended solids, BOD5 or flow, exceeds the design parameters stated above, VEOLIA WATER shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters;

| Characteristics Exceeding | Recovery Period |
|-----------------------------|-----------------|
| <u>Design Parameters By</u> | <u>Maximum</u> |
| 10% or Less | 5 days |
| Above 10% Less than 20% | 10 days |
| 20% and Above | 30 days |
 - f. Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then VEOLIA WATER will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.
2. VEOLIA WATER shall not be responsible for fines or legal action as a result of discharge violations within the period and any subsequent recovery period that (1) influent exceeds design parameters; or (2) does not contain Adequate Nutrients; or (3) contains Biologically Toxic Substances; or (4) is inoperable unless rendered inoperable due to the negligence or willful misconduct or omissions of VEOLIA WATER.

APPENDIX D

INDUSTRIAL WASTE DISCHARGERS AND MONITORING PROGRAM

There is currently no Industrial Waste Discharges and Monitoring Program other than normal inspection provided for in the Wastewater Ordinance adopted by the DISTRICT in whole from the CITY of Radcliff Utility Transfer Document.

APPENDIX E

ANNUAL FEE ADJUSTMENT FORMULA

Any increase in the Annual Fee shall be negotiated each year after the first seventeen months at least four (4) months prior to the anniversary of this Agreement's Commencement Date. Should the DISTRICT and VEOLIA WATER fail to agree, the Annual Fee will be determined by the application of the formula set forth below. The Maintenance and Repair Limit shall increase or decrease by a percentage equal to the change in the Annual Fee. VEOLIA WATER's cost for providing Health Care benefits coverage (Health, Dental Vision and Accidental Death and Dismemberment) for its Project employees will be based on documented budgetary increases plus overhead and profit of 15%.

$$\text{Formula} = \text{AAF} = [(\text{AFo minus Ho}) \text{ times C divided by Co}] \text{ plus } (\text{H times } 1.15)$$

where:

- AFo = Annual Fee specified in the Section entitled "Fees and Compensation" before any annual modification.
- AAF = Adjusted Annual Fee.
- Co = Consumer Price Index for All Urban Consumers (U.S. CITY Average) as published by the U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month three (3) months prior to VEOLIA WATER beginning service under this Agreement .
- C = Consumer Price Index for All Urban Consumers (U.S. CITY Average) as published by the U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month three (3) months prior to the beginning of the period for which an adjusted base fee is being calculated.
- Ho = VEOLIA WATER's budgetary health care costs for providing its Project employees medical, dental, vision and accidental death and dismemberment benefits coverage in the amount of \$148,086 included in the Annual Fee specified in the Section entitled "Fees and Compensation" before any annual modification.
- H = VEOLIA WATER's documented budgetary health care costs for its Project employees medical, dental, vision and accidental death and dismemberment benefits coverage three (3) months prior to the beginning of the period for which an adjusted base fee is being calculated, however, in no event shall H be less than Ho.

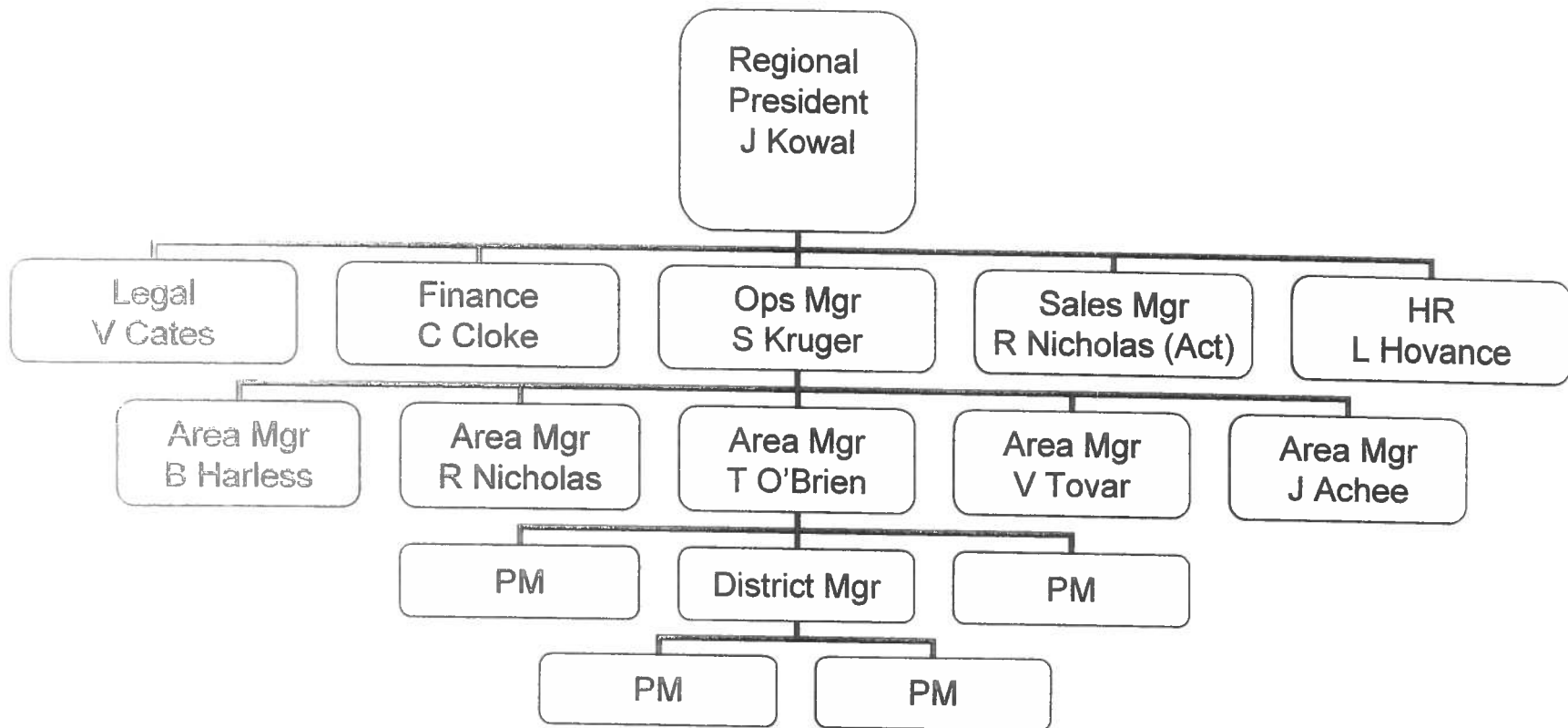
APPENDIX F

SCHEDULE OF AMORTIZED EXPENDITURES

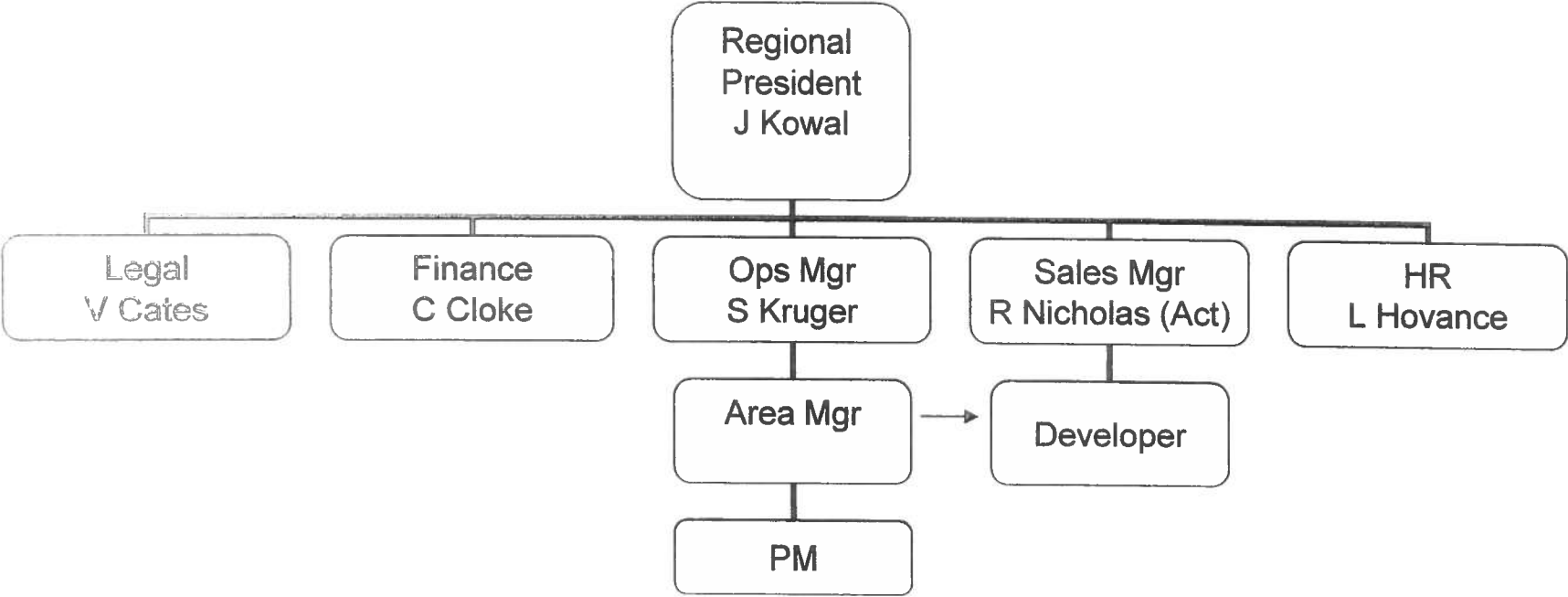
The parties mutually agree that for all purposes, the beginning principal shall be \$115,000 which represents \$40,000 and \$75,000 of development costs. The interest rate applied shall be calculated at the same rate as provided for in the Amendment for approved and late payments to VEOLIA WATER.

| Beginning of Month No. | Balance |
|------------------------|----------|
| 15 | \$95,172 |
| 27 | \$79,310 |
| 39 | \$63,448 |
| 51 | \$47,586 |
| 63 | \$31,724 |
| 75 | \$15,862 |
| 87 | \$0 |

Operations Organization Structure



Sales Situation Organization Structure



AMENDMENT

This amendment modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.19. This amendment changes and replaces certain sections of the Agreement, however all other sections and terms of the agreement not modified herein, shall remain in place and unchanged. This Amendment is made and entered into this 1st day of June, 2009. The following sections numbered in the Agreement are modified or added as follows;

- A. **Section 6.1 Fees and Compensation:** This section is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement through June 30, 2009 is \$157,972 per month or \$1,895,664 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month and \$190,768 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months. Both parties agree the start date could fluctuate, if so, the monthly compensation will be prorated.

- B. **Section 6.2 Agreement Year:** This section is deleted in its entirety and replaced with the following:

- .2.a Agreement Year, for the purposes of this Agreement shall mean an increment of twelve calendar months commencing January 1, 2009.
- .2.b. The amendment which changed the Agreement Year in Section 6.2 requires recalculating the fees for the partial year July to December 2008 and re calculation of the 2009 year to date. The parties agree that a final adjustment of the 2008 fiscal year invoice from VEOLIA WATER is due in thirty (30) days and the monthly reporting will be corrected in May 2009. The District agrees to reimburse the amount due in accordance with the terms of the Agreement.
- .2.c. The change in the Agreement year will change the date that the contract is to be renegotiated each year. The Agreement allows VEOLIA WATER to adjust its fee in July 2009. A modest change will be negotiated for the remainder of 2009 and a change in the fee negotiated again for the 2010 fiscal year and subsequent years thereafter, in accordance with the terms of the agreement.

- C. All other sections, requirements and provisions set forth in the original Agreement shall remain in affect and shall apply to and be binding to the additional work and sections of this amendment.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By: [Signature]
Signature, Authorized Person

By: Jeffrey S. Howal, President
Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 7th day of July, 2009, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Aaron B. Pyles
Notary Public, Commonwealth of Kentucky

Aaron B. Pyles
Printed Name

10-30-12
Date Commission Expires



On this 1 day of June, 2009, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Allison M. Irwin
Notary Public, State of FLORIDA

Allison M. Irwin
Printed Name

9/21/2011
Date Commission Expires



HARDIN COUNTY WATER DISTRICT NO 1

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA / SOUTH, LLC

By: Steven J. Kruger
Signature Authorized Person
Steven J. Kruger
V.P. Operations

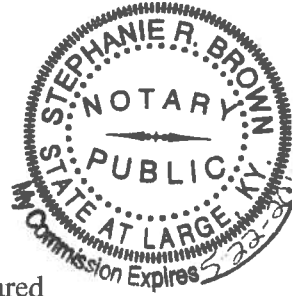
Printed Name and Title of Authorized Person

NOTARY STATEMENTS

On this 7 day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Stephanie R. Brown
Notary Public Commonwealth of Kentucky

Stephanie R. Brown 5-22-2012
Printed Name Date Commission Expires

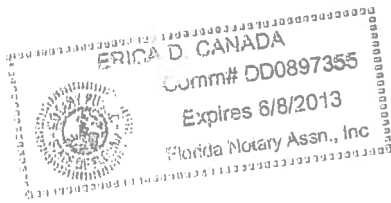


On this 7th day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Erica D. Canada

Notary Public State of Florida

ERICA D CANADA 6/8/2013
Printed Name Date Commission Expires



AMENDMENT 2

This amendment (2) modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.19. This Amendment 2 changes and replaces certain sections of the Agreement, however all other sections and terms of the agreement not modified herein, shall remain in place and unchanged. This Amendment 2 is made and entered into this 1st day of January, 2010 and also modifies an Amendment to the original agreement, which Amendment was executed June 1, 2009. The following sections numbered in the Agreement are modified or added as follows;

- A. **Section 6.1 Fees and Compensation:** This section, as revised and amended with an initial amendment dated June 1, 2009, is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement is changed, beginning with January 2010 billing, to \$162,462 per month or \$1,949,545 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month and \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months.

- C. All other sections, requirements and provisions set forth in the original Agreement shall remain in affect and shall apply to and be binding to the additional work and sections of this amendment.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By:

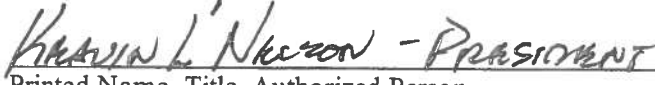

James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By:


Signature, Authorized Person

By:


Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 22 day of February, 2010, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

 Aaron B. Pyles
Notary Public, Commonwealth of Kentucky

 Aaron B. Pyles
Printed Name

 10-30-12
Date Commission Expires

On this _____ day of _____, 2010, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Notary Public, State of _____

Printed Name

Date Commission Expires

AMENDMENT 3

This amendment (3) modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.18. This Amendment 3 changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 3 is made and entered into this 7 day of MARCH, 2011 and any fee changes shall become effective January 1, 2011. The following sections numbered in the Agreement are modified or added as follows;

- A. **Section 6 Fees and Compensation:** This section, as revised and amended with previous Amendment 2 dated January 1, 2010, is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement is changed, beginning with the January 2011 billing, to \$166,606.91 per month or \$1,999,282.92 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 a month and \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months¹.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

¹

The amounts shown above for monthly and annual were corrected 4/7/2011 per email from Erad Walker, Veolia / Radcliff Project Manager.

HARDIN COUNTY WATER DISTRICT NO 1

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA SOUTH, LLC

By: Steven J. Kruger
Signature Authorized Person
Steven J. Kruger
V.P. Operations

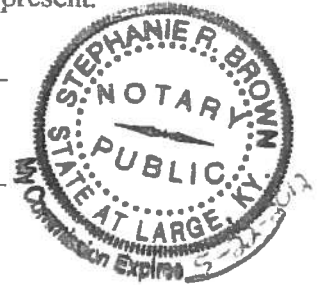
Printed Name and Title of Authorized Person

NOTARY STATEMENTS

On this 7 day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Stephanie R. Brown
Notary Public Commonwealth of Kentucky

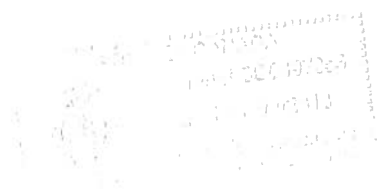
Stephanie R Brown 5-22-2012
Printed Name Date Commission Expires



On this 7th day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Erica D Canada
Notary Public State of Florida

ERICA D CANADA 6/8/2013
Printed Name Date Commission Expires



AMENDMENT 4

THIS AMENDMENT (4) modifies the Agreement for the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008, and has been amended three (3) times previously. The Agreement provided for additional amendments under Section 4; however, all other sections and terms of the Agreement not modified herein shall remain in place and unchanged, unless changed by this Amendment.

This Amendment changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 4 is made and entered into this 1st day of MARCH, 2012 and any fee changes shall become effective January 1, 2012. The following sections numbered in the Agreement are modified or added as follows;

The following sections numbered in the Agreement are modified, added or changed:

- A. Section 6.1 Fees and Compensation: This paragraph is added at the end of the section:

VEOLIA's compensation under this Agreement beginning January 1st 2012 through December 31st 2012 is \$168,049.91 per month or \$ 2,016,598.92 for a twelve month period (the Annual Fee). The Maintenance and Repair Limit included in the Annual Fee is \$ 16,100 a month or \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$ 15,987 a month or \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months.

- B. The Agreement is hereby amended to insert a new Section 4.30 under Article IV describing the General Duties of VEOLIA which reads as follows:

4.30 Notwithstanding anything to the contrary contained herein, in connection with the purchase of Consumables and Fixtures as defined below in connection with the operation of the Facilities) in connection with the operation, management, maintenance and improvement of the DISTRICT's Facilities, the following shall control:

- a. Authority: VEOLIA is, and has been at all times during the term of the Agreement, the agent of the DISTRICT for purposes of purchasing Fixtures and Consumables for the sole ownership, use and benefit of the DISTRICT as applicable, in the operation, management, maintenance and improvement of the Facilities. VEOLIA WATER is authorized and directed to purchase, as agent for the DISTRICT, such Fixtures and

Consumables as may be necessary or helpful in the operation of the Facilities. The existence of the above agency relationship shall be disclosed to vendors, suppliers and other providers of such Fixtures and Consumables to the extent required effectuating the purposes of this agency. VEOLIA is entitled to enter into contracts with such vendors, suppliers and providers as agent for the DISTRICT as applicable.

- b. Direction, Supervision, Control: The DISTRICT shall have the right and authority to approve proposed purchases of Fixtures and/or Consumables in advance. VEOLIA shall periodically report to the DISTRICT, as may be reasonably requested or required under the Agreement, regarding the Fixtures and Consumables purchased under the above authority. Fixtures and Consumables shall only be purchased and used for the sole ownership, use and benefit of the DISTRICT, as applicable, in the operation, management, maintenance and improvement of the Facilities.
- c. Title: Notwithstanding anything to the contrary contained herein, all right title and interest in and to the purchased Fixtures and Consumables shall be held by and pass directly to the DISTRICT, as applicable; provided, however, that VEOLIA WATER may hold title as nominee of the DISTRICT when determined to be expedient by the Parties but this arrangement shall in no event change or affect the ownership of the Fixtures and Consumables by the DISTRICT, as applicable.
- d. Payment: VEOLIA is authorized and directed to pay for such Fixtures and Consumables as agent for the DISTRICT under the terms of the Agreement and to seek reimbursement from the DISTRICT for such payments as provided in the Agreement. All such payments by VEOLIA shall be considered payments by the DISTRICT as applicable, to purchase such Fixtures and Consumables.
- e. Taxes: The Parties intend that all purchases of Fixtures and Consumables that VEOLIA WATER makes as agent for the DISTRICT under the Agreement shall be exempt from Kentucky sales and use tax to the greatest extent allowed by law. VEOLIA WATER is authorized and directed to use the DISTRICT's sales and use tax exemption certificate(s) in connection with the purchases of Fixtures and Consumables for the DISTRICT, as applicable, and VEOLIA may present such sales and use tax exemption certificate(s) to vendors, suppliers and other providers of such Fixtures and Consumables in connection with such purchases. In the event that sales or use taxes are determined to be due and payable on the purchase of any Fixtures or Consumables at the time of purchase or subsequently assessed or determined to be due at a later date, whether during a sales and use tax audit or otherwise, the DISTRICT agrees to reimburse VEOLIA for all sales and use taxes paid by VEOLIA, by the due date of the monthly invoice following the determination that taxes were due, and the DISTRICT further agrees to indemnify, defend and hold VEOLIA harmless from and against any

and all claims, demands, liability, damages, suits, actions, causes of action, losses and expenses of every kind and nature, including but not limited to attorney's fees, fines, penalties, interest, expenses, costs other amounts, which arise out of, result from or are related to (i) VEOLIA's purchase of Fixtures and Consumables for the DISTRICT under the above agency and/or (ii) sales and use taxes or other amounts that may be assessed against the Fixtures and Consumables.

- f. Fixtures and Consumables: For the purposes of this Section 4.30, the term "Fixtures" shall include equipment, machinery, spare parts and other improvements which are integrated in or become fixtures of the Facilities. The term "Consumables" shall include electricity, chemicals and other items that are used in connection with the operation of the Facilities

(END OF AMENDMENT 4 ADDITIONS / CHANGES)

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

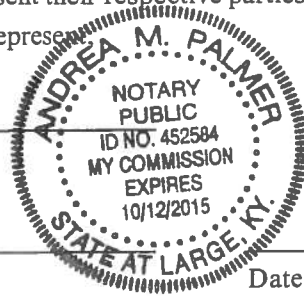
By: Steven J. Kruger
Signature, Authorized Person

By: Steven J. Kruger **Steven J. Kruger**
Printed Name, Title, Authorized Person **V.P. Operations**

NOTARY STATEMENTS:

On this 2nd day of March, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Andrea M. Palmer
Notary Public, Commonwealth of Kentucky



Andrea M. Palmer
Printed Name 10/12/2015
Date Commission Expires

On this 1st day of March, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Erica D. Canada
Notary Public, State of Florida



ERICA D. CANADA
Printed Name 6/8/2013
Date Commission Expires

AMENDMENT 5

THIS AMENDMENT (5) modifies the Agreement for the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America – South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008, and has been amended four (4) times previously. The Agreement provided for additional amendments under Section 4; however, all other sections and terms of the Agreement not modified herein shall remain in place and unchanged, unless changed by this Amendment.

This Amendment changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 5 is made and entered into this 6th day of November, 2012 and any fee changes shall become effective January 1, 2013. The following sections numbered in the Agreement are modified or added as follows;

The following sections numbered in the Agreement are modified, added or changed:

A. Section 6.1 Fees and Compensation: This paragraph is hereby amended to read as follows:

VEOLIA'S compensation under this Agreement beginning January 1, 2013 through December 31, 2013 is \$171,410.91 per month or \$2,056,930.90 for a twelve month period (the Annual Fee). The Maintenance and Repair Limit included in the Annual Fee is \$16,100 per month or \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month or \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 per month or \$15,000 for twelve months.

(END OF AMENDMENT 5 ADDITIONS/CHANGES)

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA – SOUTH, LLC;

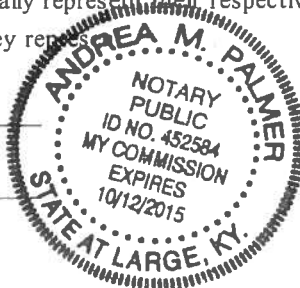
By: Ken Offelton
Signature, Authorized Person

By: Kevin L. Newman, President
Printed Name, Title, Authorize Person

NOTARY STATEMENTS:

On this 23rd day of October, 2012, the above named person, James Bruce, personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

Andrea M. Palmer
Notary Public, Commonwealth of Kentucky
Andrea M. Palmer
Printed Name

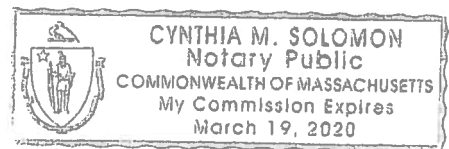


10/12/2015
Date Commission Expires

On this 6th day of November, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

Cynthia M. Solomon
Notary Public, State of Massachusetts
Cynthia M. Solomon
Printed Name

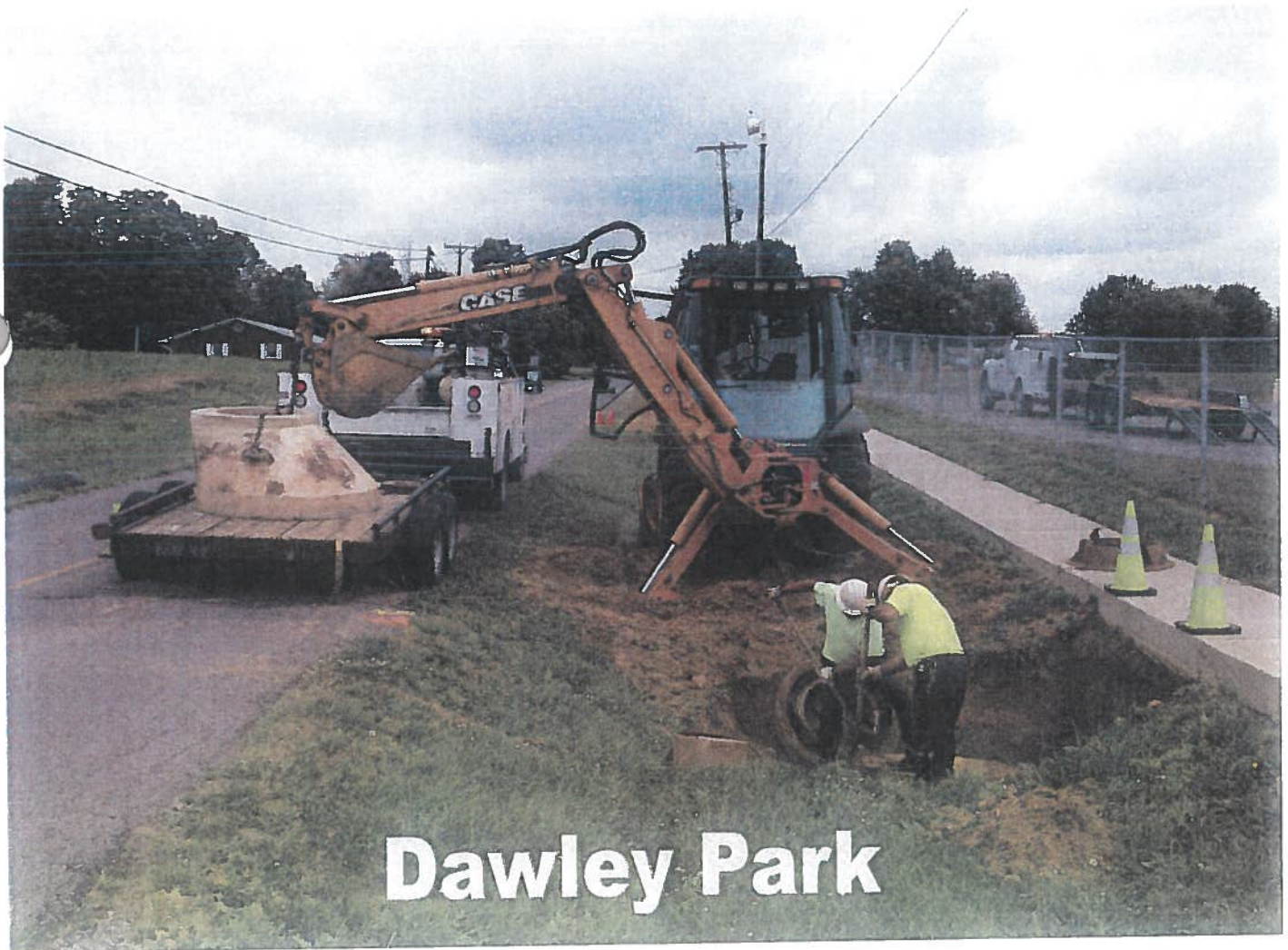
3/19/2020
Date Commission Expires





May 2013

**Submitted to:
Hardin County Water District #1
1400 Rogersville Road**



Dawley Park

RADCLIFF WASTEWATER STATUS REPORT

May 2013 Status Report

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CAPITAL UPGRADES

RADCLIFF OPERATING REPORT (page 1)

| | | |
|---------------------------|------------------------------------|--|
| REGULATORY REPORTS | <i>DMR's submitted to State</i> | |
| OPERATING SUMMARY | <i>Flow Statistics</i> | Treated 88.679 MG for May. The plant averaged 2.86 MGD of flow for the month. Total flow treated YTD 424.859 MG. Total of 14 sludge hauls to the landfill. Sludge cake average was 20.16%. |
| | <i>Compliance</i> | There were 0 exceptions to the KPDES permit during the month of May. |
| | <i>Wastewater Overflows Report</i> | There were 3 overflows reported for the month of May. 4.17" of rain. |
| | <i>EPA/State Inspection</i> | There was 1 EPA or State inspections conducted at the Plant for the month of May. |
| | <i>OSHA</i> | There has been zero lost time and zero recordable accidents for May. |
| | <i>Notice of Violation</i> | There have been no notices of violation received for the month of May. |

RADCLIFF OPERATING REPORT (page 2)

MAINTENANCE SUMMARY

Plant Maintenance

32 Total work orders were performed.

26 Preventative maintenance work orders

6 Corrective maintenance planned and unplanned work orders.

Collection System Maintenance

741 Total work orders performed

52 Planned corrective work orders

15 Callouts for blockages / 9 after hours

0 New sewer tap inspections / 0 year to date

121 BUD locates

50 CCTV, line cleaning work orders

64 General work orders

4 Manhole inspections (MACP format)

21 Miscellaneous work orders

There were 6,438' CCTV'ed and 7,126' cleaned. YTD cleaned

Lift Station Maintenance

13 Unplanned corrective maintenance work orders

40 Planned corrective work orders

10 Wet Wells cleaned

7 Drawdowns performed

204 Daily predictive maintenance work orders

140 Weekly predictive maintenance work orders



RADCLIFF OPERATING REPORT (PAGE 3)

FATS, OILS, AND GREASE

Wet Well Cleanings

Seminole 3X, Wendover, Quiggins, Drug Store, N. Logsdon, Redmar, Boone Trace and Stovall

Lift Station Drawdowns for May

Crocus, Cypress, Conroe, Peyton Place and Paradise I

Pumps Pulled

Drug Store, Greenview, Lincoln Trail 2X, Quiggins, Maple Forest, Peyton Place and Woodcreek

CAPITAL UPGRADES

Added DO and ORP probes to oxidation ditches

Met with District on Painting project due to start on Monday June

Met with District on digester valve replacement project . Expected start of mid July

Met with District on RAS project. Pump delivery was expected by June 7th. Now appears pumps will not arrive until 2nd week of July. Project to begin soon after.

Lincoln Trail project down to punch list items

Manhole behind BBTEL now lined and coated.

Drawdowns Planned for June

Greenview, Hensley, Hillcrest and Indiana Trail

Radcliff Wastewater Customer Callout Report For May 2013

| Address / Location | Date | Nearest Manhole ID | Basin | Problem in Lat or Main? | Feet Problem was from MH | Reason for Blockage | Sec has been CCTV | What action taken? (cleaning, cut roots, none, point repair, etc) |
|---------------------------------|-----------|--------------------|---------------|-------------------------|--------------------------|---------------------|-------------------|---|
| Atcher St. N 402 | 5/20/2013 | 424 | Lincoln Trail | | | | Yes | None / Customer |
| Cherrywood 342 | 5/24/2013 | 1978 | Seminole | | | | No | Cleaned |
| Cherrywood 342 | 5/27/2013 | 1978 | Seminole | | | | No | Cleaned |
| Deepwood 2015 | 5/5/2013 | 447 | Doc's | Lateral | 15 | Rags / Grease | No | Cleaned |
| Dixie Hwy S 1972 | 5/9/2013 | 1463 | Oak | Lateral | 1 | Rags | Yes | None / Customer |
| Dixie Hwy S 1972 | 5/20/2013 | 1463 | Oak | | | | No | None |
| Eagle Pass 226 | 5/28/2013 | | | | | | No | Cleaned |
| Hamilton St 117 | 5/21/2013 | 346 | Quggins | Lateral | 5 | Rags | No | Cleaned |
| Hill Crest 866 | 5/1/2013 | Lift Station | Seminole | | | | No | Cleaned |
| Hilltop Circle 2501 Apartment 2 | 5/9/2013 | | Quggins | | | | No | None / Customer |
| Johns Rd E 203 | 5/14/2013 | 636 | Marvin's | Lateral | 20 | Rags | Yes | Cleaned |
| Lincoln Trail 362 | 5/5/2013 | 174 | Indiana Trail | | | | No | None / Customer |
| Southland 740 | 5/22/2013 | 1862 | Boone Trace | Lateral | | Roots | Yes | None |
| Virgil Ct Apt 4 | 5/13/2013 | 552 | Quggins | | | | No | None / Customer |
| Wilson Rd 1855 Lot 256 | 5/5/2013 | 715 | Quggins | | | | No | None |

Total After Hour Callouts 9
Total Callouts 15



Radcliff Wastewater MH Overflow Report For May 2013

| Date | MH ID | Problem found | Recurring? Y/N | Evidence or Actual Observed | If observed, what volume was reported? | Name of Sub-basin | Reported to DOW? | Other Comments |
|---------------------------|----------|-------------------|-------------------|--------------------------------|---|----------------------|---------------------|---|
| 5/1/2013 | 2544 | Pumps / Ragged up | N | Observed | 100 | Seminole | Yes | Result of Seminole lift station pumps being ragged up |
| 5/2/2013 | 1528 | Grease / Rags | N | Observed | 8,400 | Hensley | Yes | Result of MH1528 to lift station being blocked |
| 5/9/2013 | 1980 | Debris | N | Observed | 2,250 | Seminole | Yes | Result of Seminole lift station transducer have debris caused pump malfunction. |
| Total Gallons | | | | | 10,750 | | | |
| Total MH Overflows | 3 | | | | | | | |

Radcliff Wastewater Rodding Report For May 2013

| DATE | MAIN NUMBER | MH# | FOOTAGE | BASIN | ADDRESS / LOCATION | COMMENTS |
|----------------------|-------------|------|-------------|---------------|--------------------|----------------------------|
| 5/1/2013 | 0030-0029 | 29 | 181 | Redmar | Redmar 383 | Roots |
| 5/1/2013 | 0229-1380 | 1380 | 402 | Boone Trace | Southland Dr 461 | Roots |
| 5/5/2013 | NA | 447 | 50 | Doc's | Deepwood 2015 | Debris / Lateral |
| 5/6/2013 | 0447-0688 | 688 | 352 | Lincoln Trail | Lincoln Trail 800 | Roots / Rocks / Grit |
| 5/6/2013 | 0448-0447 | 447 | 333 | Lincoln Trail | Deepwood S 201 | Grit / Rocks |
| 5/6/2013 | 1180-1181 | 1181 | 500 | Paradise 2 | Preston 1867 | Rootballs |
| 5/7/2013 | | 923 | 160 | Quggins | Lavon Court | Debris / Main |
| 5/7/2013 | 0923-1877 | 1877 | 191 | Quggins | Lavon Court 2664 | Roots |
| 5/7/2013 | 0447-0688 | 688 | 352 | Lincoln Trail | Lincoln Trail 800 | Roots |
| 5/7/2013 | 0448-0447 | 447 | 333 | Lincoln Trail | Deepwood 201 S | Roots |
| 5/7/2013 | 0028-0024 | 24 | 375 | Redmar | Redmar 301 | Roots |
| 5/8/2013 | 1180-1181 | 1181 | 400 | Paradise 2 | Preston 1915 | Roots |
| 5/9/2013 | NA | 1463 | 350 | Oak Dr | Dixie Hwy S 1972 | |
| 5/9/2013 | NA | NA | 1 | Oak Dr | Dixie Hwy S 1972 | |
| 5/9/2013 | NA | 259 | 300 | Oak Dr | Dixie Hwy S 1804 | Roots / 4" lateral |
| 5/14/2013 | NA | NA | 20 | Marvin's | Johns Rd E 203 | Rags / Lateral |
| 5/21/2013 | NA | NA | 5 | Quggins | Hamilton St 117 | Rags / Lateral |
| 5/21/2013 | 0919-1277 | 919 | 321 | Quggins | Miller 143 | Roots / Sag |
| 5/21/2013 | 1277-1276 | 1277 | 351 | Quggins | Lavon 2762 | Roots / Sag |
| 5/21/2013 | 1276-1275 | 1276 | 83 | Quggins | Lavon 2718 | Roots / Sag |
| 5/22/2013 | 1862-0233 | 233 | 320 | Boone Trace | Southland Dr 687 | Roots |
| 5/22/2013 | 0232-0233 | 233 | 387 | Boone Trace | Southland Dr 687 | Roots |
| 5/24/2013 | NA | 1978 | 250 | Seminole | Cherrywood 642 | Cleaned Main |
| 5/28/2013 | NA | 905 | 271 | Quggins | Horseshoe Ct | |
| 5/30/2013 | 0294-1268 | 294 | 247 | Quggins | Centennial 2855 | Defective lines |
| 5/31/2013 | -2474 | 2474 | 271 | Quggins | Dixie Hwy S 1979 | Fractures / Roots / Cracks |
| 5/31/2013 | 2474-1258 | 2474 | 156 | Quggins | Dixie Hwy S 1979 | Roots |
| 5/31/2013 | 0293-0294 | 294 | 164 | Quggins | Centennial 2855 | Defective lines |
| Total Footage | | | 7126 | | | |

Radcliff Wastewater Camera Report For May 2013

| DATE | MAIN NUMBER | MH# | PIPE SIZE | PIPE TYPE | MH DEPTH | FOOTAGE | DEFECT | PACP | BASIN | ADDRESS / LOCATION | COMMENTS |
|----------------------|-------------|------|-----------|------------|----------|-------------|----------------------------|------|---------------|------------------------|---------------------|
| 5/1/2013 | 0662-0663 | 663 | 8" | pvc | 14' | 140 | | 2 | Cypress | Cypress 1599 | Spot tap - 9' deep |
| 5/1/2013 | 0030-0029 | 29 | 8" | pvc | 3' | 181 | Rootballs | 3 | Redmar | Redmar 383 | |
| 5/3/2013 | NA | NA | 4" | clay | NA | 150 | Root / Grease | 4 | Oak | Dixie Hwy S 1804 | |
| 5/6/2013 | NA | NA | 4" | pvc | NA | 50 | Defective liner | 4 | Greenview | Pearman Ave 800 | Lateral 9' deep |
| 5/6/2013 | NA | 447 | 4" | clay | NA | 100 | Roots / Sags | 3 | Lincoln Trail | Deepwood S 201 | |
| 5/8/2013 | NA | NA | 4" | clay | NA | 160 | Roots / Sags | 4 | Oak | Dixie Hwy S 1804 | |
| 5/8/2013 | NA | NA | 4" | clay | NA | 5 | Roots in tap | 3 | Redmar | Redmar 301 | |
| 5/8/2013 | NA | NA | 4" | clay | NA | 10 | Roots in tap | 3 | Redmar | Redmar 313 | |
| 5/8/2013 | NA | 259 | 4" | clay | 5' | 81 | Roots | 4 | Oak | Dixie Hwy S 1804 | |
| 5/8/2013 | NA | 259 | 4" | clay | 5' | 100 | Sags / Grease | 3 | Oak | Dixie Hwy S 1842 | |
| 5/8/2013 | 1180-1181 | 1180 | 8" | clay | 7' | 400 | Roots | 4 | Paradise 2 | Preston 1915 | |
| 5/8/2013 | 0028-0024 | 28 | 8" | clay | 3' | 375 | Roots | 4 | Redmar | Redmar 301 | |
| 5/9/2013 | NA | 259 | 4" | clay | 5' | 80 | Roots | 4 | Oak | Dixie Hwy S 1804 | |
| 5/10/2013 | NA | NA | 4" | clay | 3' | 3 | Defective / Roots | 5 | Oak | Dixie Hwy S 1972 | |
| 5/10/2013 | NA | NA | 4" | clay | NA | 55 | Roots at tap | 4 | Quggins | Donna Ave 259 | Slip Line |
| 5/14/2013 | NA | NA | 4" | pvc / clay | NA | 55 | Roots / Sag | 4 | Marvin's | Johns Rd 203 | |
| 5/14/2013 | NA | NA | 4" | clay | NA | 75 | Roots | 4 | Oak | Edgewood 1751 | |
| 5/15/2013 | NA | NA | 4" | pvc | NA | 75 | Sags | 3 | Hillcrest | Congress 455 | |
| 5/15/2013 | NA | NA | 4" | pvc | NA | 115 | Sag / Flat | 3 | C-Square | Spruce 1500 | |
| 5/20/2013 | 1025-1026 | 1026 | 8" | pvc | 8' | 160 | Sag | 3 | Greenview | Crocus 1627 W | |
| 5/20/2013 | 1026-2366 | 1026 | 8" | pvc | 8' | 160 | OK | 2 | Greenview | Crocus 1627 W | |
| 5/20/2013 | NA | NA | 4" | clay | 7' | 75 | Sag / Roots | 3 | Lincoln Trail | Atcher 402 N | |
| 5/21/2013 | 1277-1276 | 1277 | 8' | clay | 8' | 351 | Roots / Sags / Tap damaged | 4 | Quggins | Lavon 2762 | Slip line / Replace |
| 5/21/2013 | 1276-1275 | 1276 | 7" | clay | 7' | 83 | Roots / Sags / Tap damaged | 4 | Quggins | Lavon 2718 | Slip line / Replace |
| 5/22/2013 | -1025 | 1025 | 8" | pvc | 8'6" | 230 | Sag | 3 | Greenview | Crocus 1624 W | MH not on map |
| 5/22/2013 | 1025-1026 | 1025 | 8' | pvc | 8'6" | 218 | Severe sag | 4 | Greenview | Crocus 1624 W | |
| 5/22/2013 | NA | NA | 4' | pvc | NA | 25 | Broken Tap | 4 | Quggins | Battle Training Rd 253 | |
| 5/22/2013 | NA | NA | 4" | clay | NA | 160 | Defective tap | 5 | Boone Trace | Southland Dr 730 | |
| 5/23/2013 | 1862-0233 | 233 | 8" | clay | 7' | 320 | Roots / Cracks | 3 | Boone Trace | Southland Dr 687 | |
| 5/23/2013 | 0232-0233 | 233 | 8" | clay | 7' | 387 | Roots | 3 | Boone Trace | Southland Dr 687 | |
| 5/23/2013 | 150-1888 | 1540 | 8" | clay | 7' | 393 | Roots | 4 | Marvin's | Elm Rd 1053 | |
| 5/23/2013 | NA | NA | 4" | clay | NA | 160 | Defective tap | 5 | Boone Trace | Southland 730 | |
| 5/24/2013 | 0919-1277 | 919 | 8" | clay | 7' | 321 | Roots / Sags / Tap damaged | 4 | Quggins | Miller 143 | Slip line / Replace |
| 5/28/2013 | NA | NA | 4" | clay | NA | 55 | Clean out install | 2 | Boone Trace | Southland 730 | OK |
| 5/28/2013 | 0905-0904 | 905 | 8' | clay | 8'6" | 30 | Spot Tap | 3 | Quggins | Horseshoe Ct 170 | |
| 5/28/2013 | NA | NA | 4" | clay | NA | 55 | Lateral check | 3 | Oak | Dixie Hwy S 1804 | |
| 5/30/2013 | NA | NA | 4" | pvc | NA | 45 | Lateral check | 4 | Greenview | Pearman Ave | |
| 5/30/2013 | -2474 | 2474 | 8" | pvc / clay | 6' | 36 | Rootball | 4 | Quggins | Dixie Hwy S 1979 | |
| 5/30/2013 | 2474-1258 | 2474 | 8" | clay | 6' | 140 | Rootball | 4 | Quggins | Dixie Hwy S 1995 | |
| 5/30/2013 | 1215-1213 | 1213 | 8" | clay | 10' | 132 | Severe Sag | 3 | Redmar | Stinson 1152 | |
| 5/30/2013 | 1213-1211 | 1213 | 8" | clay | 10' | 148 | Rocks | 3 | Redmar | Stinson 1152 | |
| 5/30/2013 | 0905-0904 | 905 | 8" | clay | 10' | 273 | Sags / Infiltration | 3 | Quggins | Horseshoe Ct 216 | |
| 5/31/2013 | -2474 | 3585 | 9" | pvc / clay | 6' | 271 | Fracture / Cracks / Roots | 4 | Quggins | Dixie Hwy S 1979 | |
| Total Footage | | | | | | 6438 | | | | | |

Date: May 2013

Lift Stations

| STATION NAME | Repairs made | FOG Issues | Pumps Pulled and Tested | Major Electrical | Drawdown Tests | MFG Design GPM | Pump Design YES/NO | Month of Drawdown | Comments | By-Pass Installed | ARV Annual Inspection |
|----------------------|---------------------------------|-----------------------|--|---|---|----------------|--------------------|-------------------|--|-------------------|-----------------------|
| | Repairs based on EETV Per Month | Current Month | List the two most recent dates. If it was done during reporting month, highlight that cell. Why were pumps pulled? | FTD 2013 | Actual Draw Down Numbers 2013 | | FTD 2013 | | | | |
| Boone Trace | | Cleaned Wet Well | | New control panel planned as part of station rebuild. | P2=635GPM P3=673GPM P2&P3=860GPM | 1240 GPM | No | Mar-13 | Pump 1 was pulled and is at Redmar LS. Pump 3 motor is wet and was pulled out and disassembled. Hwy 313 Pump 3 was pulled and installed at Boone Trace pump 3 position. HCWD No. 1 is not repairing pumps at Boone Trace because LS rebuild is underway. | Yes | Apr-13 |
| Highway 313 | | | | | P1=635GPM P2=GPM P1&P2=GPM | 781GPM | Yes | Mar-13 | Station is only running on one pump. | Yes | Apr-13 |
| Lincoln Trail | | Cleaned Wet Well | Pulled Pump 2- Pulled step out of impeller. Pump 3 - Pulled Step out of impeller. | | P1=630GPM P2=840GPM P3=603GPM P1&P2&P3=1100GPM | 2500GPM | | Mar-13 | | Yes | Apr-13 |
| Redmar Blvd | | Cleaned Wet Well | | | P1=590GPM P2=1020GPM P1&P2=1000GPM | 1162GPM | Yes | Mar-13 | Pump 2 meets the MFG Design curve. <u>Pump 2 is the original Redmar pump.</u> Pump 1 is originally a Boone Trace pump. | | Apr-13 |
| Seminole | | Cleaned Wet Well (x3) | | | P1=562GPM P2=637GPM P1&P2=962GPM | 546GPM | Yes | Mar-13 | | | Apr-13 |
| Quiggins | | Cleaned Wet Well | Pulled Pump 1-Inspected Impeller. Impeller is good. | | P1=312GPM P2=312GPM P1&P2=375GPM | 1105GPM | No | Mar-13 | Pump 2 is wet. Waiting for decision to be made to replace or repair | | Apr-13 |
| A. Arnold | | | | | P1=261GPM P2=288GPM P1&P2=350GPM | 350 GPM | No | Feb-13 | | | Apr-13 |
| AppleWood | | | | | P1=70GPM P2=100GPM P1&P2=80GPM | 110 GPM | Yes | Jan-13 | | | |
| Arlington Woods | | | | | P1=140GPM P2=130GPM P1&P2=155GPM | 260GPM | No | Mar-13 | Pumps scheduled for Impeller inspection. | | Apr-13 |
| Audubon | | | | | P1=99GPM P2=99GPM P1&P2=112GPM | 223GPM | No | Mar-13 | Pumps scheduled for Impeller inspection. | | |
| Battle Training Road | | | | | P1=189GPM P2=194GPM P1&P2=261GPM | 250 GPM | Yes | Feb-13 | | | Apr-13 |
| Beacon Hills | | | | | P1=100GPM P2=80GPM P1&P2=80GPM | 95GPM | Yes | Mar-13 | | | Apr-13 |
| Boone Trace II | | | | | P1=135GPM P2=117GPM P1&P2=135GPM | 90GPM | Yes | Mar-13 | | | |
| Brooke Trace | | | | | P1=77GPM P2=77GPM P1&P2=93GPM | 90GPM | Yes | Mar-13 | | | |

| | | | | | | | | | | |
|---------------------|--------------------------|------------------|---|--|---------|-----|--------|--|-----------------------------------|--------|
| Brown Street | | | | P1=100GPM P2=100GPM P1&P2=100GPM | 120GPM | Yes | Apr-13 | | | |
| Cement | | | | P1=237GPM P2=248GPM P1&P2=280GPM | 250GPM | Yes | Apr-13 | Motor sent off for repair. Will repair in house when motor returns. | | |
| Christopher Square | | | | P1=440GPM P2=500GPM P1&P2=540GPM | 550GPM | Yes | Apr-13 | | | |
| Church | | | | P1=60GPM P2=70GPM P1&P2=90GPM | 80 GPM | Yes | Jan-13 | | | |
| City Hall | | | | N/A | N/A | N/A | | | | |
| Classic Cars | | | | N/A | N/A | N/A | | | | |
| Conroe Dr | | | | P1=12GPM P2=18GPM P1&P2=16GPM | 20GPM | | May-13 | | | |
| Crocus Drive (West) | | | | P1=51GPM P2=55GPM P1&P2=100GPM | 75GPM | Yes | May-13 | | | |
| Cypress Drive | | | | P1=116GPM P2=76GPM P1&P2=152GPM | 80GPM | | May-13 | | | |
| Deer Haven | | | | P1=139GPM P2=45GPM P1&P2=90GPM | 80 GPM | Yes | Jan-13 | | | |
| Doc's | | | | P1=63GPM P2=67GPM P1&P2=81GPM | 120 GPM | No | Jan-13 | | | |
| Drug Store | Station to be eliminated | Cleaned Wet Well | Pump 1-Deragged | P1=60GPM P2=33GPM P1&P2=84GPM | | | | Ray Sanchez to weld leaking flanges in June | Yes | N/A |
| Globe | | | | P1=112GPM P2=63GPM P1&P2=99GPM | 120 GPM | No | Jan-13 | | | |
| Greenview Lane | | Cleaned Wet Well | P1 wet. Souther Sales pulled pump and is repairing under prorated warranty. | P1=784GPM P2=784GPM P1&P2=882GPM | | | | See Houston Hensley P.E. for details concerning P1 and Southern Sales. | Southern Sales to install in June | Apr-13 |
| Hensley's | | | | P1=159GPM P2=154GPM P1&P2=168GPM | | | | | | Apr-13 |
| Hillcrest | | | | P1=85GPM P2=85GPM P1&P2=187 | | | | | | Apr-13 |
| Indiana Trail | | | | P1=176GPM P2=170P1&P2=GPM | | | | | | |
| John Hardin | | | | P1=261GPM P2=99GPM P1&P2=153GPM | 250 GPM | Yes | Jan-13 | Pump 1 motor returned from repair. Pump will rebuild in house. | | Apr-13 |
| Kindergarten | | | | P1=280GPM P2=280GPM P1&P2=355GPM | 200 GPM | Yes | May-13 | | | |
| Logan | | | | P1=62GPM P2=46GPM P1&P2=62GPM | 100 GPM | No | Feb-13 | | | |
| Maple Forest | | Cleaned Wet Well | Pump 2-Deragged | P1=185GPM P2=185GPM P1&P2=212GPM | | | | | | |
| Marvin's | | | | P1= 75GPM P2= 75GPM P1&P2=45GPM | | | | | | |

| | | | | | | | | | | |
|--------------------|------------------------|------------------|---------------------------------------|-----------------------------|--|---------|-------------------------------|--------|-----------------------------|--------|
| Master Street | | | | | P1=180GPM P2=102GPM P1&P2=192GPM | | | | | |
| North Logsdon | | Cleaned Wet Well | | | P1=400GPM P2=432GPM P1&P2=423GPM | 325GPM | | May-13 | | |
| Oak Drive | | | | | P1=550GPM P2=550GPM P1&P2=620GPM | | | | | Apr-13 |
| Paradise #1 | | | | | P1=227GPM P2=224GPM P1&P2=286GPM | 200GPM | | May-13 | | Apr-13 |
| Paradise #2 | | | | | P1=18GPM P2=53GPM P1&P2=100GPM | 100 GPM | No-Replaced impeller on Pump2 | Jan-13 | | |
| Peyron Place | | Cleaned Wet Well | Pump 1-Deragged | Replaced all stop float | P1=165GPM P2=142GPM P1&P2=189GPM | 300GPM | | May-13 | | |
| Red Hawk Drive | | | | | P1=115GPM P2=97GPM P1&P2=123GPM | | | | | |
| Sherwood | | | | | N/A | | | | | |
| Skylark Drive | | | | | P1=25GPM P2=25GPM P1&P2=40GPM | | | | | |
| Spring Street East | | | | | P1=28GPM P2=25GPM P1&P2=GPM | | | | | |
| Stovall | | Cleaned Wet Well | | | P1=313GPM P2=313GPM P1&P2=344GPM | 176 GPM | Yes | Feb-13 | | Apr-13 |
| Swope's | | | | N/A | N/A | | N/A | | | |
| Watkin's | | | | | P1=20GPM P2=20GPM P1&P2=24GPM | 80 GPM | No | Feb-13 | | Apr-13 |
| Wendover Court | | Cleaned Wet Well | | New Control Panel Installed | P1=106GPM P2=70GPM P1&P2=97GPM | 125 GPM | No | Jan-13 | New Control Panel Installed | Yes |
| Woodcreek | Station to be upgraded | | Pump 2-Replaced lower mechanical seal | N/A | P1=80GPM P2=80GPM P1&P2=110GPM | | | | | |

| STATION NAME | METER NUMBER | Jan-13 | | Feb-13 | | Mar-13 | | Apr-13 | | May-13 | | Jun- | |
|-------------------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|------|------|------|
| | | KW | COST | KW | COST | KW | COST | KW | COST | KW | COST | KW | COST |
| A. Arnold | M535114-A | 1201 | \$ 150.25 | 870 | \$ 122.29 | 1401 | \$ 158.06 | 998 | \$ 136.53 | | | | |
| Applewood | 60404 | 283 | \$ 51.60 | 227 | \$ 43.84 | 264 | \$ 47.70 | 253 | \$ 47.23 | | | | |
| Arlington Woods | 60254 | 1523 | \$ 249.55 | 1389 | \$ 224.59 | 1532 | \$ 237.56 | 1525 | \$ 240.68 | | | | |
| Audubon | 60488 | 556 | \$ 82.28 | 317 | \$ 53.45 | 531 | \$ 76.20 | 540 | \$ 78.37 | | | | |
| Battletraining Rd | 60327 | 185 | \$ 40.58 | 192 | \$ 40.12 | 163 | \$ 36.94 | 179 | \$ 39.21 | | | | |
| Beacon Hills | 32125 | 0 | \$ - | 0 | \$ - | 0 | \$ - | 0 | \$ - | 0 | \$ - | 0 | \$ - |
| Boone Trace #1 | 80019 | 22080 | \$ 2,384.98 | 14160 | \$ 1,543.23 | 20880 | \$ 2,183.91 | 22320 | \$ 2,332.29 | | | | |
| Boone Trace #2 | L285750-A | 11 | \$ 20.85 | 10 | \$ 23.32 | 11 | \$ 23.30 | 13 | \$ 20.71 | | | | |
| Brooke Trace | C350507-A | 61 | \$ 26.98 | 58 | \$ 29.52 | 58 | \$ 29.46 | 58 | \$ 26.17 | | | | |
| Brown Street | M535549 | 1428 | \$ 168.86 | 1416 | \$ 174.59 | 781 | \$ 103.27 | 1365 | \$ 172.35 | | | | |
| Cement | C531107-A | 2640 | \$ 279.20 | 1843 | \$ 215.51 | 899 | \$ 113.70 | 2270 | \$ 260.71 | | | | |
| C-Square | 60237 | 2189 | \$ 415.44 | 1499 | \$ 243.29 | 3082 | \$ 406.89 | 2024 | \$ 333.53 | | | | |
| Church | 60244 | 302 | \$ 53.73 | 169 | \$ 37.67 | 304 | \$ 51.97 | 305 | \$ 52.88 | | | | |
| Conroe | 60148 | 126 | \$ 33.95 | 121 | \$ 32.54 | 136 | \$ 34.03 | 131 | \$ 33.99 | | | | |
| Crocus | 60425 | 143 | \$ 35.84 | 42 | \$ 24.11 | 120 | \$ 32.35 | 112 | \$ 31.93 | | | | |
| Cypress Drive | 41120 | 774 | \$ 106.78 | 684 | \$ 92.59 | 758 | \$ 100.43 | 409 | \$ 64.16 | | | | |
| Deer Haven | 60207 | 119 | \$ 33.17 | 100 | \$ 30.30 | 137 | \$ 34.16 | 104 | \$ 31.07 | | | | |
| Doos | 60092 | 583 | \$ 85.31 | 271 | \$ 48.53 | 604 | \$ 83.99 | 608 | \$ 85.75 | | | | |
| Drug Store | C513486-A | 1535 | \$ 179.02 | 1801 | \$ 211.49 | 1681 | \$ 182.81 | 1392 | \$ 174.97 | | | | |
| Globe Street | C518318-A | 483 | \$ 81.88 | 732 | \$ 109.06 | 724 | \$ 98.23 | 619 | \$ 99.51 | | | | |
| Greenview | 60105 | 9591 | \$ 1,251.70 | 4794 | \$ 595.23 | 5887 | \$ 683.85 | 8616 | \$ 983.32 | | | | |
| Hensleys | C533354 | 1031 | \$ 131.96 | 1034 | \$ 136.54 | 832 | \$ 118.64 | 1102 | \$ 131.63 | | | | |
| Highway 313 | 60157 | 11040 | \$ 1,409.04 | 7584 | \$ 913.66 | 10368 | \$ 1,145.88 | 10080 | \$ 1,152.92 | | | | |
| Hillcrest Drive | 41121 | 716 | \$ 100.27 | 410 | \$ 63.36 | 663 | \$ 90.31 | 696 | \$ 95.28 | | | | |
| Indiana Trail | C513840-A | 191 | \$ 54.44 | 192 | \$ 57.25 | 179 | \$ 56.09 | 239 | \$ 55.35 | | | | |
| John Hardin | 60220 | 874 | \$ 118.02 | 750 | \$ 99.64 | 1082 | \$ 135.01 | 1233 | \$ 153.51 | | | | |
| Kindergarten | 60257 | 754 | \$ 104.54 | 413 | \$ 63.68 | 761 | \$ 100.75 | 861 | \$ 113.17 | | | | |
| Lincoln Trail | C517270-A | 18336 | \$ 1,786.12 | 16800 | \$ 1,669.39 | 22944 | \$ 2,081.58 | 16896 | \$ 1,709.85 | | | | |
| Logan | C513111-A | 572 | \$ 89.27 | 774 | \$ 113.09 | 294 | \$ 60.22 | 780 | \$ 115.24 | | | | |
| Maple Forest | 60253 | 982 | \$ 130.16 | 632 | \$ 87.04 | 1014 | \$ 127.77 | 904 | \$ 117.82 | | | | |
| Marvins | 60247 | 2414 | \$ 291.13 | 1624 | \$ 192.88 | 2482 | \$ 284.44 | 2638 | \$ 305.89 | | | | |
| Masters | L052901-A | 1260 | \$ 152.99 | 1137 | \$ 147.87 | 1104 | \$ 131.81 | 1153 | \$ 151.65 | | | | |
| North Logsdon | 41038 | 2048 | \$ 250.01 | 1638 | \$ 194.37 | 2263 | \$ 261.08 | 2327 | \$ 272.16 | | | | |
| Oak Drive | 60265 | 2625 | \$ 454.34 | 1076 | \$ 203.79 | 2598 | \$ 438.24 | 2761 | \$ 443.80 | | | | |
| Paradise #1 | C527371-A | 335 | \$ 77.43 | 484 | \$ 94.68 | 381 | \$ 76.67 | 409 | \$ 88.46 | | | | |
| Paradise #2 | 41037 | 911 | \$ 122.20 | 633 | \$ 87.16 | 920 | \$ 117.73 | 1465 | \$ 178.68 | | | | |
| Payton Plaza | 60312 | 2562 | \$ 307.77 | 2393 | \$ 274.92 | 2248 | \$ 259.47 | 2322 | \$ 261.86 | | | | |
| Quiggins | C532122-A | 12480 | \$ 1,210.42 | 10608 | \$ 1,055.25 | 14400 | \$ 1,306.94 | 10944 | \$ 1,107.60 | | | | |
| Red Hawk Drive | 60246 | 583 | \$ 85.31 | 468 | \$ 69.56 | 612 | \$ 84.85 | 599 | \$ 84.76 | | | | |
| Redmar | C522812 | 5472 | \$ 544.16 | 3840 | \$ 406.83 | 4512 | \$ 433.01 | 4224 | \$ 451.49 | | | | |
| Sammole | 60104 | 5974 | \$ 861.55 | 4152 | \$ 674.36 | 5662 | \$ 807.08 | 5501 | \$ 800.06 | | | | |
| Sherwood | C328743-A | 61 | \$ 25.45 | 62 | \$ 27.94 | 51 | \$ 27.13 | 62 | \$ 25.04 | | | | |
| Skylark | 60337 | 256 | \$ 48.54 | 209 | \$ 41.93 | 259 | \$ 47.18 | 251 | \$ 47.01 | | | | |
| Spring Street | L294781-A | 60 | \$ 25.88 | 134 | \$ 35.09 | 44 | \$ 23.46 | 94 | \$ 31.51 | | | | |
| Stovall Church | 60225 | 456 | \$ 71.04 | 337 | \$ 55.57 | 523 | \$ 75.34 | 548 | \$ 79.22 | | | | |
| Waltons (Drexler) | 60396 | 353 | \$ 59.46 | 244 | \$ 45.66 | 355 | \$ 57.40 | 356 | \$ 58.40 | | | | |
| Wendover | 60233 | 1768 | \$ 218.51 | 518 | \$ 74.89 | 664 | \$ 90.41 | 708 | \$ 96.57 | | | | |
| Woodcreek | 41064 | 764 | \$ 105.66 | 661 | \$ 90.14 | 761 | \$ 100.75 | 101 | \$ 30.75 | | | | |
| | | 120691 | \$ 14,567.62 | 89502 | \$ 10,871.81 | 117929 | \$ 13,258.05 | 113005 | \$ 13,405.04 | 0 | \$ - | 0 | \$ - |

| PLANT NAME | | | | | | | | | | | | | |
|------------------------|-----------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|---|------|---|------|
| WWTP#1 (Admin) | C531307-A | 184896 | \$ 10,683.49 | 170208 | \$ 11,329.75 | 171360 | \$ 10,525.10 | 172800 | \$ 11,575.54 | | | | |
| WWTP#2 (rear of plant) | M537445-A | 56448 | \$ 3,437.60 | 51408 | \$ 3,491.73 | 47808 | \$ 3,035.27 | 55872 | \$ 3,720.69 | | | | |
| WWTP#3 (Lower Shop) | L055142-A | 5877 | \$ 579.14 | 5197 | \$ 536.83 | 5609 | \$ 529.98 | 4834 | \$ 511.05 | | | | |
| | | 247221 | \$ 14,700.23 | 226813 | \$ 15,358.31 | 224777 | \$ 14,090.35 | 233506 | \$ 15,807.28 | 0 | \$ - | 0 | \$ - |

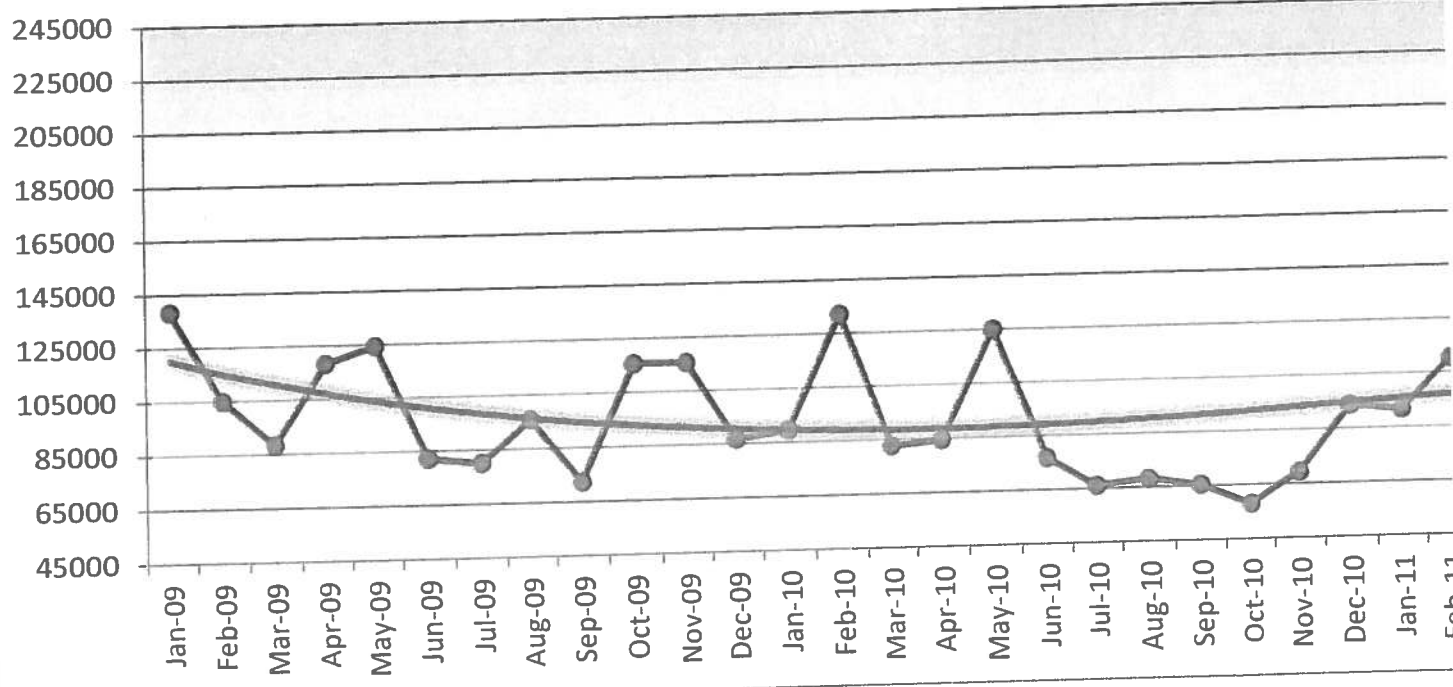
| | | | | | | | | | | | |
|--------|--------------|--------|--------------|--------|--------------|--------|--------------|---|------|---|------|
| 367912 | \$ 29,267.85 | 316315 | \$ 26,230.12 | 342706 | \$ 27,348.40 | 346511 | \$ 29,212.32 | 0 | \$ - | 0 | \$ - |
|--------|--------------|--------|--------------|--------|--------------|--------|--------------|---|------|---|------|

Rate Increase issued by KU

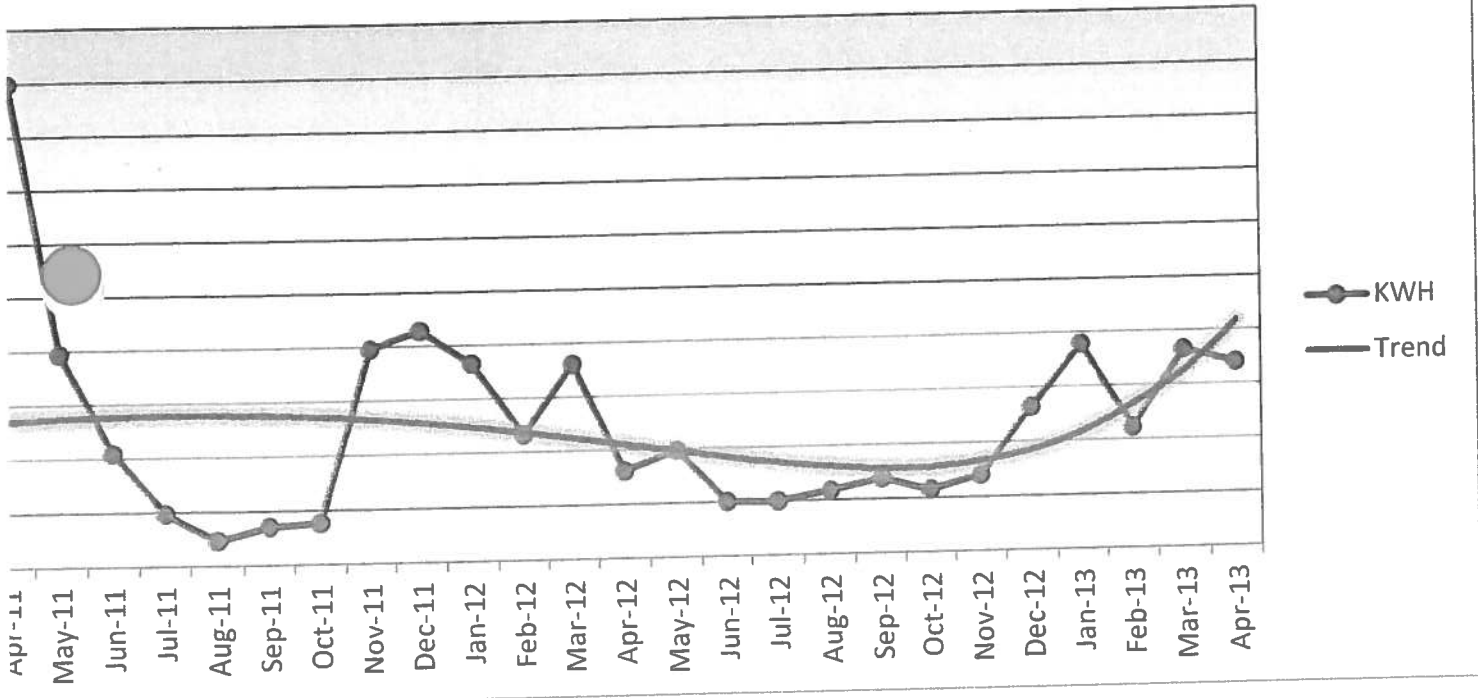
2013 COST PROJECT

| V | B IST | Aug-13 | | Sep-13 | | Oct-13 | | Nov-13 | | Dec-13 | | Totals | | |
|---|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------------|------|
| | | KW | COST | KW | COST | KW | COST | KW | COST | KW | COST | Total KW | Total Cost | |
| | | | | | | | | | | | | 4470 | \$ 567.13 | 1% |
| | | | | | | | | | | | | 1027 | \$ 140.37 | 0% |
| | | | | | | | | | | | | 5989 | \$ 842.36 | 1% |
| | | | | | | | | | | | | 1944 | \$ 269.30 | 0% |
| | | | | | | | | | | | | 719 | \$ 100.00 | 0% |
| | | | | | | | | | | | | 0 | \$ - | 0% |
| | | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 79440 | \$ 1084.41 | 8% |
| | | | | | | | | | | | | 45 | \$ 63.18 | 0% |
| | | | | | | | | | | | | 236 | \$ 327.13 | 0% |
| | | | | | | | | | | | | 4990 | \$ 689.07 | 1% |
| | | | | | | | | | | | | 7652 | \$ 1061.12 | 1% |
| | | | | | | | | | | | | 8794 | \$ 1209.15 | 1% |
| | | | | | | | | | | | | 1080 | \$ 148.26 | 0% |
| | | | | | | | | | | | | 514 | \$ 709.50 | 0% |
| | | | | | | | | | | | | 417 | \$ 574.23 | 0% |
| | | | | | | | | | | | | 2625 | \$ 363.96 | 0% |
| | | | | | | | | | | | | 480 | \$ 662.70 | 0% |
| | | | | | | | | | | | | 2068 | \$ 2869.67 | 0% |
| | | | | | | | | | | | | 8409 | \$ 11582.29 | 1% |
| | | | | | | | | | | | | 2568 | \$ 355.88 | 0% |
| | | | | | | | | | | | | 28888 | \$ 39946.10 | 3% |
| | | | | | | | | | | | | 3999 | \$ 549.77 | 0% |
| | | | | | | | | | | | | 39072 | \$ 5321.50 | 4% |
| | | | | | | | | | | | | 2485 | \$ 3432.22 | 0% |
| | | | | | | | | | | | | 801 | \$ 1103.43 | 0% |
| | | | | | | | | | | | | 3839 | \$ 5261.81 | 0% |
| | | | | | | | | | | | | 2789 | \$ 3825.14 | 0% |
| | | | | | | | | | | | | 74976 | \$ 10346.94 | 6% |
| | | | | | | | | | | | | 2420 | \$ 3337.82 | 0% |
| | | | | | | | | | | | | 3632 | \$ 4997.99 | 0% |
| | | | | | | | | | | | | 9158 | \$ 12545.34 | 1% |
| | | | | | | | | | | | | 4654 | \$ 6353.32 | 1% |
| | | | | | | | | | | | | 8276 | \$ 11306.2 | 1% |
| | | | | | | | | | | | | 9080 | \$ 12440.17 | 1% |
| | | | | | | | | | | | | 1609 | \$ 2197.24 | 0% |
| | | | | | | | | | | | | 3929 | \$ 5305.72 | 0% |
| | | | | | | | | | | | | 9436 | \$ 12840.02 | 1% |
| | | | | | | | | | | | | 48432 | \$ 6590.21 | 4% |
| | | | | | | | | | | | | 2262 | \$ 3094.48 | 0% |
| | | | | | | | | | | | | 18048 | \$ 2455.49 | 2% |
| | | | | | | | | | | | | 21289 | \$ 2893.05 | 3% |
| | | | | | | | | | | | | 236 | \$ 324.58 | 0% |
| | | | | | | | | | | | | 975 | \$ 1334.66 | 0% |
| | | | | | | | | | | | | 332 | \$ 450.94 | 0% |
| | | | | | | | | | | | | 1864 | \$ 2551.12 | 0% |
| | | | | | | | | | | | | 1308 | \$ 1780.92 | 0% |
| | | | | | | | | | | | | 3658 | \$ 4980.38 | 0% |
| | | | | | | | | | | | | 2287 | \$ 3113.05 | 0% |
| | | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 441127 | \$ 59912.52 | 46% |
| | | | | | | | | | | | | 699264 | \$ 94413.85 | 39% |
| | | | | | | | | | | | | 211536 | \$ 28535.29 | 12% |
| | | | | | | | | | | | | 21517 | \$ 2907.50 | 2% |
| | | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 932317 | \$ 125956.17 | 54% |
| | | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 0 \$ - | 1373444 | \$ 184058.69 | 100% |

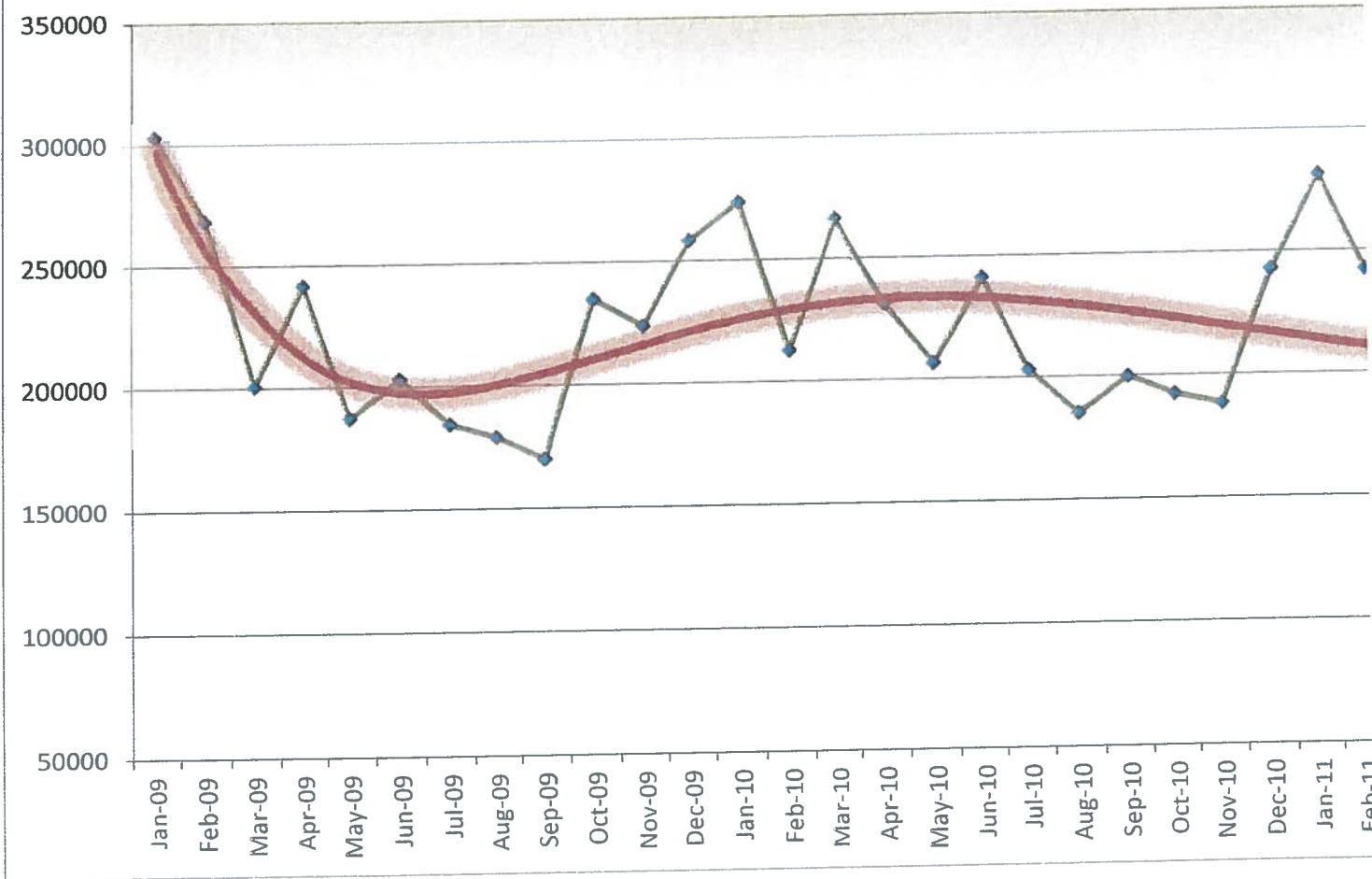
Radcliff Collection S



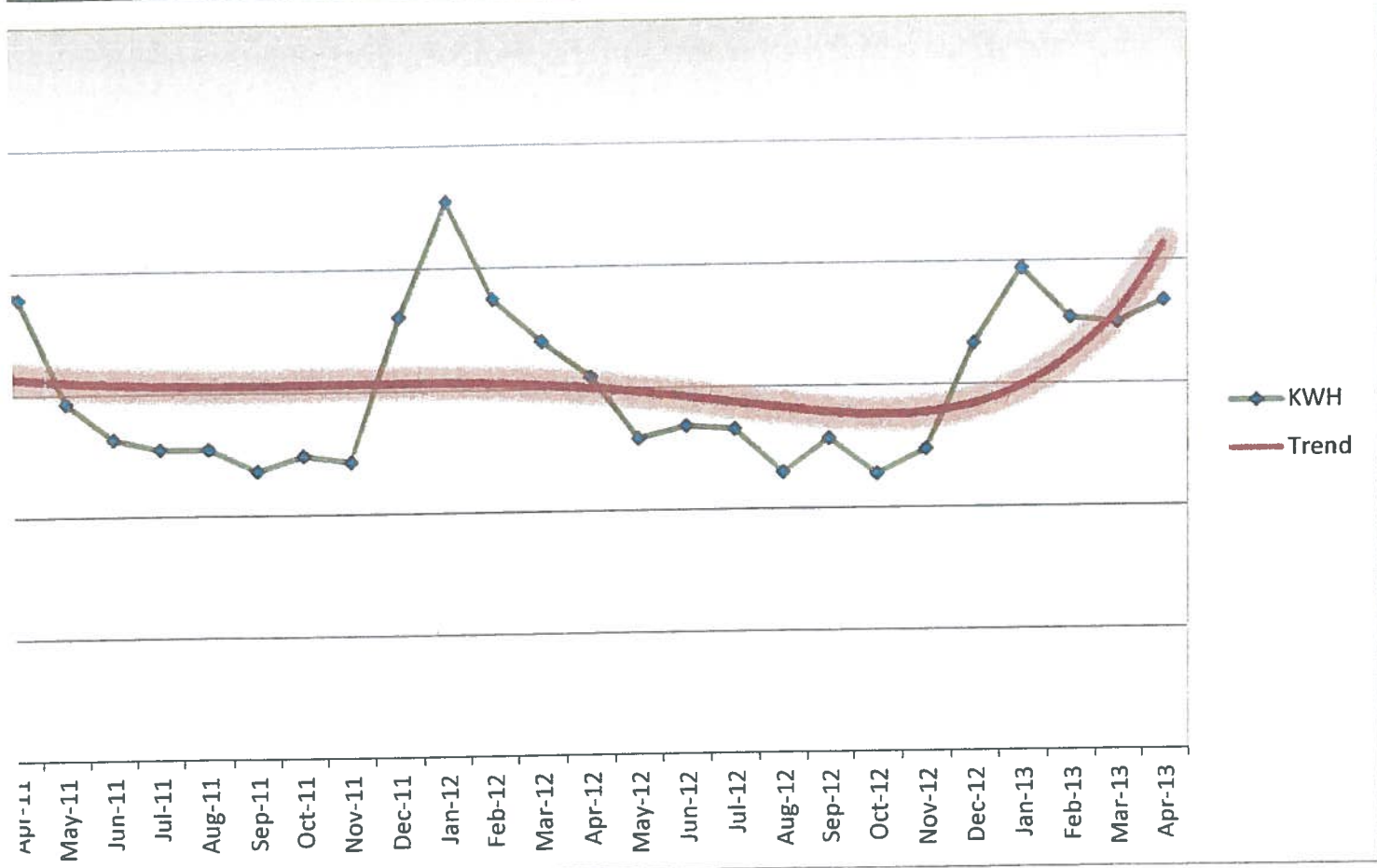
m Electric KWH Trend



Radcliff Wastewater Treat



Plant Electric KWH Trend



WET WEATHER REPORT - RADCLIFF SANITARY SYSTEM

| | |
|-----------------------|-----------|
| Date(s) of Rain Event | 4/19/2013 |
|-----------------------|-----------|

PROBLEMS IMPACTING CUSTOMERS

| Address | Customer Name | Time Call Came In | Brief Description and Comments (attach a memo to provide more details) |
|--------------------|--------------------|-------------------|---|
| 188 Redmar Plaza | Plaza Coin Laundry | 11:40 AM | Sewer Main from MH 6 to MH 7 was blocked with rags from the high flow rain event. Which caused the backup at address. |
| Add rows as needed | | | |

SANITARY SEWER OVERFLOWS

| Manhole ID | Basin | Time SSO observed | Flowrate Observed (GPM) | Time Manhole Observed with No SSO | Elapsed Time (minutes) | Total Overflow Volume (gallons) | Blockage? |
|----------------------|-------------|-------------------|-------------------------|-----------------------------------|------------------------|---|-----------|
| 1266 | Quggin's | 4:56 AM | 250 | 8:30 AM | 214 | 53,500 | No |
| 1473 | Boone Trace | 5:26 AM | 50 | 9:35 AM | 249 | 12,450 | No |
| 2033 | Boone Trace | 5:45 AM | 50 | 9:30 AM | 225 | 11,250 | No |
| 1487 | Boone Trace | 5:45 AM | 15 | 9:30 AM | 225 | 3,375 | No |
| 1488 | Boone Trace | 5:45 AM | 10 | 9:30 AM | 225 | 2,250 | No |
| 1489 | Boone Trace | 5:45 AM | 5 | 9:30 AM | 225 | 1,125 | No |
| 1490 | Boone Trace | 5:45 AM | 5 | 9:30 AM | 225 | 1,125 | No |
| 1491 | Boone Trace | 5:45 AM | 5 | 5:45 AM | 225 | 1,125 | No |
| 193 | Boone Trace | 6:48 AM | 500 | 9:25 AM | 157 | 78500 | No |
| 1907 | Quggins | 5:06 AM | 200 | 6:06 AM | 60 | 12,000 | No |
| 1908 | Quggins | 5:06 AM | 50 | 6:06 AM | 50 | 2,500 | No |
| Boone Trace Wet Well | Boone Trace | 6:45 AM | 19 | 6:48 AM | 162 | 3,140 | No |
| Add rows as needed | | | | | | TOTAL OVERFLOW VOLUME FOR THE RAIN EVENT | 182340 |

LIFT STATION PERFORMANCE (check all that apply)

| Lift Station | Mechanical Failure | Electrical Failure | Generator Used | Portable Pump or Portable Generator Utilized |
|--------------|----------------------|--------------------|----------------|--|
| Boone Trace | Pump 2 & 3 Ragged Up | | | |
| | | | | |

RADCLIFF WWTP DATA

| | |
|----------------------------|---------|
| Manual PTB Screen (>5 MGD) | 3 Hours |
| Peak Plant Inflow (MGD) | 10.2 |
| EQ1 Utilized (%) | 33% |
| EQ2 Utilized (%) | |
| EQ3 Utilized (%) | |

| RAIN GAGES | Rainfall (Inches) | Duration (hours) |
|------------|-------------------|------------------|
| Redmar | 1.12 | 1:34AM-5:19AM |
| Greenview | 1.33 | 1:37AM-5:37AM |
| Hwy 313 | 1.02 | 1:48AM-5:33AM |

| | |
|----------------|--|
| Other Comments | |
|----------------|--|

| Summary all Limits | | | |
|------------------------------------|--------------------------|----------------|---------------|
| | Actual | Budget | |
| \$ | 61,753.24 | \$(33,247.00) | \$ 28,506.24 |
| \$ | 38,036.62 | \$(33,247.00) | \$ 4,789.62 |
| \$ | 43,224.22 | \$(33,247.00) | \$ 9,977.22 |
| \$ | 46,660.51 | \$(33,247.00) | \$ 13,413.51 |
| \$ | 37,177.64 | \$(33,247.00) | \$ 3,930.64 |
| \$ | 57,194.38 | \$(33,247.00) | \$ 23,947.38 |
| \$ | 36,923.90 | \$(33,247.00) | \$ 3,676.90 |
| \$ | 45,472.71 | \$(33,247.00) | \$ 12,225.71 |
| \$ | 49,522.06 | \$(33,247.00) | \$ 16,275.06 |
| \$ | 40,227.17 | \$(33,247.00) | \$ 6,980.17 |
| \$ | 43,962.20 | \$(33,247.00) | \$ 10,715.20 |
| \$ | 41,125.32 | \$(33,247.00) | \$ 7,878.32 |
| | | | |
| \$ | 541,287.97 | \$(398,964.00) | \$ 142,323.97 |
| | | | |
| | Total Due after Payments | \$ | 7,878.32 |
| | | | |
| Total Due after 100% Budget & Pmts | \$ | 142,323.97 | |
| Total Due after Budget & Pmts | \$ | 18,593.52 | |
| | | | |
| Payments Billed | | | |
| | \$ | 116,750.28 | |
| | \$ | 6,980.17 | |
| | \$ | 10,715.20 | |
| | | | |
| | | 136% | |

| Radcliff R & M Budget 2012 | | | |
|-------------------------------|--------------------------|----------------|---------------------|
| | ACTUAL | BUDGETED | Monthly Running Tot |
| Jan-12 | 41,312.88 | \$(16,100.00) | 25,212.88 |
| Feb-12 | 18,654.36 | \$(16,100.00) | 554.36 |
| Mar-12 | 16,453.73 | \$(16,100.00) | 353.73 |
| Apr-12 | 10,247.51 | \$(16,100.00) | (5,852.49) |
| May-12 | 19,057.31 | \$(16,100.00) | 2,957.31 |
| Jun-12 | 25,561.47 | \$(16,100.00) | 9,461.47 |
| Jul-12 | 14,564.28 | \$(16,100.00) | (1,535.72) |
| Aug-12 | 40,728.41 | \$(16,100.00) | 24,628.41 |
| Sep-12 | 11,586.12 | \$(16,100.00) | (4,513.88) |
| Oct-12 | 24,445.86 | \$(16,100.00) | 8,345.86 |
| Nov-12 | 17,727.29 | \$(16,100.00) | 1,627.29 |
| Dec-12 | 20,964.13 | \$(16,100.00) | 4,864.13 |
| | | | |
| Total | \$ 259,303.35 | \$(193,200.00) | \$ 66,103.35 |
| | | | |
| | Total Due after Payments | \$ | 4,864.13 |
| | | | |
| Total Due after 100% Budget | | | |
| Total Due after Budget & Pmts | \$ | 6,491.42 | |
| | | | |
| Payments Billed | | | |
| October | \$ | 51,266.07 | |
| November | \$ | 8,345.86 | |
| December | \$ | 1,627.29 | |
| | | | |
| % Budget Spent | | 134% | |

| Radcliff Electric Budget 2012 | | | |
|-------------------------------|--------------------------|----------------|---------------------|
| | ACTUAL | BUDGETED | Monthly Running Tot |
| Jan-12 | 20,440.36 | \$(15,897.00) | 4,543.36 |
| Feb-12 | 21,382.28 | \$(15,897.00) | 5,485.26 |
| Mar-12 | 26,770.49 | \$(15,897.00) | 10,873.49 |
| Apr-12 | 36,421.00 | \$(15,897.00) | 20,524.00 |
| May-12 | 17,894.76 | \$(15,897.00) | 1,797.76 |
| Jun-12 | 31,632.91 | \$(15,897.00) | 15,735.91 |
| Jul-12 | 22,121.37 | \$(15,897.00) | 6,224.37 |
| Aug-12 | 4,506.05 | \$(15,897.00) | (11,360.65) |
| Sep-12 | 37,935.94 | \$(15,897.00) | 22,038.94 |
| Oct-12 | 15,543.06 | \$(15,897.00) | (353.94) |
| Nov-12 | 26,234.91 | \$(15,897.00) | 10,337.91 |
| Dec-12 | 20,161.19 | \$(15,897.00) | 4,264.19 |
| | | | |
| Total | \$ 280,844.30 | \$(190,764.00) | \$ 90,080.30 |
| | | | |
| | Total Due after Payments | \$ | 4,264.19 |
| | | | |
| Total Due after 100% Budget | | | |
| Total Due after Budget & Pmts | \$ | 14,602.10 | |
| | | | |
| Payments Billed | | | |
| October | \$ | 75,832.14 | |
| November | \$ | (353.94) | |
| December | \$ | 10,337.91 | |
| | | | |
| % Budget Spent | | 147% | |

| Radcliff Odor Control Budget 2012 | | | |
|-----------------------------------|--------------------------|---------------|---------------------|
| | ACTUAL | BUDGETED | Monthly Running Tot |
| Jan-12 | - | \$(1,250.00) | (1,250.00) |
| Feb-12 | - | \$(1,250.00) | (1,250.00) |
| Mar-12 | - | \$(1,250.00) | (1,250.00) |
| Apr-12 | - | \$(1,250.00) | (1,250.00) |
| May-12 | 425.57 | \$(1,250.00) | (824.43) |
| Jun-12 | - | \$(1,250.00) | (1,250.00) |
| Jul-12 | 236.25 | \$(1,250.00) | (1,013.75) |
| Aug-12 | 236.25 | \$(1,250.00) | (1,013.75) |
| Sep-12 | - | \$(1,250.00) | (1,250.00) |
| Oct-12 | 236.25 | \$(1,250.00) | (1,013.75) |
| Nov-12 | - | \$(1,250.00) | (1,250.00) |
| Dec-12 | - | \$(1,250.00) | (1,250.00) |
| | | | |
| Total | \$ 1,140.32 | \$(15,000.00) | \$ (13,859.68) |
| | | | |
| | Total Due after Payments | \$ | (1,250.00) |
| | | | |
| Total Due after 100% Budget | \$ | (13,859.68) | |
| Total Due after Budget & Pmts | \$ | (2,500.00) | |
| | | | |
| Payments Billed | | | |
| October | \$ | (10,347.93) | |
| November | \$ | (1,013.75) | |
| December | \$ | (1,250.00) | |
| | | | |
| % Budget Spent | | 8% | |

| BU | Acct # | Activity | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|----------|------|---------------|----------|------------|----------|---------------|-------------|-------------------------|----------------|----|---------|
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 1/31/12 | 00011113 | FRV | (15,897.00) | Radcliff, Hardin County | 1/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 2/29/12 | 00012049 | FRV | (15,897.00) | Radcliff, Hardin County | 2/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 3/31/12 | 00013370 | FRV | (15,897.00) | Radcliff, Hardin County | 3/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 4/30/12 | 00013670 | FRV | (15,897.00) | Radcliff, Hardin County | 4/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 5/31/12 | 00014633 | FRV | (15,897.00) | Radcliff, Hardin County | 5/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 6/30/12 | 00015210 | FRV | (15,897.00) | Radcliff, Hardin County | 6/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 7/31/12 | 00016709 | FRV | (15,897.00) | Radcliff, Hardin County | 7/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 8/31/12 | 00018032 | FRV | (15,897.00) | Radcliff, Hardin County | 8/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 9/30/12 | 00019392 | FRV | (15,897.00) | Radcliff, Hardin County | 9/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 10/31/12 | 00020926 | FRV | (15,897.00) | Radcliff, Hardin County | 10/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 11/30/12 | 00022048 | FRV | (15,897.00) | Radcliff, Hardin County | 11/12 Electric | | |
| 11821 | 501500 | LIM12EL | 100 | 11 | 11000 | 12/31/12 | 00023171 | FRV | (15,897.00) | Radcliff, Hardin County | 12/12 Electric | | |

(190,764.00) Total Revenue

12

| BU | Acct # | Activity | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|----------|------|---------------|----------|------------|------------|---------------|------------------|----------------------------|--------------------------------|------------|-----------|
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 1/11/2012 | | ACT | 20,440.36 | KENTUCKY UTILITIES | Electric billing 1/5/12 | 7821000407 | 00000430 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 2/13/2012 | | ACT | 21,382.26 | KENTUCKY UTILITIES | electric billing 2/20/12 | 7821000431 | 00000465 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 3/9/2012 | AP00846593 | ACT | 18,752.58 | KENTUCKY UTILITIES | Electric billing 3/6/12 | 7821000458 | 00000485 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 3/9/2012 | | ACT | 8,017.91 | VVV7Y302569 | NOLINRECC-ELECTRICBILLING | | |
| | | | | | | | | | <u>26,770.49</u> | | | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 4/9/2012 | AP00859454 | ACT | 19,774.28 | KENTUCKY UTILITIES | Electric billing 4/4/12 | 7821000479 | 00000509 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 4/13/2012 | | ACT | 9,445.28 | VVV7Y302569 | NOLIN-ELECTRIC FEB 2012 | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 4/13/2012 | | ACT | 7,201.44 | VVV7Y302569 | NOLINRECC-FEB12 ELECTRIC BILL | | |
| | | | | | | | | | <u>36,421.00</u> | | | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 5/8/2012 | AP00872980 | ACT | 17,694.76 | KENTUCKY UTILITIES | electric billing 5/3/12 | 7821000505 | 00000542 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 6/6/2012 | AP00886205 | ACT | 17,294.55 | KENTUCKY UTILITIES | electric billing 6/5/12 | 7821000527 | 00000570 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 6/20/2012 | | ACT | 8,132.64 | VVV7Y302569 | NOLIN | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 6/20/2012 | | ACT | 6,205.72 | VVV7Y302569 | NOLIN | | |
| | | | | | | | | | <u>31,632.91</u> | | | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 7/13/2012 | | ACT | 6,683.02 | VVV7Y302569 | NOLIN-ELECTRIC BILL 5/17/12 | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 7/16/2012 | AP00903577 | ACT | 15,587.94 | KENTUCKY UTILITIES | electric billing 7/5/12 | 7821000563 | 00000616 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 7/16/2012 | AP00903577 | ACT | (149.59) | KENTUCKY UTILITIES | fuel surcharge credit | 7821000563 | 00000616 |
| | | | | | | | | | <u>22,121.37</u> | | | | 15,438.35 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 8/3/2012 | | ACT | 4,506.06 | VVV7Y302569 | NOLIN-ELECTRIC JULY BILLING | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 9/7/2012 | | ACT | 5,992.03 | VVV7Y302569 | NOLIN-7/18/2012 SUMM ELECTRIC | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 9/13/2012 | AP00930506 | ACT | 15,722.63 | KENTUCKY UTILITIES | electric summary billing | 7821000621 | 00000685 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 9/25/2012 | 0000937129 | GLE | 16,221.28 | KU Recl to LIM Actvty | KU Recl to LIM Actvty | | |
| | | | | | | | | | <u>37,935.94</u> | | | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 10/10/2012 | AP00944147 | ACT | 15,543.06 | KENTUCKY UTILITIES | electric billing September 201 | 7821000663 | 00000722 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 11/9/2012 | | ACT | 5,435.36 | VVV7Y302569 | NOLIN-AUGUST ELECTRIC BILLING | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 11/9/2012 | | ACT | 6,263.68 | VVV7Y302569 | NOLIN-SEPTEMBER ELECTRIC BILLI | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 11/10/2012 | AP00958356 | ACT | 14,540.87 | KENTUCKY UTILITIES | Electric billing 11/5/12 | 7821000705 | 00000783 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 11/29/2012 | 0000965468 | GLE | (5.00) | Nolin RECC Inactive Refund | Nolin RECC Inactive Refund | | |
| | | | | | | | | | <u>26,234.91</u> | | | | |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 12/13/2012 | AP00969963 | ACT | 15,094.24 | KENTUCKY UTILITIES | Electric Billing Nov 2012 | 7821000739 | 00000816 |
| 11821 | 606115 | LIM12EL | 100 | 39 | 39005 | 12/14/2012 | | ACT | 5,066.95 | VVV7Y302569 | NOLIN-ELECTRIC BILLING | | |
| | | | | | | | | | <u>20,161.19</u> | | | | |

| BU | Acct # | Activity | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|----------|------|---------------|----------|------------|----------|---------------|--------------|-------------------------|---------------|----|---------|
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 1/31/12 | 00011113 | FRV | (16,100.00) | Radcliff, Hardin County | 1/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 2/29/12 | 00012049 | FRV | (16,100.00) | Radcliff, Hardin County | 2/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 3/31/12 | 00013370 | FRV | (16,100.00) | Radcliff, Hardin County | 3/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 4/30/12 | 00013670 | FRV | (16,100.00) | Radcliff, Hardin County | 4/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 5/31/12 | 00014633 | FRV | (16,100.00) | Radcliff, Hardin County | 5/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 6/30/12 | 00015210 | FRV | (16,100.00) | Radcliff, Hardin County | 6/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 7/31/12 | 00016709 | FRV | (16,100.00) | Radcliff, Hardin County | 7/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 8/31/12 | 00018032 | FRV | (16,100.00) | Radcliff, Hardin County | 8/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 9/30/12 | 00019392 | FRV | (16,100.00) | Radcliff, Hardin County | 9/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 10/31/12 | 00020926 | FRV | (16,100.00) | Radcliff, Hardin County | 10/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 11/30/12 | 00022048 | FRV | (16,100.00) | Radcliff, Hardin County | 11/12 R&M | | |
| 11821 | 501500 | LIM12RM | 100 | 11 | 11000 | 12/31/12 | 00023171 | FRV | (16,100.00) | Radcliff, Hardin County | 12/12 R&M | | |
| | | | | | | | | | (193,200.00) | Total Revenue | | 12 | |

| BU | Acct # | Activity | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|----------|------|---------------|----------|------------|------------|---------------|-----------|-------------------------------|--------------------------------|------------|----------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | AP00819007 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | pull pumps | 7821000412 | 00000436 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/13/2012 | AP00819007 | ACT | 75.02 | IRVING MATERIALS INC | 2% chloride Accelerator | 7821000405 | 00000437 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/13/2012 | AP00819007 | ACT | 921.56 | IRVING MATERIALS INC | 4000 6A performance stone | 7821000405 | 00000437 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/13/2012 | AP00819007 | ACT | 32.15 | IRVING MATERIALS INC | winter heat | 7821000405 | 00000437 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 1/13/2012 | ACT | ACT | 676.28 | VWV7Y302569 | EMRNLSS-GLASSREP.ADMINBLDG | | 1,028.73 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 1/13/2012 | ACT | ACT | 43.25 | VWV7Y301240 | RADELECT-DIG & CLD STR LIGHTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 1/13/2012 | ACT | ACT | 414.04 | VWV7Y300288 | ROCKIT-SAND FOR WINTER ROADS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 1/13/2012 | ACT | ACT | 5.86 | VWV7Y302569 | TRUEVALUE-COLD STORAGE LIGHTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 79.91 | VWV7Y900073 | ORSCHLN-MH/FORCEMAIN MARKERS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 48.38 | VWV7Y900124 | APPPARTS-BEACON HILLS LS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 300.00 | VWV7Y300288 | ETOWNMACHINE-BOONETRC CHCKVLV | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 27.43 | VWV7Y302569 | TRUEVALUE-BOONE TRACE LS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 4.13 | VWV7Y302569 | TRUEVALUE-LINCOLN TR AS TUBING | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 7.18 | VWV7Y302569 | TRUEVALUE-ROPE, OUTLET COVER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 1/13/2012 | ACT | ACT | 259.82 | VWV7Y300288 | USABB-HR METER,FLOAT SWITCHES | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/13/2012 | ACT | ACT | 17.38 | VWV7Y900124 | APPPARTS-SLD BLDG WIRE,THRSTT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/13/2012 | ACT | ACT | 704.90 | VWV7Y900124 | RADELEC-HEATER / SLUDGE BLDG | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/13/2012 | ACT | ACT | 48.75 | VWV7Y302569 | TRUEVALUE-RAS PUMPS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/13/2012 | ACT | ACT | 44.62 | VWV7Y302569 | TRUEVALUE-WW PMP 2 DISINFECT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 1/13/2012 | ACT | ACT | 55.01 | VWV7Y301240 | ETOWNDIST-BKHOE HYDR HOSE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 1/13/2012 | ACT | ACT | 263.07 | VWV7Y900124 | RADELEC-CLIENTGENERATORCABLES | | |
| 11821 | 606115 | LIM12RM | 100 | 39 | 39005 | 1/13/2012 | ACT | ACT | 11,235.33 | VWV7Y302569 | NOLINRECC-ELECTRIC | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/18/2012 | AP00820129 | ACT | 715.63 | SUNBELT RENTALS | Concrete bucket rental | 7821000414 | 00000441 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/25/2012 | AP00824114 | ACT | 5,365.30 | WHAYNE SUPPLY COMPANY | Trackloader rental | 7821000416 | 00000443 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 1/31/2012 | 0000830680 | GLE | 1,374.00 | Watts Oil Co Voucher 424 | Watts Oil Co Voucher 424 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 1/31/2012 | 0000830680 | GLE | 535.83 | Irving Materials Vch 417 | Irving Materials Vch 417 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 1/31/2012 | 0000830680 | GLE | 291.00 | Vulcan Malenals Vch 435 | Vulcan Materials Vch 435 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/31/2012 | 0000830680 | GLE | 2,800.00 | Electric Motor Repair Vch 429 | Electric Motor Repair Vch 429 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 1/31/2012 | 0000830680 | GLE | 13,768.34 | Precision Pump Voucher 439 | Precision Pump Voucher 439 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 1/31/2012 | 0000830680 | GLE | 157.52 | Fastenal Voucher 416 | Fastenal Voucher 416 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 1/31/2012 | 0000830680 | GLE | 350.69 | Fastenal Voucher 427 | Fastenal Voucher 427 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 1/31/2012 | 0000830680 | GLE | 390.50 | Gripp Voucher 438 | Gripp Voucher 438 | | |
| | | | | | | | | | 41,312.88 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/1/2012 | AP00829976 | ACT | 234.43 | SUNBELT RENTALS | Concrete bucket rental | 7821000414 | 00000444 |
| 11821 | 701357 | LIM12RM | 550 | 38 | 38015 | 2/1/2012 | AP00829977 | ACT | (4.42) | SUNBELT RENTALS | Concrete bucket rental | 7821000414 | 00000444 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/1/2012 | AP00829976 | ACT | 1,903.23 | WHAYNE SUPPLY COMPANY | Trenchbox rental | 7821000416 | 00000445 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/1/2012 | AP00829976 | ACT | 7,415.76 | WHAYNE SUPPLY COMPANY | Trackhoe Rental | 7821000416 | 00000447 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/1/2012 | AP00829976 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | Pull Pumps Boone Trace (3) Lin | 7821000420 | 00000448 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/1/2012 | AP00829976 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | Pull Pumps Boone Trace (2) and | 7821000420 | 00000449 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/2/2012 | AP00829976 | ACT | 387.85 | GRIPP INC | ISCO flow meter repair 2150 S/ | 7821000421 | 00000450 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/9/2012 | ACT | ACT | 190.07 | STRAEFFER PUMP & SUPPLY INC | alternating relay | 7821000425 | 00000453 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/9/2012 | ACT | ACT | 494.95 | STRAEFFER PUMP & SUPPLY INC | Seal leak and Over Temp relay | 7821000426 | 00000456 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | AP00833067 | ACT | 52.11 | USA BLUE BOOK | Flag 21" wire staff green 4x5 | 7821000430 | 00000458 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | AP00833067 | ACT | 92.40 | USA BLUE BOOK | Sewer Tracing Dye Liquid Yello | 7821000430 | 00000458 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | AP00833067 | ACT | 47.37 | USA BLUE BOOK | Masterlock lubricant 5.25 oz a | 7821000430 | 00000458 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/10/2012 | AP00833067 | ACT | 265.00 | WHAYNE SUPPLY COMPANY | TrackHoe return | 7821000435 | 00000459 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/10/2012 | AP00833067 | ACT | 159.00 | WHAYNE SUPPLY COMPANY | Trench Box rental return | 7821000435 | 00000462 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/10/2012 | AP00833067 | ACT | 212.00 | WHAYNE SUPPLY COMPANY | Track Loader pickup return | 7821000435 | 00000463 |
| 11821 | 605210 | LIM12RM | 100 | 36 | 36085 | 2/10/2012 | ACT | ACT | (36.68) | VWV7Y300288 | SSC-CREDIT ON LIME | | |
| 11821 | 605210 | LIM12RM | 100 | 36 | 36085 | 2/10/2012 | ACT | ACT | 293.41 | VWV7Y300288 | SSC-LIME FOR OVERFLOWS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 2/10/2012 | ACT | ACT | 270.34 | VWV7Y900067 | BLUESTEEL-OFFICEDOORLOCKS | | |

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|-------|--------|---------|-----|----|-------|-----------|------------|----------|---------------|------------------------------------|--------------------------------|---------------------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 2/10/2012 | ACT | 80.91 | VWV7Y900124 | RADELEC-FRONTGATE LIGHT,SCREW | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 2/10/2012 | ACT | 25.23 | VWV7Y900124 | RADELEC-RECEPTICLE/COLD STORAG | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | ACT | 5.41 | VWV7Y900073 | FASTENAL-CEMENT FM LOCATE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | ACT | 37.83 | VWV7Y900073 | FERGUSON-CEMENT FM LOCATES | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | ACT | 33.87 | VWV7Y300288 | ORSCHELN-GREENVIEW SSO CLEANUP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 2/10/2012 | ACT | 10.52 | VWV7Y900073 | WALMART-CEMENT FM LOCATE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 2/10/2012 | ACT | 38.16 | VWV7Y900124 | RADELEC-GRITBLDG BULB | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 2/10/2012 | ACT | 14.56 | VWV7Y900067 | TRUEVALUE-UBOLTS/PRETREATMENT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 7.94 | VWV7Y900073 | ADVAUTO-CEMENT CV INS PLATE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 44.41 | VWV7Y900124 | RADELEC-MAPLEFOREST/DISCONNECT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 359.86 | VWV7Y900124 | RADELEC-MAPLEFRST/RAISEMTRDSCN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 200.74 | VWV7Y900124 | RADELEC-STATION PANEL HEATERS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 31.16 | VWV7Y900124 | RADELEC-STATION RED LIGHTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/10/2012 | ACT | 13.76 | VWV7Y900067 | TRUEVALUE-PB BLASTER/HENSLEYS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 2/10/2012 | ACT | 4.43 | VWV7Y900067 | TRUEVALUE-SLUDGE BLDG PARTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 2/10/2012 | ACT | 17.46 | VWV7Y900067 | TRUEVALUE-VWV PMP CLAMPS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 2/10/2012 | ACT | 615.18 | VWV7Y900124 | RADELEC-SHT AERATOR3 REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 2/10/2012 | ACT | 316.25 | VWV7Y900073 | BALE-BACKHOE TURN SIGNAL REPR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 2/10/2012 | ACT | 17.73 | VWV7Y302569 | FISHERAUTO-ANTIFREEZE/CCTV VAN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 2/10/2012 | ACT | 17.37 | VWV7Y900067 | TRUEVALUE-CLAMPS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/13/2012 | ACT | 159.36 | USA BLUE BOOK | 50' suspended Avocado Float | 7821000430 00000464 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/16/2012 | AP00834926 | ACT | 38.36 | EYE TRONICS | 8" axle | 7821000434 00000466 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/16/2012 | AP00834926 | ACT | 67.76 | EYE TRONICS | blue transporter screw | 7821000434 00000466 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 2/16/2012 | AP00834926 | ACT | 28.48 | EYE TRONICS | lifting loop | 7821000434 00000466 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/16/2012 | AP00834926 | ACT | 1,252.28 | XYLEM INC | basic repair kit 3127.090/180 | 7821000411 00000467 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 2/20/2012 | AP00836101 | ACT | 112.66 | FASTENAL COMPANY | Eyehook 8" SS swivel | 7821000438 00000470 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/20/2012 | AP00836101 | ACT | 11.36 | FASTENAL COMPANY | SS Hex cap screws 316 5/8NCx2 | 7821000438 00000471 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/20/2012 | AP00836101 | ACT | 5.69 | FASTENAL COMPANY | SS finished hex nuts 5/8"-11 3 | 7821000438 00000471 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/20/2012 | AP00836101 | ACT | 77.18 | FASTENAL COMPANY | SS hex cap screws 316 5/8-11x7 | 7821000438 00000471 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 2/21/2012 | AP00836565 | ACT | 162.20 | USA BLUE BOOK | Hose 1" x 50' w/ M & F 1" coup | 7821000419 00000472 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 2/21/2012 | AP00836565 | ACT | 120.70 | USA BLUE BOOK | Filter Element F8109 paper | 7821000419 00000472 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 2/21/2012 | AP00836565 | ACT | 15.90 | USA BLUE BOOK | Buret Brush 50 ml 36 inches | 7821000419 00000473 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 2/21/2012 | AP00836565 | ACT | 57.69 | USA BLUE BOOK | Valve wheel speed handle | 7821000419 00000473 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 2/29/2012 | 0000842033 | GLE | 75.14 | Xylem-SalesTax Inv#7668469 | Xylem-SalesTax Inv#7668469 | |
| | | | | | | | | | 16,654.36 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/1/2012 | AP00843214 | ACT | 743.02 | GA INDUSTRIES INC | 4 Fig22D Wafer Sw Check valve | 7821000448 00000478 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 3/6/2012 | AP00844788 | ACT | 4,000.00 | ELECTRIC MOTOR REPAIR & REWIND INC | WAS pump repair | 7821000415 00000481 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 3/7/2012 | AP00845174 | ACT | 352.22 | EYE TRONICS | cable assembly MTR & XNSM, ult | 7821000444 00000482 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 3/9/2012 | ACT | 26.14 | VWV7Y900124 | APPPRTS-THERMOSTAT/COLDSTRG | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 3/9/2012 | ACT | 179.72 | VWV7Y900124 | RADELEC-3P BOL/CLDSTRGHEATER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 3/9/2012 | ACT | 17.73 | VWV7Y900124 | RADELEC-CLDSTRG HEATER#1 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 3/9/2012 | ACT | 76.32 | VWV7Y900124 | RADELEC-VACBLDG BULBS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 3/9/2012 | ACT | 1,076.17 | VWV7Y301240 | RADELECTRIC-HEATER REPL /CLDST | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 3/9/2012 | ACT | 31.23 | VWV7Y301240 | USABUEBOOK-POLYMERFEED | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 10.06 | VWV7Y900067 | TRUEVALUE-UJ CONTPNL LOCK | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 1,250.00 | VWV7Y302569 | BIDRITE-PATCH2LINE CUTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 37.38 | VWV7Y900073 | FASTENAL-MH2973ANCHORING | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 138.63 | VWV7Y900073 | LOWES-CARTER ST MH88 RAISE MH | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 97.12 | VWV7Y300288 | REPNET-CEMENT FM MARKERS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 5.83 | VWV7Y300288 | REPNET-SALESTX38865 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 17.96 | VWV7Y900067 | TRUEVALUE-LOCATECEMENTFM | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 20.78 | VWV7Y900067 | TRUEVALUE-MH 2973 ANCHORS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 3/9/2012 | ACT | 42.90 | VWV7Y900067 | TRUEVALUE-MH 533 & 1431 REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 3/9/2012 | ACT | 197.10 | VWV7Y900124 | RADELEC-RELAY/DTCH1&2 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 70.57 | VWV7Y900073 | BASHAM-AUDUBONLS DECKREP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 175.00 | VWV7Y300288 | ETOWNMACH-DRUGSTRLS P2 SHAFT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 1,503.00 | VWV7Y302569 | ITTFLYGT-MINICAS/REDMARQUIGGIN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 90.18 | VWV7Y302569 | ITTFLYGT-SALESTXINV7673679 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 43.60 | VWV7Y900124 | RADELEC-BOONETRLS HRMTR INSTAL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 128.09 | VWV7Y900124 | RADELEC-HR METER INSTALLATIONS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 42.40 | VWV7Y900124 | RADELEC-LS HR METER INSTALLATI | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 44.02 | VWV7Y900124 | RADELEC-MARVINS LS INDCTR LGHT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 111.86 | VWV7Y900124 | RADELEC-REDLIGHTRMTR INST | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 12.71 | VWV7Y900067 | TRUEVALUE-ARLINGTON GATE LOCK | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 8.46 | VWV7Y900067 | TRUEVALUE-DEICELOCKS/LS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 15.04 | VWV7Y900067 | TRUEVALUE-DRUG ST LS GUIDERAIL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 30.90 | VWV7Y900067 | TRUEVALUE-DRUGST PMP REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 1,577.13 | VWV7Y302569 | USABUEBOOK- HR METERS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 3/9/2012 | ACT | 370.39 | VWV7Y302569 | USABUEBOOK-FLOATS 40' | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 3/9/2012 | ACT | 171.08 | VWV7Y301240 | FISHER-DIFFUSEDIAIR#2 BELT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 3/9/2012 | ACT | 4.22 | VWV7Y900124 | APPPARTS-CENTRIFUGE REPAIR/LAB | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 3/9/2012 | ACT | 104.70 | VWV7Y900073 | BALE-BACKHOE PARTS | | |

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|-------|--------|---------|-----|----|-------|-----------|------------|-----|----------|------------------------------------|--------------------------------|------------|----------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 5/1/2012 | AP00870397 | ACT | 16.28 | USA BLUE BOOK | 316 SS nipple 1/2" x 6" | 7821000476 | 00000525 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 5/1/2012 | AP00870397 | ACT | 109.60 | AJ ENTERPRISES | Plastic Static Mixer Nozzles f | 7821000464 | 00000530 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/2/2012 | AP00870397 | ACT | 2,895.25 | XYLEM WATER SOLUTIONS USA INC | impeller, N MT Code 433 CI | 7821000465 | 00000532 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 5/2/2012 | AP00870397 | ACT | 1,524.92 | HACH COMPANY | Module, Display w/o GSM, SC100 | 7821000442 | 00000533 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/3/2012 | AP00870397 | ACT | 743.40 | GA INDUSTRIES INC | check valve Fig22D waferSw Che | 7821000499 | 00000534 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 5/3/2012 | AP00870397 | ACT | 562.00 | ELECTRIC MOTOR REPAIR & REWIND INC | motor, 2hp 1800 rpm 182T frame | 7821000498 | 00000535 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/4/2012 | AP00872093 | ACT | 743.40 | GA INDUSTRIES INC | check valve 4 Fig22D wafer Sw | 7821000501 | 00000539 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 5/4/2012 | AP00872093 | ACT | 1,400.00 | DESIGN TECH | Fabricate a 10 ft baffel | 7821000477 | 00000541 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 5/9/2012 | AP00873278 | ACT | 1,373.32 | HACH COMPANY | Probe Mod PRB 24V, REL, 485, I | 7821000441 | 00000544 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 5/10/2012 | AP00873927 | ACT | 285.41 | IRVING MATERIALS INC | 3500-6A-performance stone conc | 7821000497 | 00000546 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/10/2012 | AP00873927 | ACT | 1,717.34 | STRAEPPER PUMP & SUPPLY INC | Logan LS Pump #1 rebuild | 7821000427 | 00000547 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 5/11/2012 | | ACT | 232.97 | VWV7Y301240 | HARRINGTON-POLYMERFDSYS REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/11/2012 | | ACT | 142.15 | VWV7Y900124 | APPPRTS-BNTRC#2PANEL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/11/2012 | | ACT | 205.22 | VWV7Y300288 | LOWES-PUSH MOWER/LIFT STATIONS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 5/11/2012 | | ACT | 243.11 | VWV7Y300288 | STRAEPPER-IMPELLER LOGAN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 5/11/2012 | | ACT | 929.18 | VWV7Y300288 | GATTERDAM-JLINE PUMP REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 5/11/2012 | | ACT | 85.43 | VWV7Y301240 | LOWES-JLINE INSTALL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 733.09 | VWV7Y300288 | ARIES-CABLE ASSY,CAMERA | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 8.19 | VWV7Y300288 | ARIES-CAMERA PARTS SALES TAX | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 55.62 | VWV7Y900073 | BALE-BACKHOE REPAIR KIT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 30.00 | VWV7Y301240 | DLS TIRE-FORKLIFT TIRE REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 4.47 | VWV7Y900124 | FISHER-4" PUMP / HEATER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 141.04 | VWV7Y900124 | FISHER-4" PUMP REBUILD BATTERY | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 15.88 | VWV7Y900124 | ORSCHELN-4 6" PUMP EXHAUST | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 95.22 | VWV7Y900124 | RADELEC-4" PUMP REBUILD | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 21.68 | VWV7Y900124 | RADELEC-4-6"PUMP EXHAUST | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 223.01 | VWV7Y900073 | SRTRUCKTIRE-BACKHOE FLAT REPAI | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/11/2012 | | ACT | 237.20 | VWV7Y300288 | VGMENG-20HP JD MOWER REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 5/14/2012 | AP00875177 | ACT | 1,400.00 | DESIGN TECH | baffle 8 ft fabricated Oxidati | 7821000491 | 00000549 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/14/2012 | AP00875177 | ACT | 820.00 | GRIPP INC | 2012 Annual Flow Meler Calibra | 7821000460 | 00000550 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/14/2012 | AP00875177 | ACT | 600.00 | BAILEY CRANE & HOIST CO INC | Annual F/S OSHA/Safety Inspect | 7821000478 | 00000551 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 5/23/2012 | AP00878641 | ACT | 1,389.50 | BALE EQUIPMENT RENTAL LLC | Service & repair of Case Backh | 7821000495 | 00000558 |
| | | | | | | | | | | 19,057.31 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/1/2012 | | ACT | 54.27 | VWV7Y900124 | RADELEC-SLDG BLDG LIGHT REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/1/2012 | | ACT | 87.83 | VWV7Y900124 | RADELECT-SLUDGE BLDG LAMP REPA | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 6/1/2012 | | ACT | 38.35 | VWV7Y900124 | ORSCHELN-BLEACH PUMP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 6/1/2012 | | ACT | 280.69 | VWV7Y900124 | ORSCHELN-BLEACH PUMP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 6/1/2012 | | ACT | 14.07 | VWV7Y900124 | ORSCHELN-BLEACH PUMP PARTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 6/1/2012 | | ACT | 1,546.09 | VWV7Y301240 | USABLUBOOK-POLYMER PUMP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 6/1/2012 | | ACT | 263.30 | VWV7Y900124 | RADELECT-AERATOR#1STARTER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 6/1/2012 | | ACT | 303.91 | VWV7Y900124 | RADELECT-AERATOR#2 KIT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 67.31 | VWV7Y900124 | APPPARTS-BOONE TRACE2 REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 69.26 | VWV7Y900124 | APPPARTS-LINCOLNTR EXH FAN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 53.05 | VWV7Y900124 | RADELECT-LINCOLN TR LS EXH FAN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 6/1/2012 | | ACT | 66.49 | VWV7Y900124 | RADELEC-CLARIFIER1 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 6/1/2012 | | ACT | 98.20 | VWV7Y900124 | RADELEC-CLARIFIER1 DRIVE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/1/2012 | | ACT | 14.82 | VWV7Y900124 | ORSCHELN-LIGHT ASSEMBLY | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/1/2012 | | ACT | 121.88 | VWV7Y900124 | ORSCHELN-MOWER BATTERY/LIGHT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/1/2012 | | ACT | 62.96 | VWV7Y900124 | ORSCHELN-MULE MAINT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/1/2012 | | ACT | 29.63 | VWV7Y900124 | ORSCHELN-PRESSURE WASHER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | Boone Trace pull pumps | 7821000508 | 00000563 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | Redmar install pump #2 | 7821000508 | 00000564 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 2,286.16 | XYLEM WATER SOLUTIONS USA INC | Probe, 10 point LP9710100 | 7821000465 | 00000566 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 1,412.06 | XYLEM WATER SOLUTIONS USA INC | basic repair kit 3127.090/180 | 7821000488 | 00000567 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/1/2012 | | ACT | 146.72 | XYLEM WATER SOLUTIONS USA INC | stationary wear ring, brass | 7821000488 | 00000567 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/4/2012 | | ACT | 982.45 | XYLEM WATER SOLUTIONS USA INC | Probe, 10 point LP791050 | 7821000465 | 00000569 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 41.38 | VWV7Y900073 | FERGUSON-191JOHNS/PIPE,CPLG | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 15.31 | VWV7Y900073 | FERGUSON-CLEANOUTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 166.36 | VWV7Y900073 | FERGUSON-FTKNOX INN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 7.82 | VWV7Y900073 | ORSCHELN-890 CHEROKEE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 15.94 | VWV7Y900073 | ORSCHELN-FT KNOX INN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 52.47 | VWV7Y900073 | ORSCHELN-YARD REPAIRS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 678.22 | VWV7Y900073 | TSC-REDMAR FM GRASS SEED | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/11/2012 | | ACT | 26.34 | VWV7Y900073 | WALMART-STRAW/FT KNOX INN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/11/2012 | AP00887809 | ACT | 5,696.77 | XYLEM WATER SOLUTIONS USA INC | Impeller C HT Code 462 CI | 7821000516 | 00000573 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/11/2012 | AP00887809 | ACT | 5.15 | XYLEM WATER SOLUTIONS USA INC | Oring 99.1 x 5.7 NBR | 7821000516 | 00000573 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/11/2012 | AP00887809 | ACT | 588.22 | XYLEM WATER SOLUTIONS USA INC | Redmar Pump #2 repair | 7821000516 | 00000573 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/11/2012 | AP00887809 | ACT | 38.41 | XYLEM WATER SOLUTIONS USA INC | allen screw M12 x 40 SS | 7821000516 | 00000573 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/11/2012 | AP00887809 | ACT | 430.55 | XYLEM WATER SOLUTIONS USA INC | stationary wear ring, brass | 7821000516 | 00000573 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | | ACT | 773.94 | STRAEPPER PUMP & SUPPLY INC | LS50 impeller 4VH | 7821000530 | 00000575 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | | ACT | 124.08 | STRAEPPER PUMP & SUPPLY INC | LS50 lifting bail | 7821000530 | 00000575 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | | ACT | 2.20 | STRAEPPER PUMP & SUPPLY INC | LS50 set screw, Myers | 7821000530 | 00000575 |

1,558.78

6,719.10

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|-------|--------|---------|-----|----|-------|-----------|------------|-----------|--|--------------------------------|------------|----------|----------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | ACT | 116.79 | STRAEFFER PUMP & SUPPLY INC | LS50 wear ring | 7821000530 | 00000575 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | ACT | 247.64 | STRAEFFER PUMP & SUPPLY INC | LS50 service kit, 4/6VH series | 7821000530 | 00000575 | 1,264.65 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/13/2012 | ACT | 380.23 | VULCAN MATERIALS CO | LS52 Fl Knox Inn 9M stone | 7821000531 | 00000576 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/13/2012 | ACT | 990.59 | STRAEFFER PUMP & SUPPLY INC | LS15 Seal Leak and Overtemp R | 7821000528 | 00000577 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/15/2012 | AP00890192 | 1,250.00 | MICKS INC | EQ35 Landscaping repair at Fr | 7821000532 | 00000581 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/15/2012 | AP00890192 | 350.00 | PAUL BARTON DEHAVEN DBA BART'S LAWN SE | LS52 Cheyenne yard repair | 7821000534 | 00000582 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/15/2012 | AP00890192 | 920.00 | MICKS INC | EQ35 Mowing/plant | 7821000532 | 00000584 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/18/2012 | AP00890700 | 147.42 | VULCAN MATERIALS CO | Rock # 57 | 7821000543 | 00000586 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/18/2012 | AP00890700 | 47.01 | SUNBELT RENTALS | 56" x 92" adjustable hydraulic | 7821000510 | 00000587 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/18/2012 | AP00890700 | 666.11 | SUNBELT RENTALS | 8 x 12 w/ manifold shoring pan | 7821000510 | 00000587 | 713.12 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/19/2012 | AP00891047 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Derag Pump 1 & 3 | 7821000541 | 00000588 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/19/2012 | AP00891047 | 336.00 | ELECTRIC MOTOR REPAIR & REWIND INC | LS50 replace cord | 7821000526 | 00000589 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/20/2012 | ACT | 440.00 | VWV7Y300288 | EQ35 SM-TREE REMOVAL/FENCE | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 6/20/2012 | ACT | 16.31 | VWV7Y300288 | FERGUSON-POLYMERFEEDSYS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/20/2012 | ACT | 23.15 | VWV7Y300288 | FERGUSON-LOTT ST/CLEANOUTS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/20/2012 | ACT | 9.52 | VWV7Y302569 | LS52 TV-LORRAINE C/O REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/20/2012 | ACT | 237.12 | VWV7Y300288 | GRP-HENSLEYS LS WASHER MAINT | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/20/2012 | ACT | 654.96 | VWV7Y302569 | LS53 TV-POLE SAWLS LIMB RMVL | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/20/2012 | ACT | 0.49 | VWV7Y302569 | EQ2 TV-RETAINING WASHERS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/20/2012 | ACT | 59.33 | VWV7Y302569 | EQ54 TV-LINE,OIL | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/20/2012 | ACT | 25.23 | VWV7Y300288 | FISHER-CAMVAN,FLATBED MAINT | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 6/20/2012 | ACT | 92.59 | VWV7Y300288 | VGSMENG-1BHPJD MOWER REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 6/21/2012 | AP00892773 | 400.00 | AIR TEMP OF RADCLIFF INC | EQ1 Install return, rem insul | 7821000549 | 00000594 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 6/25/2012 | AP00895577 | 364.22 | SUNBELT RENTALS | LS52 191 Johns Rd strawblower | 7821000511 | 00000599 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 6/28/2012 | 0000897604 | 91.50 | SlsTax HACH COMPANY766481 | SlsTax HACH COMPANY766481 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 6/28/2012 | 0000897604 | 82.40 | SlsTax HACH COMPANY767653 | SlsTax HACH COMPANY767653 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 6/28/2012 | 0000897604 | 89.20 | SlsTax GA INDUSTRIEIV1215 | SlsTax GA INDUSTRIEIV1215 | | | |
| | | | | | | | | 25,561.47 | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/1/2012 | ACT | 266.99 | VULCAN MATERIALS CO | LS52 dense grade rock 9M | 7821000544 | 00000602 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 7/11/2012 | ACT | 531.46 | GATTERDAM INDUSTRIAL SERVICES | EQ33 Gear Box Oil | 7821000558 | 00000605 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 7/11/2012 | ACT | 462.14 | GATTERDAM INDUSTRIAL SERVICES | EQ33 Gear Box labor to change | 7821000558 | 00000605 | 993.60 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/11/2012 | ACT | 110.21 | EYE TRONICS | clamp Ftransporter | 7821000520 | 00000606 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/11/2012 | ACT | 97.18 | EYE TRONICS | screw set, 8-32X1 lg | 7821000520 | 00000606 | 207.39 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38000 | 7/12/2012 | ACT | 458.35 | PHOENIX PROCESS EQUIPMENT CO | EQ4 Grav.Zone seal kit, WX/G- | 7821000556 | 00000608 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38000 | 7/12/2012 | ACT | 353.52 | PHOENIX PROCESS EQUIPMENT CO | EQ4 spry. Box seal B-1040119- | 7821000556 | 00000608 | 811.87 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/12/2012 | ACT | 8.43 | STRAEFFER PUMP & SUPPLY INC | LS11 Oring, Myers | 7821000560 | 00000609 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/12/2012 | ACT | 13.07 | STRAEFFER PUMP & SUPPLY INC | LS11 gasket | 7821000560 | 00000609 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/12/2012 | ACT | 887.69 | STRAEFFER PUMP & SUPPLY INC | LS11 service kit 4/6vc,4RC/4V | 7821000560 | 00000609 | 909.19 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/12/2012 | ACT | 1,352.80 | XYLEM WATER SOLUTIONS USA INC | LS12 impeller 483 CI | 7821000546 | 00000612 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 7/13/2012 | ACT | 7.40 | VWV7Y900073 | EQ35 ORSCH-VACPITHOSEREPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 7/13/2012 | ACT | 57.22 | VWV7Y900067 | EQ35 TV-ANGLE/MOUNTING CHANNE | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 7/13/2012 | ACT | 366.64 | VWV7Y900124 | EQ47 RE-REPLACE PILOT LIGHTS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 7/13/2012 | ACT | 37.80 | VWV7Y301240 | EQ6 ORSCH-TAPE,ELBOW,NZZL,WND | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 7/13/2012 | ACT | 6.13 | VWV7Y900067 | EQ53 TV-TUBING,CLAMP/CAMERA | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 7/13/2012 | ACT | 17.23 | VWV7Y900124 | EQ48 RE-FUSES | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 16.45 | VWV7Y900073 | LS52 FERGUSON-MANHOLE MARKERS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 24.67 | VWV7Y900073 | LS52 FERGUSON-MH/FM MARKERS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 147.13 | VWV7Y900073 | LS52 LOWES-MH1010 HIGHLAND | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 27.28 | VWV7Y900073 | LS52 ORSCH-FM&MH MARKERS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 18.19 | VWV7Y900073 | LS52 ORSCH-MH/FM MARKERS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 130.24 | VWV7Y900067 | LS52 USABLK-SEWER FLAGS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 4.13 | VWV7Y900073 | LS52 WM-BRICKS/800 PEARMAN | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 105.36 | VWV7Y900073 | LS52 WM-STRAW/REDMAR FM | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 10.54 | VWV7Y900073 | LS52 WM-STRAW/UNVR,CRCS,KY YD | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 26.34 | VWV7Y900073 | LS53 WM-STRAW/REDMAR FM | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 7/13/2012 | ACT | 67.35 | VWV7Y301240 | ORSCHLN-STOVALL FM MARKING | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 63.22 | VWV7Y900124 | LS14 AP-PANEL REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 63.22 | VWV7Y900124 | LS14 AP-REPL CAPACITORS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 2,181.10 | VWV7Y302569 | LS4 ARSCRBBR CHEMPUMPREPLCMNT | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 29.03 | VWV7Y900124 | LS4 RE-AIR SCRUBBER REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 6.10 | VWV7Y900124 | LS4 RE-FUSES/AIR SCRUBBER | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 64.94 | VWV7Y900067 | LS43 TV-PRESSUREGAUGE/INSTALL | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 41.94 | VWV7Y900124 | LS50 RE-PUMP 2 REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/13/2012 | ACT | 588.66 | VWV7Y900124 | LS8 RE-PANEL REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 7/13/2012 | ACT | 5.60 | VWV7Y900067 | EQ4 CONVEYOR PANEL | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/13/2012 | ACT | 0.32 | VWV7Y900067 | EQ28 TV-CLIP PIN | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/13/2012 | ACT | 1.70 | VWV7Y900067 | EQ53 SCREWS/CAMERA | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/13/2012 | ACT | 267.74 | VWV7Y300288 | EQ53 TAFFLE-CAMVAN SERV/REPR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/13/2012 | ACT | 30.00 | VWV7Y900067 | EQ54 TV-WEEDATER REPAIR | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38000 | 7/16/2012 | AP00903577 | 200.00 | DESIGN TECH | EQ4 Install grease fitting bl | 7821000561 | 00000613 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38000 | 7/16/2012 | AP00903577 | 250.00 | DESIGN TECH | EQ4 replace 12" roller | 7821000561 | 00000613 | 450.00 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/16/2012 | AP00903577 | 1,123.91 | SMITH & LOVELESS INC | LS51 impeller cw9-1/2 | 7821000552 | 00000614 | |

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| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/17/2012 | AP00904056 | ACT | 1,342.74 | XYLEM WATER SOLUTIONS USA INC | LS17 Impeller 483 CI | 7821000545 | 00000618 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/18/2012 | AP00904524 | ACT | 11.85 | FASTENAL COMPANY | SP13 Grab hook 3/8" 5400 lb c | 7821000568 | 00000621 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/18/2012 | AP00904524 | ACT | 89.39 | FASTENAL COMPANY | SP13 chain 1/2" 1200 lb black | 7821000568 | 00000621 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 7/18/2012 | AP00904524 | ACT | 31.94 | FASTENAL COMPANY | SP13 slip hook 1/2" 9200 lb c | 7821000568 | 00000621 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/19/2012 | | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS3 Set pump at Redmar pulled | 7821000579 | 00000622 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/23/2012 | AP00906401 | ACT | 1,524.00 | XYLEM WATER SOLUTIONS USA INC | LS3 Redmar P2 return and inst | 7821000581 | 00000623 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 7/23/2012 | AP00906401 | ACT | 734.94 | STRAEFFER PUMP & SUPPLY INC | LS11 Impeller, Myers4RC | 7821000560 | 00000624 |
| | | | | | | | | | 14,564.28 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 8/2/2012 | | ACT | 174.47 | FASTENAL COMPANY | EQ10 belts 5VX900 | 7821000551 | 00000633 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 8/2/2012 | | ACT | 139.58 | FASTENAL COMPANY | EQ11 belts 5VX900 | 7821000551 | 00000633 |
| 11821 | 605210 | LIM12RM | 100 | 36 | 36085 | 8/3/2012 | | ACT | 64.87 | VVV7Y300288 | LS52 SS-LIME SSO CLEANUP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 8/3/2012 | | ACT | 18.09 | VVV7Y900067 | EQ47 TV-PANEL REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 8/3/2012 | | ACT | 15.67 | VVV7Y900067 | EQ9 TV-PANEL REP/ ALUM,SASH | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 8/3/2012 | | ACT | 7.20 | VVV7Y900067 | EQ9 TV-SASH LOCK | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 8/3/2012 | | ACT | 10.96 | VVV7Y900067 | EQ6 TV-BUSHING,BARB,CLAMPS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 8/3/2012 | | ACT | 25.27 | VVV7Y900067 | EQ6 TV-TUBING | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 16.45 | VVV7Y900073 | LS52 FRGSN-CAP,PIPE/MH MARKIN | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 74.09 | VVV7Y900073 | LS52 LOWES-MH1348 ASP REPR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 1,030.00 | VVV7Y900073 | LS52 SHDX-4 & 6 IN RINGS,SEAL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 104.12 | VVV7Y900073 | LS52 SHDX-RISERS/126 MED CTR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 7.40 | VVV7Y900067 | LS52 TV-CAPS/315 BERKLEY COS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 231.42 | VVV7Y900067 | LS52 USABB-SEWER MH DECALS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 18.19 | VVV7Y900073 | ORSCHELN-MH MARKING POSTS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 8/3/2012 | | ACT | 20.19 | VVV7Y900067 | EQ22 TV-BUSHING,NPPL,CONNCTR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 8/3/2012 | | ACT | 38.20 | VVV7Y900067 | EQ33 TV-PLG,NPPL,RDCR,VLV | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 16.22 | VVV7Y300288 | LS11 STRFFR-P2 REPAIR GASKET | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 84.33 | VVV7Y300288 | LS4 AELCTRN-AS SOLENOID VALVE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 9.53 | VVV7Y900067 | LS4 TV-AS CEMENT,CLEANER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 7.31 | VVV7Y900067 | LS4 TV-AS REP FEED LINES | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 13.57 | VVV7Y900067 | LS4 TV-AS REPAIRS/ TUBING | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 35.57 | VVV7Y900067 | LS4 TV-AS/ STL PLATE,AIR CHCK | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 16.30 | VVV7Y900067 | LS4 TV-REPL ORP PUMP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 200.00 | VVV7Y900073 | LS50 EMT-P1MOTOR SHAFT REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/3/2012 | | ACT | 478.54 | VVV7Y300288 | LS53 USABB-FLOATS,COUPLING | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 8/3/2012 | | ACT | 232.83 | VVV7Y301240 | EQ4 AHP-GREASE PORT REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 8/3/2012 | | ACT | 1.14 | VVV7Y900067 | EQ4 TV-SCREWS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 8/3/2012 | | ACT | 9.94 | VVV7Y900067 | EQ4 TV-SPRAY PAINT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/3/2012 | | ACT | 455.66 | VVV7Y301240 | EQ38 GRP-ADAPTERS 4" | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/3/2012 | | ACT | 1,192.50 | GENERAL RUBBER & PLASTICS | EQ38 hose 586-462-123 | 7821000564 | 00000636 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 76.26 | SUNBELT RENTALS | LS52 800 Pearman / 4 x 8 fin | 7821000550 | 00000637 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 68.41 | SUNBELT RENTALS | LS52 800 Pearman / 5 gallon h | 7821000550 | 00000637 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 49.34 | SUNBELT RENTALS | LS52 800 Pearman 7' vertical | 7821000550 | 00000637 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/3/2012 | | ACT | 291.58 | SUNBELT RENTALS | LS52 800 Pearman/ vertical sh | 7821000550 | 00000637 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/6/2012 | AP00914088 | ACT | 120.72 | GENERAL RUBBER & PLASTICS | EQ38 4" female | 7821000565 | 00000639 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/6/2012 | AP00914088 | ACT | 264.61 | GENERAL RUBBER & PLASTICS | EQ38 4" male bauer | 7821000565 | 00000639 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/6/2012 | AP00914088 | ACT | 17.71 | GENERAL RUBBER & PLASTICS | EQ38 5" punchlock | 7821000565 | 00000639 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/6/2012 | AP00914088 | ACT | 1,245.12 | GENERAL RUBBER & PLASTICS | EQ38 hose 586-462-123 | 7821000565 | 00000639 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/6/2012 | AP00914088 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 pull pumps to derag | 7821000593 | 00000640 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 8/7/2012 | AP00914590 | ACT | 1,059.90 | GATTERDAM INDUSTRIAL SERVICES | J-Line Press pump motor repair | 7821000524 | 00000644 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 8/7/2012 | AP00914590 | ACT | 859.68 | WHAYNE SUPPLY COMPANY | EQ20 Generator Rear of plant | 7821000594 | 00000645 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/7/2012 | AP00914590 | ACT | 219.00 | VULCAN MATERIALS CO | LS52 #57 126 Medical Ctr D MH | 7821000578 | 00000648 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/8/2012 | AP00915031 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Pull Pumps 2 & 3 derag | 7821000600 | 00000652 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 8/20/2012 | AP00919322 | ACT | 1,154.21 | UV DOCTOR LAMPS LLC | EQ48 Lamp-Trojan 3000 UVDRX11 | 7821000557 | 00000658 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 8/20/2012 | AP00919322 | ACT | 483.67 | UV DOCTOR LAMPS LLC | EQ48 Quartz Sleeve - Trojan 3 | 7821000557 | 00000658 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/21/2012 | AP00919738 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS11 Pump 1 wet, needs sent f | 7821000607 | 00000659 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/21/2012 | AP00919738 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS3 Pump 1 removed rock | 7821000607 | 00000659 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/21/2012 | AP00919738 | ACT | 400.00 | BOOMER'S CONSTRUCTION LLC | LS1 DeRag all pumps | 7821000605 | 00000660 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/21/2012 | AP00919738 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Derag Pump 2 and 3 | 7821000605 | 00000661 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/22/2012 | | ACT | 1,398.98 | STRAEFFER PUMP & SUPPLY INC | LS11 Float pump controller 5 | 7821000609 | 00000664 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/22/2012 | | ACT | 699.49 | STRAEFFER PUMP & SUPPLY INC | LS15 Float pump controller 5 | 7821000609 | 00000664 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/22/2012 | | ACT | 25,758.00 | STRAEFFER PUMP & SUPPLY INC | LS2 KSB Submersible Pump 6" | 7821000610 | 00000665 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/23/2012 | AP00920636 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS1 DeRag pumps | 7821000612 | 00000667 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 8/23/2012 | AP00920636 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS2 Set new Pump | 7821000612 | 00000667 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 8/23/2012 | AP00920636 | ACT | 263.41 | AJ ENTERPRISES | LS52 MH Inflow Dish/ City Poo | 7821000592 | 00000668 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38000 | 8/29/2012 | 0000924922 | GLE | 48.71 | SisTax PHOENIX PROC385111 | SisTax PHOENIX PROC385111 | | |
| | | | | | | | | | 40,728.41 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/1/2012 | AP00926749 | ACT | 375.73 | VULCAN MATERIALS CO | LS12 No 57 rock | 7821000597 | 00000671 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/1/2012 | AP00926749 | ACT | 757.40 | VULCAN MATERIALS CO | LS12 No 57 rock | 7821000597 | 00000671 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 9/7/2012 | | ACT | 32.50 | VVV7Y900124 | EQ35 ORSCHELN-CHAIN/FRNT GATE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 9/7/2012 | | ACT | 22.76 | VVV7Y900067 | EQ35 TV-FRONT GATE LGHT RPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 9/7/2012 | | ACT | 48.15 | VVV7Y301240 | EQ6 TSC-CHEMICAL SPRAYER PART | | |

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|-----------|--------|---------|-----|----|-------|------------|------------|----------|-------------|--------------------------------|-------------------------------|---------------------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/7/2012 | ACT | 169.49 | VWV7Y900073 | LS52 BASHAM-MH 2459 REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/7/2012 | ACT | 254.24 | VWV7Y900073 | LS52 BASHAM-MH2459 REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/7/2012 | ACT | 16.40 | VWV7Y900073 | LS52 FRGSN-MHS 1864/1868 MRKR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/7/2012 | ACT | 60.83 | VWV7Y900073 | LS52 FRGSNWW-SM1519_1284 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/7/2012 | ACT | 216.00 | VWV7Y900073 | LS52 SHRMDX- MH'S 2322/2321 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 118.16 | VWV7Y900073 | LS3 ORSCHELN-FENCING/BYPSSPMP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 9.54 | VWV7Y900124 | LS3 RADELEC-DUCTSEAL | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 44.67 | VWV7Y900124 | LS3 RADELEC-PREFORM, FUSE | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 272.50 | VWV7Y900124 | LS3 RADELEC-PWRSUPPLY,BREAKER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 53.00 | VWV7Y900124 | LS4 ATI SLSTX INV95195 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 1,228.37 | VWV7Y302569 | LS4 ATI-AIRSCRBBR/GRP. SENSORS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 883.29 | VWV7Y900124 | LS4 ATI-ORPS/AIR SCRUBBER | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 172.73 | VWV7Y900067 | LS4 TV-AIRSCRBBR REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 69.56 | VWV7Y900124 | LS44 APPRTS-RELAY,FUSE,CAP | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 7.62 | VWV7Y900073 | LS51 ADVAUTO-WATERWELD/FM RPR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | ACT | 46.60 | VWV7Y900073 | LS51 BASHAM-FORCE MAIN REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/7/2012 | ACT | 238.96 | VWV7Y900073 | EQ2 DLS-TIRE REPLACEMENT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/7/2012 | ACT | 36.35 | VWV7Y900067 | EQ54 TV-WEEDEATER REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/7/2012 | AP00928571 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Pull pumps 2 & 3 to derag | 7821000623 00000676 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/10/2012 | AP00929039 | ACT | 1,534.52 | STRAEFFER PUMP & SUPPLY INC | LS36 impellers for pump 1 & 2 | 7821000629 00000681 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/10/2012 | AP00929039 | ACT | 767.26 | STRAEFFER PUMP & SUPPLY INC | LS40 impeller for pump 1 | 7821000630 00000682 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/12/2012 | AP00930165 | ACT | 355.15 | USA BLUE BOOK | LS53 30' Suspended Avocado FI | 7821000614 00000684 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/12/2012 | AP00930165 | ACT | 835.03 | USA BLUE BOOK | LS53 40' Suspended Avocado FI | 7821000614 00000684 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/12/2012 | AP00930165 | ACT | 315.76 | USA BLUE BOOK | LS53 50' Suspended Avocado FI | 7821000614 00000684 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/14/2012 | AP00931313 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Pull Pump 2 to derag | 7821000640 00000690 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 9/18/2012 | AP00932259 | ACT | 134.26 | USA BLUE BOOK | EQ3 Refuse Hook, 7-1/4"W x 64 | 7821000616 00000692 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 9/18/2012 | AP00932259 | ACT | 195.82 | USA BLUE BOOK | EQ32 NEMA 4X Enclosure w/Wind | 7821000616 00000692 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 9/18/2012 | AP00932259 | ACT | 22.94 | USA BLUE BOOK | EQ33 Steel Back Panel for 14" | 7821000616 00000692 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 9/18/2012 | AP00932259 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Pull pump 2 Derag | 7821000645 00000693 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 9/20/2012 | AP00933345 | ACT | 31.06 | GRAYBAR ELECTRIC COMPANY | EQ41 Contactor Auxiliary Cont | 7821000604 00000698 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 9/20/2012 | AP00933345 | ACT | 153.99 | GRAYBAR ELECTRIC COMPANY | EQ41 Tesys D 3P everlink AC C | 7821000604 00000698 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/21/2012 | ACT | 94.98 | VWV7Y300288 | LS12 FRGSN-FMPIPE, TRANS PACK | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 119.33 | ALLIED TECHNICAL SERVICES INC | EQ38 Air Filter | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 30.96 | ALLIED TECHNICAL SERVICES INC | EQ38 Fuel Line Foot Valve | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 21.40 | ALLIED TECHNICAL SERVICES INC | EQ38 Fuel filter | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 300.89 | ALLIED TECHNICAL SERVICES INC | EQ38 Labor and Travel | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 18.62 | ALLIED TECHNICAL SERVICES INC | EQ38 Oil Filter | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 26.54 | ALLIED TECHNICAL SERVICES INC | EQ38 compressor air filter | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 15.74 | ALLIED TECHNICAL SERVICES INC | EQ38 fuel filter | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/21/2012 | AP00934085 | ACT | 43.21 | ALLIED TECHNICAL SERVICES INC | EQ38 oil 6 gallons | 7821000617 00000700 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 9/24/2012 | AP00935965 | ACT | 35.96 | VULCAN MATERIALS CO | LS51 DGA FM repair | 7821000648 00000704 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/24/2012 | AP00935965 | ACT | 323.42 | ALLIED TECHNICAL SERVICES INC | EQ38 JD water pump | 7821000653 00000706 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 9/24/2012 | AP00935965 | ACT | 76.16 | ALLIED TECHNICAL SERVICES INC | EQ38 V-belt | 7821000653 00000706 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 9/27/2012 | 0000938287 | GLE | 98.27 | SisTax UV DOCTOR LA5865 | SisTax UV DOCTOR LA5865 | |
| 11,586.12 | | | | | | | | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 10/1/2012 | AP00939744 | ACT | 494.89 | UV DOCTOR LAMPS LLC | EQ48 Quartz Sleeve Trojan 302 | 7821000620 00000708 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 10/4/2012 | AP00942220 | ACT | 501.21 | SOUTHERN SALES COMPANY INC | EQ48 Trojan UV3000 Board | 7821000619 00000711 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/4/2012 | AP00942220 | ACT | 159.63 | EYE TRONICS | EQ53 Bulb, Halogen/Xenon 12V | 7821000635 00000712 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/4/2012 | AP00942220 | ACT | 36.79 | EYE TRONICS | EQ53 Oring, 2-018, silicone | 7821000635 00000712 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/4/2012 | AP00942220 | ACT | 23.09 | EYE TRONICS | EQ53 Spacer, USHIO lamp. OZII | 7821000635 00000712 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/4/2012 | AP00942220 | ACT | 29.43 | EYE TRONICS | EQ53 webbing lifting loop | 7821000635 00000712 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/4/2012 | AP00942220 | ACT | 95.86 | EYE TRONICS | EQ53 sprocket, 35P, 15T, face | 7821000635 00000712 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 40.92 | FERGUSON ENTERPRISES INC | LS51 3 DI MJ WDG Rest Gind Pk | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 72.61 | FERGUSON ENTERPRISES INC | LS51 3 REST F/PVC Pipe | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 50.99 | FERGUSON ENTERPRISES INC | LS51 4 125# uniflange adpt // | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 309.41 | FERGUSON ENTERPRISES INC | LS51 4 DI MJ WDG Rest Gind Pk | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 163.77 | FERGUSON ENTERPRISES INC | LS51 4 MJC15390 Bend L/A | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 45.79 | FERGUSON ENTERPRISES INC | LS51 4x3 MJC153 Red L/A | 7821000656 00000714 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS1 pull pumps | 7821000659 00000715 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 150.00 | BOOMER'S CONSTRUCTION LLC | LS3 pull pumps | 7821000659 00000715 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/8/2012 | AP00943310 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS2 pull pumps | 7821000659 00000716 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/9/2012 | AP00943541 | ACT | 1,094.44 | EYE TRONICS | EQ53 Camera Transmission repa | 7821000636 00000718 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/11/2012 | AP00944438 | ACT | 193.24 | USA BLUE BOOK | LS52 Sewer Tracing Dye, Liqui | 7821000631 00000725 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/11/2012 | AP00944438 | ACT | 400.00 | BOOMER'S CONSTRUCTION LLC | LS2 set and pull pumps | 7821000673 00000726 |
| 11821 | 602515 | LIM12RM | 100 | 26 | 26999 | 10/12/2012 | ACT | 50.75 | VWV7Y900124 | WM-CARD READER,BAG | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 10/12/2012 | ACT | 566.00 | VWV7Y302569 | EQ1 AIRTEMP-HVAC REPAIR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 47.36 | VWV7Y900067 | LS51 TV-MH50 BITS, NUTS, BOLT | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 52.67 | VWV7Y900073 | LS52 FERGUSON-1751 EDGEWOOD | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 1,265.00 | VWV7Y302569 | LS52 FJ-MANHOLE RISERS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 41.55 | VWV7Y900067 | LS52 TV-MH 2975,2981 ANCHOR | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 58.49 | VWV7Y300288 | LS52 USABB-SEWER FLAGS | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/12/2012 | ACT | 415.79 | VWV7Y300288 | LS52 USABB-SEWERMARKING | | |

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|-------|--------|---------|-----|----|-------|------------|------------|-----------|-------------------------------|--------------------------------|---------------------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 10/12/2012 | ACT | 59.58 | VWV7Y900124 | EQ32 RE-TIMER 40A 120V | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 10/12/2012 | ACT | 59.58 | VWV7Y900124 | EQ33 RE-TIMER 40A 120V | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | ACT | 8.01 | VWV7Y900067 | LS11 TV-ARLINGTON REPAIR | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | ACT | 62.92 | VWV7Y900124 | LS4 AP-TEMP CONTROL | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | ACT | 6.25 | VWV7Y900067 | LS4 TV-TUBING/ AIR SCRUBBER | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | ACT | 964.60 | VWV7Y300288 | LS43 SM-CLEAR LIMBS FROM STTN | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | ACT | 74.47 | VWV7Y900124 | EQ10 RE-CONTACT,BUTTON,LIGHT | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 10/12/2012 | ACT | 100.72 | VWV7Y900124 | EQ10 RE-HEATER/STRT-STP/CNTCT | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 10/12/2012 | ACT | 39.16 | VWV7Y900124 | EQ10 RE-TIME SWITCH | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 10/12/2012 | ACT | 905.77 | VWV7Y900124 | EQ11 RE-50HP,NEMA 1 CONTROL | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 10/12/2012 | ACT | 100.72 | VWV7Y900124 | EQ11 RE-HEATER/STRT-STP/CNTRL | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/12/2012 | ACT | 23.43 | VWV7Y900067 | EQ2 TV-GREASE FITTINGS | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/12/2012 | ACT | 25.42 | VWV7Y301240 | EQ38 AUTOZONE-COOLANT | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/12/2012 | ACT | 11.65 | VWV7Y900067 | EQ38 TV-4"PUMP, GASKET MAKER | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 10/12/2012 | ACT | 733.10 | VWV7Y300288 | EQ53 ARIES-TRACKS/TRANSPORTER | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | AP00945317 | 403.62 | STRAEFFER PUMP & SUPPLY INC | LS15 cap kit | 7821000674 00000730 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/12/2012 | AP00945317 | 201.81 | STRAEFFER PUMP & SUPPLY INC | LS16 Cap Kit | 7821000674 00000730 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/16/2012 | AP00946141 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS52 lift Concrete MH / Marti | 605.43 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/17/2012 | AP00946368 | 226.42 | STRAEFFER PUMP & SUPPLY INC | LS37 power monitor | 7821000677 00000732 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/18/2012 | AP00946855 | 8.00 | FERGUSON ENTERPRISES INC | LS52 4" pvc 45 ELLJ 1115 W Vi | 7821000670 00000733 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/18/2012 | AP00946855 | 6.58 | STRAEFFER PUMP & SUPPLY INC | LS49 Impeller Retainer | 7821000643 00000734 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/18/2012 | AP00946855 | 268.76 | STRAEFFER PUMP & SUPPLY INC | LS49 grinding impeller | 7821000643 00000734 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/18/2012 | AP00946855 | 309.89 | STRAEFFER PUMP & SUPPLY INC | LS49 impeller | 7821000643 00000734 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/18/2012 | AP00946855 | 2.75 | STRAEFFER PUMP & SUPPLY INC | LS49 screw | 7821000643 00000734 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/18/2012 | AP00946855 | 290.71 | STRAEFFER PUMP & SUPPLY INC | LS49 shredding ring with flan | 7821000643 00000734 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/22/2012 | AP00948201 | 266.60 | USA BLUE BOOK | LS37 Debris Basket, 8" | 878.69 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/22/2012 | AP00948201 | 778.01 | VULCAN MATERIALS CO | No. 9M backfill / Park Comm MH | 7821000660 00000735 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/23/2012 | AP00948830 | 7,794.00 | THERMAL DYNAMICS LLC | LS3 Soft Starts and Power Sup | 7821000681 00000738 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/23/2012 | AP00948830 | 61.11 | VULCAN MATERIALS CO | LS2 #57 backfill | 7821000659 00000739 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/23/2012 | AP00948830 | 63.11 | VULCAN MATERIALS CO | LS25 #57 backfill | 7821000676 00000740 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 10/23/2012 | AP00948830 | 1,590.00 | JACK DOHENY SUPPLIES INC | LS51 Easement machine rental | 7821000662 00000741 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 10/24/2012 | AP00949315 | 1,590.00 | JACK DOHENY SUPPLIES INC | LS51 Easement Machine Rental | 7821000662 00000742 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 10/24/2012 | AP00949315 | 95.54 | STRAEFFER PUMP & SUPPLY INC | LS15 run capacitor | 7821000686 00000743 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/25/2012 | AP00950364 | 54.17 | STRAEFFER PUMP & SUPPLY INC | LS15 start capacitor | 7821000686 00000745 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/25/2012 | AP00950364 | 95.55 | STRAEFFER PUMP & SUPPLY INC | LS16 run capacitor | 7821000686 00000745 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/25/2012 | AP00950364 | 54.17 | STRAEFFER PUMP & SUPPLY INC | LS16 start capacitor | 7821000686 00000745 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 10/25/2012 | AP00950364 | 24,445.86 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 11/1/2012 | AP00956215 | 905.77 | RADCLIFF ELECTRIC SUPPLY INC | EQ10 General Purpose, Size 3 | 7821000626 00000748 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS3 pull Pump 2 for repairs | 7821000690 00000749 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 1,009.97 | STRAEFFER PUMP & SUPPLY INC | LS2 contactor | 7821000678 00000751 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 11/1/2012 | AP00956215 | 2,641.12 | STRAEFFER PUMP & SUPPLY INC | EQ14 Pump Rebuild | 7821000693 00000752 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 11/1/2012 | AP00956215 | 44.94 | VULCAN MATERIALS CO | EQ35 #2 rock / drainage repai | 7821000685 00000753 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 pull 2 pumps for repair | 7821000690 00000754 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 262.93 | RADCLIFF ELECTRIC SUPPLY INC | LS18 Starter | 7821000694 00000755 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 262.94 | RADCLIFF ELECTRIC SUPPLY INC | LS6 Starter | 7821000694 00000756 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 378.18 | RADCLIFF ELECTRIC SUPPLY INC | EQ42 3P 100A SqD Fal | 7821000667 00000760 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 11/1/2012 | AP00956215 | 688.47 | BALE EQUIPMENT RENTAL LLC | EQ2 12X16.5 Tire | 7821000667 00000760 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/1/2012 | AP00956215 | 419.76 | BALE EQUIPMENT RENTAL LLC | EQ2 wheel | 7821000683 00000761 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/1/2012 | AP00956215 | 965.11 | XYLEM WATER SOLUTIONS USA INC | LS17 Basic Repair Kit 3127 w/ | 7821000696 00000763 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 11/5/2012 | AP00956215 | 100.00 | THE DOZIER COINC | EQ40 repair RAS pumps at Cont | 7821000696 00000764 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 120.00 | THE DOZIER COINC | LS35 Install Contactor at Map | 7821000702 00000765 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS4 set air control build | 7821000702 00000767 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 Pull pumps | 7821000699 00000768 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 0.23 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1" locknut | 7821000699 00000768 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 167.35 | RADCLIFF ELECTRIC SUPPLY INC | LS4 8-4 SO black SEOWW | 7821000699 00000768 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 3.50 | RADCLIFF ELECTRIC SUPPLY INC | LS4 Nylon Cord Grip | 7821000704 00000769 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 41.46 | RADCLIFF ELECTRIC SUPPLY INC | LS2 2/0 cmp lug 3/8 hole | 7821000704 00000770 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 27.63 | RADCLIFF ELECTRIC SUPPLY INC | LS2 1 welding cable | 7821000704 00000770 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 18.11 | RADCLIFF ELECTRIC SUPPLY INC | LS2 1/0 Comp Lug 5/16 hole | 7821000704 00000770 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 21.35 | RADCLIFF ELECTRIC SUPPLY INC | LS2 2 welding cable | 7821000704 00000770 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 12.38 | RADCLIFF ELECTRIC SUPPLY INC | LS2 8 oz oxgard antioxidant c | 7821000698 00000771 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/5/2012 | AP00956215 | 416.05 | VULCAN MATERIALS CO | LS52 9M rock for line repairs | 7821000698 00000771 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/5/2012 | AP00956215 | 153.35 | VULCAN MATERIALS CO | LS2 9M rock for 313 LS repair | 7821000698 00000771 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | 120.00 | THE DOZIER COINC | LS25 reset blade disconnect | 7821000712 00000773 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 63.60 | FERGUSON ENTERPRISES INC | LS52 10 Cl pvc x 10 Cl pvc cou | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 53.00 | FERGUSON ENTERPRISES INC | LS52 10 clay x 10 Cl pvc coup | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 74.20 | FERGUSON ENTERPRISES INC | LS52 12 Cl pvc x 12 Cl pvc co | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 74.20 | FERGUSON ENTERPRISES INC | LS52 12 clay x 12 Cl pvc coup | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 84.80 | FERGUSON ENTERPRISES INC | LS52 15 Cl pvc x 15 Cl pvc co | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 95.40 | FERGUSON ENTERPRISES INC | LS52 15 clay x 15 Cl pvc coup | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 146.28 | FERGUSON ENTERPRISES INC | LS52 18 Cl pvc x 18 Cl pvc co | 7821000697 00000774 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | 79.50 | FERGUSON ENTERPRISES INC | LS52 18 clay x 18 Cl pvc coup | 7821000697 00000774 |

| | | | | | | | | | | | | | | | |
|-------|--------|---------|-----|----|-------|------------|------------|---------|------------------------------|--------------------------------|-------------------------------|--------------------------|------------|----------|--|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 9.65 | FERGUSON ENTERPRISES INC | LS52 | 4 Cl pvc x 4 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 10.60 | FERGUSON ENTERPRISES INC | LS52 | 4 clay x 4 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 19.06 | FERGUSON ENTERPRISES INC | LS52 | 6 Cl pvc x 6 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 19.06 | FERGUSON ENTERPRISES INC | LS52 | 6 clay x 6 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 29.66 | FERGUSON ENTERPRISES INC | LS52 | 8 Cl pvc x 8 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | AP00957532 | ACT | 27.54 | FERGUSON ENTERPRISES INC | LS52 | 8 clay x 8 Cl pvc coup | 7821000697 | 00000774 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 11.07 | RADCLIFF ELECTRIC SUPPLY INC | LS45 | 1 water tight KO seal | 7821000709 | 00000777 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 15.50 | RADCLIFF ELECTRIC SUPPLY INC | LS45 | 2 water tight KO seal | 7821000709 | 00000777 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 61.99 | ALLIED TECHNICAL SERVICES INC | EQ38 | 8" pump 3/4" magnetic sp | 7821000895 | 00000778 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38075 | 11/8/2012 | AP00957532 | ACT | 246.89 | ALLIED TECHNICAL SERVICES INC | EQ38 | 8" pump labor to repair | 7821000895 | 00000778 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 43.04 | DELANEY & ASSOCIATES INC | LS24 | troubleshooting inspect | 7821000711 | 00000779 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 77.46 | DELANEY & ASSOCIATES INC | LS37 | 6" electrode dome assemb | 7821000711 | 00000779 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 43.04 | DELANEY & ASSOCIATES INC | LS37 | troubleshooting inspect | 7821000711 | 00000779 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/8/2012 | AP00957532 | ACT | 43.04 | DELANEY & ASSOCIATES INC | LS51 | troubleshooting inspect | 7821000711 | 00000779 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/8/2012 | ACT | 640.00 | DUKE'S ROOT CONTROL INC | LS52 | Jet Power II grease liqu | 7821000700 | 00000781 | | |
| 11821 | 602215 | LIM12RM | 100 | 25 | 25015 | 11/9/2012 | ACT | 86.00 | VVV7Y900073 | SPEEDWAY-DIESEL FOR SP13 | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 11/9/2012 | ACT | 733.64 | VVV7Y302569 | USABB-REED DM1100 DRILLING MAC | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/9/2012 | ACT | 38.55 | VVV7Y900073 | LS52 FRGSN-1221 W VINE CO | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/9/2012 | ACT | 6.70 | VVV7Y900073 | LS52 FRGSN-387 BTRFM2039 | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/9/2012 | ACT | 211.57 | VVV7Y900073 | LS52 FRGSN-CLEANOUT INSTALLS | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/9/2012 | ACT | (19.28) | VVV7Y900073 | LS52 FRGSN-CREDIT/CO INSTALLS | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/9/2012 | ACT | 208.25 | VVV7Y900073 | LS52 SHRMDX-RISER/MH2098 | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 143.43 | VVV7Y900073 | LS2 RADELEC-FUSES | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 19.70 | VVV7Y900073 | LS24 FRGSN-SCH40PIPE,MALEADPT | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 24.15 | VVV7Y900073 | LS24 ORSCH-FEM/MALEADPT,COUPL | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 10.16 | VVV7Y900073 | LS24 ORSCH-MALEADPT,FEMCPLR | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 50.77 | VVV7Y300288 | LS37 AHP-MCDANIEL J6-S VAC 30 | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 88.76 | VVV7Y900073 | LS37 FRGSN-ADPT,TEE,ELL,PIPE | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 19.71 | VVV7Y900073 | LS37 FRGSN-SCH40PIPE,MALEADPT | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 15.87 | VVV7Y900073 | LS37 LOWES-DW 1-3/8" IMPACT R | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 24.15 | VVV7Y900073 | LS37 ORSCH-FEM/MALEADPT,ELBOW | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 10.16 | VVV7Y900073 | LS37 ORSCH-MALEADPT,FEMCPLR | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/9/2012 | ACT | 26.02 | VVV7Y300288 | LS37 WNNLSN-30PS1 1/2" GAUG | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/9/2012 | ACT | 228.60 | VVV7Y900067 | EQ19 SERVICE FORKLIFT | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/9/2012 | ACT | 41.20 | VVV7Y900073 | EQ2 DLS-BH TIRE MOUNTING | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/9/2012 | ACT | 13.75 | VVV7Y900067 | EQ20 TV-RODS,STICK | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/9/2012 | ACT | 542.74 | VVV7Y301240 | EQ20 WHY-GENERATORBATTERY | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/9/2012 | ACT | 39.21 | VVV7Y900067 | EQ27 TV-MOWER BELT | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/14/2012 | ACT | 11.65 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2 conduit hub | 7821000716 | 00000785 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/14/2012 | ACT | 1.18 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2" pvc TA | 7821000716 | 00000785 | 12.83 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 120.27 | RADCLIFF ELECTRIC SUPPLY INC | LS45 #3 THHN 4 x 27 | 7821000718 | 00000786 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 1.51 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2" PVC 90 | 7821000718 | 00000786 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 2.34 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2" PVC TA | 7821000718 | 00000786 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 1.35 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2" PVC TA | 7821000718 | 00000786 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 17.03 | RADCLIFF ELECTRIC SUPPLY INC | LS45 1-1/2" PVC coupling | 7821000718 | 00000786 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/15/2012 | ACT | 147.90 | FERGUSON ENTERPRISES INC | LS45 1-1/2" aluminum lb | 7821000718 | 00000786 | 142.50 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/15/2012 | ACT | 79.50 | FERGUSON ENTERPRISES INC | LS52 12-18 Pipe x 4 rep | 7821000697 | 00000787 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS52 18 clay x 18 Cl pvc coup | 7821000697 | 00000787 | 227.40 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/15/2012 | ACT | 410.91 | VULCAN MATERIALS CO | LS1 Pull pump #2 to derog | 7821000714 | 00000788 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/16/2012 | ACT | 542.74 | WHAYNE SUPPLY COMPANY | LS12 stone 9M to repair LS roa | 7821000717 | 00000789 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/20/2012 | ACT | 450.00 | BOOMER'S CONSTRUCTION LLC | EQ20 batteries for generators | 7821000719 | 00000790 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 100.00 | BOOMER'S CONSTRUCTION LLC | LS2 313 soft start | 7821000708 | 00000791 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 200.00 | BOOMER'S CONSTRUCTION LLC | LS11 set pump | 7821000724 | 00000793 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 6.23 | RADCLIFF ELECTRIC SUPPLY INC | LS4 remove air control unit | 7821000724 | 00000793 | 300.00 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.03 | RADCLIFF ELECTRIC SUPPLY INC | LS4 #4 split bolt | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 0.64 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc 45 | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 4.25 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc coupling | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 0.49 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc lb | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 9.59 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc ta | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 5.65 | RADCLIFF ELECTRIC SUPPLY INC | LS4 2" myers hub | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 12.45 | RADCLIFF ELECTRIC SUPPLY INC | LS4 2" x 1-1/4" reducing bush | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 4.52 | RADCLIFF ELECTRIC SUPPLY INC | LS4 3M linerless rubber tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 3M super 33+ 3/4x66" | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 Orange electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 blue electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 brown electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 red electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 0.76 | RADCLIFF ELECTRIC SUPPLY INC | LS4 temflex electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 white electrical tape | 7821000721 | 00000794 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.10 | RADCLIFF ELECTRIC SUPPLY INC | LS4 yellow electrical tape | 7821000721 | 00000794 | 52.21 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.13 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc 90 | 7821000721 | 00000795 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 1.28 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1-1/4" pvc coupling | 7821000721 | 00000795 | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/21/2012 | ACT | 11.56 | RADCLIFF ELECTRIC SUPPLY INC | LS4 1/2 x 5-1/2 wedge anchor | 7821000721 | 00000795 | 13.97 | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/29/2012 | AP00962041 | ACT | 49.32 | RADCLIFF ELECTRIC SUPPLY INC | LS11 250 lb black tie with bu | 7821000723 | 00000797 | | |

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|-----------|--------|---------|-----|----|-------|------------|------------|-----|----------|------------------------------------|--------------------------------|--------------------------------|------------|----------|----------|
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/26/2012 | AP00962041 | ACT | 17.94 | RADCLIFF ELECTRIC SUPPLY INC | LS11 | screw holding wire tie | 7821000723 | 00000797 | 67.26 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 11/30/2012 | 0000965467 | GLE | 30.07 | SisTax SOUTHERN SALW11057 | SisTax SOUTHERN SALW11057 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 11/30/2012 | 0000965467 | GLE | 29.69 | SisTax UV DOCTOR LA5991 | SisTax UV DOCTOR LA5991 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 11/30/2012 | 0000966624 | GLE | 38.40 | SisTax DUKE'S ROOT 12805 | SisTax DUKE'S ROOT 12805 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/30/2012 | 0000965467 | GLE | 467.64 | SisTax THERMAL DYNA201209 | SisTax THERMAL DYNA201209 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 11/30/2012 | 0000966624 | GLE | 57.91 | SisTax XYLEM WATER 770919 | SisTax XYLEM WATER 770919 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/30/2012 | 0000965467 | GLE | 20.69 | SisTax EYE TRONICS1287ET | SisTax EYE TRONICS1287ET | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 11/30/2012 | 0000965467 | GLE | 50.28 | SisTax EYE TRONICS1288ET | SisTax EYE TRONICS1288ET | | | | |
| 17,727.29 | | | | | | | | | | | | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/1/2012 | | ACT | 197.16 | USA BLUE BOOK | LS52 | Flag, 21" Wire Staff, Gr | 7821000715 | 00000800 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 12/1/2012 | | ACT | 23.23 | GRAYBAR ELECTRIC COMPANY | EQ46 | Bimetallic Overload Rela | 7821000710 | 00000801 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 12/1/2012 | | ACT | 20.59 | GRAYBAR ELECTRIC COMPANY | EQ46 | D40A to D65A RC 110-240V | 7821000710 | 00000801 | 43.82 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/1/2012 | | ACT | 11.51 | FASTENAL COMPANY | LS24 | 2"x80G TYP3 A/Odisc | 7821000727 | 00000802 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/1/2012 | | ACT | 21.06 | FASTENAL COMPANY | LS24 | Carbon pipe tap 1/2 | 7821000727 | 00000802 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/1/2012 | | ACT | 16.95 | FASTENAL COMPANY | LS24 | T-3 2" backing pad | 7821000727 | 00000802 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/1/2012 | | ACT | 10.63 | FASTENAL COMPANY | LS37 | 2" x 80G TYP3 A/O disc | 7821000727 | 00000802 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/1/2012 | | ACT | 21.06 | FASTENAL COMPANY | LS37 | Carbon Pipe Tap 1/2 | 7821000727 | 00000802 | 81.21 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/4/2012 | | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS2 | pull pump | 7821000731 | 00000804 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38075 | 12/5/2012 | | ACT | 72.82 | ALLIED TECHNICAL SERVICES INC | EQ39 | 3/4" magnetic speed sens | 7821000734 | 00000806 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38090 | 12/6/2012 | | ACT | 23.24 | GRAYBAR ELECTRIC COMPANY | EQ46 | 48-65A class 10 OLR w/E | 7821000742 | 00000809 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/7/2012 | AP00970760 | ACT | 622.58 | HACH COMPANY | EQ32 | Digital ORP Sensor | 7821000732 | 00000810 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/7/2012 | AP00970760 | ACT | 194.31 | HACH COMPANY | EQ32 | pole mount kit | 7821000733 | 00000810 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/7/2012 | AP00970760 | ACT | 194.31 | HACH COMPANY | EQ33 | pole mount kit | 7821000733 | 00000810 | 1,011.20 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/10/2012 | AP00969963 | ACT | 686.27 | EYE TRONICS | EQ53 | OZil lighthead module | 7821000730 | 00000811 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/11/2012 | AP00969191 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 | pull pumps to derag | 7821000743 | 00000813 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38030 | 12/11/2012 | AP00969191 | ACT | 5.22 | RADCLIFF ELECTRIC SUPPLY INC | EQ48 | fuse, ceramic 15 amp 250 | 7821000726 | 00000814 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38005 | 12/11/2012 | AP00969191 | ACT | 1,970.44 | RADCLIFF ELECTRIC SUPPLY INC | EQ1 | 45KVA 480-120/208V transf | 7821000741 | 00000815 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/12/2012 | AP00969963 | ACT | 1,352.34 | STRAEFFER PUMP & SUPPLY INC | LS2 | IEC Contactor | 7821000748 | 00000819 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/13/2012 | AP00969963 | ACT | 622.58 | HACH COMPANY | EQ33 | Digital ORP Sensor | 7821000733 | 00000820 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/13/2012 | AP00970760 | ACT | 696.77 | WHAYNE SUPPLY COMPANY | EQ38 | Install thermostat and c | 7821000747 | 00000821 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/13/2012 | AP00969963 | ACT | 69.03 | VULCAN MATERIALS CO | LS52 | No. 57 rock | 7821000745 | 00000822 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/13/2012 | AP00969963 | ACT | 15.51 | RADCLIFF ELECTRIC SUPPLY INC | LS47 | 2 water tight KO seal | 7821000746 | 00000823 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | AP00970760 | ACT | 125.44 | USA BLUE BOOK | | Replacement Spiral Blade, 6" f | 7821000720 | 00000825 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | AP00970760 | ACT | 7,879.83 | STRAEFFER PUMP & SUPPLY INC | LS38 | pump, Myers 20 HP | 7821000751 | 00000826 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38075 | 12/14/2012 | AP00970760 | ACT | 8.55 | ALLIED TECHNICAL SERVICES INC | EQ39 | Diode | 7821000738 | 00000827 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38075 | 12/14/2012 | AP00970760 | ACT | 97.97 | ALLIED TECHNICAL SERVICES INC | EQ39 | Labor to repair Murphy B | 7821000738 | 00000827 | 106.52 |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | AP00970760 | ACT | 159.04 | USA BLUE BOOK | | Replacement Spiral Blade, 8" f | 7821000720 | 00000828 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38010 | 12/14/2012 | | ACT | 15.12 | VWV7Y900067 | EQ6 | TV-FITTINGS,ELBOW | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38015 | 12/14/2012 | | ACT | 20.65 | VWV7Y900067 | LS52 | TV-PIPE,CORD/BTR LSTMH | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/14/2012 | | ACT | 6.70 | VWV7Y900073 | FERGUSON-STOVALL FM MARKING | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/14/2012 | | ACT | 210.17 | VWV7Y900073 | LS52 | FERGUSON-556 AUDUBON | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/14/2012 | | ACT | 28.11 | VWV7Y900073 | LS52 | FRGSON-CPLING/556 AUDUBON | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/14/2012 | | ACT | 17.47 | VWV7Y900067 | LS52 | TV-1115W VINE CO CAP,CMN | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38065 | 12/14/2012 | | ACT | 11.58 | VWV7Y900073 | WM-STRAW/191 JOHNS RD | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 100.19 | VWV7Y300288 | FERGUSON-LINCOLN TRAIL CP PART | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 571.90 | VWV7Y300288 | LS35 | RE-STARTER,HEATER,TIE,CL | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 0.85 | VWV7Y900067 | LS49 | TV-BOLTS | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 680.38 | VWV7Y300288 | LS53 | USABB-PRESSURE GAUGES | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 975.00 | VWV7Y300288 | LS6 | YATES-GAUGE INSTALLATION | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/14/2012 | | ACT | 950.00 | VWV7Y302569 | YATES-313LS GAUGE INSTALL | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38095 | 12/14/2012 | | ACT | 28.59 | VWV7Y301240 | EQ4 | TSC-BUSHING,CPLR,ADAPT | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | | ACT | 109.47 | VWV7Y301240 | EQ36 | ORSCHLN-HOSE,AIRCHCK,PLG | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | | ACT | 4.23 | VWV7Y900067 | EQ36 | TV-NIPPLE | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | | ACT | 4.23 | VWV7Y900067 | EQ38 | TV-CAP | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/14/2012 | | ACT | 281.85 | VWV7Y300288 | | FISHER-VECTOR BATTERIES | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/19/2012 | AP00973296 | ACT | 300.00 | BOOMER'S CONSTRUCTION LLC | LS1 | pull pumps to derag | 7821000743 | 00000830 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38080 | 12/20/2012 | AP00973296 | ACT | 790.00 | ELECTRIC MOTOR REPAIR & REWIND INC | LS17 | repair stator | 7821000750 | 00000831 | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/27/2012 | 0000975938 | GLE | 60.67 | SisTax HACH COMPANY805972 | SisTax HACH COMPANY805972 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38070 | 12/27/2012 | 0000975938 | GLE | 37.35 | SisTax HACH COMPANY806588 | SisTax HACH COMPANY806588 | | | | |
| 11821 | 605810 | LIM12RM | 100 | 38 | 38999 | 12/27/2012 | 0000975938 | GLE | 41.18 | SisTax EYE TRONICS1345ET | SisTax EYE TRONICS1345ET | | | | |
| 20,964.13 | | | | | | | | | | | | | | | |

| BU | Acct # | Activity | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|----------|------|---------------|----------|------------|----------|---------------|------------|-------------------------|--------------------|----|---------|
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 1/31/12 | 00011113 | FRV | (1,250.00) | Radcliff, Hardin County | 1/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 2/29/12 | 00012049 | FRV | (1,250.00) | Radcliff, Hardin County | 2/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 3/31/12 | 00013370 | FRV | (1,250.00) | Radcliff, Hardin County | 3/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 4/30/12 | 00013670 | FRV | (1,250.00) | Radcliff, Hardin County | 4/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 5/31/12 | 00014633 | FRV | (1,250.00) | Radcliff, Hardin County | 5/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 6/30/12 | 00015210 | FRV | (1,250.00) | Radcliff, Hardin County | 6/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 7/31/12 | 00016709 | FRV | (1,250.00) | Radcliff, Hardin County | 7/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 8/31/12 | 00018032 | FRV | (1,250.00) | Radcliff, Hardin County | 8/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 9/30/12 | 00019392 | FRV | (1,250.00) | Radcliff, Hardin County | 9/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 10/31/12 | 00020926 | FRV | (1,250.00) | Radcliff, Hardin County | 10/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 11/30/12 | 00022048 | FRV | (1,250.00) | Radcliff, Hardin County | 11/12 Odor Control | | |
| 11821 | 501500 | LIM12OC | 100 | 11 | 11000 | 12/31/12 | 00023171 | FRV | (1,250.00) | Radcliff, Hardin County | 12/12 Odor Control | | |

(15,000.00) Total Revenue

12

| BU | Acct # | Dept | Resource Type | Category | Acctg Date | Doc # | Analysis Type | Amount | Description | Description 2 | PO | Voucher |
|-------|--------|---------|---------------|----------|------------|-----------|---------------|--------|-------------|----------------------------|-------------------------------|---------------------|
| 11821 | 605210 | LIM12OC | 100 | 36 | 36030 | 5/10/2012 | AP00873927 | ACT | 425.57 | BRENNTAG MID SOUTH INC | Caustic Soda 25% Comm Grd | 7821000496 00000548 |
| 11821 | 605210 | LIM12OC | 100 | 36 | 36075 | 7/24/2012 | AP00906868 | ACT | 238.25 | BRENNTAG MID SOUTH INC | Air Scrubber- Sodium Hypochlo | 7821000569 00000625 |
| 11821 | 605210 | LIM12OC | 100 | 36 | 36075 | 8/3/2012 | | ACT | 238.25 | VWV7Y300288 | BRENNTAG-BLEACH FOR AS | |
| 11821 | 605210 | LIM12OC | 100 | 36 | 36075 | 10/1/2012 | 0000944340 | GLE | 238.25 | Brenntag Mid South Vch 701 | Brenntag Mid South Vch 701 | |



Sample Group (Similar Size Utilities)

Similar in Size Sample

Kalispell (MT)
 San Marcos (TX)
 Lake Oswego (OR)
 Frederick County (VA)
 Brunswick County (NC)
 Sun Prairie (WI)
 Coldwater (MI)
 Verona (VA)
 Annapolis (MD)
 Louisville (CO)
AVERAGE (all)
MEDIAN (all)

| | Annual Operating Expenses | # of Accounts | Service Population | Annual O.E. per Account | Annual O.E. per Capita |
|--|---------------------------|---------------|--------------------|-------------------------|------------------------|
| | 2,213,239 | 8,146 | 21,000 | 271.70 | 105.39 |
| | 7,035,675 | 8,202 | 54,000 | 857.80 | 130.29 |
| | 8,796,751 | 12,277 | 33,000 | 716.52 | 266.57 |
| | 9,052,353 | 13,189 | 32,000 | 686.36 | 282.89 |
| | 5,060,617 | 10,574 | 23,000 | 478.59 | 220.03 |
| | 1,620,000 | 9,073 | 29,000 | 178.55 | 55.86 |
| | 1,437,740 | 4,632 | 13,000 | 310.39 | 110.60 |
| | 2,630,799 | 8,784 | 49,000 | 299.50 | 53.69 |
| | 3,259,680 | 11,200 | 38,000 | 291.04 | 85.78 |
| | 4,480,936 | 6,677 | 18,000 | 671.10 | 248.94 |
| | 4,558,779 | 9,275 | 31,000 | 476.16 | 156.00 |
| | 3,870,308 | 8,929 | 30,500 | 394.49 | 120.44 |

| | | | | | |
|------------------------------|---------------------|---------------|---------------|--------------|--------------|
| Santa Barbara, CA | \$10,920,036 | 24,291 | 92,000 | \$449.55 | \$118.70 |
| Carrboro, NC | \$9,043,308 | 19,340 | 80,000 | \$467.60 | \$113.04 |
| Okatie, SC (f) | \$10,079,977 | 30,849 | 71,000 | \$326.75 | \$141.97 |
| Mountain View, CA | \$9,815,000 | 15,794 | 75,000 | \$621.44 | \$130.87 |
| Lake Elsinore, CA (e) (f) | \$48,227,652 | 30,763 | 127,000 | \$1,567.72 | \$379.75 |
| Salisbury, NC | N / R | 19,553 | 52,000 | | |
| Portland, ME | \$8,127,407 | 16,784 | 210,000 | \$484.24 | \$38.70 |
| Rogers, AR | \$3,777,356 | 20,117 | 60,000 | \$187.77 | \$62.96 |
| Evanston, IL | \$2,402,708 | 14,418 | 74,000 | \$166.65 | \$32.47 |
| Cartersville, GA (f) | \$1,682,555 | 6,859 | 61,000 | \$245.31 | \$27.58 |
| Ames, IA | \$4,444,070 | 16,863 | 59,000 | \$263.54 | \$75.32 |
| Spotsylvania County, VA | N / R | 27,687 | 120,000 | | |
| Okaloosa County, FL (e) (f) | \$16,698,139 | 33,946 | 84,000 | \$491.90 | \$198.79 |
| College Station, TX | \$5,620,492 | N / R | N / R | | |
| Lebanon, PA | \$3,951,134 | 8,214 | 60,000 | \$481.02 | \$65.85 |
| Delray Beach, FL (e) (f) | N / R | 21,000 | 65,000 | | |
| Loveland, CO | \$8,670,949 | 24,706 | 68,000 | \$350.97 | \$127.51 |
| Mt Pleasant, SC (e) (f) | \$16,747,800 | 32,085 | 68,000 | \$521.98 | \$246.29 |
| Watsonville, CA | \$7,836,734 | 13,414 | 55,000 | \$584.22 | \$142.49 |
| Broomfield, CO | \$5,427,544 | 17,481 | 59,000 | \$310.48 | \$91.99 |
| Farmington, NM | \$3,933,646 | 14,201 | 50,000 | \$277.00 | \$78.67 |
| Kennewick, WA (e) (f) | \$4,235,511 | 17,517 | 75,000 | \$241.79 | \$56.47 |
| Mansfield, TX | N / R | 16,987 | 56,000 | | |
| Rio Rancho, NM (e) (f) | \$19,879,731 | 24,816 | 69,000 | \$801.09 | \$288.11 |
| Olympia, WA (e) (f) | N / R | 15,098 | 41,000 | | |
| Oak Ridge, TN (e) (f) | \$12,682,614 | 12,169 | 29,000 | \$1,042.21 | \$437.33 |
| Astoria, OR (f) | \$3,885,313 | 4,017 | 9,000 | \$967.22 | \$431.70 |
| New Braunfels, TX | \$3,291,000 | 21,014 | 59,000 | \$156.61 | \$55.78 |
| Hilton Head, SC | N / R | 15,030 | 38,000 | | |
| Douglasville, GA (f) | N / R | 17,721 | 130,000 | | |
| Charlottesville, VA (e) (f) | \$17,343,532 | 14,549 | 58,000 | \$1,192.08 | \$299.03 |
| Radcliff, KY | \$4,487,591 | 8,873 | 25,000 | \$505.76 | \$179.50 |
| San Marcos, TX (f) | \$7,035,675 | 8,202 | 54,000 | \$857.80 | \$130.29 |
| Lake Oswego, OR | \$8,796,751 | 12,277 | 33,000 | \$716.52 | \$266.57 |
| Cedar Falls, IA | N / R | 12,500 | 39,000 | | |
| Annapolis, MD | \$3,259,680 | 11,200 | 38,000 | \$291.04 | \$85.78 |
| Frederick County, VA (e) (f) | \$9,052,353 | 13,189 | 32,000 | \$686.36 | \$282.89 |
| Aberdeen, WA | N / R | 5,562 | 21,000 | | |
| Brunswick County, NC | \$5,060,617 | 10,574 | 23,000 | \$478.59 | \$220.03 |
| Kalispell, MT | \$2,213,239 | 8,146 | 21,000 | \$271.70 | \$105.39 |
| Dallas, TX (e) (f) | \$6,880,248 | 3,554 | 100,000 | \$1,935.92 | \$68.80 |
| Sun Prairie, WI | \$1,620,000 | 9,073 | 29,000 | \$178.55 | \$55.86 |
| Coldwater, MI | \$1,437,740 | 4,632 | 13,000 | \$310.39 | \$110.60 |
| Verona, VA (e) (f) | \$2,630,799 | 8,784 | 49,000 | \$299.50 | \$53.69 |
| Gallup, NM | \$3,244,683 | 6,068 | 22,000 | \$534.72 | \$147.49 |
| Southlake, TX (f) | \$13,414,385 | 7,632 | 27,000 | \$1,757.65 | \$496.83 |
| Erwin, TN | \$672,993 | 3,230 | 7,000 | \$208.36 | \$96.14 |
| Milwaukie, OR | \$4,733,564 | 6,737 | 21,000 | \$702.62 | \$225.41 |
| Morgan City, LA | N / R | 6,235 | 14,000 | | |
| Louisville, CO (e) (f) | \$4,480,936 | 6,677 | 18,000 | \$671.10 | \$248.94 |
| Mammoth Lakes, CA | \$3,085,059 | 3,650 | 35,000 | \$845.22 | \$88.14 |
| Concord, MA | \$1,387,852 | 1,823 | 4,000 | \$761.30 | \$346.96 |
| Beatrice, NE | N / R | 5,485 | 12,000 | | |
| Calaveras County, CA | \$4,988,216 | 4,750 | N / R | \$1,050.15 | |
| Encinitas, CA | \$2,221,352 | 4,837 | N / R | \$459.24 | |
| Warren County, KY | \$991,800 | 4,716 | 11,000 | \$210.31 | \$90.16 |
| Valley Center, CA | \$1,272,192 | N/R | 7,000 | | \$181.74 |
| Novato, CA | \$128,191 | 227 | N / R | \$564.72 | |
| Bastrop, TX | \$221,536 | 388 | 1,000 | \$570.97 | \$221.54 |
| Average | \$11,218,124 | 24,214 | 86,268 | \$523 | \$146 |
| Median | \$8,280,404 | 20,327 | 68,500 | \$423 | \$112 |

Group C Utilities

| Utility | Annual Operating | # of Accounts | Service Population | Annual O.F. per | Annual O.F. per |
|----------------------------|------------------|---------------|--------------------|-----------------|-----------------|
| | Expenses | | | Account | Capita |
| Everett, WA (e) (f) | \$37,245,000 | 23,272 | 160,000 | \$1,600.42 | \$232.78 |
| Ashburn, VA (e) (f) | \$4,014,589 | 64,285 | 65,000 | \$62.45 | \$61.76 |
| Waco, TX | \$11,090,163 | 36,979 | 181,000 | \$299.90 | \$61.27 |
| Decatur, AL | \$6,753,086 | 20,327 | 65,000 | \$332.22 | \$103.89 |
| Laredo, TX | N / R | 61,232 | 237,000 | | |
| Aurora, IL | N / R | 48,461 | 198,000 | | |
| Ann Arbor, MI | \$10,120,854 | 26,687 | 173,000 | \$379.24 | \$58.50 |
| Buncombe County, NC | \$13,522,468 | 47,833 | 124,000 | \$282.70 | \$109.05 |
| Manchester, NH | \$7,448,233 | 27,336 | 124,000 | \$272.47 | \$60.07 |
| Durham, NC (e) (f) | \$51,461,220 | 68,513 | 240,000 | \$751.12 | \$214.42 |
| Sioux Falls, SD | \$8,872,715 | 47,974 | 156,000 | \$184.95 | \$56.88 |
| Coachella, CA | \$29,728,910 | 91,673 | 265,000 | \$324.29 | \$112.18 |
| Topeka, KS | \$12,044,660 | 47,830 | 140,000 | \$251.82 | \$86.03 |
| Charleston, SC (e) (f) | \$51,309,894 | 48,919 | 148,000 | \$1,048.87 | \$346.69 |
| Lima, OH | \$6,737,617 | 15,283 | 47,000 | \$440.86 | \$143.35 |
| Columbia, MO | \$7,850,327 | 44,917 | 109,000 | \$174.77 | \$72.02 |
| Gainesville, FL | \$13,562,082 | 61,370 | 124,000 | \$220.99 | \$109.37 |
| Knoxville, TN | \$28,692,276 | 68,744 | 201,000 | \$417.38 | \$142.75 |
| Murfreesboro, TN (e) (f) | \$17,342,539 | 39,774 | 105,000 | \$436.03 | \$165.17 |
| Lake County, IL (e) (f) | \$28,764,264 | 23,022 | 166,000 | \$1,249.43 | \$173.28 |
| Clearwater, FL (e) (f) | \$40,304,273 | 33,063 | 110,000 | \$1,219.01 | \$366.40 |
| Collier County, FL (e) (f) | \$62,156,206 | 56,000 | 221,000 | \$1,109.93 | \$281.25 |
| Fort Collins, CO | \$11,134,480 | 33,305 | 138,000 | \$334.32 | \$80.68 |
| Brownsville, TX | \$13,002,000 | 47,023 | 180,000 | \$276.50 | \$72.23 |
| Cary, NC (e) | N / R | 53,190 | 155,000 | | |
| Denton, TX | \$10,468,786 | 29,515 | 115,000 | \$354.69 | \$91.03 |
| Corona, CA | \$17,071,825 | 37,214 | 153,000 | \$458.75 | \$111.58 |
| Lafayette, LA | \$15,285,321 | 42,196 | 225,000 | \$362.25 | \$67.93 |
| Lakeland, FL | \$13,342,556 | 42,659 | 110,000 | \$312.77 | \$121.30 |
| Johnson City, TN (e) (f) | \$18,142,276 | 27,758 | 100,000 | \$653.59 | \$181.42 |
| Charleston, WV | \$9,059,549 | 23,794 | 51,000 | \$380.75 | \$177.64 |
| Moncks Comer, SC | N / R | 40,000 | 100,000 | | |
| Abilene, TX | N / R | 38,302 | 120,000 | | |
| Grand Island, NE | \$5,477,295 | 15,856 | 50,000 | \$345.44 | \$109.55 |
| Athens, GA (f) | \$8,660,754 | 27,309 | 117,000 | \$317.14 | \$74.02 |
| Carrollton, TX | N / R | N / R | N / R | | |
| Daytona Beach, FL (e) (f) | \$22,497,707 | 23,624 | 93,000 | \$952.32 | \$241.91 |
| Maryville, TN | N / R | 21,293 | 45,000 | | |
| Olathe, KS (e) (f) | \$21,608,477 | 28,491 | N / R | \$758.43 | |
| Santa Monica, CA | \$9,547,632 | 15,160 | 90,000 | \$629.79 | \$106.08 |
| Pomona, CA | \$3,733,444 | 28,506 | 149,000 | \$130.97 | \$25.06 |
| Peoria, AZ | \$8,499,590 | 50,715 | 155,000 | \$167.60 | \$54.84 |
| Clarksville, TN | \$17,300,895 | 48,964 | 177,000 | \$353.34 | \$97.75 |
| Santa Clara, CA | \$15,812,432 | 26,040 | 118,000 | \$607.24 | \$134.00 |
| Brookfield, WI | \$8,412,185 | 14,507 | 38,000 | \$579.87 | \$221.37 |
| Albany, OR | \$7,027,845 | 15,665 | 51,000 | \$448.63 | \$137.80 |
| Cheyenne, WY | \$5,568,763 | 22,028 | 71,000 | \$252.80 | \$78.43 |
| Waterford, MI (f) | \$10,466,779 | 26,228 | 70,000 | \$399.07 | \$149.53 |
| Jonesboro, AR | \$3,931,484 | 21,744 | 67,000 | \$180.81 | \$58.68 |
| Holland, MI | \$6,446,725 | 12,202 | 65,000 | \$528.33 | \$99.18 |
| Jefferson City, MO | \$4,362,587 | 20,076 | 70,000 | \$217.30 | \$62.32 |
| Battle Creek, MI | \$11,313,515 | 19,092 | 55,000 | \$592.58 | \$205.70 |
| Lawrence, KS | \$9,264,930 | 31,941 | 93,000 | \$290.06 | \$99.62 |
| Port St. Lucie, FL (f) | \$13,544,492 | 47,497 | 114,000 | \$285.17 | \$118.81 |
| Gresham, OR | \$15,553,566 | 23,550 | 106,000 | \$660.45 | \$146.73 |
| Conway, AR | \$3,379,034 | 22,437 | 55,000 | \$150.60 | \$61.44 |
| Springfield, OR | \$6,525,781 | 18,430 | 59,000 | \$354.08 | \$110.61 |
| Fort Pierce, FL | \$6,158,039 | 14,372 | 42,000 | \$428.47 | \$146.62 |
| Yuma, AZ | \$8,148,622 | 24,151 | 96,000 | \$337.40 | \$84.88 |

2012 Raftelis Financial Consultants, Inc./American Water Works Association Rate Survey

AVERAGE

Hardin County Water District 1
Group C¹
Similar in Size Sample Group²

| | Annual Operating Expenses | # of Accounts | Service Population | Annual O.E. per Account | Annual O.E. per Capita |
|--|---------------------------|---------------|--------------------|-------------------------|------------------------|
| | \$ 2,619,791 | 8,800 | | \$ 297.70 | |
| | \$ 11,218,124 | 24,214 | 86,268 | \$ 522.73 | \$ 145.58 |
| | \$ 4,558,779 | 9,275 | 31,000 | \$ 476.16 | \$ 156.00 |

MEDIAN

Hardin County Water District 1
Group C¹
Similar in Size Sample Group²

| | Annual Operating Expenses | # of Accounts | Service Population | Annual O.E. per Account | Annual O.E. per Capita |
|--|---------------------------|---------------|--------------------|-------------------------|------------------------|
| | \$ 2,619,791 | 8,800 | | \$ 297.70 | |
| | \$ 8,280,404 | 20,327 | 68,500 | \$ 422.93 | \$ 111.58 |
| | \$ 3,870,308 | 8,929 | 30,500 | \$ 394.49 | \$ 120.44 |

1 - *Group C* refers to a sample of smaller sized utilities that were polled for our 2012 Water and Wastewater Rate Survey. RFC co-produces this survey with AWWA every other year and divides all participating utilities into three blocks (A, B, and C) based on size, with A being the largest and C being the smallest.

2 - *Similar in Size Sample Group* refers to a small sample of wastewater utility enterprises that are similar in size to HCWD1. This group consists of the wastewater enterprises for the following cities/counties: Kalispell (MT), San Marcos (TX), Lake Oswego (OR), Frederick County (VA), Brunswick County (NC), Sun Prairie (WI), Coldwater (MI), Verona (VA), Annapolis (MD), and Louisville (CO).



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) made and entered into by and between the City of Radcliff (“City”), 411 West Lincoln Trail Boulevard, Radcliff, Kentucky, 40159, a municipality organized pursuant to Kentucky statutes, acting herein through Mayor Sheila C. Enyart, as authorized, and the Hardin County Water District No. 1 (“District”), 1400 Rogersville Road, Radcliff, Kentucky, 40160, a water District organized pursuant to Kentucky statutes, acting herein through the Chairman, William J. Rissel, as authorized, the Parties to the MOU, which shall become effective upon the date of execution by both parties.

WHEREAS, the City of Radcliff is a municipal corporation duly organized and existing under the laws of the Commonwealth of Kentucky, being a second-class city pursuant to Kentucky law; and

WHEREAS, Hardin County Water No. 1 is a duly organized and operating water District organized and existing under the laws of the Commonwealth of Kentucky, engaged in the business of treating and selling potable water and maintaining a water distribution system; and

WHEREAS, the City and the District have worked together for decades in providing water and sewer services for the residents of Radcliff and surrounding areas, and the District has, since 1952, owned and operated the water system in Radcliff and for

a period in the past operated the City's sewer system, and currently provides the City with all utility billing and collection services; and

WHEREAS, in September, 2004, the District was awarded a contract by the Department of the Army and Fort Knox ("Government") to own and operate the sanitary and storm sewer systems on Ft. Knox, and began operations of those systems in July, 2005, and the District's contract with the Government allows the District to use any surplus capacity of the Ft. Knox sanitary sewer system for other users with the prior approval of the Government; and

WHEREAS, recent actions of the Base Realignment Committee will dramatically affect Radcliff and the surrounding areas with increased residential and commercial growth, including increased demands on the utility systems in the region; and

WHEREAS, both the City and the District seek to benefit their respective and mutual customers by jointly exploring opportunities for greater efficiency and achievement of economies of scale by considering all possibilities including but not limited to alternative arrangements for provision of services, various operating arrangements and potentially changes in ownership of facilities which may assist Radcliff with managing future community development in the near and long term while relying on the District to expand and manage the sanitary sewer system, so that costs may be shared equitably and rates to customers be held as low as reasonably possible; and

WHEREAS, the City and the District have completed an infrastructure study, containing analyses, calculations, investigations and identification of legal organizational options necessary and appropriate to provide the City and District with utility service alternatives and the impact of such alternatives on rate payers and customers; and

WHEREAS, the City and the District agree to proceed, without binding themselves, toward a transfer of the City's wastewater service and system to the District based upon the conclusions reached from the infrastructure study, and desire to memorialize this Memorandum of Understanding to outline the future terms of the proposed agreement. More specifically, the parties intend as follows:

1. The City will move forward toward offering for sale to the District, for good and valuable consideration, all of the City's tangible assets devoted to the provision of wastewater service to the public. The offer for sale will include, but not be limited to, the tangible assets of the City's wastewater system and all interest the City has in real property pertaining thereto, as well as all sewer reserves and sinking fund reserves that may legally be transferred from the City to the District. At this time, the tangible wastewater assets of the City include gravity-fed and force main lines of approximately 688,379 feet, approximately 3,000 manholes, 57 lift and pump stations, and capital equipment shown in Schedule A attached hereto. It is believed that there may be specific assets which will be specifically excluded from the sale with said items to be specifically identified by description.

2. The consideration for the purchase shall be one dollar (\$1.00) cash in hand and other good and valuable consideration, to include the conveyance, in fee simple, of three (3) tracts of real property from the District to the City, as described in Schedule E attached hereto.

3. The City and the District intend to warrant and guarantee as follows:
- a. The City is a city of the second class in Kentucky with the appropriate authority to enter into the transaction.
 - b. The parties will have the full capacity, right and authority to enter into the agreement and will obtain all appropriate consents, authorizations, approvals or other requirements as prescribed by law.
 - c. The proposed agreement will not conflict with or result in a breach of any of the parties' other instruments, loans, grants, contracts, bonds, agreements, mortgages, or other restrictions to which either the City or the District is a party or to which any of their assets is subject.
 - d. The parties will warrant to comply with all existing laws, rules, regulations, loans, contracts, bonds, agreements and decrees applicable to the wastewater system before and after the sale.
 - e. The City will warrant having good and marketable title to all its assets. None of the assets after the closing will be subject to any mortgage, pledge, lien, security interest, encumbrance, or adverse claim of any nature whatsoever, except as recognized by both the City and District and approved by any holder of any mortgage, liens, security interest, or

adverse claim. The City's assets will be warranted to be in good operating condition and repair suitable for the purposes used. Any and all transferable warranties to which the City has rights will be transferred to the District.

- f. The parties will warrant to be solvent and able to meet all of its business obligations.
- g. The City will warrant that any and all taxes, documents, employee withholding forms, licenses, and permits related to the City and its wastewater assets have been or will be appropriately filed and in current good standing as of the date of transfer.
- h. The City will agree to deliver to the District copies of its last two years of financial statements unless otherwise agreed by the parties. The City will warrant that there is no other debt or obligation except those incurred in the ordinary course of the City's business related to the wastewater system, and that there is no condition or event that could materially affect the wastewater assets of the City.
- i. Any and all legal proceedings including legal action, arbitration, governmental investigation, or other legal or administrative proceedings, regarding the wastewater system shall be disclosed by the parties, and both parties agree to defend said action(s), which was in process or filed against said party, after the transfer date.
- j. Until and through the date of any proposed transfer, the parties shall conduct their business diligently and substantially in the same manner as

business was conducted prior to the date of the transfer. Neither the City nor the District shall institute any new methods of accounting or operation or engage in any transition or activity except that which falls under the ordinary course of business and is consistent with past practice.

- k. The City will warrant not to further subject any of its wastewater assets to any mortgage, lien or encumbrance without notice to and approval of the District and shall not dispose of such assets without notice to the District.
- l. The City will agree to maintain adequate insurance policies on the assets and will retain all risk of loss regarding said assets prior to transfer.
- m. The City will agree to provide all its records, including service and maintenance records, regarding the wastewater system for calendar year 2000 through the present.
- n. The City will warrant that it has sufficient interest in land ownership for the proper operation and maintenance of the wastewater assets.
- o. The District agrees that after the transfer date, it will be responsible for any costs to transfer title of land or other assets into the District's name, which may include additional legal, surveying, appraisal or other filing costs.
- p. The parties will agree that the City will retain a right of first refusal for ownership of the wastewater system if the District decides in the future to privatize, sell, or transfer said system, in whole or in part. The parties acknowledge and understand that approval would be required for any such proposed transaction by the Kentucky Public Service Commission, and

any such transaction would be contingent upon said required approval being granted.

4. The parties will agree that the District is not assuming any of the City's liabilities as debts, and that the acquisition is contingent upon:
 - a. the District obtaining acceptable financing for the operation of the wastewater system; and
 - b. the approval of all City creditors as required by the parties and to the satisfaction of the parties.

5. The District and City intend to agree that the District shall own and operate the wastewater systems acquired from the City and all customers served by the City shall be Customers of the District. After the acquisition date, said customers will be charged at those rates and charges as from time to time are approved by the Public Service Commission of the Commonwealth of Kentucky, however both parties agree that for the first twelve (12) months after the transfer date, the current City wastewater rates shall remain in effect and not change until after that period expires. The parties anticipate that after a period of twelve (12) months that the District will be able to decrease wastewater user rates by approximately fifteen percent (15%); however, the parties acknowledge and agree that any such rate reduction is conditioned on various factors, including, but not limited to: a cost of service study by the District and approval by the PSC before implementation; whether the District has to assume any additional debt service in order to complete projects committed to by the City pre-transfer or not funded

by the City or available reserves; an unforeseen increase in the number of employees required to manage the wastewater system post-transfer; acquisition costs by the District or start-up costs by the District's contractor being higher than anticipated; and other unforeseen major repair or maintenance expenses incurred by the District due to catastrophic failure of systems or assets occurring in the first twelve (12) months post-transfer. The parties acknowledge that these variables may impact the amount of or possibility of a rate reduction.

6. The District intends to agree to secure employment for all wastewater employees of the City at mutually agreed upon compensation levels, to be no less than the existing compensation of the employees as of the date of acquisition, with said employees actually to be employed by Veolia Water North America-South, LLC. Said employment will be on an at will basis with job duties comparable to previous job duties with the City, although the parties recognize that specific duties of said employees may be different depending on their geographic location and may be subject to different supervisory oversight. The parties intend to agree that the employees will have specifically designated length of employment for purposes of determining vacation, sick pay, and all other benefits with Veolia. The parties intend that from the date of this MOU until the closing date the City will make no material changes in the number of its wastewater employees or in the level of said employees' compensation.

7. The parties intend to agree that at a time certain prior to the closing date the City will provide the District with a current list of the customers and arrangements

will be made for final transitional billing. The District will be entitled to all revenue from services provided by the District on or after the closing date. The District and City agree that after the transfer date, all sanitary sewer bills mailed to customers will be identified as the responsibility of the District, and the District shall be responsible for any and all inquiries, questions or complaints regarding sewer rates after that date.

8. The parties intend to agree that upon future agreement and finalization the District will pursue approval from the Public Service Commission of the Commonwealth of Kentucky ("PSC") for the wastewater system acquisition.

9. The parties intend to agree on a closing date to occur within a reasonable amount of time after final approval from the PSC, allowing for all appropriate appeal times to expire, as well as the expiration of any other time constraints or any other waivers or consents for the transfer of the wastewater system.

10. The City intends to agree not to convey, lease or in any way dispose of its wastewater assets prior to the closing without the consent of the District. On the closing day, the City shall transfer and convey to the District its wastewater assets together with all files, plats, maps, plans, records and ledgers or copies thereof in any way connected with the rendition of wastewater service by the City. The parties recognize the City's current wastewater system debt service condition, attached hereto as Schedule B; the City's fiscal year July 1, 2006--June 30, 2007 capital projects status, attached hereto as Schedule C; and the City's fiscal year July 1, 2007--June 30, 2008 capital projects

estimated plan, attached hereto as Schedule D. The parties intend to clearly delineate which party is responsible for payment of each liability attached to the City's wastewater assets before the date of closing.

10A. The parties acknowledge that the City is conducting a Highway 313/South Wilson Road corridor sewer expansion, targeting the southern end of Radcliff with a twelve-inch line, scheduled to be completed in various phases as planned. The City has earmarked funds for such projects, and has made commitments regarding expansion it intends to fulfill. The parties will agree these earmarked funds will either be paid towards the project in advance or will be transferred to the District as part of the proposed wastewater system transfer to the District. Engineering for all the phases is expected to be completed soon, but construction cannot be completed in its entirety prior to transfer of the wastewater system to the District. Therefore, the District will complete the final phases of existing commitments and installations currently being done. However, if the projects are not completed at the time of the transfer of the wastewater system to the District, the District will be free to use other methods, designs, or efficiencies to provide the same capacity and sewer availability to the same parcels, for the purpose of conserving funds so additional improvements and projects can be made to the Radcliff wastewater system. The extent of the sewer expansions, including a breakdown of all required financial commitments and expenditures, the physical boundary the project area(s), and timeframes for completion, as well as all pertinent data, plans, documents, etc., would be provided fully by the City to the District.

11. The parties intend to agree that the District will have sufficient time to examine the City's assets and obtain copies of all books and records at such a reasonably convenient time as this may be required. In the event that the transaction contemplated by the parties is not consummated, all such copies of records shall be returned to the City.

12. The parties intend to agree that their acquisition agreement shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns.

13. The parties intend to agree upon a force majeure clause which will excuse the affected party or parties from performance to the extent that such party is necessarily affected by such event or force majeure within a reasonable time after acquiring knowledge thereof.

14. The parties anticipate that there will be several conditions precedent which are vital to the validity and enforceability of the agreement and that those conditions will be specified in sufficient detail in writing.

15. The parties anticipate that there will be an indemnity agreement holding the innocent party harmless from loss, claims, actions, suits, deficiencies, or other expenses including but not limited to misrepresentation, negligence, debt or contingent liabilities, which the innocent party becomes liable to pay due to the actions of the other party. The parties intend that the City will hold the District harmless for any pre-existing

ERISA, environmental, or other liability, known or unknown, which accrues, originates, or attached prior to the date of closing.

16. The District agrees to enter into and comply with any franchise payment of utility revenues or fees, in accordance with Kentucky Constitution, § 164, and other applicable law, should the City decide at their option to require said franchise of sewer utility services, and present said franchise agreement to the District at the time of closing or shortly after that date. Said franchise fee shall be capped at three percent (3%) of revenues. Said payment of any franchise fees shall be monthly, and the District agrees to modify the existing franchise agreement for water services to pay those fees on a monthly basis as well.

17. The parties anticipate an agreement stating that the agreement is not modifiable except by writing signed by both parties and that Kentucky law will govern the transaction, including any written agreement or amendments thereto.

18. The parties will agree in writing to waive any and all conflict of interest which may exist by the fact that the law firm of Skeeters, Bennett, Wilson & Pike of Radcliff, Kentucky represents both the District and the City and has for many years. Each of the parties consents to the dual representation with the understanding and belief that the dual representation will not adversely effect either client, in light of the fact that the nature of the dual representation, including the implications of the common representation, and the advantages and risks involved in such common representation has

been fully explained to the satisfaction of each of the parties. In addition, the counsel for each of the parties has made assurances that he reasonably believes the dual representation will not adversely affect his respective client.

19. The City and the District agree that all legal expenses incurred by the parties in relation to the transaction will be paid by the District, if the transfer does occur, which payment at the time of transfer shall include reimbursement to the City of legal expenses related to this transaction.

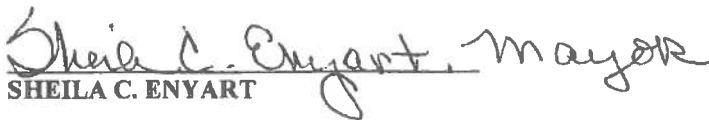
20. The parties intend to agree that any final action will first be presented to and approved by the City and the District through its respective Council and Board of Commissioners and any other organizations or regulatory agencies affected or having jurisdiction, state or federal, including but not limited to the Hardin County Fiscal Court; the Kentucky Public Service Commission; and the Kentucky Division of Water.

This MOU, ratified by signatures of the designated representative of the City of Radcliff, as authorized, and the designated representative of the Hardin County Water District No. 1, as authorized, with the effective date as indicated.

This ____ day of _____, 2007.

CITY OF RADCLIFF

By:


SHEILA C. ENYART

MAYOR

HARDIN COUNTY WATER DISTRICT NO. 1

By:

**_____
WILLIAM J. RISSEL
CHAIRMAN, BOARD OF COMMISSIONERS**

SCHEDULE B

City of Radcliff Current Wastewater System Debt Service Condition

1. Kentucky Municipal League Sewer System Project Series 2001 (sewer bond financing); principal outstanding as of June 20, 2007 = \$550,000. Final payout scheduled November 15, 2010.
2. Kentucky Infrastructure Authority Sewer Plant Upgrade 1997 (loan financing); principal outstanding as of June 30, 2007 = \$3,199,188. Final payout scheduled December 1, 2018.
3. Kentucky Municipal League Sewer System Upgrade 1987 (bond financing); principal outstanding as of June 30, 2007 = \$0. Final payout is April 1, 2007.

SCHEDULE C

City of Radcliff Fiscal Year (July 1, 2006-June 30, 2007) Capital Projects

1. Sewer Plant Basins cleanout and liner replacement (2). Project cost of \$416,000. Completion expected by Summer of 2007. Project funded by a KIA grant up to \$450,000.
2. Boone Trace Lift Station and Force Main Upgrade. Force main portion of project is currently underway at project cost of \$493,200. Project completion expected by Summer 2007. Station upgrade portion has not been bid yet but expected to cost approximately \$582,500. Completion timeline unknown. Project partly funded by KIA grant for \$450,000. Additional costs to be funded by City Sewer Fund reserves.
3. Highway 313 Interceptor. Underway at cost of \$987,000. Completion expected by Summer 2007. Project funded by City Sewer Fund reserves.
4. Southern Heights Lift Station construction. Project cost estimated \$100,000. Completion expected Summer 2007. Project funded by City Sewer Fund reserves.

SCHEDULE D

City of Radcliff Fiscal Year (July 1, 2007-June 30, 2008) Capital Projects (Estimated)

1. Upgrade of 6 pump stations and force mains. Project cost estimated \$1,985,000. Project not bid yet. Requires new financing.
2. Brightside, A. Arnold, and Cowley Crossings force main redirect. Project cost estimated \$1,607,000. Project not bid yet. Requires new financing.

SCHEDULE E

Schedule of Real Estate to be transferred from Hardin Water District No. 1 to the City of Radcliff

1. That certain tract of real estate containing 0.574 acres, more or less, described in a Deed dated July 16, 1958, of record in Deed Book 160, Page 607, Office of the Hardin County Court Clerk. Said property is currently being used as the location for Radcliff City Hall and the immediately adjacent parking area to the south.

2. That certain tract of real estate containing 3.257 acres, more or less, described in: (a) a Lease dated December 12, 1985, of record in Deed Book 597, Page 344, Office of the Hardin County Court Clerk; (b) a Lease dated July 24, 1986, of record in Deed Book 597, Page 339, Office of the Hardin County Court Clerk; and (c) a Deed dated April 8, 1987, of record in Deed Book 606, Page 158, Office of the Hardin County Court Clerk. Said property is currently being used as the location for the Radcliff Courthouse Building, Radcliff Police Department, the Hardin County Clerk's Radcliff Office, parking behind the Courthouse, and a portion of the tennis court and walking course property behind the Courthouse.

3. That certain tract of real estate containing 1.664 acres, more or less, described in: (a) a Deed dated January 28, 1974, of record in Deed Book 584, Page 31, Office of the Hardin County Court Clerk; and (b) a Deed dated April 8, 1987, of record in Deed Book 606, Page 158, Office of the Hardin County Court Clerk. Said property is currently being used as parking for Radcliff City Hall, the Radcliff Courthouse Building, Radcliff Police Department, and the Hardin County Clerk's Radcliff Office, being located immediately easterly and directly adjacent to Freedoms Way.

These tracts of real estate are identified on a survey dated June 10, 1986, performed by Hawkins & Associates, Edward P. Hawkins, RLS #2511, known on said survey respectively as Tracts 1, 2 and 3.

The parties acknowledge that the building currently leased to the County Clerk is under lease to the County from District #1, and that said lease

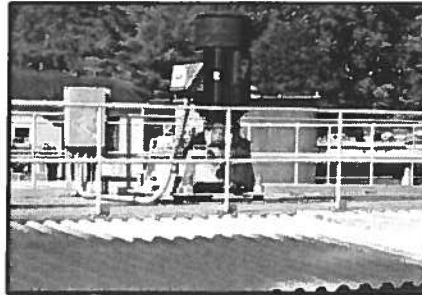
will be assigned from the District to the City, and that the City will honor the current lease as it reads and its will not alter its terms until the current lease expires.





Hardin County Water District No. 1

Radcliff Sewer Utility – September 2012

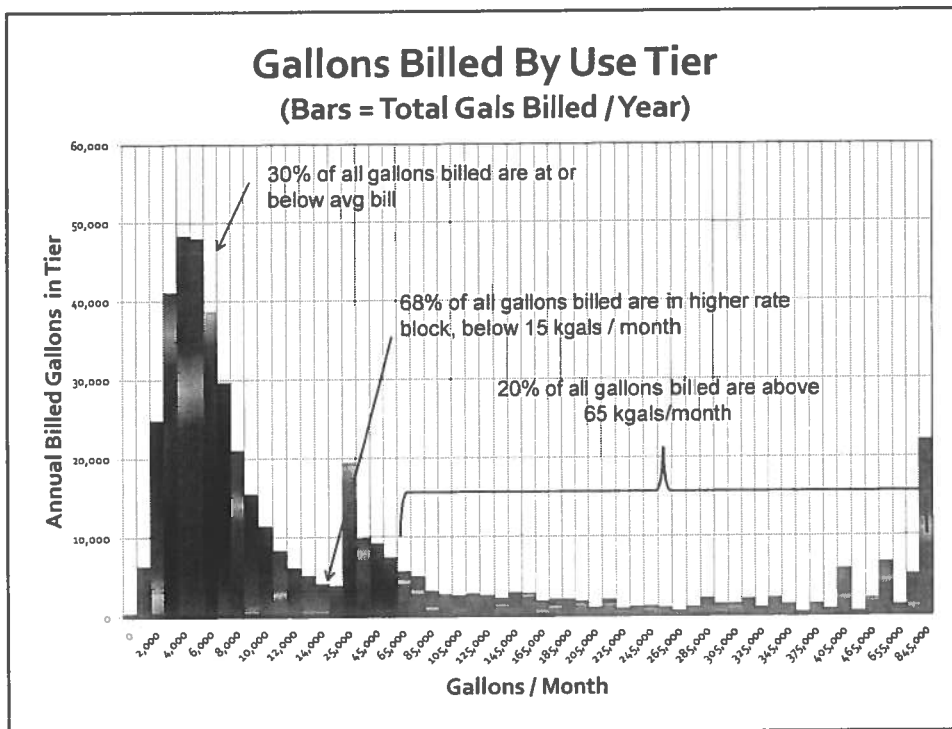
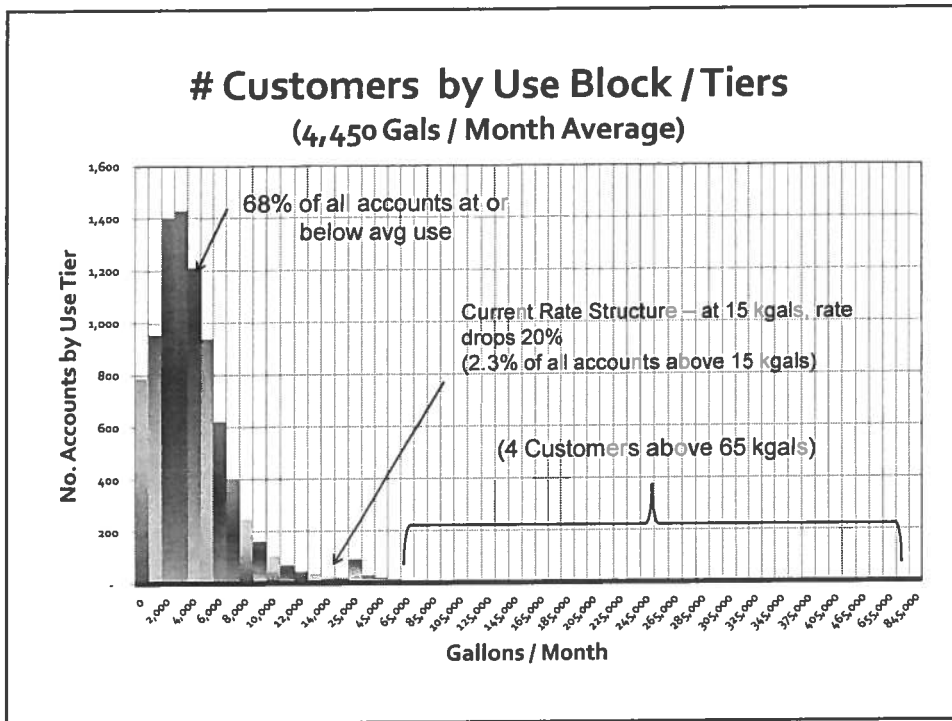


Rate Design Options

Special Meeting – September 13, 2012

Agenda

- **HCWD1 Customer Demographics**
- **Rate Design Options**
- **Option Comparisons**
- **Summary**



Current Customer Rate Design

| Item | Sewer | Water |
|---------------------------------------|-------------------------------|---|
| Base Fee Type | Min Bill (\$17.11) | Cust Charge (\$5.02 – 5/8" Meter Larger Meters More) |
| Gals included in Base | 2,000 | 0 |
| Avg Billed Gals / Month / Acct | 4,450 | 5,500 |
| Declining Block Rate? | Yes (-20% at 15 kgals) | Yes (-20% at 15 kgals) |
| Avg Current Monthly Bill \$ | \$30.78 | \$20.53 |
| Total # Billed Accounts | 8,661 | 10,120 |
| # Wholesale Accts | 1 (Muldraugh) | 2 active (2 back-up) |

Current Customer Base Facts

- 2011 Test year uses 8,661 accounts (adjusted)
- Estimate 85% residential, 15% business (2 "industrial" customers)
- Total gallons billed = 462,085,000 gallons
- Gallons treated = 916,203,161 (98% more)
- Avg monthly use = 4,450 gals (\$30.78)
- 68% of customers use at or less than average
- 36% use less than 2 kgals
- 98% billed at base rate, 2% billed at discounted block rate (above 15 kgals = 20% drop in rate)

10 Largest Sewer Customers

| Name | Monthly Gals | Monthly \$ |
|-------------------------------------|----------------|----------------|
| North Hardin Nursing Home | 518,092 | \$2,339 |
| North Hardin HS | 379,442 | \$1,719 |
| Housing Authority (Combined) | 295,250 | \$1,342 |
| Lincoln Trail Hospital | 278,267 | \$1,267 |
| TK Properties (Combined) | 224,242 | \$1,025 |
| Hampton Inn | 184,492 | \$847 |
| Holiday Inn Express | 161,150 | \$743 |
| Wal-Mart | 146,758 | \$679 |
| Dixie Coin Laundry | 126,617 | \$589 |
| Gold Vault Inn | 123,350 | \$574 |

% of Total Representation;

29,251,900 Annual Gallons = 6.3% of Total
 \$133,479 Annual Sales Revenues = 4% of Total

Rate Design Options

(Most Common, could do many others)

- A. No Change (Min Bill, 2kgals incl, declining block, (-20% at 15 kgals)
- B. Customer Charge, Uniform Block, without Winter Quarter Option
- B2. Customer Charge, Uniform Block, with Winter Quarter Option
- C. Minimum Bill, Uniform Block
- D. Minimum Bill, 3 Rate Blocks, with WQO
- E. Minimum bill (4k incl), 3 blocks (+46%/15k, -75%/75k) with WQO
- F. Flat Rate, no WQO, everyone pays same bill based on avg. use/month

Included in All Options

- ✓ Recover 100% of Rate Requirement amounts from model
- ✓ Include 2013 Veolia proposed fee increase
- ✓ Use Cost of Service rate model, calculated amounts for most rates
- ✓ Allocates 50% of I&I added cost to customer charge / min bill (other 50% recovered in volume rate)
- ✓ Some rate options use 2 or more rate tiers (inclining or declining) others propose uniform, single rate for all volumes

Winter Quarter Option

Proposed HCWD1 Plan & Features, Cost

- ✓ Only available to residential customers that own and occupy home
- ✓ Must have lived at address 36 consecutive months, must re-apply for option annually (if not, would be regular rate method)
- ✓ Model estimates 3,550 accounts COULD qualify (all may not apply) which would be 41% of all accounts
- ✓ Sewer bill for 12 months would be based on monthly average, indoor water use during 3 selected winter months (which should be mostly indoor only use)
- ✓ HCWD1 would be allowed to deny option if WQO average is not indicative of 3 "typical" months use (at that address)
- ✓ Since qualifying customers would pay lower sewer bills, model estimates an additional \$21,000 would need to be recovered in rates
- ✓ Distributing amount over all bills would equal \$0.20/month/account

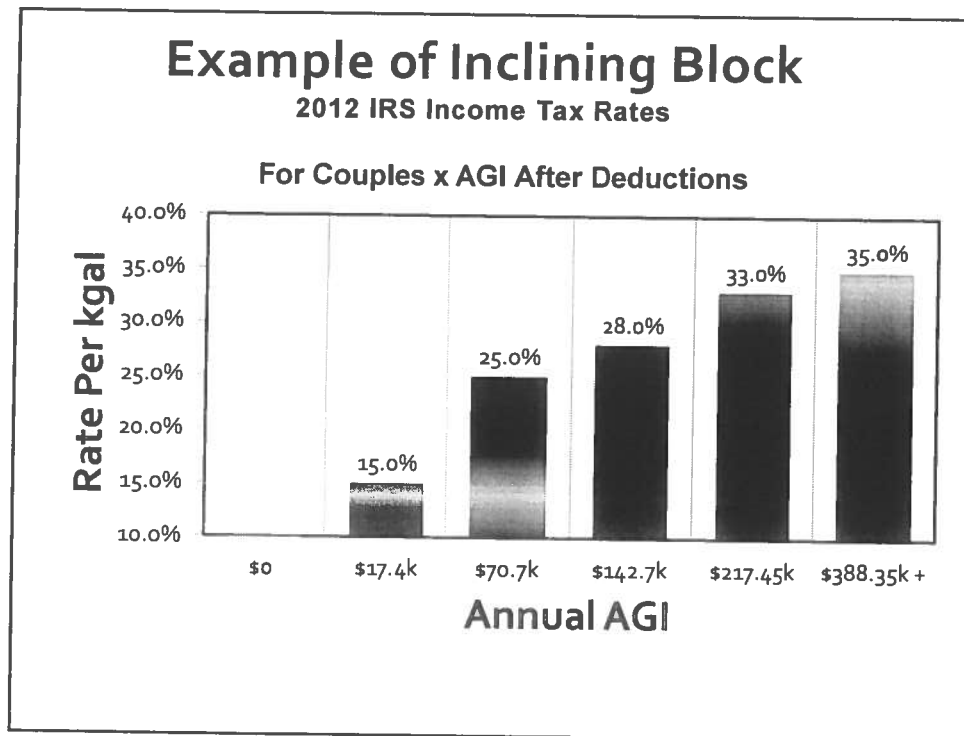
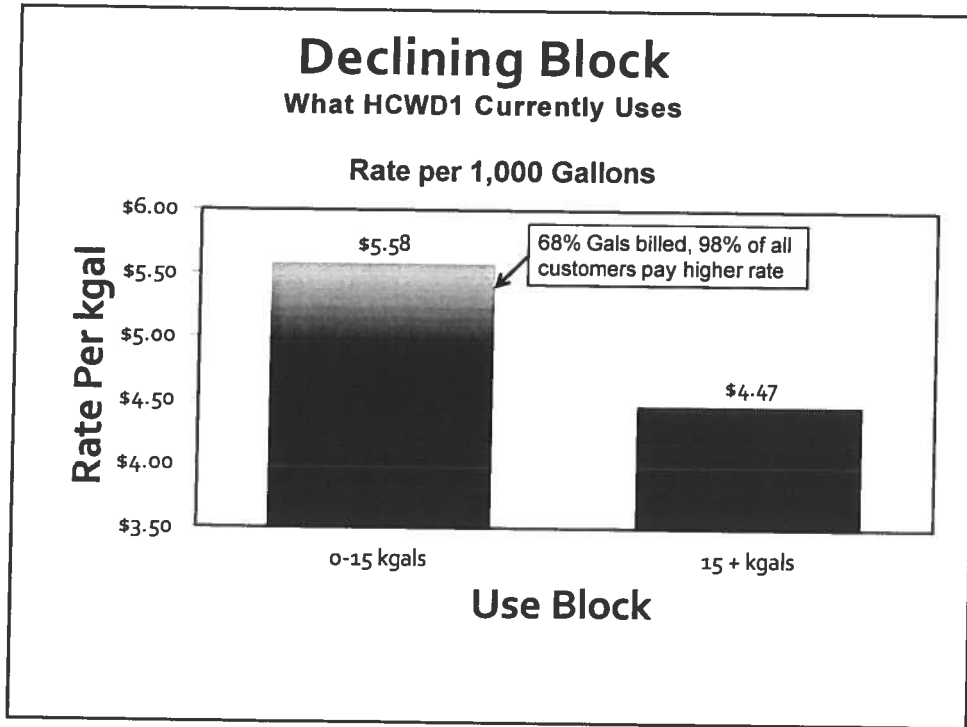
Flat Rate Option (F)

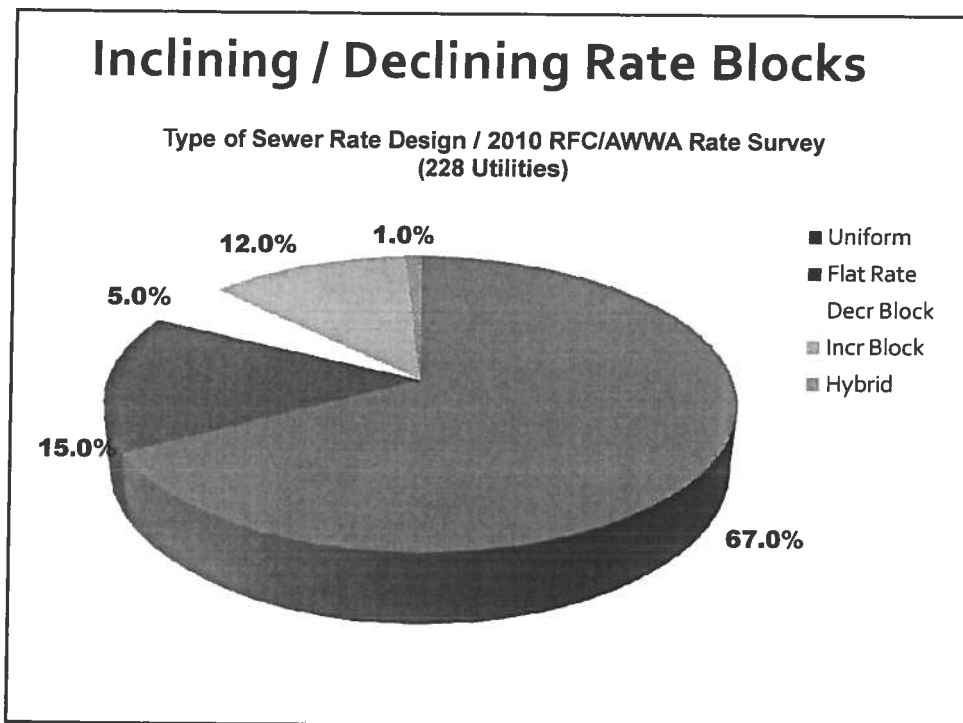
Flaws, legal, regulatory

- ✓ Most simple, every customer pays the same rate (divide costs by number of bills)
- ✓ Because sets bill at "average", drastically increases and decreases change from current metered rates
- ✓ EPA/CWA (Clean Water Act) made flat rate sewer billing illegal years ago because of lack of price signal for wasting water, inequities between different types of users
- ✓ KY-PSC; 807 KAR 5:006, 6.2 requires flat rate bills to as closely match the metered charges and if filing for flat rates, must show how those rates approximate to actual consumption
- ✓ Customers paying for metered services (gas, electric, water, sewer) expect to see a decrease for no or decreased use or service

Inclining / Declining Rate Blocks

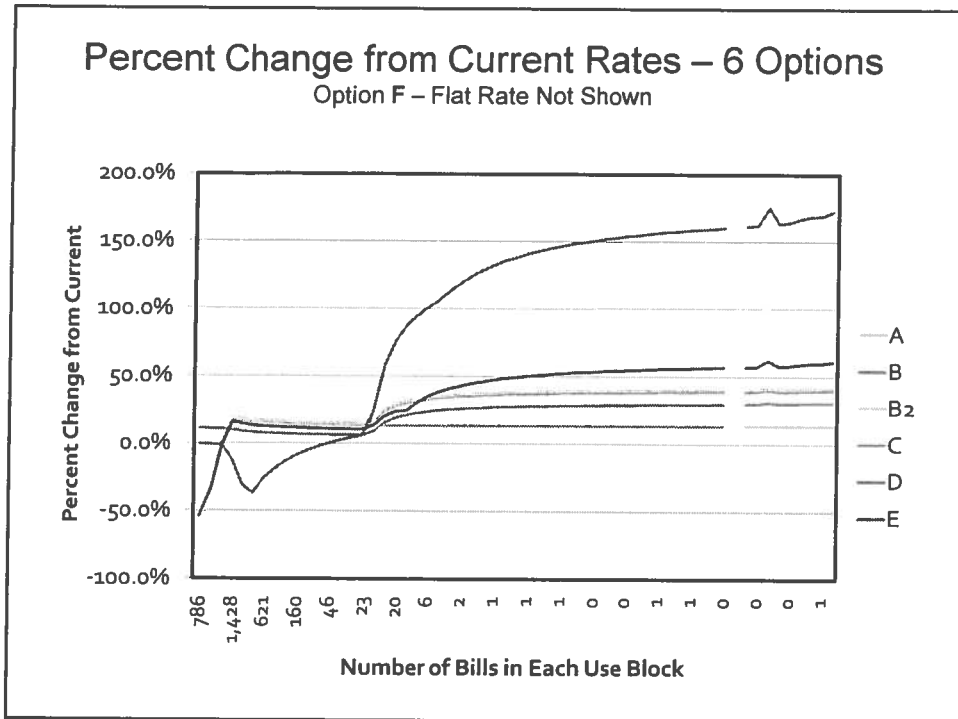
- ✓ Inclining Blocks – Discourage waste and encourage conservation of water because price gets higher more used
- ✓ Declining Blocks – More common, sometimes called "anti-conservation" rates because cost goes down as use goes up
- ✓ Very hard to "defend" either rate on purely cost of service calculations, because would need to find cost change occurs at different volumes
- ✓ HCWD1, 20% drop in rate at 15 kgals has been in place for over 30 years, not proven in any rate analysis or cost of service, but has been continued





Option Comparison Table

| | Current | A | B | B2 | C | D | E | F |
|--------------------------|--------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|------------------------------------|----------------------------|-------------------------|
| Descript | Min Bill Declin Block -20%/15k | Same As Current | Cust Chg Level Block No WQO | Cust Chg Level Block w/ WQO | Min Bill Level Block No WQO | Min Bill 3 Blocks w/ WQO | Cust Chg Incl Block w/ WQO | Flat Rate Same All Cust |
| Min Bil Gals Incl | 2k | 2k | N/A | N/A | 2k | 4k | N/A | N/A |
| CChg / Min Bill | \$17.11 | \$18.98 | \$7.90 | \$7.90 | \$18.98 | \$17.00 | \$7.90 | \$35.83 |
| Volume Blocks | 0-15 15+ | 0-15 15+ | N/A | N/A | N/A | 0-15 15-74 (+48%) 75+ (-75%) | 0-50 50+ (+20%) | N/A |
| 2 kgals | \$17.11 | \$18.98 | \$20.46 | \$20.56 | \$18.98 | \$17.00 | \$20.06 | \$35.83 |
| Avg Use | \$30.78 | \$34.54 | \$35.85 | \$36.07 | \$33.34 | \$20.27 | \$34.96 | \$35.83 |
| 7.5 kgals | \$47.80 | \$53.91 | \$55.00 | \$55.38 | \$51.21 | \$42.45 | \$53.30 | \$35.83 |
| 200 kgals | \$916.60 | \$1,043.18 | \$1,263.90 | \$1,273.90 | \$1,179.26 | \$972.90 | \$1,406.90 | \$35.83 |



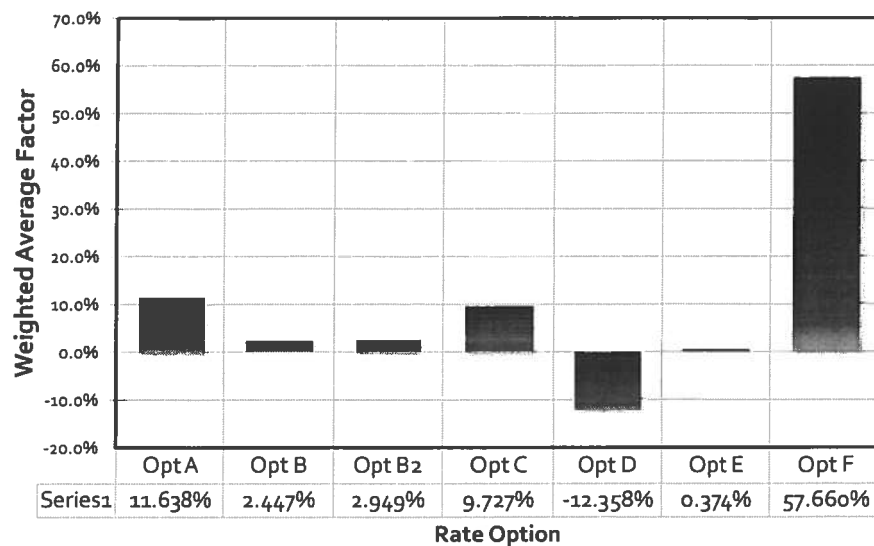
Weighted Average Factor

Since monthly sewer bills vary widely depending on gallons billed, and comparing different rate structures to current rates creates many more options to compare and consider between options, and size of bills, a single method or measurement can be used to compare the different options over the wide range of user sizes.

Taking the percent change in each use block, then weighting that by the number or percent of total customers in that block, then adding up all those weighted percentages, gives a single number to use to compare how each rate option impacts all our customers.

This WAF number then considers that the percent change, for the most customers, is a higher or lower percent change to the total customer count.

Weighted Average Factor Comparison

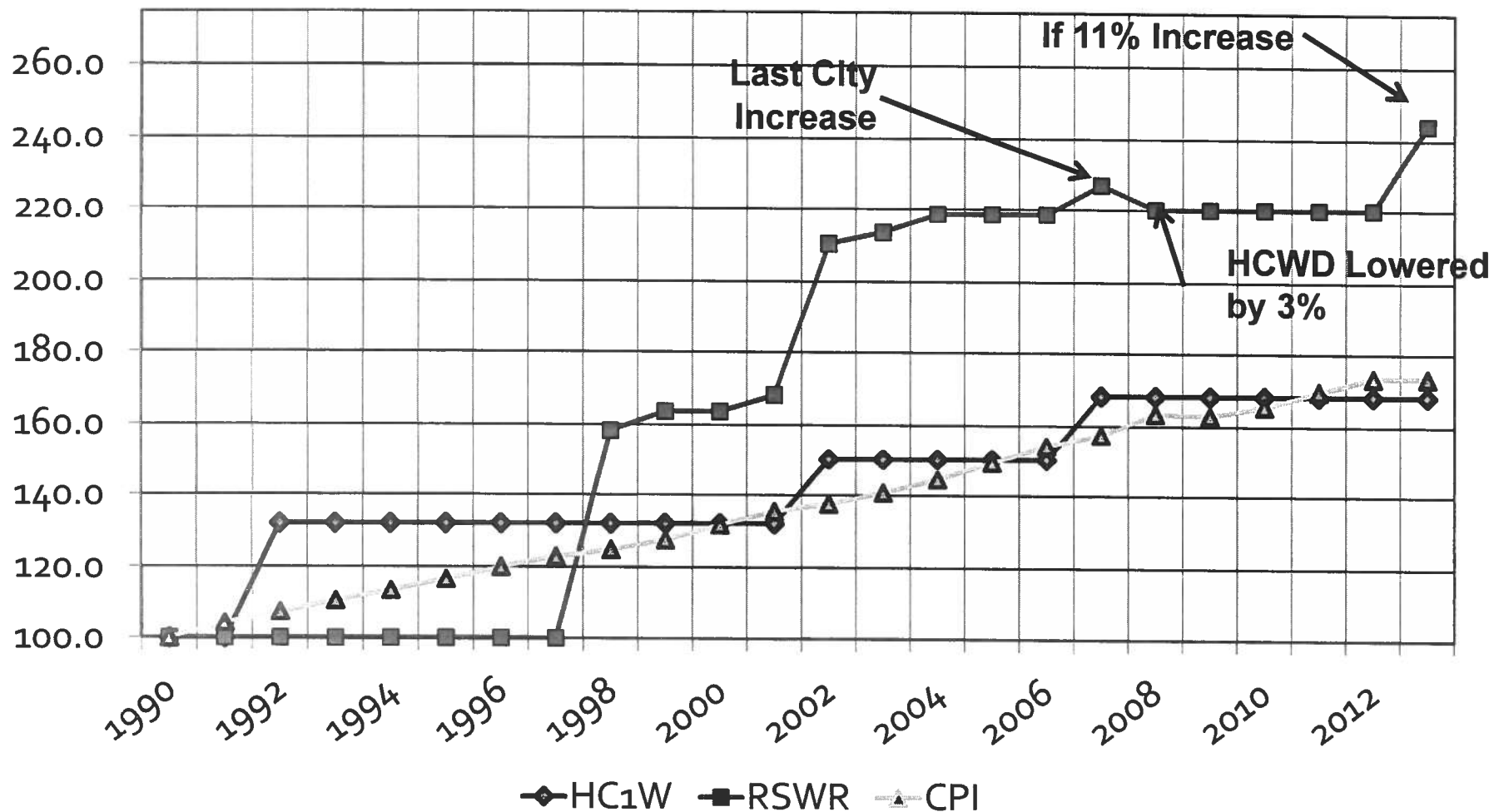


Summary

Next step, Board chooses Rate Design, then we finalize the PSC application, do public notice and advance PSC notice, and file rate change application.

Rate Change History

HCWD₁ W & S to CPI (1990 = 100)





REQUEST FOR PROPOSALS

The Hardin County Water District No. 1 ("HCWD1") is soliciting proposals to perform a detailed Cost of Service Rate Study for its Radcliff Wastewater Utility. Only proposals from experienced consultants will be considered. Request for Proposal documents are on HCWD1 website under "Bid Information", site address www.hcwd.com. Interested parties may also ask that an RFP be mailed by contacting Mr. Scott Schmuck, and 270-351-3222, ext. 222 or email at sschmuck@hcwd.com. Proposals must be submitted no later than May 22, 2009. The HCWD1 reserves the right to award or reject any and all proposals or to waive technical defects, irregularities and omissions, if in its judgment the best interests of the District. Final contract is to be awarded and approved only after approval by the District's Board of Commissioners, Mr. William J. Rissel, Chairman.

N/E 4/19/09

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SENTINEL 4/23/09

Scott Schmuck

From: Jim Bruce
Sent: Monday, May 04, 2009 1:56 PM
To: mmoore@cannon-cannon.com
Cc: Scott Schmuck
Subject: Sewer Rate Study RFP
Attachments: Rad Sewer Rate Study RFP.pdf

Mr./Ms;

We are sending the attached RFP for a Sewer Rate Study. We heard recently that your firm does these studies. We hope you will review and consider submitting a proposal.

Thanks

Jim Bruce
General Manager
HCWD1

Scott Schmuck

From: Jim Bruce
Sent: Tuesday, April 21, 2009 9:29 AM
To: cjlee52@roadrunner.com
Cc: Charlene Easter; Scott Schmuck; Brett Pyles
Subject: Radcliff Rate Study RFP
Attachments: Rad Sewer Rate Study RFP.pdf

Contacts: Carryn Lee

Carryn;

Please see attached RFP for our Radcliff sewer rate study. We hope you would consider submitting a proposal for this. We have stalled again on the tariff updates for water, but have hired a Finance/Accounting Manager and he should be a help. I put that on his "to do" list to get you the amounts for non-recurring charges. We also have to re-write almost the whole Radcliff sewer tariff, which we will do at end of rate study.

Look forward to hearing from you.

Jim Bruce

Scott Schmuck

From: Jim Bruce
Sent: Friday, April 17, 2009 4:00 PM
To: Charlie Miller; Stephanie Brown; Scott Schmuck
Subject: Rate Study RFP
Attachments: Rad Sewer Rate Study RFP.pdf

Here is final RFP. May need up front in case someone comes in to get (I doubt it)

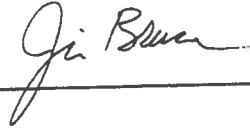
Charlie, please run once in NE and Sentenel

Thanks

Jim

HARDIN COUNTY WATER DISTRICT NO. 1
Staff Information Item

DATE: June 16, 2009
AGENDA ITEM NO.: 4
ITEM: Radcliff Sewer Rate Study
SUBMITTED BY: Jim Bruce, General Manager



Staff has now reviewed a proposal from a rate consultant to carry out the Radcliff Sewer Rate Study. As you recall, we had agreed with City when taking over their sewer system to lower sewer rates. Before we can do that, a rate study and rate case will need to be completed and filed with the Public Service Commission. This study is similar to the water rate studies we completed in 2000 and 2005, but is for wastewater rates, not water rates.

We will have a complete presentation of the planned study tasks, information about the consultant, schedule and fee at the meeting.

(Recommendation will be part of staff presentation)

**Hardin County Water District No. 1
Minutes of Regular Meeting of the Board of Commissioners
June 16, 2009**

Continued

Mr. Pyles informed the Board that the discharge limits that were approved at the May 19, 2009 Board meeting for, the Radcliff Sewer discharge permits may have to be changed for cadmium due to requirements from the Kentucky Division of Water. Mr. Pyles answered all other questions from the Board.

Radcliff Sewer Rate Study: Mr. Bruce informed the Board that the staff has reviewed a proposal from a rate consultant to carry out the Radcliff Sewer Rate Study. Before rates can be changed a rate study must be completed and filed with the Public Service Commission. Mr. Bruce presented a slide presentation that included all tasks that will be completed in this rate study and answered all questions from the Board.

After all discussion, Commissioner Hockman made a motion to authorize staff and legal counsel to prepare a professional services agreement with Raftelis Financial Consultants and Cannon & Cannon to complete a Cost of Service Rate Study for the Radcliff Sewer utility and to authorize the General Manager to execute the agreement and that the consultant would prepare new proposed rates and charges and bring back to the Board at a future meeting. Treasurer Gossett seconded the motion and it passed.

2004 Ford Truck Replacement: Mr. Bruce pointed out that at the May Board meeting staff informed the Board of an accident involving a Distribution employee. After this accident the truck involved in the accident was considered totaled by the insurance company. This was the same truck that was damaged during the ice storm. The insurance company paid out \$3,144.27 after the ice storm for damages and \$4,086.73 for the most recent accident that totaled the truck, for a total of \$7,231. The state bid to replace this truck with a new 2009 Ford F-150 4x4 is \$17,666, which creates a net amount to be spent on a replacement truck to be \$10,435 through Man O War Ford, in Lexington.

The Board asked staff to ask local dealers if their price would compare with the state bid. Secretary Tindall also asked for the staff to bring the Board a retirement schedule and criteria for the vehicle inventory to a future meeting. After all discussion Treasurer Gossett made a motion to approve staff to purchase a 2009 Ford F-150 as a replacement for a 2004 truck for \$18,000, which after insurance payments would be a net cash expense to the District of \$10,769. The motion was seconded by Commissioner Walton and passed. Ms. Easter left the meeting at this time.

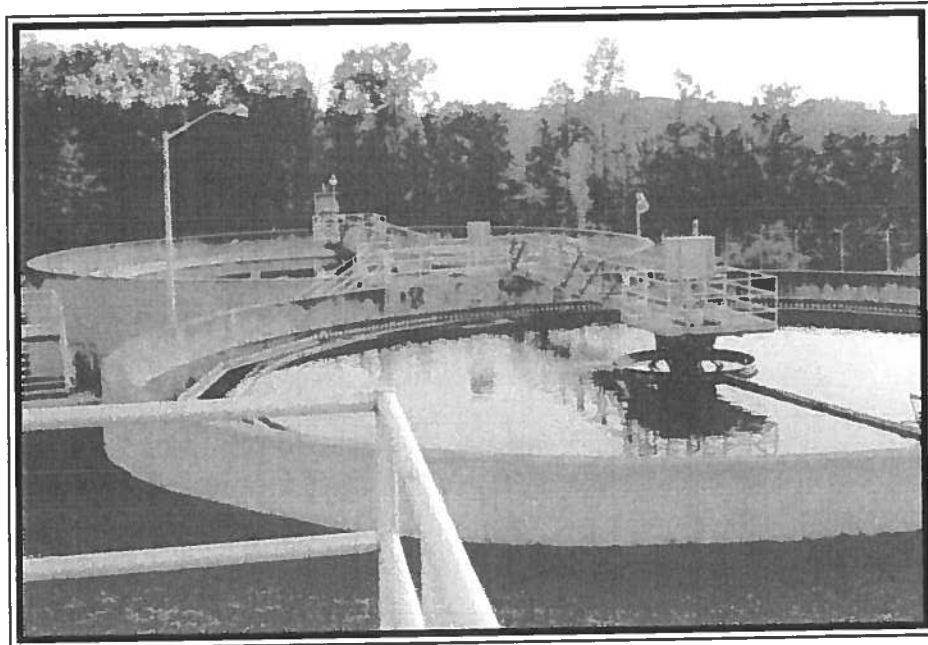
Hardin County Revised P&D Ordinance: Mr. Bruce presented the Board with a revised joint resolution from HCWD2 to provide support for the new Water Source Protection Ordinance that the Hardin County Planning and Development is considering adopting. This ordinance will help protect the water sources near treatment plants throughout the county. Mr. Bruce pointed out that HCWD2's board has already voted to approve this resolution, contingent on approval by the HCWD1 Board, which if approved, the resolution will be sent to Fiscal Court, who has the final say on approving the new Planning Ordinance and Comprehensive Plan.

There was a consensus from the Board to change the language in a few areas of the resolution. Commissioner Hockman made a motion to adopt the joint resolution J1-2009, along with Hardin County

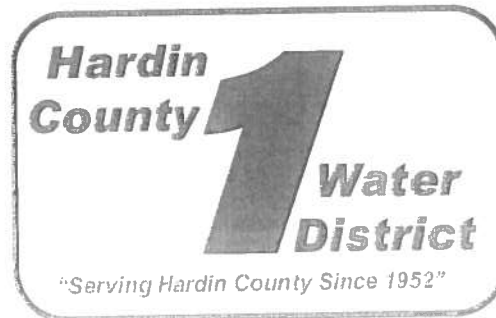
REQUEST FOR PROPOSALS

Wastewater Cost of Service Rate Study

Hardin County Water District No. 1



May, 2009



REQUEST FOR PROPOSALS

The Hardin County Water District No. 1 ("HCWD1") is soliciting proposals to perform a detailed Cost of Service Rate Study for its Radcliff Wastewater Utility. Only proposals from experienced consultants will be considered. Request for Proposal documents are on HCWD1 website under "Bid Information", site address www.hcwd.com. Interested parties may also ask that an RFP be mailed by contacting Mr. Scott Schmuck, and 270-351-3222, ext. 222 or email at sschmuck@hcwd.com. Proposals must be submitted no later than May 22, 2009. The HCWD1 reserves the right to award or reject any and all proposals or to waive technical defects, irregularities and omissions, if in its judgment the best interests of the District. Final contract is to be awarded and approved only after approval by the District's Board of Commissioners, Mr. William J. Rissel, Chairman.

REQUEST FOR PROPOSAL
Wastewater Cost of Service Rate Study
Hardin County Water District No. 1

1. DISTRICT GENERAL INFORMATION

Hardin County Water District No. 1 ("HCWD1") owns and operates four distinct utility systems, using fund accounting to maintain separation between the enterprises. These include a water utility (urban and rural), the Ft. Knox ("FK") Sanitary and Storm sewer systems, and the Radcliff Sanitary sewer utility. The FK systems were privatized by the U.S. Government in 2005 and turned over to HCWD1. Veolia Water, North America, South, LLC ("Veolia"), under contract operates the three sewer utilities for HCWD1. The water utility was formed and has been owned and operated by HCWD1 since 1952.

In 2006, the City of Radcliff became interested in a proposal from the HCWD1/Veolia team to investigate options for the City to divest its sanitary and storm sewer systems. HCWD1 and Veolia agreed to complete a feasibility study, and present options to the City. At the end of the study, the team presented to the City that it could not operate the City's storm water utility any more efficiently, but did see potential to save the City's residents by owning and operating the sanitary sewer utility.

In January, 2008, the City and HCWD1 entered into an agreement by which the City would transfer the utility to HCWD1, with Veolia operating the system, and Veolia would agree to hire the City's sanitary sewer employees. HCWD1 also agreed to assume the City's outstanding sewer debt, and transfer certain parcels of real estate from HCWD1 to the City.

After approval by the Public Service Commission ("PSC") to assume the debt (PSC Case No. 2008-00074), HCWD1/Veolia took over operations of the system on April 20, 2008. For year ended 2008, the revenues from May through December, HCWD1 collected totaled \$2,695,722. *(Revenues from the Ft. Knox sewer systems for 2008 totaled \$3,108,363. The Government requires that the Ft. Knox sewer rate be a fixed monthly amount, and includes all costs for operations, administration, capital replacement and capital design and oversight. The Ft. Knox rate was updated in 2008 and is not included in this RFP or study).*

The Radcliff system consists of 8,712 sewer connections, 2,912 manholes, 62 lift stations, a 4 mg/d rated (average day) wastewater treatment plant, 104 miles of sewer mains (excluding force mains) and year end 2008 total net asset value of \$22,835,309 (unaudited).

2. SCOPE OF SERVICES REQUESTED - HCWD1 is requesting all tasks related to completing a general wastewater rate case / cost of service study ("study") for its Radcliff sewer utility. In addition to a typical study, the HCWD1 will ask the consultant to also calculate some new rate classes, and compare changes between classes to the current rate structure. In addition, the consultant will be asked to calculate several new, non-recurring charges fees for services provided by HCWD1. The consultant should assume the following list of services / rates will be developed and include the costs to provide for same in their proposed fee;

- a. Update Current Minimum Bill Rate
- b. Winter Quarter Residential Rate (New)
- c. Volume + Customer Charge Rate (New)
- d. Commercial / Industrial Rate (New)
- e. Wholesale Treatment Rate (New)
- f. High Strength Surcharge Rate (New)
- g. Customer Charge (New)
- h. Non-Recurring Charges (All New)

- i. Sewer Tap Fee
- ii. Pre-treatment / Permit Inspection Charge
- iii. Daytime Service Call
- iv. After Hours Service Call
- v. Private Service Line Clearing Charge
- vi. Septage Dumping Charge
- vii. Illegal or Delinquent Sewer Service Disconnect Charge

3. METHODOLOGY - HCWD1 will request that the consultant use industry standard methods in developing the new sewer rates and non-recurring charges. Regardless of methods used, the new proposed rates and study must be acceptable to the PSC. The consultant, prior to submitting their proposal, may wish to discuss sewer rate design with the PSC staff. The person to contact at PSC is Mr. Sam Reid, 1-502-564-3940, ext. 250.

The consultant, as part of the study, will be required to describe and justify the proposed methodology to HCWD1, before proceeding with the study. Following are typical steps required to complete a cost of service study, acceptable to the PSC, however the consultant will be required to develop and explain their methodology selected to use;

- a. Calculate the total revenue requirements, including operations, contracted services, maintenance, indirect (allocated) costs, capital costs and debt service or depreciation. Expenses are assigned to the activities that generate them. The PSC requires an audited "test year" with known and measurable expenses. However, since HCWD1 acquired the system in April 2008, the consultant will have to normalize 2008 expenses and adjust to a full 12 month period, as basis for revenue requirements, which adjustments will need to be acceptable to the PSC. Sub-tasks for this step also include;
 - i. Review depreciation expense and fixed asset schedule which make up depreciation expense. Check for assets which may need to be scrapped, life / years used and if consistent with NaRUC/PSC requirements and check for any missing assets (fixed asset list transferred from City of Radcliff which was not regulated and was not subject to PSC review).
 - ii. Calculation of revenue offsets or other sources of non-rate revenue that help meet revenue requirements. This will lower total revenue requirements needed from rate base.
 - iii. Review indirect or allocated costs for shared assets / resources from other HCWD1 departments or utilities for appropriateness and total impact of all allocated costs on rate(s).
- b. Cost components are typically divided into volume/capacity, measures of sewage strength such as Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) as well as customer billing, administration and other categories as appropriate.
- c. The total for each cost component is then divided among the customer classes in accordance with the total use each customer class makes of that component. Classes that use more of a given component pay for more of that component. This step and the two that precede it are collectively called "cost allocation".
- d. Rate Design: The current Radcliff rate charges a minimum monthly bill, which includes 2 thousand gallons ("kgals") of water use and then uses a two tier volume rate per kgal for all water used above 2 kgal. However, separate charges can also be levied on some customer classes for the number of pounds of BOD and TSS their wastewater contains above the standard levels. Other rates HCWD1 will want to calculate and possibly propose include;

- i. Winter Quarter Sewer Billing: For established residential customers only, would use the average monthly water use for winter quarter and use that volume for flat monthly sewer bill for rest of year. This avoids penalizing residential users for water use outdoors during warmer months that does not impact the sewer system.
- ii. Volume Rate Residential: For residential customers that would not qualify for Winter Quarter Billing, design a water volume based rate with any defendable rate tiers based on empirical data, which charges customer a rate per kgal (not including the Customer Charge).
- iii. Commercial / Industrial Rate: Design a separate rate, if data and study determines rate class can be separated, for commercial or industrial customers that may discharge higher volume or higher strength than residential class, or require maintenance of a discharge permit. This class may include restaurants, laundries, car washes, beauty shops, etc.
- iv. Wholesale Treatment Rate: HCWD1 already provides wholesale treatment to the City of Muldraugh, with a special tariff rate. HCWD1 would like a new rate designed for potential other wholesale customers where flows from parts of Hardin County, from other cities or water district service areas, and would flow into HCWD1's system for conveyance and treatment. The new rate shall include an option or component to pay for existing and future capital investments, recognizing portion of capacity being dedicated to wholesale customer.
- v. High Strength Surcharge: A surcharge, per kgal, times strength levels above normal, could be developed to charge commercial and industrial customers who discharge higher than normal levels. Costs related to BOD and TSS removal, and sludge hauling could be included and recovered in this surcharge.
- vi. Customer Charge: This would replace the Minimum Bill method. In 2001, HCWD1 replaced its minimum bill for water rate with a Customer Meter Charge (does not include any water volume and increases with meter size). HCWD1 would like to use same approach for sewer bills as well to be consistent.
- vii. HCWD1's current sewer rate is based on monthly water meter readings, which most are provided by the HCWD1 water utility. Readings for HCWD2 customers, who are connected to HCWD1 sewer, and provided monthly from HCWD2 for sewer billing. The current rate design, as developed by the City of Radcliff is;
 - \$17.62 - Minimum bill for 2 kgal or less water used per month.
(Same amount regardless of customer class)
 - \$5.75 - Rate per kgal of water used between 2 and 15 kgal
 - \$4.60 - Rate per kgal of water used over 15 kgal
- e. Rate Testing: After all rate design is complete the consultant will then apply the various rates, including options, against the current bill tabulation provided by HCWD1. The bill tabulation will be based on most recent 12 month period, and will provide number of bills produced within various use blocks. The number of use blocks and range will be recommended by the consultant.
- f. Financial Modeling: Once the HCWD1 Board decides which rate design to accept, then the consultant will prepare a pro-forma income statement, with working capital cash flow component, for future 5 years for the Radcliff Sewer Utility. Model should increase revenue and expenses based on projected

growth and inflation rates, and assume an estimated use of capital, beginning and ending cash and working capital available, as well as calculate bond coverage ratios. The intent of the model is to allow HCWD1 to see impact of selecting various new rates, fees and charges, and how these will affect the utility's net income and cash flow for the next five (5) years.

- g. PSC General Rate Case Application: After Board approval, the consultant will then complete all documents, submittals, reports, spreadsheets and explanations as required by PSC for general rate case. The PSC provides checklists and lists of all information required. All work to prepare this information, and provide all copies required, is to be included in cost proposal presented by the consultant.

(see: <http://psc.ky.gov/agencies/psc/forms/checklist/chk022.pdf> and <http://www.lrc.state.ky.us/kar/807/005/001.htm>, sections 8 and 10)

- 4. REFERENCES / AUTHORITIES: There are several general reference manuals available for wastewater cost of service rate study methods. The consultant will be required to determine which to use or follow, and confirm that this method will be acceptable to the PSC. Available manuals used throughout the country include;

- a. *"Financing and Charges for Wastewater Systems: WEF Manual of Practice No. 27"*: By WPCF Task Force on Financing & Charges. Published by McGraw-Hill Professional, 2004. ISBN 0071453040, 9780071453042

- b. *"Water and Wastewater Finance and Pricing: A Comprehensive Guide"*: By George A. Raftelis, 3rd Edition, 2005, Published by CRC Press. ISBN 1566706807, 9781566706803.

- c. *"M1 - Principle of Water Rates, Fees & Charges 5th Edition"*: American Water Works Association, 5th Edition, 2000. Published by AWWA, ISBN 1583210695 - Catalog No. 30001.

- 5. TENTATIVE SCHEDULE OF SELECTION PROCESS: The District's intended schedule for selection of consultant and completing the study is set forth below. however, the District reserves the right to modify this schedule as necessary;

| Item / Task | Date | Comments |
|--|-----------------|---|
| Request for Proposals Distributed | April 24, 2009 | Will be advertised in local paper once, and mailed to selected consultants directly |
| Pre-Submittal Conference Call | May 8, 2009 | Must call District before May 7, 2009 to receive call-in information |
| Proposals Due | May 22, 2009 | |
| Staff Completes Reviews | May 27, 2009 | No later than |
| Board approves selection of Consultant | June 16, 2009 | At regular June meeting date |
| District and Consultant negotiate final terms of agreement / tasks | July 19, 2009 | Standard District professional services agreement, with any changes by consultant, approved by District. All tasks included in RFP will be included as scope of work in final agreement |
| Consultant submits list of required information / data to District | August 12, 2009 | Any accounting reports, data, studies, summaries |

| Item / Task | Date | Comments |
|--|------------------------|---|
| District provides all request to consultant | August 21, 2009 | District will send data as collected and will use email, FTP sites, PDF and other electronic formats as available |
| Consultant completes draft report of all rates, fees and charges | October 30, 2009 | |
| District and consultant hold workshop to review report and finalize for Board presentation | November 9, 2009 | As long as needed to cover all aspects of report and study |
| Board presentation of recommended new rates | November 19, 2009 | Special Board meeting |
| HCWD1 publishes Intent to File Rate Case to PSC | December 8, 2008 | Required by KRS - 45 days prior to filing |
| Consultant finalizes report and also prepares PSC application | January 15, 2010 | |
| Submit final study and application to PSC and prepare public notices | January 22, 2010 | File all copies required as well |
| Consultant assists District with answering all interrogatories and data requests of PSC | Through April 30, 2010 | (All depends on PSC time available and questions staff has) |
| New rates effective | May 1, 2010 | Or earlier if PSC takes less time to review and approve, or consultant is able to cut time during study |

6. **OWNER PROVIDED INFORMATION / RESOURCES:** The following is minimum list of reports, data and information that HCWD1 will provide and assumed the consultant will need in completion of the study;
- a. 2008 Annual Financial Report & Statements (prepared by Ray, Foley, Hensley & Associates, CPA's, PLLC, Lexington, Kentucky).
 - b. 2008 & 2009 Trial balance report and general ledger entries for all Radcliff sewer expenses and revenues.
 - c. Most recent HCWD1 general water rate case documents, including application, data requests, data answers and final order. (Case No. 2006-00410).
 - d. 12 Month billing tabulation matrix with number of bills in each volume/use block, by month for 12 month period (Excel® spreadsheet).
 - e. Current Radcliff Sewer Tariff sheets which include Muldraugh Sewer Wholesale Treatment Rate & Terms
 - f. Operations Maintenance & Management Agreement between Veolia Water, North America, LLC and HCWD1, dated February 8, 2008 (For operations of Radcliff sewer system).
 - g. Detailed or category expense information for Veolia Radcliff sewer operations. Available upon request by contacting Mr. Brad Walker, Veolia/Radcliff Project Manager, phone: 1-270-351-6270 or 1-270-268-0136. (Accounting systems are separate from HCWD1).
 - h. Case No. 2008-00074 Order by PSC, approving assumption of debt and transfer of Radcliff Sewer System to HCWD1, dated April 23, 2008. (HCWD1 application is also available).

- i. Wastewater System Acquisition Agreement between City of Radcliff and HCWD1 dated January 31, 2008.
 - j. Hardin County Wastewater Facilities Plan. Completed by Strand Engineers for Hardin County Water District No. 2. For more information contact Mr. Mark Sneve, P.E., Strand Engineering, 1-502-583-7020 (Will be needed when developing new wholesale rate).
 - k. 2009 HCWD1 Annual Operations & Capital Budget, Radcliff Sewer. Various spreadsheets and accounting system reports (HCWD1 uses an SQL, Windows Network / Server based system which is able to extract data and reports using Crystal Reports or Excel format spreadsheets).
 - l. Radcliff GIS mapping system. HCWD1 uses ArcGIS® 9.3 and SDI Maps® platform to maintain its mapping system. Most mains, lift stations and manholes have been captured and color aerial photography images are two years old. Feature attributes are missing for some items. Layers or detail can be extracted to various file formats as requested by the consultant. SQL and database queries (what if?, how many?, show me...) are also possible using this system and can be extracted to a table or spreadsheet format.
7. **PROPOSAL FORMAT AND TIME REQUIREMENTS:** To be considered for selection a proposal must be received at the address and time set forth on the advertisement sheet of this RFP. The District assumes no responsibility for delays in the US mail or courier systems, or delays due to weather conditions.
- a. A proposal received after the deadline will not be accepted. Receipt by the District of a proposal received after the closing date and time as stated herein shall not be construed as acceptance of the proposal.
 - b. Submission of a PDF file by electronic mail does not relieve the Consultant the responsibility of having an original, signed and single paper copy of their proposal to the District by the required time and date.
8. **PROPOSAL FORMAT, GUIDELINES & TERMS:**
- a. All proposals shall be submitted in three-ring binders with graphic exhibits no larger than 11 x 17 inch sheets (may be folded). All pages, except pre-printed technical inserts, must be sequentially numbered within each document submitted as part of the proposal.
 - b. Four (4) copies of each proposal shall be submitted, including one original with original signatures. Consultants shall bear all costs of preparing, copying and printing the proposals. The District will however accept a single original paper copy, and an electronic Adobe® PDF file submitted on CD disk, or sent email prior to the deadline, as long as the PDF file is an exact duplicate of the paper copy including all attachments or appendices.
 - c. **DURATION OF OFFER:** Proposals submitted in response to this solicitation are irrevocable for 90 days following the deadline for submission of proposals. This period may be extended by written mutual agreement between a responder and the District.
 - d. **PUBLIC INFORMATION AND TRADE SECRETS:** All materials submitted in response to this RFP will be considered private or nonpublic until the responses are reviewed. All other data in a responder's proposal is private or non-public data until completion of the evaluation process. After the District has completed the evaluation process, all remaining data submitted by all responders is public with the exception of trade secret data as defined or classified by Kentucky statutes. A proposal by a responder that submitted

data is copyrighted or otherwise protected does not prevent public access to the data contained in the response.

- e. RIGHTS RESERVED BY DISTRICT: The District reserves the right to:
- i. Reject any and all proposals received in response to this RFP
 - ii. Waive or modify any information, formalities, irregularities, or inconsistencies in proposals received
 - iii. The District's Board may select a different consultant than that recommended by the staff
 - iv. Consider and/or accept a written modification (requested by the District) of a proposal if the proposal itself was submitted on time, and the modified proposal is more favorable to the District
 - v. May negotiate any aspect of a proposal with any Consultant and negotiate with more than one Consultant at the same time
 - vi. If negotiations fail to result in a contract, terminate negotiations and prepare and release a new RFP or take such other action as the District deems appropriate
 - vii. The selection of the consultant shall remain the sole and final decision of the District's Board of Commissioners
9. PROPOSAL CONTENT: The proposal must include;
- a. Transmittal Letter from the lead representative of the proposing consultant. The letter must be on the Consultant's official business letterhead, and must transmit the proposal, identify all materials and enclosures being forwarded in response to this RFP, and identify the key contact individual involved in the preparation of the proposal and must be signed by an individual authorized to commit the consultant to the scope of work proposed.
 - b. Table of Contents. All proposals must include a table of contents with an identifiable tab sheet must precede each document submitted as part of the proposal.
 - c. Consultant Acknowledgment and Certification - complete the form (Attachment B) included in this RFP.
 - d. All requested additional information or items as listed below;
 - i. A project organization chart showing names and titles of key individuals and firms assigned to the project, what their role will be respective to other parties or members of the consultant, how District staff will be involved in the project and other sub-contractors or consultants that will carry out key tasks of the project.
 - ii. List of prior sewer rate studies which were completed by the consultant and presented to the Kentucky Public Service Commission (or other state utility regulatory agencies). DO NOT include those which were approved by Farmer's Home, Rural Development or other grant agencies which approve rate design separate from the PSC.
 - iii. List of MOST RECENT rate studies completed in last five (5) years of any type, for any client. List contact names and references.
 - iv. A completed Questionnaire (Attachment A).
 - v. A Study Approach Plan which shall include;
 - (1) A detailed explanation for the methodology to be followed and study phases to complete the study. Include who will be assigned to complete each phase, how long each is expected to

take, and approximate percent of total budget each phase will consume.

- (2) A study schedule showing each major component or milestone, with date to be completed and also for each item, what dependencies are related (outside approval, information from HCWD1 or sub-consultants work).
 - vi. Biographies of key individuals that will be assigned to the project including their involvement and experience with similar studies in last five (5) years, and other information regarding other sub-consultants that would play a key role in completing the study.
 - vii. Other relevant publications, brochures, photographs or back-up information adding information about prior studies or individuals.
 - viii. The signed Proposal Certification & Submittal form (Attachment B) which includes certification of the non-collusion and conflict of interest proposals.
10. **SELECTION PROCESS:** The process for selecting the consultant to complete this study will use the following steps;
- a. Pre-Proposal Submittal Phone Conference Call: Participation is optional for consultants planning to submit a proposal. A contact phone call must be made prior to May 7, 2009, by calling Mr. Scott Schmuck at 351-3222, extension 222 (email: sschmuck@hcwd.com). This will provide the conference call-in pass code, as well as the set date and time. The purpose of the call will be to answer questions from all interested consultants, prior to the deadline.
 - b. Review of Proposals: The enclosed questionnaire (Attachment A) includes questions and information requests to provide the District objective information to score and evaluate proposals objectively. Further steps will include;
 - i. The District will review each proposal submitted for completeness, signatures, and all requested data before consideration for further review.
 - ii. The District will use a committee to review, evaluate and score each proposal. It is anticipated that the committee will be made up of the; General Manager, Finance & Accounting Manager and Customer Service Manager. The District, however, reserves the right to change the make-up of the committee prior to review.
 - iii. The District will use both objective, and subjective scoring in the review process. Both yes / no (1 or 0) responses to questions will be used, and also a response scale of 0 - 5 will be used for some questions or criteria. Review of other qualifications, past studies, comments from references and other more free form responses will be combined and scored by category using the 0 - 5 scale.
 - iv. The District committee will then take its recommendation to the Water District's Board of Commissioners ("Board"). The final selection of the successful consultant will be the decision of the District's Board, after consideration of the staff's recommendation. The Board may or may not accept the recommendation, and will have the ability to make selection of the consultant that it feels would be best for the District.
 - v. Evaluation criteria may be weighed among various categories. The District reserves the right to add or change the criteria actually used compared to what is presented herein. It is anticipated that the main criteria for scoring and evaluation will include;

| FACTOR SCORED | SCORING METHOD |
|---|----------------------|
| Does the consultant have previous experience on wastewater cost of service studies? | Yes / No (1 or 0) |
| Has the consultant ever prepared a wastewater rate case for review by the Kentucky Public Service Commission? | Yes / No (1 or 0) |
| Has the consultant prepared other wastewater rate studies which were approved by other state utility regulatory commissions? | Yes / No (1 or 0) |
| Will the consultant agree to commit key persons listed in proposal to work on HCWD1 study for its duration as part of agreement terms? | Yes / No (1 or 0) |
| Amount of experience on prior wastewater rate studies | 0 - 5 Score Assigned |
| Amount of experience on prior rate studies of any type, regulated or non-regulated review | 0 - 5 Score Assigned |
| Extent and quality of relevant education, experience and related experience of individuals assigned to work on HCWD1 study | 0 - 5 Score Assigned |
| Clarity and quality of explanations of methodology proposed to use for this study | 0 - 5 Score Assigned |
| Clarity and quality of study timeline and responsiveness to this item in content | 0 - 5 Score Assigned |
| Value of quality of study, amount of services being provided for cost proposed to HCWD1 | 0 - 5 Score Assigned |
| Length of time (shorter = better) consultant proposes to complete total study and submit to PSC and extent of guarantee or assurances will be completed within proposed timeframe | 0 - 5 Score Assigned |
| HCWD1's prior experience working with consultant on previous rate studies (water or sewer) | 0 - 5 Score Assigned |
| Overall compliance with RFP requirements and how well proposal responds to content and items requested | 0 - 5 Score Assigned |

11. **QUESTIONS:** All questions regarding this RFP shall be directed to Mr. Scott Schmuck at 270-351-3222, ext 222 or email to schmuck@hcwd.com. The consultant shall refrain from talking to other employees or seeking to gain information from others other than Mr. Schmuck. HCWD1 reserves the right to share any answers with any other interested parties or known proposers.

ATTACHMENT A

Required Proposal Questionnaire

(Type or Print Clearly)

SECTION A - COMPANY CONTACT INFORMATION:

| | Answer / Information |
|---------------------------|----------------------|
| 1. Name of Firm / Company | |
| 2. Address | |
| 3. City, State, ZIP | |
| 4. Contact Person Name | |
| 5. Contact Person Title | |
| 6. Phone Number | |
| 7. FAX Number | |
| 8. email Address | |
| 9. Website Address | |

SECTION B - CONSULTANT BACKGROUND:

10. Has the consultant prepared and submitted any wastewater cost of service rate studies which were submitted and approved by the Kentucky Public Service Commission?
 - YES
 - NO

11. If YES, how many studies have been completed by consultant?: ____

12. If NO to #10, how many studies have been completed for other state regulatory commissions in other states?

____ List total number

13. List total number of all rate studies, water or sewer, regulated or non-regulated, completed in last five (5) years:

____ List total number

14. Include a list MOST RECENT five (5) references of clients for which wastewater rate studies have been completed. Include client name, contact name, title, phone number and email address

15. Provide list of charge out hourly rates which will be charged during study for these services / disciplines;
 - \$ _____ Principal Partner
 - \$ _____ Lead Economist / Engineer
 - \$ _____ Financial Analyst
 - \$ _____ Junior professional engineer / economist
 - \$ _____ Graphics publications specialist
 - \$ _____ Administrative Support / Specialist

16. Provide rates for supplemental charges (if any) which will be charged during study;

\$ _____ per _____ for _____

\$ _____ per _____ for _____

\$ _____ per _____ for _____

\$ _____ per _____ for _____

17. Provide total NOT TO EXCEED fee that consultant expects would be charged for all items and tasks listed in the RFP, and using the study schedule and assumed hours/personnel/task that the consultant has determined (the final agreement will include language to increase / decrease not to exceed amount based on changes to scope or unanticipated tasks or delays)

\$ _____ Total Study Estimated Not to Exceed Fee

18. Has the consultant filed for bankruptcy in last 5 years (in any company name that consultant member or principal / partner was associated with or owned)

YES

NO

19. Checklist for all information or items to include with proposal;

- Transmittal Letter
- Table of Contents
- Proposal Certification & Acknowledgment Submittal form (Use form provided)
- Project Organization Chart
- List of prior wastewater rate studies before PSC with five (5) references
- List of all other rate studies with five (5) references
- Completed Attachment A
- Study Approach Plan
- Study Schedule
- Biographies of Key Individuals assigned to study
- Other attached relevant publications or documents, drawings or exhibits
- Six (6) copies of Complete Proposal with One (1) being signed original, OR...
- One (1) signed paper original and six (6) PDF Proposals on CD's or 1 PDF sent via email as an attachment

SIGNATURE & CONTACT INFORMATION (Provide single point of contact for the consultant);

Submitted By (Print or Type) _____ Date _____

Title _____

Name of Firm Submitting Proposal _____

Contact Person for Questionnaire - Phone & email Contact Information _____

ATTACHMENT B

Proposal Certification & Submittal Form

By signing below, the undersigned does hereby agree and certify the following terms, understanding and commitments;

1. That the consultant, including officers, partners or principals, have thoroughly read and understand all sections of the Request for Proposal and that any exceptions or variances requested have been submitted with their proposal and that the fee(s) submitted with the proposal assume completing all tasks and requirements listed in the Request for Proposal.
2. That all information and answers are correct for all parties to the best of their knowledge, and that should any information be found to be materially incorrect or false, the District may terminate any contract or agreement with the parties.
3. By submitting a proposal, the Consultant agrees to release the District from any liability resulting from the District's disclosure of such materials and the information contained in them.
4. By submitting a proposal, the Consultant also agrees to defend any legal or administrative action seeking release of materials the Consultant believes to be trade secret information and will indemnify and hold harmless the District, its agents and employees from any judgments or damages awarded against any of them in favor of any party requesting the materials, including any costs connected to that defense. If a request is made under Kentucky Statutes for release of any materials submitted by a Consultant that the Consultant deems to be trade secret information, the District will notify the Consultant of such a request, but the District will have no obligation to commence or defend any action to prevent the disclosure of any materials, including materials the Consultant believes to be trade secret information or otherwise confidential.
5. That no member of the proposing consultant, its employees, principals or partners have not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a District employee or Commissioner in connection with this proposal and offer.
6. That the undersigned have the authority and approval to submit this proposal and bind their corporation or organization to the terms required in the Request for Proposal and if selected for further consideration will in good faith negotiate with the District to provide additional pricing or cost information, and to enter into an agreement for completion of this study.

Firm Certification:


Signature

Printed Name & Title


Name of Corporation / Company

Witness Signature

Date of Proposal: _____



***Hardin County
Water District No. 1***



**Cost of Service Rate Study
Radcliff Sewer - 2009**

Cost of Service Rate Design

- ✓ "Cost of Service" means attempt to identify different services being provided, and calculate 100% of costs to provide that service and recover that through a "RATE DESIGN"
- ✓ Methodology and formulas have been developed and codified or formalized in several books or technical manuals, which PSC prefers we follow, and are often used in lawsuits to defend claims of un-fair or excessive rates – For Sewer COS, these are....

Documented Standard Methods...

"M1 - Principle of Water Rates, Fees & Charges 5th Edition"

American Water Works Association, 5th Edition, 2000. Published by AWWA, ISBN 1583210695 - Catalog No. 30001.

"Financing and Charges for Wastewater Systems: WEF Manual of Practice No. 27"

By WPCF Task Force on Financing & Charges. Published by McGraw-Hill Professional, 2004. ISBN 0071453040, 9780071453042

"Water and Wastewater Finance and Pricing: A Comprehensive Guide"

By George A. Raftelis, 3rd Edition, 2005, Published by CRC Press. ISBN 1566706807, 9781566706803

1. Choose Basis of Rate Design

Utility Method:

For most investor owned utilities...

Design rates to return an acceptable *return on asset investment*. Can use a test year or forecasted amounts. Not typically used for regulated utilities.

Choose Basis of Rate Design

Cash Needs Method;

For most regulated utilities. Allows rate design to cover;

- > All O&M expenses (projected or test)
- > Debt Interest + Amortized Costs
- > Routine R&R costs (actual or projected)
- > Depreciation on existing assets (0 – 100%)
- > PLUS, added revenues for debt coverage ratio as needed to meet bond obligations

Choose Basis of Rate Design

We use...

Cash Needs Method

2. Revenue Requirements

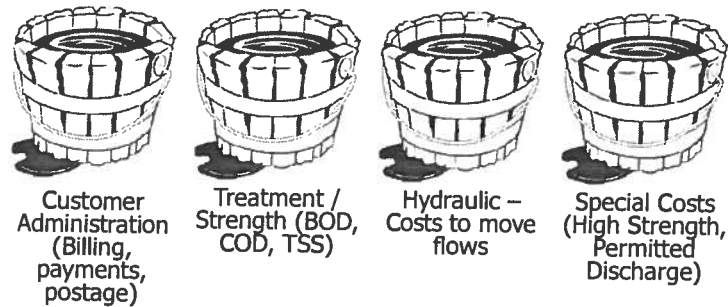
1. How much do you need to support current operations and debt?
2. PSC prefers using a "test year" of actual, defensible expenses (we will use 2008)
3. Can include all O&M costs, debt interest, routine repair & maintenance, debt interest (not principal), amortized costs AND depreciation
4. PSC is hesitant to allow estimated, non-documented costs, but will consider "adjustments" to test year. (We have to adjust all our 08 amounts to annualize for 12 months)

2. Revenue Requirements

1. Must also list all "REVENUE OFFSETS" which are other sources of non-rate revenue that LOWER revenue requirements (Radcliff Sewer has very little)
2. Each expense is summarized to types of cost center or type of expense for future cost allocation

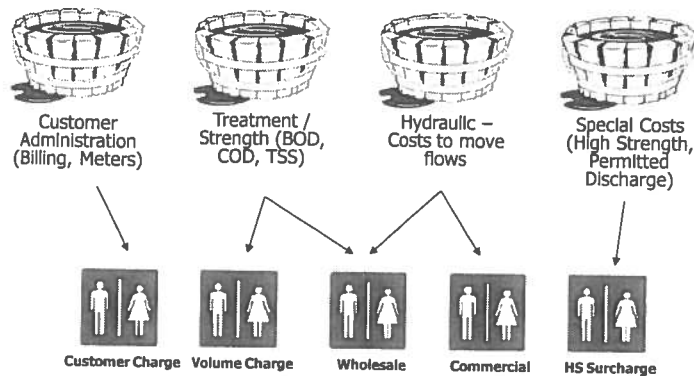
3. Cost of Service Allocation

"Buckets" of costs are then allocated to different service categories...

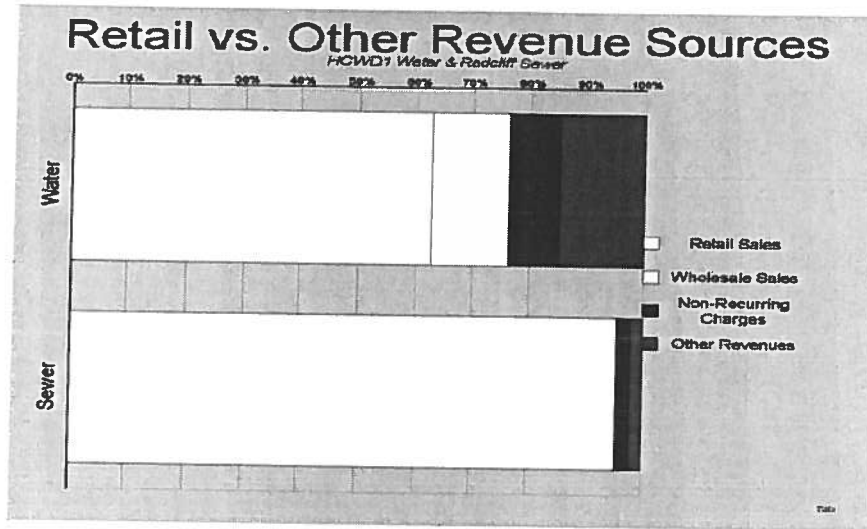


4. Rate Design

Type of costs ("buckets") are then allocated to each customer class by what they require or use;



Rate Revenues vs. Other Sources



Rate Revenues vs. Other Sources

Water = 37.4% of Revenues are NON-Retail

Radcliff Sewer = 4.6% are NON-Retail

Water is 713% MORE !

"City rates" vs. HCWD1 Rates

1. City did not "un-bundle" costs
2. City rates were not regulated
3. HCWD1 – Identify all costs, is able to charge "non-recurring" fees, unrelated to monthly service
4. HCWD1 – Is able to provide Wholesale Services, outside City limits

Types of Rates to Propose

- Winter Quarter Residential (New)
- Customer Charge + Volume (Revise)
- Uniform Wholesale (New)
- High Strength Surcharge (New)
- Sewer Tap Fee (Revise)
- Comm/Ind Discharge Permit Fees (Revise)
- Various Non-Recurring Fees/Charges
- Commercial (Non-Residential – New)

Raftelis Experience

- ✓ Team for HCWD1 has 94 years experience on rate design
- ✓ RFC has been in business since 1993, has 26 full time employees, plus sub-consultants
- ✓ Since December 2004, has completing or is working on 38 rate / financial studies
- ✓ As a firm, has completed over 500 total rate studies
- ✓ RFC Specializes in rate studies, financing and financial consulting for utilities

Raftelis/C&C Local Experience

- ✓ Bowling Green, KY – W&S Rates, Financial Planning
- ✓ Nashville, TN – Wholesale Rate Design, HSS
- ✓ Cleveland, OH – Alternative project financing study
- ✓ White House, TN – W&S Rate Design, Financial Study
- ✓ Hallsdale/Powell, TN – Financial Planning & Rate Model development
- ✓ Warren County Water District, KY – Water Rate Study
- ✓ Germantown, TN – W&S Rate Study
- ✓ Butler County Water, KY – Water Rate Study
- ✓ Simpson County Water, KY – Water Rate Study
- ✓ Grayson County Water District, KY – Water Rate Study

Key Individuals

- ✓ Bill Stannard – 30 years, numerous regulated rate designs, WEF rate design Chair, contributed to G. Raftelis book
- ✓ Bart Kreps – Numerous rate designs, former Wachovia Muni-Finance analyst
- ✓ Rocky Craley – Rate design analyst
- ✓ George Raftelis – CEO, author of key book on Water & Sewer Rate Design, WEF Task Force on rate design
- ✓ John Dix – P.E., 26 years experience in KY, numerous PSC rate designs (Cannon & Cannon)

Documented Standard Methods...

"M1 - Principle of Water Rates, Fees & Charges 5th Edition"

American Water Works Association, 5th Edition, 2000. Published by AWWA, ISBN 1583210695 - Catalog No. 30001. (Key Contributor – George Raftelis)

"Financing and Charges for Wastewater Systems: WEF Manual of Practice No. 27"

By WPCF Task Force on Financing & Charges. Published by McGraw-Hill Professional, 2004. ISBN 0071453040, 9780071453042 (Bill Stannard, Chair of WEF TF/Committee which developed this book)

"Water and Wastewater Finance and Pricing: A Comprehensive Guide"

By George A. Raftelis, 3rd Edition, 2005, Published by CRC Press. ISBN 1566706807, 9781566706803 (George Raftelis, author, Bill Stannard, contributing author)

Tasks Provided Comparison

| Task | 2000 Water (Black & Veatch) | 2005 Water (Quest Engineers) | 2009 Sewer (Raftelis/C&C) |
|------------------------------------|--------------------------------|---------------------------------|------------------------------|
| New Rate Classes | Yes | No | Yes |
| New Wholesale Rate Method | Yes | No | Yes |
| Updated Existing Rates | No | Yes | Yes |
| Create New, Non- Recurring Fees | No | No | Yes |
| Design Tap Fees | No | No | Yes |
| Create Rate Model | No | No | Yes |
| Write Most of PSC Application | No | No | Yes |

Fee Impact Comparisons

| Ratio | 2000 Water (Black & Veatch) | 2005 Water (Quest Engineers) | 2009 Sewer (Raftelis/C&C) |
|--|--------------------------------|---------------------------------|------------------------------|
| Fee in Current \$ | \$33,850 | \$33,840 | \$49,750 |
| Percent of Revenues Generated (54 Months) | 0.25% | 0.20% | 0.31% |
| Impact \$ / Cust / Month | \$0.07 | \$0.07 | \$0.10 |
| % Impact - Typ Residential Bill | 0.29% | 0.25% | 0.25% |

RSEW Available Funding

(YTD May, 09)

- Unrestricted Reserve Funds in Radcliff Sewer = \$2,669,984
- Approved Grants for future capital projects = \$3,750,000
- YTD Increase in Net Assets = +\$78,941

Study Steps

- Project Initiation / Data Collecting, Management (15%)
- Review Existing Rates / Revenue Sufficiency (9%)
- Develop Rate Model (14%)
- Cost of Service Analysis / Rate Design (11%)
- Wholesale Rate Analysis (6%)
- Other Non-Recurring Charges Design (6%)
- Board Presentation, PSC Application, Hearings, Data Requests (39%)

RFC Schedule

Hardin County Water District 1, Kentucky
Wastewater Cost of Service Rate Study - Project Schedule

| Task | Description | Month of Project | | | | | |
|--------|--|------------------|-----------|---------|----------|----------|---------|
| | | August | September | October | November | December | January |
| Task 1 | Project Initiation and Management <i>Kick-Off Meeting</i> <i>Collect and Review Data</i> <i>Organize Project Management</i> | | ★ | | | | |
| Task 2 | Review Existing Rates and Revenue Sufficiency <i>Forecast Revenue Requirements</i> <i>Evaluate Revenue Sufficiency</i> | | | | | | |
| Task 3 | Develop Rate Model <i>Rate Model Construction</i> | | | | | | |
| Task 4 | Cost of Service and Rate Design <i>Develop Cost Allocations</i> <i>Rate Calculations</i> | | | | | | |
| Task 5 | Wholesale Rate Analysis <i>Evaluate Existing Wholesale Rate Methodology</i> <i>Recommend Preferred Methodology and Calculate Rate</i> | | | | | | |
| Task 6 | Assess Non-Recurring Charges <i>Calculate Charges for Special Services</i> | | | | | | |
| Task 7 | Document/Present Study Results & PSC Application <i>Workshop with HCFWD / Staff to Discuss Draft Results</i> <i>Present Rate Recommendations to Board</i> <i>Prepare Documents and File Rate Case Application</i> | | | | | ★ | ★ |

★ Indicates Trip to Hardin County

Staff Recommendation...

To immediately engage *Raftelis Financial Consultants/Cannon & Cannon* to proceed with Sewer Rate / Cost of Service Study for Radcliff Sewer, and bring proposed rates and fees & charges to Board ASAP

Suggested Motion...

"To authorize staff and legal counsel to prepare professional services agreement with Raftelis Financial Consultants and Cannon & Cannon to complete a Cost of Service Rate Study for the Radcliff Sewer Utility, and to authorize the General Manager to execute the agreement, and that the consultant would prepare proposed new rates and charges and bring back to Board at a future meeting, as soon as possible"



Questions?

Tasks Provided Comparison

| Task | 2000 Water (Black & Veatch) | 2005 Water (Quest Engineers) | 2009 Sewer (Raftelis/C&C) |
|------------------------------------|--------------------------------|---------------------------------|------------------------------|
| New Rate Classes | Yes | No | Yes |
| New Wholesale Rate Method | Yes | No | Yes |
| Updated Existing Rates | No | Yes | Yes |
| Create New, Non- Recurring Fees | No | No | Yes |
| Design Tap Fees | No | No | Yes |
| Create Rate Model | No | No | Yes |
| Write Most of PSC Application | No | No | Yes |