

ORIGINAL

For

Responses to Data Request 1

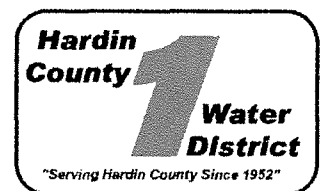
**Radcliff Sewer System
PSC Case No. 2013-00050**

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

August 27, 2013

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

August 27, 2013

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

**SUBJECT: Filing of Response to Data Request No. 1
Case 2013-00050**

Dear Director Derouen,

Enclosed please find an original and eight copies of our pre-filed testimony along with exhibits to be considered part of our application for the above general rate case filing. Due to the volume of material we have included responses to questions 29 and 33 as originals under separate binder covers, and electronic copies of these responses are provided within each binder on a separate compact disc.

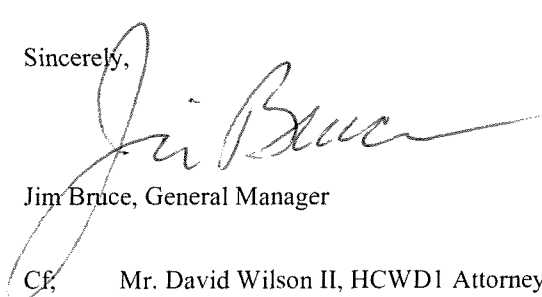
The original deadline for this response was 9-August. On 13-August an order was issued extending the deadline to 27-August. We do appreciate the Commission's consideration and approval of our motion to extend.

On 14-August, we also received the request of substitution of counsel from the Office of the Attorney General. We have changed our certification of service to show delivery of this response, and for future responses, to the notice of the substituted counsel (Hon. Gregory T. Dutton).

On 13-August we received order for Data Request No. 2 with a due date of 27-August. We filed a motion on 19-August for a time extension for this deadline to 20-September. We have yet to receive an order approving that time extension. While myself and staff are working diligently on responses to DR2, it will be impossible to meet the 27-August deadline given the volume of questions and time required to formulate responses, especially while our limited staff was still working on DR1.

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.

RECEIVED

AUG 27 2013

PUBLIC SERVICE
COMMISSION

RECEIVED

AUG 27 2013

PUBLIC SERVICE
COMMISSION

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 response to Data Request No. 1, to PSC General Rate Case 2013-00050, 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

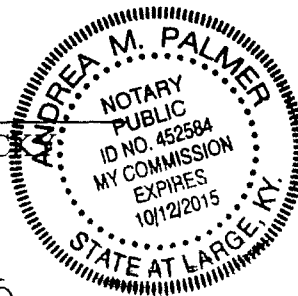
This is to certify that a true and correct copy of the foregoing was delivered on or about the 27th day of August, 2013 to Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and to Hon. Gregory T. Dutton, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY. 40601-8204

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

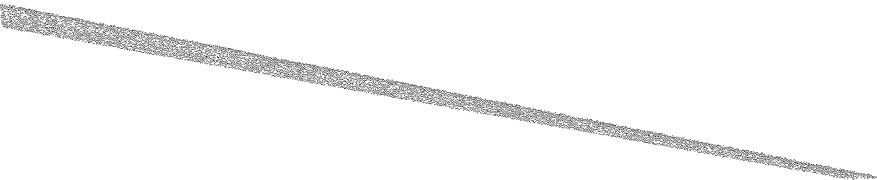
STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 27TH day of August, 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.

Andrea M. Palmer
NOTARY PUBLIC, STATE OF KENTUCKY



My Commission Expires; 10/12/2015



1. Provide the minutes of the meeting of Hardin County Fiscal Court in which that body approved the current salary level for members Hardin District's Board of Commissioners.

ANSWER 1: The requested information is provided as Exhibit 1.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

COMMONWEALTH OF KENTUCKY
HARDIN COUNTY FISCAL COURT

RESOLUTION

This Resolution duly made and adopted this 11 day of January, 1999, by the Hardin County Fiscal Court, County of Hardin, Commonwealth of Kentucky.

WHEREAS, KRS 74.020 provides that the salary paid to Commissioners of single county water districts shall be fixed by the County Judge/Executive with the approval of the Fiscal Court; and

WHEREAS, Hardin County has two single county water districts identified as Hardin County Water District No. 1 and Hardin County Water District No. 2.

NOW, THEREFORE, BE IT RESOVLED by the Hardin County Fiscal Court as follows:

1. Pursuant to KRS 74.020 (6), each duly appointed Commissioner of Hardin County Water District No. 1 and Hardin County Water District No. 2 shall receive an annual salary of \$6,000.00 effective January 1, 1999 to be paid out of the respective Water Districts funds which may be paid in periodic payments after all other legal obligations of the respective District have been paid.
2. Pursuant to KRS 74.020 (7) in order to receive the salary as specified herein, each Commissioner shall successfully complete a minimum of six (6) instructional hours of water district management training annually approved by the Public Service Commission of the Commonwealth of Kentucky.

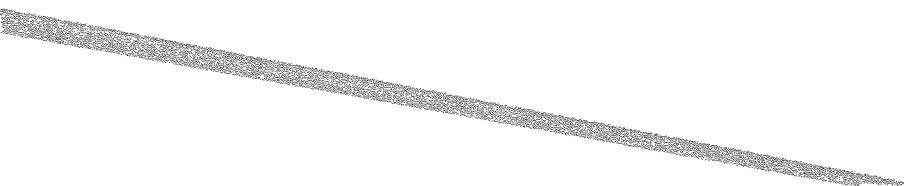
This Resolution duly made and adopted on the date hereinabove specified.



GLEN D. DALTON
HARDIN COUNTY JUDGE/EXECUTIVE

Attested by:


KENNETH L. TABB
HARDIN COUNTY COURT CLERK



2. Provide:

- a. A copy of the executed assistance agreement between the City of Radcliff and the Kentucky Infrastructure Authority ("KIA") for KIA Loan No. A97-03.
- b. A copy of the executed assumption agreement between Hardin District and KIA for KIA Loan No. A97-03.
- c. A current amortization schedule that covers the life of KIA Loan No. A97-03 and detail the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.

ANSWER 2:

- a. A copy of the assistance agreement between City of Radcliff and the Kentucky Infrastructure Authority (KIA) Loan No. A97-03 is attached as Exhibit 2.
- b. A copy of Resolution 01-2012 adopted by Hardin District's Board of Commissioners dated March 20, 2012 is attached as Exhibit 3. The reason this was adopted in 2012 and not 2008 is because KIA did not realize this document was not in their files and requested it in early 2012.
- c. The KIA amortization schedule for Loan No. A97-03 is attached as Exhibit 4.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

TRANSCRIPT OF PROCEEDINGS

ASSISTANCE AGREEMENT
BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY
AND
CITY OF RADCLIFF, KENTUCKY
A97-03

Approving Opinion.
PECK, SHAFFER & WILLIAMS, L.L.P. • Covington, Kentucky

Exhibit 2

ASSISTANCE AGREEMENT
BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY
AND
CITY OF RADCLIFF, KENTUCKY

TRANSCRIPT OF PROCEEDINGS

Peck, Shaffer & Williams, L.L.P.
Covington, Kentucky

7714

INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and City of Radcliff, Kentucky (the "Governmental Agency"), dated as of October 1, 1997

1. Opinion of Counsel to the Governmental Agency.
2. General Closing Certificate of the Governmental Agency.
3. Assistance Agreement.
4. Resolution of the Governmental Agency authorizing the Assistance Agreement.
5. Extract of Minutes of the Meeting of the City Council adopting Resolution authorizing Assistance Agreement.
6. Extract of Minutes of the Authority authorizing the Assistance Agreement.
7. Commitment Letter, including Credit Analysis.

7714

DISTRIBUTION LIST

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Mayor
City of Radcliff
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Radcliff, Kentucky 40159-0519

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LORI A. LODGE-LANE

TEL: (502) 351-4404

FAX: (502) 352-4626

REAL ESTATE DEPT:

TEL: (502) 352-4406

FAX: (502) 352-4421

October 10 1997

Kentucky Infrastructure Authority
Room 261, Capitol Annex
Frankfort, Kentucky

RE: Assistance Agreement by and between Kentucky
Infrastructure Authority and City of Radcliff,
Kentucky, dated as October 1, 1997

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the City of Radcliff, Kentucky, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the wastewater treatment works project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by

bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement, and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.


7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and

procurement laws in connection with the acquisition and construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,


R. Terry Bennett
City Attorney

RTB/kgb

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and City of Radcliff, Kentucky (the "Governmental Agency"), dated as of October 1, 1997

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing municipal corporation of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies

or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 16th day of October, 1997.

GOVERNMENTAL AGENCY:
CITY OF RADCLIFF, KENTUCKY

By Jennings H. Smith
Name: Jennings H. Smith
Title: Mayor

ATTEST:

By Chance C. Fox
Name: Chance Fox
Title: City Clerk

7714

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND A

PROJECT NUMBER: A97-03

BORROWER: City of Radcliff, Kentucky

BORROWER'S ADDRESS 411 West Lincoln Trail
Radcliff, Kentucky 40159-0519

DATE OF ASSISTANCE AGREEMENT: October 1, 1997

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

W I T N E S S E T H

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Program is funded in part, pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of January 1, 1990 (the "Federal Agreement") under which the Authority is responsible for providing certain "match funding" described in the Federal Agreement; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and National City Bank (F/K/A First Kentucky Trust Company) (the "Trustee") in order to provide the "match funding" for the Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected

by future amendments to the Act.

"*Bond*" or "*Bonds*" or "*Revenue Bonds*" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"*Business Day*" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"*Cabinet*" means the Natural Resources and Environmental Protection Cabinet of the Commonwealth.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"*Commonwealth*" shall mean the Commonwealth of Kentucky.

"*Construction*" shall mean construction as defined in the Act.

"*Debt Obligations*" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the income and revenues of the System.

"*Engineers*" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"*Federal Act*" shall mean the Water Quality Act of 1987, 33 U.S.C. § 1251 et. seq.

"*Governmental Agency*" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"*Indenture*" shall mean the General Trust Indenture dated as of January 1, 1989 between the Authority and the Trustee.

"*Interagency Agreement*" means the Interagency Agreement dated as of January 1, 1990 between the Authority and the Cabinet.

"*Loan*" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics. for the purpose of defraying the costs incidental to the Construction of the Project.

"*Loan Rate*" means the rate of interest identified in the Schedule of Payments.

"*Person*" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"*Program*" shall mean the program authorized by KRS 224A.111 and the Indenture as the "federally assisted wastewater revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"*Project*" shall mean, when used generally, a Treatment Works project, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"*Project Specifics*" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"*Requisition for Funds*" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"*Resolution*" means the resolution of the Governmental Agency attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

"*Schedule of Payments*" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"*Schedule of Service Charges*" shall mean those general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"*Service Charges*" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, in respect of the Project which Service Charges arises by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"*System*" shall mean the Treatment Works system owned and operated by the Governmental Agency of which the Project shall become a part and from the earnings of which

(represented by the Service Charges) the Governmental Agency shall repay the Authority the Loan hereunder.

"Treatment Works" shall mean Treatment works as defined in the Act.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and the Federal Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

(J) The Governmental Agency is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project.

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Treatment Works Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable semiannually, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Prepay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that, subject to compliance by the Governmental Agency with the covenants and conditions set forth in Exhibit

G hereto, the source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics and all such Debt Obligations that may hereafter be issued on a parity with the Debt Obligations identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.6 (D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority and the Cabinet appropriate documentation, satisfactory to the Authority indicating the following:

(A) That the Authority and the Cabinet and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority or the Cabinet, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and to examine and inspect same.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump-sum (fixed price) or unit price contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Cabinet.

(G) Duly authorized representatives of the Cabinet and such other agencies of the Commonwealth as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, the Cabinet and any other participating federal or state agency, the Engineers, and all construction contractors, such conference to be held in accordance with guidelines established by the Authority and the Cabinet. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Cabinet and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers for the Governmental Agency and approved by state and federal agencies.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government, respectively, in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority and the Cabinet, acting by and through their duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Cabinet such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state assistance.

(R) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and a payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(S) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(T) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Cabinet, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(U) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority and the Cabinet the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement. The Governmental Agency, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) That the Project shall be completed no later than the date set forth in the Project Specifics.

(B) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with generally accepted Governmental accounting standards, as required by Section 603(d) of the Federal Act. The Governmental Agency shall retain such records for no less than three (3) years following the final payment by the Governmental Agency under this Assistance Agreement or if any portion of the Project is disposed of, until at least three (3) years after such disposition; provided that if any litigation, claim, appeal or audit is commenced prior to the end of such period such records shall be maintained until the completion of such action or until three (3) years after such commencement, whichever is later.

(C) That it has not and will not apply any other federal funding to the Project in a manner that would cause it to receive "double benefits" as described in Section 603 of the Water Quality Act of 1987.

(D) That all property required for the completion of the Project shall be obtained, by easement, purchase or other means acceptable to the Authority, prior to commencement of construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

(E) That all Project contractors shall be required to retain Project records for the periods established for the retention of the Governmental Agency's records in Section 4.2(B).

(F) That no more than fifty percent (50%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the final plan for operation for the Project.

(G) That no more than ninety percent (90%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the draft operations and maintenance manual.

(H) That final disbursement will not be allowed until approval by the Cabinet of a final operations and maintenance manual.

(I) That, as required by 40 CFR 35.2218, all engineering services regarding construction and regarding the first year of operation of the Project shall be provided for, including the following:

- (1) The operation of the Project and the revision of the operations and maintenance manual as necessary to accommodate actual operating experience;

(2) The training of operating personnel, including preparation of curricula and training material for operating personnel; and

(3) Advice as to whether the Project is meeting the Project performance standards (including three quarterly reports and one project performance report).

(I) That it shall advise the Cabinet and the Authority in writing of the date for initiation of operation of the Project.

(J) That one year after operation is initiated, it shall certify to the Cabinet and the Authority that the Project is capable of meeting the Project performance standards.

(K) That it shall provide that qualified inspectors are present at the construction site. A summary of such inspector's qualifications and experience shall be submitted to the Cabinet and the Authority.

(L) That it shall notify the Authority and the Cabinet of the completion date of the Project.

(M) That it agrees to the terms and conditions of its application for assistance and the Authority's commitment to provide assistance, the terms of which are incorporated herein by reference.

(N) That all measures required to minimize water pollution to affected waters shall be employed in the construction of the Project including compliance with Section 404 of PL 92-500, as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

(O) That it shall enact a sewer use ordinance complying with the requirements set forth in the Federal Agreement and the Interagency Agreement.

Section 4.3. Disbursements of Loan; Requisition for Funds. The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for Funds prior to the fifth day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting;

(B) A full and complete accounting of any costs of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement;

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, and subject to certification by the Cabinet, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make the required deposits to the Maintenance and Replacement Reserve, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make required deposits to the Maintenance and Replacement Reserve.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make required deposits to the Maintenance and Replacement Reserve, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System and accordingly the Project not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". The Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the unbudgeted costs of replacing worn or obsolete portions of the Project.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribed, charge and collect the Service Charges set forth in Exhibit C hereto for the services of the Project as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement, to provide for the operation of the System as required under this Assistance Agreement and to make the required deposits to the Maintenance and Replacement Reserve.

(B) That it will furnish to the Authority and the Cabinet not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or occupying premises generating pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the

Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of this Assistance Agreement and any other Debt Obligations.

Section 6.10. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act, the Federal Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

Section 6.12. Further Covenants under the Federal Agreement. The Governmental Agency shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the Federal Act, and with the agreements of the Authority set forth in the Federal Agreement, including but not limited to the following:

(A) The Governmental Agency shall provide all information requested of it by the Authority or the Cabinet so that (i) the Grants Information Control System, referred to in the Federal Agreement, can be maintained, (ii) the accounting and auditing procedures required by Sections 603 and 606 of the Federal Act can be maintained and (iii) the Authority can furnish the information required of it under the Federal Agreement.

(B) Qualified operating personnel, properly certified by the Cabinet, shall be retained by the Governmental Agency to operate the Project during the entire term of this Assistance Agreement. An approved plan of operating and an operations and maintenance manual for the Project shall be provided by the Governmental Agency to the Cabinet and the Authority. The Project shall be operated and maintained in an efficient and effective manner.

(C) All residents in the service area of the Project must be offered the same opportunity to become users of the Project regardless of race, creed, color, or level of income.

(D) The Governmental Agency shall comply with provisions contained in the following federal regulations, orders, acts and circulars and the following statutes and regulations of the Commonwealth.

(1) Federal:

- (a) 49 CFR, Part 24, Implementing the Uniform Relocation Assistance and Real properties Acquisition Policies Act of 1970
- (b) 40 CFR, Part 6, the National Environmental Policy Act
- (c) 40 CFR, Part 15, Administration of Clean Water Act with respect to grants and loans
- (d) 40 CFR, Part 7,8, and 12, Nondiscrimination and Equal Employment Opportunity Act
- (e) 40 CFR, Part 29, Intergovernmental Review
- (f) 40 CFR, Part 32, Debarment and Suspension
- (g) 40 CFR, Part 35, Subpart K
- (h) Executive Order 11246, as amended, 11625 and 12138
- (i) Title VI of the Civil Rights Act of 1964, as amended
- (j) Davis Bacon Act, Wage Rates
- (k) Age Discrimination Act
- (l) Rehabilitation Act of 1973
- (m) Contract work Hours and Safety Standards Act
- (n) 40 CFR, Part 25, Public Participation Requirements

(2) State:

- (a) KRS 224
- (b) KRS 224A.111 Federally Assisted Wastewater Revolving Fund
- (c) KRS Chapter 337, Labor Laws
- (d) 401 KAR Chapter 5

Section 6.13. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as

may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.13 by an action in mandamus, for specific performance, or similar remedy to compel performance.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which the System is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental

Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

Section 7.11. Flood Insurance. All structures located in flood prone areas shall be covered by flood insurance carried by the Governmental Agency for an amount equal to the total Project cost excluding the cost of land and any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less, for the entire useful life of the Project.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing (other than an event of default arising under Section 6.13 of this Assistance Agreement), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

(D) Submit a formal referral to the appropriate federal agency, as required by the Federal Agreement.

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Governmental Agency to comply with the provisions of Section 6.13 hereof shall be those remedies specifically set forth in Section 6.13 hereof

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Governmental Agency, but none of the rights, duties or obligations of the Governmental Agency under this Assistance Agreement shall be assignable by the Governmental Agency without the prior written consent of the Authority.

Section 9.7. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.8. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

KENTUCKY INFRASTRUCTURE
AUTHORITY

Maulya Eator Thomas
Title: Secretary/Treasurer

By: Erin Fitzgerald
Title: Executive Director

ATTEST:

GOVERNMENTAL AGENCY:
CITY OF RADCLIFF, KENTUCKY

Cham C. Cox
Title: City Clerk

By: James W. Cook
Title: Mayor

APPROVED:

EXAMINED:

John P. Mealy
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

Beck Shaffer + Williams, L.L.P.
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

CABINET FOR NATURAL RESOURCES
AND ENVIRONMENTAL PROTECTION OF
THE COMMONWEALTH OF KENTUCKY

By: Bill Wilson
Director
Division of Water

**EXHIBIT A
CITY OF RADCLIFF
PROJECT SPECIFICS
A 97-03**

GOVERNMENTAL AGENCY:

Name: City of Radcliff
Address: 411 W. Lincoln Trail
Radcliff, KY 40159-0519
Contact
Person: Jennings H. Smith, Mayor

ENGINEERS:

Quest Engineers
880 Corporate Drive
Lexington, KY 40503

Benton Hanson, P.E.

SYSTEM: Wastewater

PROJECT: Design, expansion and modification of the existing 2.81 MGD oxidation ditch wastewater treatment plant to 4.0 MGD.

PROJECT COST BREAKDOWN:

Actual Total Project Cost:

Administrative and legal (KIA)	2,300.00
Engineering (Local & KIA)	487,500.00
Construction (KIA)	4,033,000.00
Value engineering (KIA)	14,500.00
Interest during construction (KIA)	95,000.00
Contingencies (KIA)	201,650.00
Total	\$4,833,950.00

FUNDING SOURCES:

Local Funds	10,000.00
KIA Fund A Loan	4,823,950.00
Total	\$4,833,950.00

LOAN AMOUNT: \$4,823,950.00
LOAN RATE: 3.8%
REPAYMENT TERM: 20 years

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 06/01/98).

Full principal and interest payments will commence within one year of initiation of operation. (estimated 12/01/98).

REPLACEMENT RESERVE ACCOUNT: \$30,860 to be deposited into borrower held account on or before December 1 of each year commencing with first full principal and interest payment. The annual deposits are to be made until balance reaches \$308,600 and maintained for the life of the loan.

ADMINISTRATIVE FEE: .2%

DEFAULT RATE: 8.0%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

ISSUE	AMT Outstanding
1973 KPAA Loan	\$ 92,218
1978 Sewer Ref Rev Bonds	\$1,320,000
1991 Sewer Lease Rev Bonds	\$3,080,000

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>\$1,000,000</u>
Death or Personal Injury (per occurrence)	<u>\$1,000,000</u>
Property Damage on System	<u>\$1,000,000</u>

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED JANUARY 1, 1997

Request No. _____

Dated _____

Original sent to: Kentucky Infrastructure Authority
 Room 261, 702 Capitol Avenue
 Frankfort, Kentucky 40601-3453

Copy sent to: Mr. William Gatewood
 Facilities Construction Branch
 Division of Water
 Natural Resources and
 Environmental Protection Cabinet
 18 Reilly Road
 Frankfort, Kentucky 40601

FROM: City of Radcliff, Kentucky (the "Governmental Agency")
Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

Contractor	Expenses this Request	Expenses to Date
------------	--------------------------	---------------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Funding Source</u>	<u>Portion of Expenses this Request</u>	<u>Portion of Expenses Total to Date</u>
-----------------------	---	--

Totals

The Governmental Agency certifies it has also paid Project expenses or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---

Respectfully submitted,

Governmental Agency

By: [Signature]

Title _____

CERTIFICATE OF CONSULTING ENGINEERS AS TO
PAYMENT REQUEST

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C
SCHEDULE OF SERVICE CHARGES

C-1

AN ORDINANCE AMENDING AN ORDINANCE TO PROVIDE FOR THE COLLECTION OF
SEWER SERVICE CHARGES FROM USERS OF THE PUBLIC SEWAGE TREATMENT SYSTEM,
ORDINANCE NUMBER 96-03-705

WHEREAS, the City Council of the City of Radcliff, Kentucky, has heretofore determined that the promotion and preservation of the public health, safety and general welfare of said City and of all its citizens and inhabitants requires the construction of extensions, additions and improvements to the existing sewer system of the City, and

WHEREAS, the City of Radcliff desires to provide funds needed to pay for proposed wastewater system improvements associated with the City of Radcliff wastewater works, and provide sufficient funds for the operation, maintenance and replacement (OM&R) and debt service expenses of the existing facility and proposed improvements,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RADCLIFF, COUNTY OF HARDIN, STATE OF KENTUCKY, THAT ORDINANCE NO.96-03-705 IS AMENDED AS FOLLOWS:

Section 4.2 Sewer Rate Schedule for Customers:

SEWER RATE SCHEDULE

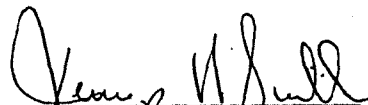
Rate Category	User Rate Per 1,000 gal	Debt Service Rate Per 1,000 gal	Total Rate Per 1,000 gal
First 2,000 gallons or less	\$3.88 (min.) 5.42	\$3.94/2,000 gal 6.94	\$7.82/2,000 gal 12.36 (minimum fee for 2,000 gal)
2,000 - 15,000 gallons	\$1.94 2.71	\$0.60 1.32	\$2.54 4.03
Over 15,000 gallons	\$1.94 2.71	\$0.08 0.50	\$2.02 3.21

Effective on the first billing cycle due and payable following January 1, 1998

Section 6 - Rate Review:

6.1 The City shall review not less often than annually the sewage contributions of users, the total cost of operation and maintenance of the sewage works, and user charges. An annual cost of living adjustment will be added to the user charges each year beginning January 1, 1999. The adjustments will be based upon the Consumer Price Index maintained and reported by the U. S. Department of Labor, Bureau of Labor Statistics and reported by the Kentucky Department of Local Government each February. The increase in 1999 will be based upon the rate provided in February, 1998 and all subsequent years will be computed accordingly.

Read at a meeting of the Radcliff City Council on the 19th day of August, 1997; a second reading was held on the 29th day of August, 1997 and said Ordinance was READ, PASSED and APPROVED on the 29th day of August, 1997.


Jennings H. Smith, Mayor

ATTEST:



Clarence C. Fox, City Clerk/Treasurer

EXHIBIT D

RESOLUTION _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RADCLIFF, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE CITY OF RADCLIFF, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Radcliff, Kentucky, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Wastewater System (the "Project") and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

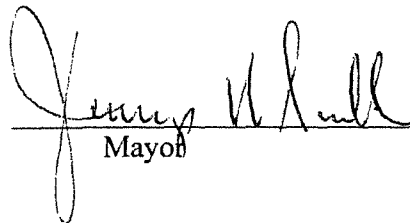
NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the City of Eminence, Kentucky, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That the Mayor of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

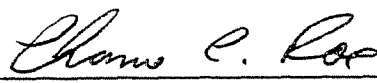
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on October ~~14~~¹⁵, 1997.



Mayor

Attest:



Title: City Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting city clerk of the City of Radcliff, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said City at a meeting duly held on October 12th 1997; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 10th day of October.

Cham C. Rao

City Clerk

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
Room 261, Capitol Annex
Frankfort, Kentucky

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and City of Radcliff, Kentucky, dated as of October 1, 1997

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the City of Radcliff, Kentucky, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the wastewater treatment works project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or

similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and procurement laws in connection with the acquisition and construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours.

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
THE CITY OF RADCLIFF, KENTUCKY
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each _____ and _____

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

CITY OF RADCLIFF, KENTUCKY
Governmental Agency

By: James H. Smith

Title: Mayor

ATTEST:

Charm E. Ross
Title: City Clerk

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

1. Requisitions submitted by the Governmental Agency for the payment of engineering services will be processed only upon submission to, and approval by, the Division of Water of all required procurement documentation and the engineering services contract.

9710/psw/October 7, 1997

RESOLUTION OF THE CITY COUNCIL OF CITY OF RADCLIFF,
KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE
AGREEMENT BETWEEN THE CITY OF RADCLIFF, KENTUCKY AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Radcliff, Kentucky, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Wastewater System (the "Project") and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

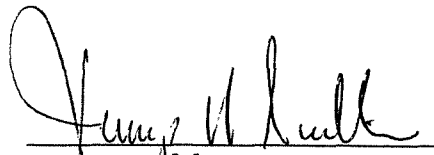
NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of City of Radcliff, Kentucky, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That the Mayor of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

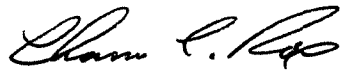
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on October 10th, 1997.



Mayor

Attest:

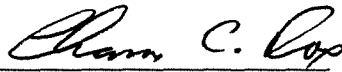


Title: City Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Radcliff, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said City at a meeting duly held on October 12th 1997; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 10th day of October, 1997.



City Clerk

7714

CITY OF RADCLIFF
411 West Lincoln Trail Blvd
Radcliff, Kentucky 40160
October 10, 1997

A called meeting of the Radcliff City Council was convened Friday, October 10, 1997. Mayor Jennings H. Smith presided. Radcliff City Council members and staff present were as follows:

Charles Angus Present	Vincent Kieta Present
Martha Baker Absent	Jacob Pearman Present
Sheila Enyart Present	Donnell Yates Present

Mayor Smith stated that Brandenburg Telephone Co. submitted the only telephone franchise bid and that Terry Bennett will be contacting GTE's legal counsel to determine their reasoning for not submitting a bid. The Mayor stated that the current franchise agreement with Brandenburg Telephone Co. will expire on November 22, 1998.

Motion by Councilman Yates, seconded by Councilman Kieta, to accept the franchise bid in the amount of three (3) percent submitted by Brandenburg Telephone.

Voice Vote All in Favor MOTION CARRIED

Motion by Councilman Yates, seconded by Councilman Kieta, to read An Ordinance Relating To The Award Of A Non-Exclusive Franchise To Use The Public Rights Of Way Of The City Of Radcliff for providing telephone service for the first time.

Voice Vote All in Favor MOTION CARRIED

The Mayor stated that the City needs to adopt a resolution approving and authorizing an assistance agreement between the City and Kentucky Infrastructure Authority to close our loan.

Motion by Councilman Kieta, seconded by Councilman Yates, to read A Resolution Of The City Council Of The City Of Radcliff, Kentucky Approving And Authorizing An Assistance Agreement Between The City Of Radcliff, Kentucky And The Kentucky Infrastructure Authority.

Voice Vote All in Favor MOTION CARRIED

Motion by Councilman Kieta, seconded by Councilman Pearman, to adopt A Resolution Of The City Council Of City Of The Radcliff, Kentucky Approving And Authorizing An Assistance Agreement Between The City Of Radcliff, Kentucky And The Kentucky Infrastructure Authority.

Voice Vote All in Favor MOTION CARRIED

Dale Painter, Senior Building Inspector, explained to the Council the intent of Change Order #1 to the spec building plans. The recommended change to the blacktopping at the site would result in a reduction in cost of \$62,212. Additions to the project including installing a standing seam roof, building ventilators, painting the exterior block and installing four foam backed overhead doors at a cost of \$35,200. The changes would result in a net savings of \$26,992.

Motion by Councilman Yates, seconded by Councilman Pearman, to accept Change Order #1 as submitted.

Voice Vote All in Favor MOTION CARRIED

The Mayor said the 1997 property tax rates will be the same as last year's rate based upon the tax rate calculation worksheet.

Motion by Councilman Kieta, seconded by Councilman Pearman, to read An Ordinance Levying City of Radcliff Ad Valorem Taxes For General Municipal Purposes For The Fiscal Year of 1998, On All Taxable Property Within The Taxing Jurisdiction Of The City, On Each One Hundred Dollars (\$100.00) Of Fiscal Year 1997 Assessed Valuation As Follows: On Real Property .175 and Personal Property \$.175 Including Real And Personal Property Of Service Companies: And On Privately Owned And Registered Vehicles: .199 for the first time.

Voice Vote All in Favor MOTION CARRIED

The Mayor stated that Julia Thurman has requested revisions in job descriptions for positions in her department.

Motion by Councilman Pearman, seconded by Councilman Angus, to approve the job descriptions for wastewater as revised. Positions included are Chief Operator Technician, Wastewater Treatment General Manager, Operator Technician Level, and Mechanical Operator.

Voice Vote All in Favor MOTION CARRIED

Motion by Councilman Yates, seconded by Councilman Angus, go into an executive session to discuss personnel.

Voice Vote All in Favor MOTION CARRIED

Motion by Councilman Pearman, seconded by Councilman Angus, to return to regular session.

Voice Vote All in Favor MOTION CARRIED

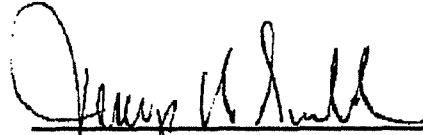
The Mayor stated that there was no official action taken in executive session.

Motion by Councilman Kieta, seconded by Councilman Pearman to adjourn.

Voice Vote

All in Favor

MOTION CARRIED



Jennings H. Smith, Mayor



Chance C. Fox, City Clerk/Treasurer

KENTUCKY INFRASTRUCTURE AUTHORITY
June 19, 1997

A meeting of the Kentucky Infrastructure Authority (KIA) was called to order by Chairman John P. McCarty at 11:00 a.m., June 19, 1997, in Room 386 of the Capitol Annex, Frankfort, Kentucky.

Other members present: Mr. Mark York, Proxy for Secretary James E. Bickford, Natural Resources Cabinet; Mr. Darrell Gilliam, Kentucky Economic Development Partnership; Commissioner Bob Arnold, Department of Local Government; Ms. Terri Wellman, Proxy for Secretary Gene Strong, Economic Development Cabinet; Ms. Lanola Lawson, Harlan; and Ms. Judy McDonald, Louisville.

Guests present: Mr. Benton Hansen, Quest Engineers, representing the city of Radcliff; Mr. Frank Overby and Williams Simms, Reidland Water District and Mr. Roger Colburn, Florence & Hutcherson Engineers, representing the Reidland Water District.

Chairman McCarty noted that the press had been notified and a quorum was present.

**APPROVAL OF MINUTES OF THE FULL BOARD ON MARCH 6, 1997 AND
EXECUTIVE COMMITTEE ON APRIL 28, 1997**

Chairman McCarty called for a motion to approve the minutes of the Full Board meeting of March 6, 1997 and the Executive Committee meeting of April 28, 1997. Commissioner Arnold moved to approve the minutes, Mr. Gilliam seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
ESTABLISHING THE FUND B AND FUND E "INDEX RATE" FOR THE PERIOD
APRIL 1, 1997 THROUGH JUNE 30, 1997**

Ms. Eaton-Thomas presented the resolution. Two rates of interest will be offered for Fund B. If the borrower's county median family income is equal to or above the statewide average, the effective lending rate is 3.7 percent. If the county median family income is below the statewide average, the lending rate is 1.7 percent. The single rate offered for Fund E is 2.7 percent. Commissioner Arnold moved to approve the resolution; Ms. Lawson seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING APPROVAL OF A FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN (FUND A) OF \$4,836,450 TO THE CITY OF RADCLIFF,
HARDIN COUNTY, FOR WASTEWATER TREATMENT IMPROVEMENTS**

Mr. Bill Gatewood, Division of Water (DOW) and Ms. Debby Milton, KIA, presented the resolution. The project consists of the design, expansion and modification of the existing MGD oxidation ditch wastewater treatment plant. This renovation will allow the city to comply with all regional water quality needs and accommodate expected future growth during the planning period within the planning area. KIA recommended the project based on the condition noted in the 6/19/97 board book. Mr. Gilliam moved to approve the resolution; Ms. Lawson seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING REAPPROVAL OF A FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN (FUND A) OF \$3,517,638 TO REIDLAND WATER-SEWER
DISTRICT, FOR A NEW WASTEWATER TREATMENT PLANT AND SYSTEM
RENOVATIONS FOR WASTEWATER SYSTEM EXPANSION**

Mr. Gatewood and Ms. Milton presented the resolution. The Board originally approved this project on November 29, 1994 in the amount of \$3,274,135. The project consists of construction of a new wastewater treatment plant, repairing/replacing existing influent pump station and construction of a new outfall line. The District opened bids on May 30, 1996 but was unable to meet the six-month deadline due to the Public Service Commission review process. The review has now been completed and the District is seeking reapproval with an amended amount of \$3,517,638 to continue the project. KIA staff recommended the project for approval based on the conditions noted in the 6/19/97 board book. Commissioner Arnold moved to approve the resolution; Ms. McDonald seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING A FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN
(FUND A) OF \$982,400 TO WARREN COUNTY WATER DISTRICT FOR SEWER
SYSTEM EXTENSION**

Mr. Gatewood and Mr. Art Francis, KIA, presented the resolution. The District is building a sewer interceptor along US Highway 68W to provide sewer service to a proposed Tennessee Valley Authority Customer Service Center. This is the first phase of a development project that will lead to the annexation of 2,200 acres. The KIA staff recommended the project for approval. Mr. Gilliam moved to approve the resolution; Ms. Lawson seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING A GOVERNMENTAL AGENCIES PROGRAM LOAN (FUND C)
OF \$263,006 TO EAST PENDLETON WATER DISTRICT, PENDLETON
COUNTY, FOR WATER SYSTEM IMPROVEMENTS**

Mr. John Covington, KIA, presented the resolution. The District suffered damages to their drinking water distribution system during a flood in March 1997. This project consists of approximately one mile of water main and reinstallation of the Morgan River crossing. The District has made application to the Federal Emergency Management Agency (FEMA) for financial assistance but indications are that it will be 2-3 months before a decision will be made by FEMA. In the meantime, the District must make the repairs to the system. In the event that FEMA does assist the District it will effect the KIA loan. The Board felt a "best effort" condition should be added to the conditions of the KIA loan approval. The KIA staff recommended the project for approval. Mr. Gilliam moved to approve the resolution; Ms. Lawson seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING APPROVAL OF A SOLID WASTE REVOLVING LOAN (FUND E)
OF \$150,000 TO THE CITY OF HARDINSBURG, BRECKINRIDGE COUNTY,
FOR A SOLID WASTE TRANSFER STATION**

Mr. John Covington, KIA, presented the resolution. The city is requesting a loan to construct a new solid waste transfer station. KIA staff recommended this project for approval based on the conditions noted in the 6/19/97 board book. Ms. McDonald moved to approve the resolution; Mr. Gilliam seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING APPROVAL OF A SOLID WASTE REVOLVING LOAN (FUND E)
OF \$150,000 TO HOPKINS COUNTY, FOR LANDFILL CLOSURE**

The Board took no action on this resolution at this time.

REPORT ON NOTE ISSUE

Mr. Covington noted that the KIA bond anticipation notes 1997 Series A were priced on April 23, 1997, and closed on May 5, 1997. The notes will mature on June 30, 1998. Face amount of the notes is \$5.2 million of which \$5 million was used for construction financing. The initial rate on the notes is 4.25% and the estimated all-in interest costs on the notes is projected to be 5.64% based on the interest rate at issuance and the cost of issuance and expenses incurred in issuing the notes. Proceeds from the notes are used to provide construction financing to the Fund C program. In this note issue there is construction financing for five projects.

REPORT ON FUND F REGULATIONS

Ms. Eaton-Thomas and Mr. Donald Moccia, Division of Water, reported on the regulations. The Fund F regulations were filed with the Legislative Research Commission on May 15, 1997. These regulations were related to the new Drinking Water Revolving Loan Fund that President Clinton signed into law in the Fall of 1996. The Authority is eligible to receive \$12.5 million for the program this year. The regulations include who is eligible to apply for funding; activities eligible or not eligible; specific requirements of agencies applying for funds and the basics of the priority system. The Natural Resources Cabinet and the Authority are in negotiations with the Environmental Protection Agency regarding the priority system.

**KENTUCKY INFRASTRUCTURE AUTHORITY BUDGET FOR FISCAL YEAR
1998**

Ms. Eaton-Thomas presented the Operating Budget for the Authority. Total Revenues Projected for 1998 are \$604,050.00 and Total Expenses Projected for 1998 are \$604,050.00. Mr. Gilliam questioned the category named "commodities" on the budget. Ms. Milton is to research and report to the Board members by letter. Ms. Lawson moved to approve the resolution; Commissioner Arnold seconded and motion **carried**.

**RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE
KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL
EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO
LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO
SUCH GOVERNMENTAL AGENCIES**

Ms. Eaton-Thomas presented the resolution, which enables the Authority to make expenditures to governmental agencies from cash-on-hand when necessary and reimburse the cash from the issuance of bond proceeds. The Hopkins County (Fund E) project is excluded from this reimbursement. The projects covered under this resolution are listed in the 6/19/97 board book as Attachment A. Ms. Lawson moved to approve the resolution; Mr. Gilliam seconded and motion **carried**.

**POTENTIAL REVIEW OF PLANNING/DESIGN LOAN APPLICATION BY
EXECUTIVE COMMITTEE**

Ms. Eaton-Thomas distributed and presented a resolution. In the Fall of 1996 the Board approved the Authority to do loans purely from the planning/design purposes under the wastewater program. The city of Crestwood has filed the first application in the amount of approximately \$300,050. A review was not completed in time to present the project at the 6/19/97 board meeting. Due to the Full Board not reconvening until late July or August, KIA requested the Board to consider authorizing the Executive Committee to review the loan and make a recommendation for approval/disapproval. The Board felt that the application for Crestwood did not require special consideration for funding and could be presented at the next Full Board meeting.

**FINANCIAL STATUS REPORT ON FUND A, FUND B, FUND B1, FUND B2,
FUND C AND FUND E**

Financial status reports were included in the 3/6/97 board book for informational purposes.

NEW BUSINESS

There being no further business to bring before the Board the meeting was adjourned.

Submitted by:


Marilyn Eaton-Thomas, Secretary/Treasurer
Kentucky Infrastructure Authority



RECEIVED

JUL 18 8 47 AM '97
GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR
KENTUCKY
INFRASTRUCTURE
AUTHORITY
MABLEY PATON-THOMAS
SECRETARY/TREASURER

PAUL E. PATTON
GOVERNOR

JOHN P. McCARTY
CHAIRMAN

KENTUCKY INFRASTRUCTURE AUTHORITY
Finance and Administration Cabinet
702 Capitol Avenue
Suite 261, Capitol Annex
Frankfort, Kentucky 40601-3453
(502) 564-2090
Telefax (502) 564-7416

June 25, 1997

Honorable Jennings H. Smith
Mayor, City of Radcliff
411 W. Lincoln Trail
Radcliff, Kentucky 40159-0519

**KENTUCKY INFRASTRUCTURE AUTHORITY
FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER A97-03
WASTEWATER TREATMENT PLANT IMPROVEMENTS**

Dear Mayor Smith:

The Kentucky Infrastructure Authority (KIA) commends your efforts to improve public service facilities in your community. Your loan application to the KIA for the improvements and expansion of the wastewater treatment plant was approved by KIA on June 19, 1997. The total cost of the project shall not exceed \$4,846,450 of which the KIA loan shall provide up to \$4,836,450. Other anticipated funding for the project is reflected in the attached credit analysis. The credit analysis and the Application for Loan Assistance incorporated herein by reference fully describe the project.

A loan agreement will be executed between KIA and the city of Radcliff upon satisfactory performance of the conditions set forth in this letter. A period of six months from the date of this letter (December 20, 1997) will be allowed for you to meet the conditions set forth in this letter. Funds will be available for disbursement only after execution of the loan agreement.

The loan agreement and this commitment shall be subject, but not limited to, the following terms:

1. The KIA project loan shall not exceed \$4,836,450.
2. The loan shall bear interest at the rate of 3.8% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.

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4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of two-tenths of one percent of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment.
7. Loan funds will be disbursed after execution of the loan agreement as project costs are incurred.

The following is a list of the standard conditions to be satisfied prior to execution of the loan agreement or incorporated in the loan agreement. Any required documentation must be submitted to the agency noted in parenthesis, either KIA or the Division of Water (DOW).

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 21 days of bid opening.
2. Loan Agreement must be executed within six (6) months from bid opening.
3. The final plan of operation must be approved prior to 50 percent payment. (DOW)
4. The draft operation and maintenance manual must be approved prior to 90 percent payment. The final operation and maintenance manual must be approved prior to final payment and loan closing. (DOW)
5. The city must agree to expend all KIA loan funds within six months of the date of initiation of operation.
6. Documentation of final funding commitments from all parties other than KIA as reflected in the credit analysis shall be provided prior to preparation of the loan agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration. (KIA)
7. The consulting engineer shall certify the expected life of the project. (KIA)

Mayor Jennings H. Smith
June 25, 1997
Page Three

Any special conditions listed below and/or stated in the credit analysis must be resolved. (KIA and DOW)

1. No pay requests will be processed until the user charge system/ordinance is approved by the DOW.
2. No pay requests for engineering services will be processed until the required procurement documentation and contract are approved by DOW.

Please inform KIA of any changes in your financing plan as soon as possible. We will assist you in a final evaluation of the financing plan when construction bids are available. We wish you every success for this project, which will benefit both your community and the Commonwealth as a whole.

Sincerely,

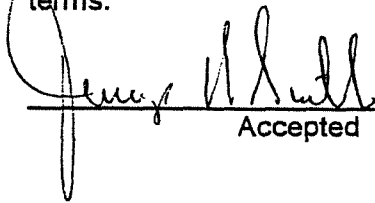


Marilyn Eaton-Thomas
Secretary/Treasurer

Attachment

c: Bill Gatewood, Division of Water
Roger Peterman, Peck, Shaffer & Williams, L.L.P.
Tom Armstrong, State Local Debt Officer, Dept. of Local Government
Benton Hanson, Quest Engineering

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms.


Accepted

7-16-97
Date

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND A, FEDERALLY ASSISTED WASTEWATER
REVOLVING LOAN

Reviewer: Debby Milton
 Date: June 11, 1997

BORROWER:		City of Radcliff, Hardin County	
BRIEF DESCRIPTION:		Improvements and expansion of the wastewater treatment plant. Project consists of construction of two 24-foot effluent weirs and adding supplemental aeration to the oxidation ditches; removing the intra-channel clarifiers and constructing two 80-foot diameter clarifiers; construction of a splitter box between the oxidation ditches and new clarifiers; construction of a new return activated sludge/waste activated sludge pumping facility; and replacing the vacuum-assisted sludge drying beds with a 2-meter belt filter press.	
PROJECT FINANCING:		PROJECT BUDGET:	
KIA Fund A	\$4,836,450	Adm & Legal	\$2,200
Local	<u>10,000</u>	Engineering	487,500
		Construction	4,045,000
		Value Eng	14,500
		Const Int	95,000
		Contingencies	<u>202,250</u>
Total	\$4,846,450	Total	\$4,846,450
REPAYMENT:		Rate: 3.8%	Est. Payment: \$357,100
		Term: 20 yrs	1st Payment: P&I: 6/1/99
PROFESSIONAL SERVICES:		Engineer: Quest Eng.	
		Bond Counsel: Peck, Shaffer & Williams	
PROJECT SCHEDULE:		Const award: 8/1/97	
		Const start: 8/1/97	
		Const complt: 8/1/98	
OTHER DEBT:		Issue	Balance
		1973 KPPA	\$92,218
		1978 Sewer	\$1,320,000
		1991 Sewer	\$3,080,000
OTHER STATE FUNDED PROJECTS LAST 5 YRS:		Issue	Amount
		None	
RESIDENTIAL RATES:		<u>Users</u>	<u>Rates</u>
		Current 7,600	Current \$11.63/3,500
		Propsd 0	Propsd \$16.43/3,500
JOBS:		N/A	
CASHFLOW (000)		Cash Avail for	Coverage
		Debt Service	Ratio
(Audit) 1995	\$ 818	\$ 550	\$ 105 1.49
(Audit) 1996	\$ 707	\$ 545	\$ 162 1.30
(Proforma) 1997	\$ 617	\$ 600	\$ 72 1.13
(Proforma) 1998	\$ 838	\$ 695	\$ 143 1.21
(Proforma) 1999	\$ 996	\$ 902	\$ 94 1.10

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN (FUND A)
CITY OF RADCLIFF, HARDIN COUNTY
CREDIT ANALYSIS**

I. PROJECT DESCRIPTION

The project consists of the design, expansion and modification of the existing 2.81 MGD oxidation ditch wastewater treatment plant to 4.0 MGD. This renovation will allow the city to comply with all regional water quality needs and accommodate expected future growth during the planning period within the planning area. The proposed improvements and expansion are as follows:

Construction of two 24-foot effluent weirs and adding supplemental aeration to the oxidation ditches.

Removal of the intra-channel clarifiers and construction of two 80-foot diameter circular clarifiers, thus increasing the treatment capacity.

Construction of a splitter box between the oxidation ditches and new clarifiers.

Construction of a new return activated sludge/waste activated sludge pumping facility.

Replace the vacuum-assisted sludge drying beds with a 2-meter belt filter press.

The city opened bids on June 5, 1997.

II. PROJECT BUDGET

	AS BID
Administrative and legal expenses (KIA)	\$ 2,200
Engineering fees (Local & KIA)	487,500
Construction (KIA)	4,045,000
Value Engineering (KIA)	14,500
Interest during construction (KIA)	95,000
Contingencies (KIA)	<u>202,250</u>
Total Project Cost	\$4,846,450

III. PROJECT FUNDING

A. FUNDING SOURCES

KIA Fund A Loan	\$4,836,450
Local	<u>10,000</u>
Total	\$4,846,450

A. KIA Debt Service

Loan Amount	\$4,836,450
P&I (3.8% for 20 years)	\$ 347,428
Administrative Fee (.2% of loan amt)	<u>9,672</u>
Total Estimated Annual Debt Service	\$ 357,100

Note: The city of Radcliff's median household income is greater than the state median, thus, the standard rate of 3.8% is in effect.

IV. RATE STRUCTURE/DEMOGRAPHICS

A. Customers

	Sewer
Residential	7,000
Commercial	<u>600</u>
Total	7,600

No new customers will be added as a direct result of this project.

B. Current Sewer Rates/Usage

First 2,000 gallons	\$7.82 (minimum)
2,001 - 15,000 gallons	\$2.54/1,000 gallons
All over 15,000 gallons	\$2.02/1,000 gallons

Average residential bill: \$11.63/3,5000 gallons

Sewer bills are distributed monthly by the city based on water usage and collection rate is currently 98%. Under contract dated October 17, 1989, the city of Radcliff receives their water supply from the Hardin County Water District No. 1 with area wells and springs as a raw water source. The city of Radcliff owns and operates the wastewater treatment plant. Effluent is discharged into a tributary of the Mill Creek.

C. Proposed Sewer Rates

The city is currently revising the sewer rate structure based on bids received June 5, 1997. As originally proposed, sewer rates are expected to increase by approximately 41% for the average usage of 3,500 gallons.

Proposed residential bill: \$16.43/3,500 gallons

A public hearing was held at the city hall on July 13, 1995 to discuss the final plan for the Radcliff wastewater treatment facilities. At this meeting the public was notified of the estimated sewer rate increase from \$11.63/3,500 gallons to \$16.43/3,500 gallons. No significant objections were voiced before, during or after the meeting in relation to this project.

D. Demographics

Radcliff is situated in northern Hardin County, with an estimated 1992 population of 19,911 persons. Radcliff is adjacent to the Fort Knox Military Reservation. The city has experienced a very rapid rate of growth in all residential and commercial areas since 1970. The existing sewered population in the planning area is approximately 22,155 and the proposed design year population (2015) is 30,012.

V. CREDIT ANALYSIS

A. BALANCE SHEET

Historical: There is no problem with the sewer system's liquidity. As of 6/30/95 the current ratio (current assets divided by current liabilities) was 1.49 and a healthy 2.15 at 6/30/96. Long term debt to equity improved to 0.41 as of 6/30/96 from 0.44 as of 6/30/95, anything below 1.0 is considered good.

Proforma: Although the long term debt will increase as a result of this project, the proposed rate increase should allow the city to continue amortizing all debt with a comfortable cushion. Steady profitability should keep the city's liquidity from worsening.

B. CASHFLOW ANALYSIS

Historical: The city's overall sewer fund profitability has been excellent the past several years. Continued growth with an excellent customer base has allowed the city to maintain comfortable sewer rates. The city should be commended for its sewer system profitability that well exceeds the Authority's requirements.

C. PROFORMA

The cashflow forecast uses the following assumptions:

1. 41% sewer rate increase
2. No further sewer revenue increase
3. No water revenue increase
4. Annual reserve and maintenance deposits of \$30,860
5. New debt amortization begins in FY98 with full P&I in FY99

The proposed sewer rate increase should be placed in effect no later than January 1, 1998. Operating revenues should increase to \$1,995,000 for FY98, reflecting a half year of the increase. FY99 revenues should increase to \$2,334,000 with a full year of the rate increase in effect.

Replacement reserve has been calculated by applicant to be \$30,860. This amount is to be deposited into a borrower held account each December 1 beginning with first full principal and interest payment and continued until balance reaches \$308,600 and maintained for the life of the loan.

VII. PROJECT SCHEDULE

Anticipated construction contract awards: August 1, 1997
Anticipated construction start: August 1, 1997
Anticipated construction completion: August 1, 1998

VIII. OUTSTANDING DEBT AND STATE ASSISTANCE

A. Outstanding Debt	Amt Outstanding
1973 KPAA Loan	\$ 92,218
1978 Sewer Ref Rev Bonds	\$1,320,000
1991 Sewer Lease Rev Bonds	\$3,080,000

B. State or Federal funding received within past five years: None

VI. KEY CONTACTS

A. Applicant
Name: City of Radcliff
Address: 411 W. Lincoln Trail
Radcliff, KY 40159-0519
Jennings H. Smith, Mayor, (502) 351-4714

B. Engineer

Name: Quest Engineers, Inc.
Address: 880 Corporate Drive
Lexington, KY 40503
Benton Hanson, P.E., (606) 223-3755

VII. STAFF RECOMMENDATION

KIA staff recommends this project for approval based on the following condition:

1. No KIA funds will be disbursed until user charge has been reviewed and approved by DOW/KIA.

**CITY OF RADCLIFF SEWER FUND
TABLE 1: BALANCE SHEET (\$000)**

	1995	1996
ASSETS		
Current Assets		
Cash	491	499
Accts Receivable	130	306
Restricted Assets	1,992	1,813
Total Current Assets	2,613	2,618
PP&E		
Sewer System	14,882	14,492
Less: Accum Depr		0
Total PP&E	14,882	14,492
TOTAL ASSETS	17,495	17,110
LIABILITIES		
Current Liabilities		
Accounts Payable	416	374
Long Term Debt	5,185	4,902
Total Current Liabilities	5,601	5,276
FUND EQUITY		
Contributed Capital	9,219	9,240
Retained Earnings	2,675	2,593
Total Fund Equity	11,894	11,833
TOTAL LIAB & EQUITY	17,495	17,109
Current Ratio	1.49	2.15
Long Term Debt to Equity	0.44	0.41

CITY OF RADCLIFF SEWER FUND
TABLE 2: PROFORMA CASHFLOW (\$000)

	audited	audited	proforma	proforma	proforma
	6/30/95	6/30/96	6/30/97	6/30/98	6/30/99
Operating revenues:					
User charges	1,620	1,639	1,656	1,995	2,334
Interest	134	135	135	135	135
Misc	12	9	9	9	9
Total operating revenues	1,766	1783	1800	2139	2478
Operating expenses:					
(less depreciation)					
Current O&M on W/S system	948	1,076	1,183	1,301	1,320
Additional O&M on sewer system					132
Replacement reserve					30
Total operating expenses	948	1,076	1,183	1301	1482
Income available for debt service	818	707	617	838	996
Outstanding debt service:					
Current (W&S)	550	545	545	545	545
New KIA Fund A Loan				150	357
Total debt service	550	545	545	695	902
Net income	105	162	72	143	94
Debt coverage ratio	1.49	1.30	1.13	1.21	1.10

RESOLUTION 01-2012

Of the Hardin County Water District No. 1 Board of Commissioners

RESOLUTION OF THE HARDIN COUNTY WATER DISTRICT No. 1 APPROVING AND AUTHORIZING AN ASSUMPTION AGREEMENT BETWEEN THE HARDIN COUNTY WATER DISTRICT NO.1 AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Hardin County Water District No. 1 (the "Governmental Agency") acquired the wastewater system of the City of Radcliff, Kentucky (the "City") on April 20, 2008, pursuant to a purchase contract between the Governmental Agency and the City; and

WHEREAS, prior to the acquisition of the City's wastewater system by the Governmental Agency, the City had determined that it was in the public interest to acquire and construct certain infrastructure improvements for the benefit of the residents of City (the "Project") and

WHEREAS, the City had made an application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to permanently finance the costs of the Project; and

WHEREAS, in order to obtain such monies, the Authority and the City entered into a certain Assistance Agreement dated as of October 1, 1997 (the "Assistance Agreement"), between the City and the Authority; and

WHEREAS, in conjunction with the acquisition of the City's wastewater system by the Governmental Agency, the Governmental Agency assumed the obligations of the City payable from the revenues of such wastewater system, including the obligations under the Assistance Agreement; and

WHEREAS, in connection with the assumption of the Assistance Agreement it is necessary and desirable that the Governmental Agency enter into Assumption Agreement with the Authority to formally assume the Assistance Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE HARDIN COUNTY WATER DISTRICT No. 1 AS FOLLOWS:

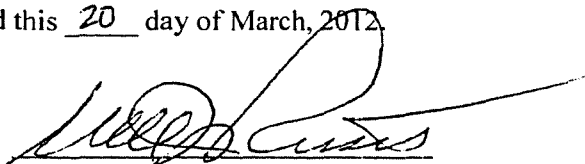
SECTION 1. That the Board of Directors of the Governmental Agency hereby approves and authorizes the Assumption Agreement between the Governmental Agency and the Authority substantially in the forms on file with the Governmental Agency for the purpose of assuming the Assistance Agreement.

SECTION 2. That the Chair and Secretary of the Governmental Agency be and hereby are authorized, directed and empowered to execute the Assumption Agreements and any other necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such assumption.

SECTION 3. That this resolution shall take effect upon adoption as provided by law.

Signed this 20 day of March, 2012

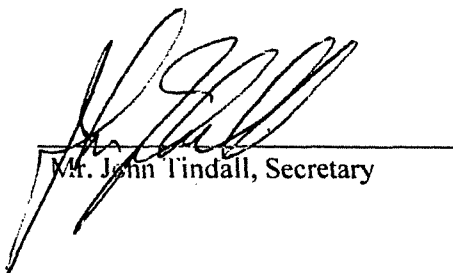
By:



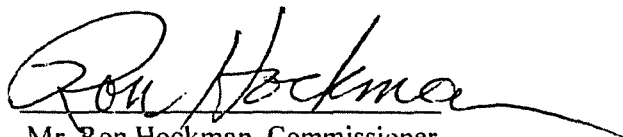
Mr. William Rissell, Chairman



Mr. William Gossett, Treasurer



Mr. John Tindall, Secretary



Mr. Ron Hockman, Commissioner

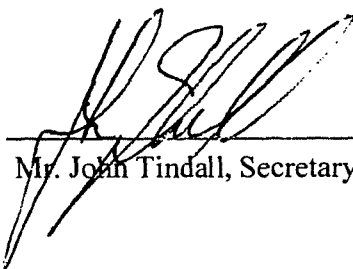


Mr. Steve Walton, Commissioner

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Hardin County Water District No. 1; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of said District at a meeting duly held on March 20, 2012; that said official action appears as a matter of public record in the official records or journal of the Board; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 20 day of March, 2012.



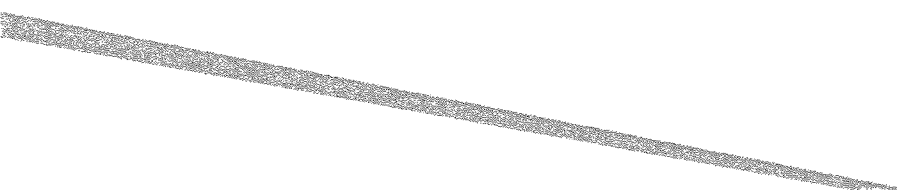
Mr. John Tindall, Secretary

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #A97-03
 RADCLIFF, CITY OF
 FINAL

3.80% Rate
 \$172,990.64 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$4,422,869.00		
06/01/99	\$74,825.06	\$82,349.57	3.8000%	\$167,174.63	\$4,422.89	\$0.00	\$161,597.52	\$4,734,826.94	\$0.00	\$0.00
12/01/99	\$83,028.93	\$86,545.57	3.8000%	\$171,574.49	\$4,734.83	\$0.00	\$176,309.32	\$4,651,798.01	\$30,860.00	\$30,860.00
06/01/00	\$84,606.48	\$89,384.16	3.8000%	\$172,990.64	\$4,651.80	\$0.00	\$177,842.44	\$4,567,191.54	\$0.00	\$30,860.00
12/01/00	\$86,214.00	\$86,776.64	3.8000%	\$172,990.64	\$4,567.19	\$0.00	\$177,557.83	\$4,480,977.54	\$30,860.00	\$61,720.00
06/01/01	\$87,862.07	\$85,136.57	3.8000%	\$172,990.64	\$4,480.98	\$0.00	\$177,471.62	\$4,393,125.47	\$0.00	\$61,720.00
12/01/01	\$89,521.28	\$83,469.38	3.8000%	\$172,990.64	\$4,393.13	\$0.00	\$177,383.76	\$4,303,604.21	\$30,860.00	\$92,580.00
06/01/02	\$91,222.18	\$81,768.48	3.8000%	\$172,990.64	\$4,303.60	\$0.00	\$177,294.24	\$4,212,362.05	\$0.00	\$92,580.00
12/01/02	\$92,955.38	\$80,035.26	3.8000%	\$172,990.64	\$4,212.38	\$0.00	\$177,203.02	\$4,119,426.67	\$30,860.00	\$123,440.00
06/01/03	\$94,721.53	\$78,269.11	3.8000%	\$172,990.64	\$4,119.43	\$0.00	\$177,110.07	\$4,024,705.14	\$0.00	\$123,440.00
12/01/03	\$96,521.24	\$76,469.40	3.8000%	\$172,990.64	\$4,024.71	\$0.00	\$177,015.34	\$3,928,183.90	\$30,860.00	\$154,300.00
06/01/04	\$98,355.15	\$74,635.49	3.8000%	\$172,990.64	\$3,928.18	\$0.00	\$176,918.82	\$3,829,828.76	\$0.00	\$154,300.00
12/01/04	\$100,223.89	\$72,766.75	3.8000%	\$172,990.64	\$3,829.83	\$0.00	\$176,820.47	\$3,729,604.86	\$30,860.00	\$185,160.00
06/01/05	\$102,126.15	\$70,862.49	3.8000%	\$172,990.64	\$3,729.60	\$0.00	\$176,720.24	\$3,627,476.72	\$0.00	\$185,160.00
12/01/05	\$104,068.58	\$68,922.06	3.8000%	\$172,990.64	\$3,627.48	\$0.00	\$176,618.12	\$3,523,408.13	\$30,860.00	\$216,020.00
06/01/06	\$106,045.88	\$66,944.75	3.8000%	\$172,990.64	\$3,523.41	\$0.00	\$176,514.05	\$3,417,362.25	\$0.00	\$216,020.00
12/01/06	\$108,060.76	\$64,929.88	3.8000%	\$172,990.64	\$3,417.36	\$0.00	\$176,408.00	\$3,309,301.49	\$30,860.00	\$246,880.00
06/01/07	\$110,113.91	\$62,876.73	3.8000%	\$172,990.64	\$3,309.30	\$0.00	\$176,299.94	\$3,199,187.68	\$0.00	\$246,880.00
12/01/07	\$112,206.08	\$60,784.56	3.8000%	\$172,990.64	\$3,199.19	\$0.00	\$176,189.63	\$3,086,981.51	\$30,860.00	\$277,740.00
06/01/08	\$114,337.99	\$58,652.65	3.8000%	\$172,990.64	\$3,086.98	\$0.00	\$176,077.62	\$2,972,643.52	\$0.00	\$277,740.00
12/01/08	\$116,510.41	\$56,480.23	3.8000%	\$172,990.64	\$2,972.64	\$0.00	\$175,963.28	\$2,856,133.10	\$30,860.00	\$308,600.00
06/01/09	\$118,724.11	\$54,266.53	3.8000%	\$172,990.64	\$2,856.13	\$0.00	\$175,848.77	\$2,737,408.99	\$0.00	\$308,600.00
12/01/09	\$120,979.87	\$52,010.77	3.8000%	\$172,990.64	\$2,737.41	\$0.00	\$175,728.05	\$2,616,429.12	\$0.00	\$308,600.00
06/01/10	\$123,278.49	\$49,712.15	3.8000%	\$172,990.64	\$2,616.43	\$0.00	\$175,607.07	\$2,493,150.84	\$0.00	\$308,600.00
12/01/10	\$125,620.78	\$47,369.86	3.8000%	\$172,990.64	\$2,493.15	\$0.00	\$175,483.79	\$2,367,529.86	\$0.00	\$308,600.00
06/01/11	\$128,007.57	\$44,983.07	3.8000%	\$172,990.64	\$2,367.53	\$0.00	\$175,358.17	\$2,239,522.29	\$0.00	\$308,600.00
12/01/11	\$130,439.72	\$42,550.92	3.8000%	\$172,990.64	\$2,239.52	\$0.00	\$175,230.16	\$2,109,082.57	\$0.00	\$308,600.00
06/01/12	\$132,918.07	\$40,072.57	3.8000%	\$172,990.64	\$2,109.08	\$0.00	\$175,099.72	\$1,976,164.50	\$0.00	\$308,600.00
12/01/12	\$135,443.51	\$37,547.13	3.8000%	\$172,990.64	\$1,976.16	\$0.00	\$174,966.80	\$1,840,720.99	\$0.00	\$308,600.00
06/01/13	\$138,016.94	\$34,973.70	3.8000%	\$172,990.64	\$1,840.72	\$0.00	\$174,831.36	\$1,702,704.05	\$0.00	\$308,600.00
12/01/13	\$140,639.26	\$32,361.38	3.8000%	\$172,990.64	\$1,702.70	\$0.00	\$174,693.34	\$1,562,064.79	\$0.00	\$308,600.00
06/01/14	\$143,311.41	\$29,679.23	3.8000%	\$172,990.64	\$1,562.06	\$0.00	\$174,552.70	\$1,418,753.36	\$0.00	\$308,600.00
12/01/14	\$146,034.33	\$26,966.31	3.8000%	\$172,990.64	\$1,418.75	\$0.00	\$174,409.39	\$1,272,719.05	\$0.00	\$308,600.00
06/01/15	\$148,806.96	\$24,181.66	3.8000%	\$172,990.64	\$1,272.72	\$0.00	\$174,263.36	\$1,123,910.08	\$0.00	\$308,600.00
12/01/15	\$151,636.35	\$21,364.29	3.8000%	\$172,990.64	\$1,123.91	\$0.00	\$174,114.55	\$972,273.73	\$0.00	\$308,600.00
06/01/16	\$154,517.44	\$18,473.20	3.8000%	\$172,990.64	\$972.27	\$0.00	\$173,962.91	\$817,756.29	\$0.00	\$308,600.00
12/01/16	\$157,453.27	\$15,537.37	3.8000%	\$172,990.64	\$817.76	\$0.00	\$173,808.40	\$660,303.02	\$0.00	\$308,600.00
06/01/17	\$160,444.68	\$12,545.76	3.8000%	\$172,990.64	\$660.30	\$0.00	\$173,650.94	\$499,858.14	\$0.00	\$308,600.00
12/01/17	\$163,493.33	\$9,497.30	3.8000%	\$172,990.64	\$499.86	\$0.00	\$173,490.50	\$336,364.80	\$0.00	\$308,600.00
06/01/18	\$166,599.71	\$6,390.93	3.8000%	\$172,990.64	\$336.36	\$0.00	\$173,327.00	\$169,765.10	\$0.00	\$308,600.00
12/01/18	\$169,765.10	\$3,225.54	3.8000%	\$172,990.64	\$169.77	\$0.00	\$173,160.40	(\$0.01)	\$0.00	\$308,600.00
Totals	\$4,809,652.01	\$2,082,741.41		\$6,892,393.42	\$119,307.52	\$0.00	\$7,012,700.94		\$308,600.00	

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3. Refer to Application, Exhibit 3, Wastewater Rate and Cost of Service Study, Appendix E. Provide all work papers, show all calculations, and state all assumptions that Hardin District used to develop its pro forma test-period financial information. For all work papers and calculations that exist in an electronic spreadsheet format, provide on an electronic storage medium an electronic copy that is capable of being read and manipulated using Microsoft Excel.

ANSWER 3: An electronic version of all work papers, calculations, and assumptions is provided with this response to information request and is found as a digital folder titled "Cost of Service Study" on the Compact Disc behind tab 35.

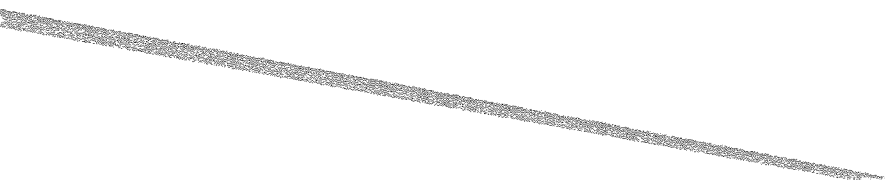
WITNESS: Mr. Bart Kreps, Rate Consultant



4. Refer to Application at 160. Appendix E, Schedule I reports test-period depreciation expense as \$981,121. The Depreciation Expense Report for the Radcliff wastewater operation, however, lists depreciation expense as of December 31, 2012 of \$903,181 and the allocated depreciation for the common assets as \$68,929 for an annual total of \$972,110.¹ Explain the disagreement between depreciation expense levels set forth in the Depreciation Expense Report and the revenue requirement statement.

ANSWER 4: Page 160, Appendix E, Schedule 1 of the Hardin District's Application reports "Depreciation/Amortization" Expense of \$981,121. This includes Depreciation Expense of \$903,181, Allocated Depreciation Expense of \$68,840 and Amortization of Acquisition Expense of \$9,100 totaling \$981,121. This can be found on the general ledger statement within the file titled "Radcliff 2012 Trial Balance Detail" on the Compact Disc behind tab 35 as account numbers 4.06.40300, 4.06.40301 and 4.06.43200.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager



5. Refer to Application at 171. Explain in detail the entry "Deduction of Depreciation," which is reported as \$8,185.

ANSWER 5: The deduction of depreciation was based on detailed depreciation data in the test year (Exhibit 3, Appendix E, Schedule 14, Pages 177-179 of Hardin District's Application). The reduction of \$8,185 includes six (6) assets that will be fully depreciated on an accounting basis by the end of 2013.

WITNESS: Mr. Bart Kreps, Rate Consultant



- 6.
- a. Provide a schedule that lists each test-period expenditure related to the preparation of Hardin District's application for rate adjustment and describes the nature of expenditure and states its amount.
 - b. Provide for each expenditure listed in response to Item 6(a) the corresponding vendor invoice. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate. Identify the account number and title to which each amount was charged.
 - c. State the expected total cost to prosecute this case to completion. The projected amount should be detailed by type of service and vendor with supporting documentation for each.
 - d. Provide a monthly update of the schedule requested in Item 6(a) that shows total costs incurred as of that date and that includes the supporting detailed vendor invoices as requested in Item 6(b).

ANSWER 6:

- a. Hardin District includes expenditures related to the preparation of its rate adjustment case in GL account number 4.00.10700, Construction-In-Progress, with further project sub-account number 4.1086.9999, Radcliff Sewer Rate Study. Hardin District anticipates amortizing these costs over a 5-year period. Exhibit 5 shows consulting services and legal fees charged to this project for test year 2012 and rate year 2013 as \$15,693 and \$38,921 respectfully.
- b. Invoices for Raftelis Financial Consulting Services, Inc. and Skeeters, Bennett, Wilson & Pike are attached as Exhibit 6.
- c. Per Exhibit 5 referenced in response 6.a, Raftelis Financial Consulting Services, Inc. anticipates remaining charges of \$7,500 to prosecute this case to completion. Likewise, Skeeters, Bennett, Wilson & Pike anticipate remaining charges to be an estimated \$20,000. Including these charges, total estimated professional service fees for 2012 and 2013 are \$66,836 combined.
- d. The monthly update is shown as part of Exhibit 5.

Also, prior to the test year, Hardin District incurred \$69,621 of expenses to its rate consultant for initial development of a rate model and proposed rate changes for earlier test years.

Hardin District has also accumulated an additional \$8,334 of internal labor and external costs (i.e. printing and mailing of public notices) which total \$77,955. This amount has not been included in the test year or revenue requirements for proposed rate adjustment.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

2012	Skeeters, Bennet, Wilson & Pike	Service Provided	Raftelis Financial Consultants, Inc.	Service Provided
Jan	\$0.00		\$0.00	
Feb	\$0.00		\$2,793.75	17.75 hrs Consulting Svc plus Communication Chrgs
Mar	\$0.00		\$2,005.00	12.50 hrs Consulting Svc plus Communication Chrgs
April	\$0.00		\$2,542.50	15.00 hrs Consulting Svc plus Communication Chrgs
May	\$0.00		\$476.25	3.25 hrs Consulting Svc plus Communication Chrgs
June	\$0.00		\$0.00	
July	\$0.00		\$0.00	
August	\$0.00		\$2,502.60	11.00 hrs Consulting Svc plus Communication Chrgs & Travel
August	\$0.00		\$4,593.66	25.00 hrs Consulting Svc plus Communication Chrgs & Travel *
Sept	\$0.00		\$0.00	
Oct	\$0.00		\$778.75	4.75 hrs Consulting Svc plus Communication Chrgs
Nov	\$0.00		\$0.00	
Dec	\$0.00		\$0.00	
Total 2012 Professional Services	\$0.00		\$15,692.51	
2013	Skeeters, Bennet, Wilson & Pike	Service Provided	Raftelis Financial Consultants, Inc.	Service Provided
Jan	\$0.00		\$0.00	
Feb	\$0.00		\$1,128.75	6.75 hrs Consulting Svc plus Communication Chrgs
Feb	\$0.00		\$3,542.50	21.00 hrs Consulting Svc plus Communication Chrgs
Mar	\$0.00		\$0.00	
April	\$2,952.00	16.80 hrs Rate Case Legal Svc	\$3,383.75	21.75 hrs Consulting Svc plus Communication Chrgs
May	\$0.00		\$1,697.50	10.00 hrs Consulting Svc plus Communication Chrgs
June	\$3,224.00	21.70 hrs Rate Case Legal Svc	\$2,703.75	15.75 hrs Consulting Svc plus Communication Chrgs
June	\$1,354.00	7.30 hrs Rate Case Legal Svc	\$0.00	
July	\$0.00		\$3,360.00	19.50 hrs Consulting Svc plus Communication Chrgs
July	\$0.00		\$297.50	2.00 hrs Consulting Svc plus Communication Chrgs
	\$20,000.00	Estimated Charges for Remaining Work to be	\$7,500.00	Estimated Charges for Remaining Work to be performed
Professional Services as of July 2013	\$27,530.00		\$23,613.75	
Total Test Year & Rate Year Professional Services	\$27,530.00		\$39,306.26	

RCT 1819

Skeeters, Bennett, Wilson & Pike

P.O. Box 610
550 W. Lincoln Trail Blvd.
Radcliff, KY 40160

Ph: (270) 351-4404

Fax: (270) 352-4626

Invoice submitted to:

Hardin County Water District #1
1400 Rogersville Rd.
Radcliff, KY 40160

*Rate Case
04.1086.9999 (150)
5/6/13*

May 1, 2013

Invoice Number: 30499

Matter Number: 1355-045

To ensure proper credit to your account, please include Matter Number on your check.

RE: HCWD/PSC/Radcliff Sewer Admin

Includes Charges through: 04/30/2013

LEGAL SERVICES RENDERED

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
01.18.13	DTW	Conference call	0.60	108.00
01.22.13	DTW	Long distance telephone call		3.00
	DTW	Telephone call and email to PSC	0.20	36.00
01.23.13	DTW	Email to Jim; revised correspondence to PSC	0.10	18.00
01.29.13	DTW	Telephone call with PSC; email to client	0.20	36.00
	DTW	Attention to email; communication to PSC	0.15	27.00
	ME	Type draft of PSC meeting request form, email to Jim Bruce for input	0.50	25.00
01.30.13	ME	Email meeting request information form to PSC, copy to client	0.20	10.00
02.05.13	DTW	Attention to NOI letter	0.10	18.00
02.06.13	DTW	Met at PSC	4.00	800.00
02.12.13	DTW	Receipt of letter from PSC commissioner	0.10	20.00

02.20.13	DTW	Read Whitesburg opinion	0.75	150.00
02.21.13	DTW	Long distance telephone call		3.00
	DTW	Telephone call with Viola	0.25	50.00
02.22.13	DTW	Telephone call with Jim re: phone call with Viola	0.10	20.00
02.28.13	DTW	Discussed meeting with JJ; rate increase; deadlines	0.20	36.00
03.13.13	DTW	Telephone conference with client	0.10	18.00
04.16.13	DTW	Review of old filings; email to Jim re :Notice to proceed	0.45	81.00
04.17.13	DTW	Review of KRS and regulations; telephone call with PSC	0.85	153.00
	DTW	Telephone call with Marvin; representation at court in Bardstown; travel	2.10	378.00
04.23.13	DTW	Review of new KRS, KAR and check list; began to draft Petition	1.75	315.00
	DTW	Conference with Jim, Scott and Brent; review of KAR re: notice; telephone call with Jim; resumed drafting application	3.05	549.00
04.24.13	DTW	Review of 2 letters to PSC	0.10	18.00
	DTW	Attention to application; email to J. Bruce re: sending notice of intent to Attorney General	0.25	45.00
	ME	Begin typing draft of application	0.70	35.00
04.25.13	ME	Type, edit draft of application	0.00	0.00

Totals Legal Services

16.80

\$2,952.00

INVOICE TOTALS

Total Fee & Disbursements

Discount Applied

\$2,952.00

\$0.00

*OK
JTB
5/6/13*

RCT 1878

Skeeters, Bennett, Wilson & Pike

P.O. Box 610
550 W. Lincoln Trail Blvd.
Radcliff, KY 40160

Ph: (270) 351-4404

Fax: (270) 352-4626

Invoice submitted to:

Hardin County Water District #1
1400 Rogersville Rd.
Radcliff, KY 40160

64.1086.9999

June 12, 2013

Invoice Number: 31157

Matter Number: 1355-045

To ensure proper credit to your account, please include Matter Number on your check.

RE: HCWD/PSC/Radcliff Sewer Admin

Includes Charges through: 05/31/2013

06/21/13

LEGAL SERVICES RENDERED

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
05.06.13	DTW	Added new sections and review of and revised draft of Application	1.25	250.00
	DTW	Receipt of and review of letter from PSC	0.05	10.00
	DTW	Preliminary review of Whitesville case	0.30	60.00
	DTW	Finished draft; began revisions	1.90	342.00
	ME	Edit PSC application	0.70	35.00
05.07.13	DTW	Add verbiage as required by J071; telephone call with PSC; edited draft	1.75	315.00
	DTW	Preliminary review of pre-filed testimony question; preparation of comments for J. Bruce	0.35	63.00
	ME	Edit PSC application	0.50	25.00
	ME	Edit application	2.00	100.00
05.08.13	DTW	Attention to the 4 cases sent by J. Wuetcher re: third party issue; revised Petition	0.75	135.00

	DTW	Review of Whitesburg; telephone call with Jim	1.05	189.00
	DTW	Review of audit of MWD	1.35	243.00
	DTW	Review of both opinions; various KRS case law and OAG; drafted answers	2.75	495.00
	dch	legal research on OAG opinions	0.30	45.00
	ME	Edit draft of application	0.50	25.00
	ME	Type questions and answers re rate increase	0.60	30.00
05.10.13	DTW	Revised Question and Answer; drafted new contract re: 424.260 and revised first draft	0.90	162.00
	ME	Edit questions and answers	0.50	25.00
05.13.13	DTW	Telephone call with J. Bruce re: various issues	0.10	18.00
05.28.13	DTW	Review of testimony; telephone call with Jim and Scott	2.50	450.00
05.30.13	DTW	Revised testimony	0.40	72.00
	ME	Edit Pre-Filed Testimony Questions	0.70	35.00
05.31.13	DTW	Finished review and revisions to testimony	0.50	100.00
Totals Legal Services			21.70	<u>\$3,224.00</u>

INVOICE TOTALS

Total Fee & Disbursements	\$3,224.00
Previous Balance	2,952.00
Previous Payments	2,952.00
Discount Applied	\$0.00

Balance Now Due (please pay this amount)	\$3,224.00
---	-------------------

OK [Signature] 6/17/2013

To ensure proper credit to your account, please include Matter Number on your check. Thank you.

RCT 1891

Skeeters, Bennett, Wilson & Pike

P.O. Box 610
550 W. Lincoln Trail Blvd.
Radcliff, KY 40160

Ph: (270) 351-4404

Fax: (270) 352-4626

Invoice submitted to:

Hardin County Water District #1
1400 Rogersville Rd.
Radcliff, KY 40160

*Radcliff PSC
OKT for 7/3/13*

July 1, 2013

Invoice Number: 31273

Matter Number: 1355-045

To ensure proper credit to your account, please include Matter Number on your check.

04-1086-9999

RE: HCWD/PSC/Radcliff Sewer
Admin

6/7/13

Includes Charges through: 06/30/2013

LEGAL SERVICES RENDERED

DATE	STAFF	DESCRIPTION	HOURS	AMOUNT
06.03.13	DTW	Conference with client	2.00	400.00
06.06.13	DTW	Telephone call with Jim re: notice	0.10	18.00
06.11.13	DTW	Review of Notice and letter; edited Notice and call with client	1.25	225.00
	DTW	Telephone call with Jim	0.15	27.00
	DTW	Review of KRS re: Notice of Intent; email and telephone call to PSC	0.50	90.00
06.12.13	DTW	Attention to email re: type of notice and email from PSC	0.15	27.00
	DTW	Telephone call with Jerry W.; telephone call with Brett P. and email to PSC	0.25	45.00
06.18.13	DTW	Formal review of application of KAR and case law; telephone call with J. Bruce	2.60	468.00
	DTW	Conference with Andrea	0.20	36.00
06.19.13	DTW	Telephone call with Jim B. re: issue with tariffs	0.10	18.00

Totals Legal Services

7.30

\$1,354.00

INVOICE TOTALS

Total Fee & Disbursements

\$1,354.00

Previous Balance

3,224.00

Previous Payments

3,224.00

Discount Applied

\$0.00

Balance Now Due (please pay this amount)

\$1,354.00

To ensure proper credit to your account, please include Matter Number on your check. Thank you.

*OK
JSD
7/15/13*

RCT 1316



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Fax 704-373-1113

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04-1086-9999 (035)
021712

February 07, 2012

Invoice No: HCKY0906-21.

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from January 01, 2012 to January 31, 2012

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	10.75	165.00	1,773.75
Senior Consultant			
Craley, Rockford	6.50	125.00	812.50
Administrative			
Adams, Diane	.50	60.00	30.00
Totals	17.75		2,616.25
Total Professional Fees			2,616.25

Technology/Communications Charge			177.50
			177.50
			177.50
Total this Invoice			\$2,793.75

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,793.75	69,620.83	72,414.58	69,620.83	2,793.75

AK
PAB
2/15/12

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

Rc+1345



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64-1086-9999 (035)

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

March 07, 2012
Invoice No: HCKY0906-22.

31512

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from February 01, 2012 to February 29, 2012

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	9.50	165.00	1,567.50
Associate Consultant			
Fox, David	2.50	125.00	312.50
Administrative			
Warren, Carrie	.50		0.00
Totals	12.50		1,880.00
Total Professional Fees			1,880.00

Technology/Communications Charge	125.00
	125.00

Total this Invoice **2,005.00**

Billings to Date	Current	Prior	Total	Received	A/R Balance
	2,005.00	72,414.58	74,419.58	72,414.58	2,005.00

OK JSA
3/15/12

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RC71370



RFC
RAFTELIS FINANCIAL
CONSULTANTS, INC.

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Fax 704•373•1113

■ www.raftelis.com

04-1086-9999(035)

041312

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

April 05, 2012
Invoice No: HCKY0906-23.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study

Professional Services from March 01, 2012 to March 31, 2012

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	14.50	165.00	2,392.50
Administrative			
Warren, Carrie	.50		0.00
Totals	15.00		2,392.50
Total Professional Fees			2,392.50

Technology/Communications Charge	150.00
	150.00

Total this Invoice **\$2,542.50**

150.00
\$2,542.50

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,542.50	74,419.58	76,962.08	74,419.58	2,542.50

OK
JBB
4/13/12



With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RET 1390



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04-1086-9999 (035)

05.9.12

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

May 03, 2012
Invoice No: HCKY0906-24.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from April 01, 2012 to April 30, 2012

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	1.75	165.00	288.75
Associate Consultant			
Fitts, Jennifer	1.00	125.00	125.00
Administrative			
Warren, Carrie	.50	60.00	30.00
Totals	3.25		443.75
Total Professional Fees			443.75

Technology/Communications Charge			32.50
			32.50

Total this Invoice

32.50
\$476.25

OKTAM
05412

Billings to Date	Current	Prior	Total	Received	A/R Balance
	476.25	76,962.08	77,438.33	76,962.08	476.25

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RET 1168



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Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

August 04, 2012

Invoice No: HCKY0906-25.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from July 01, 2012 to July 31, 2012

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	10.50	165.00	1,732.50	
Administrative				
Warren, Carrie	.50	60.00	30.00	
Totals	11.00		1,762.50	
Total Professional Fees				1,762.50

Project Expenses

Project Travel Expenses			630.10	
			630.10	630.10
Technology/Communications Charge			110.00	
			110.00	110.00

Total this Invoice

\$2,502.60

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,502.60	77,438.33	79,940.93	77,438.33	2,502.60

04-1086-9999 (035)

(CAP)

DB/10/12

OK
JST
8/8/12

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RCT 1502



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Hardin County Water District No. 1 1400 Rogersville Road Radcliff, KY 40160

September 06, 2012 Invoice No: HCKY0906-26.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study Professional Services from August 01, 2012 to August 31, 2012

Professional Personnel

Table with columns: Name, Hours, Rate, Amount. Rows include Manager Kreps, J. (24.50 hours, 165.00 rate, 4,042.50 amount) and Administrative Warren, Carrie (.50 hours, 60.00 rate, 30.00 amount). Totals: 25.00 hours, 4,072.50 amount. Total Professional Fees: 4,072.50.

Project Expenses

Table with columns: Description, Amount. Rows include Project Travel Expenses (271.16) and Technology/Communications Charge (250.00). Total this Invoice: \$4,593.66.

Handwritten notes: OK, FEB, 9/5/12

Summary table with columns: Billings to Date, Current, Prior, Total, Received, A/R Balance. Values: Current 4,593.66, Prior 79,940.93, Total 84,534.59, Received 79,940.93, A/R Balance 4,593.66.

04-1086-9499 (035)

09712

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RCT 1568



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04-1086-9999 (035)

11/09/12

October 08, 2012

Invoice No: HCKY0906-27.

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study

Professional Services from September 01, 2012 to September 30, 2012

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	4.25	165.00	701.25	✓
Administrative				
Warren, Carrie	.50	60.00	30.00	✓
Totals	4.75		731.25	
Total Professional Fees				731.25 ✓

Technology/Communications Charge			47.50	
			47.50	47.50 ✓
			Total this Invoice	\$778.75 ✓

	Current	Prior	Total	Received	A/R Balance
Billings to Date	778.75	84,534.59	85,313.34	84,534.59	778.75

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RCT 1713



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Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

February 09, 2013

Invoice No: HCKY0906-28.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study

Professional Services from January 01, 2013 to January 31, 2013

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	6.25	165.00	1,031.25	
Administrative				
Warren, Carrie	.50	60.00	30.00	
Totals	6.75		1,061.25	
Total Professional Fees				1,061.25

Technology/Communications Charge			67.50	
			67.50	67.50
				Total this Invoice
				\$1,128.75

OK
JSA
2/11/13

Billings to Date	Current	Prior	Total	Received	A/R Balance
	1,128.75	85,313.34	86,442.09	85,313.34	1,128.75

04 1086.9999 (035)

02/13/13

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RCT 1752



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04.1086.9999 (035)

03713

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

March 06, 2013

Invoice No: HCKY0906-29.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study

Professional Services from February 01, 2013 to February 28, 2013

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	18.50	165.00	3,052.50	
Associate Consultant				
Howard, Will	2.00	125.00	250.00	
Administrative				
Warren, Carrie	.50	60.00	30.00	
Totals	21.00		3,332.50	
Total Professional Fees				3,332.50

Technology/Communications Charge			210.00	
			210.00	210.00
		Total this Invoice		\$3,542.50

Billings to Date	Current	Prior	Total	Received	A/R Balance
	3,542.50	86,442.09	89,984.59	86,442.09	3,542.50

o/c
3/7/2013

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

BCT1802



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Charlotte, NC 28203

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Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

April 16, 2013

Invoice No: HCKY0906-30.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from March 01, 2013 to March 31, 2013

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	12.00	165.00	1,980.00 ✓
Associate Consultant			
Howard, Will	9.25	125.00	1,156.25 ✓
Administrative			
Warren, Carrie	.50	60.00	30.00
Totals	21.75		3,166.25
Total Professional Fees			3,166.25 ✓

Technology/Communications Charge	217.50	
	217.50	217.50

Total this Invoice \$3,383.75 ✓

Billings to Date	Current	Prior	Total	Received	A/R Balance
	3,383.75	89,984.59	93,368.34	89,984.59	3,383.75

OK
066
4/19/13

04.1086.9999 (035)

041813

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RCT 1836



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Suite 100
Charlotte, NC 28203

Phone 704.373.1199
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04.1086.9999 (025)

051713

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

May 08, 2013

Invoice No: HCKY0906-31.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from April 01, 2013 to April 30, 2013

Professional Personnel

	Hours	Rate	Amount
Manager			
Kreps, J.	9.50	165.00	1,567.50
Administrative			
Warren, Carrie	.50	60.00	30.00
Totals	10.00		1,597.50
Total Professional Fees			1,597.50

Technology/Communications Charge		100.00	
		100.00	100.00
Total this Invoice			\$1,697.50

Outstanding Invoices

Number	Date	Balance
HCKY0906-30.	4/16/2013	3,383.75
Total		3,383.75

OK JAB 5/13/13

	Current	Prior	Total	Received	A/R Balance
Billings to Date	1,697.50	93,368.34	95,065.84	89,984.59	5,081.25

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

— RCT 1866



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Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

June 08, 2013

Invoice No: HCKY0906-32.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from May 01, 2013 to May 31, 2013

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	15.25	165.00	2,516.25	
Administrative				
Warren, Carrie	.50	60.00	30.00	
Totals	15.75		2,546.25	
Total Professional Fees				2,546.25

Technology/Communications Charge	157.50			
		157.50		157.50

Total this Invoice \$2,703.75

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,703.75	95,065.84	97,769.59	95,065.84	2,703.75

04,1086.9999 (035)

06/10/13

OK
JAS
6/17/2013

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.



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 Suite 100 Fax 704.373.1113
 Charlotte, NC 28203

— RCT1905

04-1086-9999 (035)

07/24/13

Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff, KY 40160

July 08, 2013
 Invoice No: HCKY0906-33.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study
Professional Services from June 01, 2013 to June 30, 2013

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	19.00	165.00	3,135.00	
Administrative				
Warren, Carrie	.50	60.00	30.00	
Totals	19.50		3,165.00	
Total Professional Fees				3,165.00

Technology/Communications Charge			195.00	
			195.00	195.00
				Total this Invoice
				\$3,360.00

Billings to Date	Current	Prior	Total	Received	A/R Balance
	3,360.00	97,769.59	101,129.59	97,769.59	3,360.00

OK
 7/15/13

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.

RC7 1934



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Suite 100
Charlotte, NC 28203

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Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

August 08, 2013

Invoice No: HCKY0906-34.

Project R-HCKY0906.00 R-HCKY0906.00 Hardin County Wastewater COS Rate Study

Professional Services from July 01, 2013 to July 31, 2013

Professional Personnel

	Hours	Rate	Amount	
Manager				
Kreps, J.	1.50	165.00	247.50	✓
Administrative				
Warren, Carrie	.50	60.00	30.00	✓
Totals	2.00		277.50	
Total Professional Fees				277.50 ✓

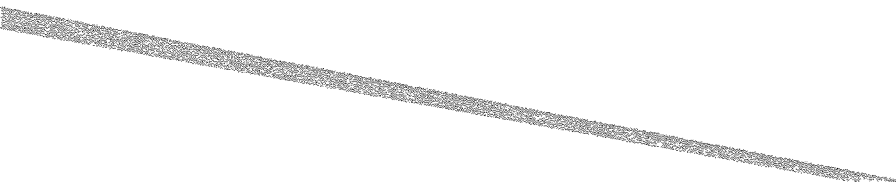
Technology/Communications Charge			20.00	
			20.00	20.00
			Total this Invoice	\$297.50 ✓

Billings to Date	Current	Prior	Total	Received	A/R Balance
	297.50	101,129.59	101,427.09	101,129.59	297.50

04.1086.9999 (035)

08213

With billing inquiries, please contact Diane Adams, CFO, at dadams@raftelis.com or 704-910-8961.



7. Refer to Application at 190. For each capital project listed on Schedule 18, provide a description of the asset being constructed or installed, its projected in-service date, and the basis for its proposed service life.

ANSWER 7: Please refer to Exhibit 7b, titled Capital Projects for a description of the asset being constructed or installed and its proposed in-service date.

The proposed service lives for the assets identified in Schedule 18 are based on guidance provided by National Association of Regulatory Utility Commissioners (NARUC). The ultimate source identified in Exhibit 7, which was provided by HCWD1 staff, and presents average service lifetimes for major wastewater system components, is the O&M Guide for the Support of Rural Water-Wastewater Systems by the Commission on Rural Water, Chicago, Illinois, 1974, p246-247.

The approach to assigning major capital projects to asset categories was to use a 50-year useful life for collection system infrastructure, 40-year useful life for lift stations, and 25-year useful life for treatment plant improvements. Useful service lives for small capital outlays were provided by HCWD1 staff, which are also consistent with guidance provided by NARUC.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager
Mr. Bart Kreps, Rate Consultant

Table 44
Average Service Lifetimes, Major Systems Components
Wastewater Systems

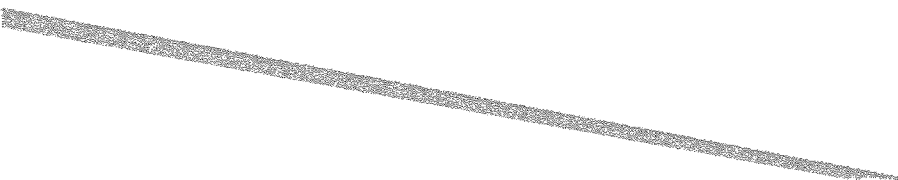
Description		Average Service Lifetimes	
<u>Septic Tank-Soil Absorption</u>			
	Septic Tank	20-50 years	
	Soil Absorption System	10-30 years	
<u>Home Aerobic Tanks</u>			
	Tank	20-50 years	
	Mechanical Components	3-10 years	
<u>Collection Systems</u>			
	Gravity Sewers, clay, cement	25-50 years	
	Gravity Sewers, cast iron	30-75 years	
	Gravity Sewers, plastic	30-75 years	
	Manholes, structures	20-50 years	
	Lift Station, structures	20-50 years	
	Lift Station, pumps, etc.	7 years	
	Pressure sewers, plastic, small dia.	5-10 years	
	Small (household) sewage pumps	5-10 years	
	Pressure Mains-same as gravity sewers		
<u>Treatment Systems</u>			
Primary	Comminutors	5 years	
	Screens	10 years	
	Clarifier Tanks, concrete	20 years	
	Clarifier Tanks, metal	20 years	
	Grit and Sludge Handling Equipment	5-10 years	
	Secondary	Lagoons	5-25 years
		Extended Aeration tankage, concrete	20-50 years
		Extended Aeration tankage, metal	20-30 years
		Aerator Compressors	5-10 years
		Air diffusers	3 years
Sludge pumps		5-10 years	
Clarifier Tankage, Concrete		20-50 years	
Clarifier Tankage, Metal	20-30 years		
	Chlorinators	10 years	
	Sludge Digesters-same as aeration tankage		
Advanced Wastewater Treatment	Sand Filters	5-10 years	
Sludge Disposal Equipment	Drying beds	5-15 years	
	Incinerators		
	Dewatering devices		
Effluent Disposal	Irrigation Pumps	5-10 years	
	Sprinkler Heads	2-5 years	
<u>General Use Equipment</u>			
	Laboratory instrumentation	3-10 years	
	Service Vehicles	3-5 years	
	Pumper/Tank trucks	5-10 years	
	Automatic Controls	5-20 years	

Source: O & M Guide for the Support of Rural Water-Wastewater Systems by Commission on Rural Water, Chicago, Illinois, 1974, p 246-247

Capital Projects
 Lincoln Trail VI 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, Oxidation Ditch, and Lower Half of WWTP
 Greenview and Centest LS Improvements
 Greenview and Centest 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 VI Reduction Project
 Seminole VI 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	343,937
5/1/2012	2/1/2013	380,344
10/1/2013	1/1/2014	48,918
9/1/2013	1/1/2014	30,996
9/1/2013	12/1/2013	150,000
10/1/2013	10/1/2014	43,823
10/1/2013	10/1/2014	93,713
6/1/2012	5/1/2013	226,145
6/1/2012	5/1/2013	72,372
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	1,025,613
9/1/2013	8/1/2014	1,000,000
10/1/2013	10/1/2014	300,000
10/1/2013	8/1/2014	200,000

Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains
 Replacement of all electrical and mechanical components at Boone Trace L.S., with addition of a generator
 Block and mortar building with metal roofing, HVAC and electrical
 Replace/upgrade lift station and resign PVC force main
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains, elimination of Drug Store L.S., and replacement/upgrade of Woodcreek L.S.
 Sandblast metal components to remove corrosion and apply new coating system
 Add third pump to the Centest LS to address high wet weather flows
 Cured-in-place liner and/or replace vitrified clay sewer mains
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains
 Replacement of all electrical and mechanical components at Stovall lift station, and realignment of force main
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains
 Realignment of force main to increase energy efficiency
 Replacement of pumps, mechanical components, and electrical components in the Return Activated Sludge pump station
 Installation of bypass assemblies at all lift stations to aid in emergency response of pump malfunction or power outage
 Eliminate a lift station, resign gravity sewer, and replace manholes and vitrified clay sewer mains with PVC mains
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains
 Replacement of manholes vitrified clay sewer mains with manholes and PVC sewer mains



8. Refer to Application at 181 — 186 and 470.
- a. For each employee whose salary is allocated to Radcliff wastewater operations:
 - (1) State the level of wage increase in percentage and dollar amount that Hardin District granted in each of calendar years 2011, 2012, and 2013.
 - (2) Provide the minutes of each meeting of Hardin District's Board of Commissioners in which each wage increase was discussed and approved.
 - b. Hardin District's capitalization rates vary by employee classification. State the basis for each capitalization rate and provide all work papers, show all calculations, and state all assumptions used to develop each rate.
 - c. Hardin District uses different allocation factors for each employee classification to allocate the employee's salary to its Radcliff wastewater operations. State the basis for each allocation factor and provide all work papers, show all calculations, and state all assumptions used to develop each factor.
 - d. At page 185 of its Application, Hardin District lists ten separate employees with the position title "Distribution Operator." Six of the positions are identified as "Distribution Operator — I or II." Explain why the designation 1 or II" is used in the position title.

ANSWER 8:

- a.
 - (1) For the years 2011, 2012 and 2013 Hardin Districts Board of Commissioners approved raises of 2.5%, 2.5% and 3.0%, respectively. The actual amount provided to individual employees varies based on their performance evaluation. Please refer to filename "Radcliff Allocated Labor – 2012" on the Compact Disc behind tab 35 which shows the employees allocated to Radcliff and their corresponding raises for each year.
 - (2) Please see Exhibit 8 for copies of Hardin District's board of commission approved minutes showing discussion of each wage increase and approval for calendar years 2011, 2012 and 2013.
- b. Please refer to Hardin District's Application, Exhibit 7, page 470 – 486 for Allocation Methodologies and Capitalization Methodologies. Distribution Operators who work directly on Construction-In-Progress and Meter Installations record the hours worked for each specific project on their time sheets.

Also, a memo titled "Accounting Allocation Procedure for Water & Sewer Utilities" provides policy and direction to employees on how to allocate various types of expenses, including labor, to various funds / utilities. This memo is enclosed as Exhibit 9.
- c. Please refer to Hardin District's application, Exhibit 7, page 470 – 486 for Allocation Methodologies as well as the response to question 8.b.
- d. Hardin District defines the description "Distribution Operator – I or II" as an employee who does not yet have certification or has obtained a level I or II certification. The pay grade is the same regardless of the certification held (or if they have not yet received a certification). Please see Exhibit 10 for a copy of Hardin Districts 2013 pay plan which shows that both Distribution Operators III and IV each fall in a different pay grade. Certification is dependent years of experience and passing of a license test as set forth in 401 KAR 11:040.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

Continued

Board and staff discussed the current pay scale, yearly wage increase, and renewing the company health insurance. Chairman Rissel, with a consensus from the other Board members, requested that staff bring back a detailed report showing the breakdown of past pay changes, which should include the percentage of increase from performance evaluations and pay grade increases and more information regarding rates and quotes for health insurance.

There was a consensus from the Board to go through the list and discuss each Capital & Request item separately. After a lengthy discussion, Commissioner Hockman made a motion to approve capital items 1 through 11 and 15, 16, 17, 20, 24, 25, 26, 28, 34 and 37, to cut items 27, 33, 35 and 38 from the list and to include funding but require future Board approval before purchase of items 12, 13, 14, 18, 19, 21, 22, 23, 29, 30, 31, 32 and 36. Secretary Tindall seconded the motion and motion passed.

Commissioner Hockman then made a motion to approve the 2011 preliminary budget with the stipulation that amounts made on assumptions of rates and revenues, which were not specifically approved by the Board, would need to be brought back to the Board for consideration prior to any changes or implementation. Commissioner Walton seconded the motion and motion passed. (The final approved amounts for the 2011 budget are);

ITEM	Water	Ft. Knox Sanitary Sewer	Ft. Knox Storm Sewer	Radcliff Sewer	Consolidated
Capital Request List	\$587,047	\$40,854	\$4,326	\$439,446	\$1,071,673
Other Capital Construction / Uses	\$1,658,106	\$973,927	\$175,313	\$1,857,551	\$4,664,897
Operations Budget	\$3,838,028	\$2,696,703	\$325,843	\$3,546,909	\$10,407,483
Total >	\$6,083,181	\$3,711,484	\$505,482	\$5,843,906	\$16,144,053

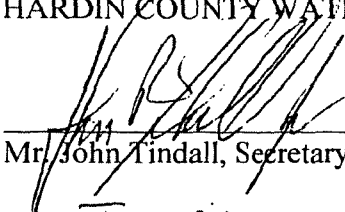
Adjourn: Being no further business before the Board, Secretary Tindall made a motion to adjourn at 2:08 PM and it was seconded by Commissioner Hockman and passed.

(Minutes submitted by Ms. Christie Campbell)

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

Jan 25, 2011

Continued

Item No. 9-2011 Annual Pay Increases-Pay Plan Update: Chairman Rissel asked Mr. Bruce to review how the District's pay plan is administered and how raise amounts are determined. Mr. Bruce drew several examples on the board and answered several Board questions. The Board and staff discussed how the percentage for COLA (cost of living allowance) and employee raises are determined and distributed. Secretary Tindall made a motion to approve the 2011 Annual Pay Increase amounts with 1.25% being added to all pay ranges and 1.5% being made available for performance based pay increases. Commissioner Hockman seconded the motion and motion passed.

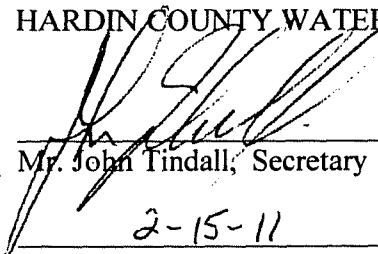
Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 7:14 p.m. Motion was seconded by Commissioner Walton and passed.

(Minutes submitted by Ms. Christie Campbell)

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

2-15-11

Date Approved

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.

Continued

2013 Proposed Wage Adjustment: The provided comparison chart was discussed and reviewed. Treasurer Gossett made a motion to authorize staff to use a 3% increase for total wage increases, effective February 1, 2013, with 1.3% being added to all pay grades and 1.7% available for performance based raises, and to use these increases to develop the 2013 Budget using these wage changes, with Board's final approval to adjust 2013 wage increases at the time the budget is approved. Secretary Tindall seconded the motion and motion passed

2012 Christmas Awards Dinner: Commissioner Hockman made a motion to approve the expenditure of \$1,700 for the Annual Christmas & Awards dinner and to award as an annual bonus \$350 to each Employee. Secretary Tindall seconded the motion and motion passed.

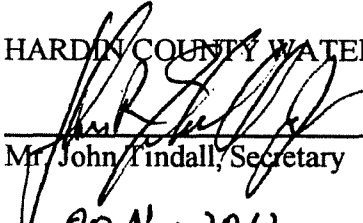
Executive Session: Mr. Wilson informed the Board that he needed to discuss another possible litigation topic. Mr. Pyles informed the Board that Mr. Pendley may be needed for the discussion, and he was invited to join the discussion. Commissioner Walton made a motion to go into Executive Session for legal reasons. Secretary Tindall seconded the motion and motion passed. Chairman Rissel then reconvened open session.

Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 1:45 PM. Motion was seconded by Commissioner 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. John Tindall, Secretary
20 Nov 2012

Date Approved

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

MEMORANDUM

Hardin County Water District No. 1

DATE: May 26, 2005

TO: All HCWD1 Employees
Karen Brown, HCWD1 Accounting Specialist
Copy to: Kentucky Public Service Commission

FROM: Jim Bruce, HCWD1 General Manager

SUBJECT: Accounting Allocation Procedure for Water & Sewer Utilities

As required in our order from the Kentucky Public Service Commission (order dated December 1, 2004, case no. 2004-00422), we will need to begin to properly account for revenues and expenses between our water and sewer utility. Please review the following procedures and plan to implement and use after July 1 when we take over operations of the Ft. Knox Sewer Systems. If you have any questions, please contact Karen or myself;

1. Purpose of process / procedures
 - a. Beginning in 2005, the District became owner and began operating the Ft. Knox Sewer Utilities (FKSU) in response to a bid award by the United States Government (Government). The PSC issued an order dated December 1, 2004 (Case No. 2004-00422) approving the District beginning operations as a sewer utility, and also approved its tariff and fees which it will charge to the Government. As part of the PSC's order, the District must develop procedures to be used for the allocation of joint and common costs, and unique costs (including revenues) between its water, sanitary sewer and storm sewer operations.
 - b. By correctly allocating costs using NARUC, UsaA (Uniform System of Accounts), the District is able to make certain that customers of the different utilities are not being charged for operating costs from another utility of which they are not a customer and receive no benefit. Revenues must also be debited to the proper utility so that funds are available for operations derived from that utilities customers, and a utility is not using revenues from other customers.

- c. Also, as some of the District's employees, equipment and resources may be used for more than one of these operations, a process must be in place to allocate a single resource, to multiple accounts or utilities.
2. Chart of Accounts
 - a. The District has developed a separate chart of accounts, including balance sheet, for its Water and Sewer Utilities. The accounting system (inHance) also is able to use separate funds for two distinct operations or utilities. As storm water is not a regulated utility by the PSC, separate balance sheet and operating statement (revenue and expense) accounts are maintained for both the sanitary and storm sewer utilities.
3. Methods of Allocation
 - a. Direct / Actual: This is used when there is no question or sharing of revenue or expenses between utilities. The charge is put 100% to the cost center or division that has created the need for the expense, or the revenue center for which utility created the sales or service. Example; A hand tool that will only be used at the wastewater treatment plant would be charged to Wastewater Treatment, Sanitary Sewer Utility
 - b. Measured Allocation between two or more cost centers: If a resource will be used or benefitting two or more utilities, and actual measurement is possible or available. Example; An employee works 10 hours at the sewer plant, and 30 hours at the water plant in a week. Their time sheet would *measure* the allocation and the single week would be allocated to both utilities based on known and measured time working for each. Other measurement methods could be miles driven or hours / weeks that equipment is used at different sites.
 - c. Calculated Estimates based on Test Period: For an allocation that will be routine or repetitive, a test period can be used to measure the split and then that allocation used in future until re-testing is needed or allocation changes significantly. Example; If an employee makes a weekly check or rounds between the utilities they could keep track of how much time is spent at each for a month, or several months. After the test period, it may be found that each week it takes 5 hours to complete the sewer work, and the remaining 35 weeks is at water. For that 40 hour work week, 13% of the employees time was spent on sewer and 87% on water. Those percentages would then be used to allocate wages, benefits, and other payroll to the two utilities.

- d. Estimated pro-forma method: If an operation or process of sharing resources has not been measured or established before, it may be necessary to allocate costs based on an estimate or which would be applied for a period until actual data or measurement can be used to compare to the estimated method. A year end adjustment may be needed to correct from the pro-forma amounts used. Example; A new piece of lab equipment is purchased which can do sewer and water analysis and tests. If it is unknown how much time each test will take, or the amount of tests in a year for each utility, an estimate would be used to allocate the purchase cost of the equipment between the utilities.
- e. Revenue or Asset Value Allocation: Some resources could be allocated based on the percentage of revenues or plant asset value between two utilities. If the item could increase sales or revenues for both utilities, the purchase cost of that item could be based on the percent difference of added revenues, or current revenues. The same method could be used based on assets. Example; If a rate study were being completed by a consultant for both utilities, there charge could be allocated by 60% to water and 40% to sewer, assuming of the combined revenues for both utilities, 60% were water.

4. Records and Transaction Documents

- a. Expenses: The normal stamp used on all invoices has a place for multiple account numbers to be used. The amount of allocation should use one of the methods above. If an employee is uncertain of the allocation amount, they will ask the Accounting Specialist or General Manager. Expense allocation could be for materials, supplies or services.
- b. Revenues: Revenues are normally "hard coded" in the accounting system and when they are posted, the revenues go to the correct account numbers. If a revenue needs to be split, the entry will have to be done manually by the Accounting Specialist.
- c. Payroll / Benefits: Non-exempt employees will use their time-sheet and department numbers or CIP / Work Order numbers to show time they worked on different utility projects. Exempt or salary employees should keep a log of time worked on different utility issues or projects, and periodically report to Accounting Specialist how many hours to allocate for their time. Accounting Specialist may use a journal entry to credit and debit wage and benefit value from one utility to another for salaried time allocations. Annually, an final adjusting journal entry will also be made to adjust any salaried personnel time between utilities based on time spent on different projects.

- d. Capital Purchases: Some capital equipment or vehicles can also be allocated or used between utilities. When the expense or purchase is made, the most accurate allocation method should be used to determine how much to make to each utility. Example; A pick-up truck a supervisor would use and drive between both utility sites. If the supervisor has accurate records of time or mileage spent between the sites, that same percentage could be used for expensing the vehicle.
 - e. Depreciation of Fixed Assets: When a capital asset is purchased that will be shared between utilities, (such as truck example above), that asset total acquisition cost should be shown on each utility's Depreciation Schedule or Fixed Asset list, showing only the portion of the asset charged to that utility. The regular estimated life years would be used to divide the cost to determine annual depreciation amount. Any sold asset which is on the depreciation list should also split the sale proceeds by the same percentage as was split when the item was purchased.
5. Annual Budgeting
- a. During the annual budget process, the General Manager and supervisors will determine which resources, requests and capital projects / purchase may benefit multiple utilities. The requested revenue estimates, expense line accounts and capital purchases shall be split on the budget forms based on the percentage approved by the General Manager. A budget will be presented to the Board for each utility, however a single capital request list will be used, showing how much of a single request will be charged to each utility. Upon Board approval of the final list, the allocated amount will be added to the appropriate capital or operating budget line accounts.
6. Frequency of Allocation Review / Auditing
- a. During year end closing and the audit, the Accounting Specialist and auditors will review any allocated costs between utilities for accuracy and correctness. Year end adjustment entries may be needed to transfer charges or revenues between utilities. Expenses that may be paid once annually (CPA expense for annual report, liability insurance, amortized expenses) may also require a single journal entry at year end.
 - b. Any year that a rate design is completed for a utility, an additional effort will be made by staff or the consultant to ensure that test year data for the utility which the rates are being designed do not include amounts that should be credited from or debited to another utility. This adjustment may also include checking

previous assumptions or allocation percentages previously being used, to make sure that are still correct and accurate.

- c. Any split allocations, especially non-routine or large extra-ordinary expenses, should have noted on the source document what method was used for the allocation percentage, and any other explanation or why a certain allocation method was used. These notes or records may be needed to show the PSC during a rate case, especially if a customer challenges the their new calculated rate and is able to review actual expense and purchase records.

7. Annual Reporting Requirements

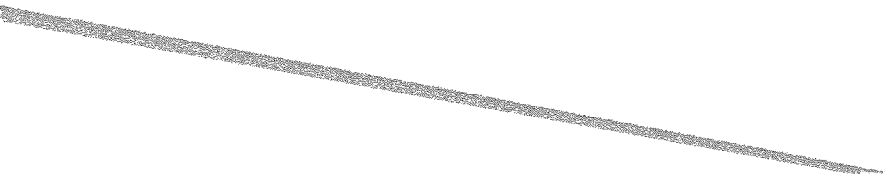
- a. The Annual Financial Report & Audit will show columns for the two main utilities, with a column for consolidated amounts for the District as a whole. Storm Sewer will not be shown as a distinct enterprise, but separate lines will be shown under the "Sewer Utility" column.
- b. Two separate annual PSC reports will be required for Water and Sewer (NARUC classifies our Sewer operation as a Class A). Storm water amounts will be excluded from either report (based on PSC written order) as these amounts are not considered "regulated" by the PSC. The District's CPA and PSC will determine if any notes and reference to Storm Water financial entries should be shown on either the annual PSC water or sewer report.
- c. Bond Documents / Official Statements: If any future bonds are sold for sewer capital projects, the CPA and bond counsel will determine if both storm and sanitary revenues and expenses can be combined for stating the "sewer" financial position of the District, and for calculating bond coverage or other requirements.

2013 Pay Plan (Effective Date Jan 1, 2013)

Hardin County Water District No. 1 (Adds 1.3% to all ranges)

POSITION	GRADE	Training		Developing		Market			Exceptional	
		MIN	MAX	MIN	MAX	MIN	Middle	MAX	MIN	MAX
Administrative Clerk	1	\$11.51	\$12.09	\$12.10	\$12.95	\$12.96	\$14.39	\$15.83	\$15.84	\$17.27
Distribution System Operator I - D or II - D	1									
WTP Operator Trainee	1									
WTP Operator - Class I - A & II - A	1									
Customer Service Representative	2	\$13.24	\$13.90	\$13.91	\$14.90	\$14.91	\$16.55	\$18.21	\$18.22	\$19.86
Distribution System Operator III - D	2									
WTP Operator - Class III - A	2									
Utility Billing Specialist	2									
Accounting Specialist	3	\$15.22	\$15.98	\$15.99	\$17.12	\$17.13	\$19.03	\$20.93	\$20.94	\$22.83
Distribution System Operator IV - D	3									
Executive Assistant	3									
WTP Operator - Class IV - A	3									
Heavy Equipment Operator - Class IV - D	4	\$17.48	\$18.35	\$18.36	\$19.67	\$19.68	\$21.85	\$24.04	\$24.05	\$26.22
Maintenance & Controls Specialist	4									
Exempt / Salaried Positions										
Project Coordinator	E1	\$38,741	\$41,453	\$41,454	\$45,521	\$45,522	\$52,300	\$59,080	\$59,081	\$65,860
Accountant	E1									
Water Quality / Measurement Specialist	E1									
Distribution GIS/Planning Specialist	E1									
Water Treatment Plant Supervisor	S1	\$44,552	\$47,671	\$47,672	\$52,349	\$52,350	\$60,145	\$67,942	\$67,943	\$75,738
Distribution Supervisor	S1									
Customer Service Manager	S1									
Operations Manager	S2	\$51,235	\$54,821	\$54,822	\$60,201	\$60,202	\$69,167	\$78,133	\$78,134	\$87,100
Finance & Accounting Manager	S2									
Engineering Manager	S2									

- NOTES 1. Non-exempt positions 50% Range low to high, exempt positions 70% range low to high
 2. Seasonal and temporary rates use 85% of amounts in range for that position
 3. Range amounts approved at 10/16/2012 Board meeting



9. Refer to Application at 189. Provide vendor invoices to support the estimated premiums for insurance services. State the basis for each allocation factor used to allocate the premiums to Radcliff wastewater operation and provide all work papers, show all calculations, and state all assumptions used to develop each factor.

ANSWER 9: Curneal & Hignite Insurance, Inc. (C&H), as part of its due diligence and RFP (Request for Proposal) requirements after being selected in 2011 as the new liability insurance provider, conducted an assessment on each Hardin District utility (County Water, Ft. Knox Sewer, Ft. Knox Storm Water, Radcliff Sewer) to determine the value to be insured for each fund.

Additionally, when Hardin District acquired the Ft. Knox Water system in February 2012, C&H also assessed the value of that system for insurance purposes. For each utility, C&H has calculated a separate insurance premium based on asset value and risk assessment.

Any subsequent additions or deletions are added or subtracted throughout the year as required. Each year, Hardin District requires C&H to furnish the renewal premiums for the next year to be used for budgeting purposes.

For the test year 2012, Radcliff Sewer premiums were \$28,329 with an additional premium and taxes for a 2012 Chevy 3500 truck of \$436.71 and \$28.65, for a total of \$28,795. The 2013 rate year insurance premium is \$25,614 as seen on the 2013 premium worksheet as supplied by C&H. The 2012 invoices from C&H as well as the 2012 and 2013 insurance premium worksheets from C&H are attached as Exhibit 11.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

HARDIN COUNTY WATER DISTRICT #1
PREMIUM BRAKDOWN BY LINE OF BUSINESS BY FUND (REVISED)
1/1/2012-1/1/2013

	HCWD	Radcliff	Ft Knox Sewer	Storm	Total
PROPERTY	\$ 18,006.61	\$ 16,813.09	\$ 17,072.55	\$ -	\$ 51,892.25
INLAND MARINE	\$ 620.33	\$ 876.52	\$ 114.40	\$ -	\$ 1,611.25
GENERAL LIABILITY	\$ 5,811.20	\$ 1,525.11	\$ 937.86	\$ 490.84	\$ 8,765.00
D&O/PROFESSIONAL LIABILITY	\$ 362.25	\$ 362.25	\$ 362.25	\$ 362.25	\$ 1,449.00
EMPLOYMENT PRACTICES LIABILITY	\$ 1,453.00	\$ -	\$ -	\$ -	\$ 1,453.00
CRIME	\$ 1,531.25	\$ -	\$ -	\$ -	\$ 1,531.25
AUTO	\$ 13,793.14	\$ 7,878.61	\$ 647.25	\$ -	\$ 22,319.00
UMBRELLA	\$ 823.84	\$ 823.84	\$ 823.84	\$ 823.84	\$ 3,295.37
TOTAL	\$ 42,401.62	\$ 28,279.42	\$ 19,958.15	\$ 1,676.93	\$ 92,316.12
FEE	\$ ^{50.00} 40.00	\$ ^{50.00} 40.00	\$ ^{50.00} 40.00	\$ ^{50.00} 40.00	\$ 200.00
					\$ 92,516.12

HARDIN COUNTY WATER DISTRICT #1
PREMIUM BRAKDOWN BY LINE OF BUSINESS BY FUND (REVISED)
1/1/2012-1/1/2013

By Entity By Quarter	HCWD	Radcliff	Ft Knox Sewer	Storm	Total
PROPERTY	\$ 4,501.65	\$ 4,203.27	\$ 4,268.14	\$ -	\$ 12,973.07
INLAND MARINE	\$ 155.08	\$ 219.13	\$ 28.60	\$ -	\$ 402.81
GENERAL LIABILITY	\$ 1,452.80	\$ 381.28	\$ 234.46	\$ 122.71	\$ 2,191.25
D&O/PROFESSIONAL LIABILITY	\$ 90.56	\$ 90.56	\$ 90.56	\$ 90.56	\$ 362.25
EMPLOYMENT PRACTICES LIABILITY	\$ 363.25	\$ -	\$ -	\$ -	\$ 363.25
CRIME	\$ 382.81	\$ -	\$ -	\$ -	\$ 382.81
AUTO	\$ 3,448.29	\$ 1,969.65	\$ 161.81	\$ -	\$ 5,579.75
UMBRELLA	\$ 205.96	\$ 205.96	\$ 205.96	\$ 205.96	\$ 823.84
Total	\$ 10,600.41	\$ 7,069.85	\$ 4,989.54	\$ 419.23	\$ 23,079.03
Fee	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 50.00

Quarterly Totals	January	April	July	October	Total
PROPERTY	\$ 12,973.07	\$ 12,973.06	\$ 12,973.06	\$ 12,973.06	\$ 51,892.25
INLAND MARINE	\$ 402.82	\$ 402.81	\$ 402.81	\$ 402.81	\$ 1,611.25
GENERAL LIABILITY	\$ 2,191.25	\$ 2,191.25	\$ 2,191.25	\$ 2,191.25	\$ 8,765.00
D&O/PROFESSIONAL LIABILITY	\$ 362.25	\$ 362.25	\$ 362.25	\$ 362.25	\$ 1,449.00
EMPLOYMENT PRACTICES LIABILITY	\$ 363.25	\$ 363.25	\$ 363.25	\$ 363.25	\$ 1,453.00
CRIME	\$ 382.82	\$ 382.81	\$ 382.81	\$ 382.81	\$ 1,531.25
AUTO	\$ 5,579.75	\$ 5,579.75	\$ 5,579.75	\$ 5,579.75	\$ 22,319.00
UMBRELLA	\$ 823.85	\$ 823.84	\$ 823.84	\$ 823.84	\$ 3,295.37
Total	\$ 23,079.06	\$ 23,079.02	\$ 23,079.02	\$ 23,079.02	\$ 92,316.12
Fee	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200.00

HARDIN COUNTY WATER DISTRICT #1
PREMIUM BRAKDOWN BY LINE OF BUSINESS BY FUND
1/1/2013-1/1/2014

	Premium	Tax	Total	HCWD	Radcliff	Ft Knox Sewer	Storm	Ft Knox Water	Total
PROPERTY	\$ 83,145.00	\$ 1,496.61	\$ 84,641.61	\$ 16,928.32	\$ 16,436.63	\$ 18,405.44		\$ 32,871.22	\$ 84,641.61
INLAND MARINE	\$ 2,031.00	\$ 36.56	\$ 2,067.56	\$ 765.00	\$ 992.43	\$ 144.73	\$ -	\$ 165.40	\$ 2,067.56
GENERAL LIABILITY	\$ 12,027.00	\$ 216.49	\$ 12,243.49	\$ 9,794.79	\$ -	\$ -	\$ -	\$ 2,448.70	\$ 12,243.49
D&O/PROFESSIONAL LIABILITY	\$ 1,549.00	\$ 27.88	\$ 1,576.88	\$ 315.38	\$ 315.38	\$ 315.38	\$ 315.38	\$ 315.38	\$ 1,576.88
EMPLOYMENT PRACTICES LIAB	\$ 1,453.00	\$ 26.15	\$ 1,479.15	\$ 1,479.15	\$ -	\$ -	\$ -	\$ -	\$ 1,479.15
CRIME	\$ 1,501.00	\$ 27.02	\$ 1,528.02	\$ 1,528.02	\$ -	\$ -	\$ -	\$ -	\$ 1,528.02
AUTO	\$ 25,476.00	\$ 458.57	\$ 25,934.57	\$ 12,059.23	\$ 7,104.62	\$ 920.27	\$ -	\$ 5,850.45	\$ 25,934.57
UMBRELLA	\$ 3,560.00	\$ 64.08	\$ 3,624.08	\$ 724.82	\$ 724.82	\$ 724.82	\$ 724.82	\$ 724.82	\$ 3,624.08
TOTAL	\$ 130,742.00	\$ 2,353.36	\$ 133,095.36	\$ 43,594.70	\$ 25,573.87	\$ 20,510.63	\$ 1,040.19	\$ 42,375.97	\$ 133,095.36
FEE	\$ 200.00		200	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 200.00
			\$ 133,295.36						\$ 133,295.36

VN 0000 385

65 75457
CO 75458

Curneal & Hignite Insurance, Inc.

2905 Ring Road
P. O. Box 807
Elizabethtown, Ky 42702-0807
Phone (270)737-2828 Fax (270)737-4950
www.curnealigniteins.com

INVOICE

Customer	Hardin County Water District No. 1 00011402
Date	December 20, 2011
Customer Service	Joel F. Stewart Jeffrey B Stiles, CIC
Page	1

Hardin County Water District No. 1
1400 Rogersville Road

Radcliff, KY 40160

Payment Information	
Invoice Summary	
Payment Amount	\$23,115.60
Payment for:	1 st Quarterly Statement

Invoice	Effective	Transaction	Description	AMOUNT
244450	1/1/2012	New Business	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Commercial Package - First Quarterly Statement Taxes & Surcharges Policy Fee	\$21,874.5 \$380.89 \$50
14454	1/1/2012	New Business	Policy# GWFXS0143601 01/01/2012-01/01/2013 Arch Insurance Company Commercial Umbrella-First Quarterly Statement Taxes & Surcharges	\$810.75 \$113.09
		1.00 16201	10.00 1620000 10.612 98	
		2.00 16600	20.00 1620000 5002.00	
		3.00 16600	40.00 1620000 431.74	
		4.00 16600	30.00 1301660 7082.31	
		Due to 1/1/12 from	10.00 2310350 23,129.03	
			Ⓢ 12274 CP Ⓢ 122811	
				Total
				\$23,129.03

Curneal & Hignite Insurance, Inc.
2905 Ring Road P. O. Box 807
Elizabethtown, Ky 42702-0807

(270)737-2828

**HARDIN COUNTY WATER DISTRICT #1
PREMIUM BRAKDOWN BY LINE OF BUSINESS BY FUND (REVISED)
1/1/2012-1/1/2013**

	HCWD	Radcliff	Ft Knox Sewer	Storm	Total
PROPERTY	\$ 18,006.61	\$ 16,813.09	\$ 17,072.55	\$ -	\$ 51,892.25
INLAND MARINE	\$ 620.33	\$ 876.52	\$ 114.40	\$ -	\$ 1,611.25
GENERAL LIABILITY	\$ 5,811.20	\$ 1,525.11	\$ 937.86	\$ 490.84	\$ 8,765.00
D&O/PROFESSIONAL LIABILITY	\$ 362.25	\$ 362.25	\$ 362.25	\$ 362.25	\$ 1,449.00
EMPLOYMENT PRACTICES LIABILITY	\$ 1,453.00	\$ -	\$ -	\$ -	\$ 1,453.00
CRIME	\$ 1,531.25	\$ -	\$ -	\$ -	\$ 1,531.25
AUTO	\$ 13,793.14	\$ 7,878.61	\$ 647.25	\$ -	\$ 22,319.00
UMBRELLA	\$ 823.84	\$ 823.84	\$ 823.84	\$ 823.84	\$ 3,295.37
TOTAL	\$ 42,401.62	\$ 28,279.42	\$ 19,958.15	\$ 1,676.93	\$ 92,316.12
FEE	\$ 50 40.00	\$ 50 40.00	\$ 50 40.00	\$ 50 40.00	\$ 200.00
	42,451.62	28,329.42	20,008.15	1726.93	\$ 92,516.12

T/S

1.06.65700 3537.66
 2.01.92400 1667.30
 3.00.92400 143.92
 4.06.92400 2360.73

1 X 3537.69 2360.73 1667.30 143.92
 11 X 3537.63 2360.79 1667.35 143.91
 1 4 2 3

1.00.16201 3537.66
 2.00.16600 1667.30
 3.00.16650 143.92
 4.00.16600 2360.73

**HARDIN COUNTY WATER DISTRICT #1
PREMIUM BRAKDOWN BY LINE OF BUSINESS BY FUND (REVISED)
1/1/2012-1/1/2013**

By Entity By Quarter	HCWD	Radcliff	Ft Knox Sewer	Storm	Total
PROPERTY	\$ 4,501.65	\$ 4,203.27	\$ 4,268.14	\$ -	\$ 12,973.07
INLAND MARINE	\$ 155.08	\$ 219.13	\$ 28.60	\$ -	\$ 402.81
GENERAL LIABILITY	\$ 1,452.80	\$ 381.28	\$ 234.46	\$ 122.71	\$ 2,191.25
D&O/PROFESSIONAL LIABILITY	\$ 90.56	\$ 90.56	\$ 90.56	\$ 90.56	\$ 362.25
EMPLOYMENT PRACTICES LIABILITY	\$ 363.25	\$ -	\$ -	\$ -	\$ 363.25
CRIME	\$ 382.81	\$ -	\$ -	\$ -	\$ 382.81
AUTO	\$ 3,448.29	\$ 1,969.65	\$ 161.81	\$ -	\$ 5,579.75
UMBRELLA	\$ 205.96	\$ 205.96	\$ 205.96	\$ 205.96	\$ 823.84
Total	\$ 10,600.41	\$ 7,069.85	\$ 4,989.54	\$ 419.23	\$ 23,079.03
Fee	\$ 12.50	\$ 12.50	\$ 12.50	\$ 12.50	\$ 50.00

Quarterly Totals	January	April	July	October	Total
PROPERTY	\$ 12,973.07	\$ 12,973.06	\$ 12,973.06	\$ 12,973.06	\$ 51,892.25
INLAND MARINE	\$ 402.82	\$ 402.81	\$ 402.81	\$ 402.81	\$ 1,611.25
GENERAL LIABILITY	\$ 2,191.25	\$ 2,191.25	\$ 2,191.25	\$ 2,191.25	\$ 8,765.00
D&O/PROFESSIONAL LIABILITY	\$ 362.25	\$ 362.25	\$ 362.25	\$ 362.25	\$ 1,449.00
EMPLOYMENT PRACTICES LIABILITY	\$ 363.25	\$ 363.25	\$ 363.25	\$ 363.25	\$ 1,453.00
CRIME	\$ 382.82	\$ 382.81	\$ 382.81	\$ 382.81	\$ 1,531.25
AUTO	\$ 5,579.75	\$ 5,579.75	\$ 5,579.75	\$ 5,579.75	\$ 22,319.00
UMBRELLA	\$ 823.85	\$ 823.84	\$ 823.84	\$ 823.84	\$ 3,295.37
Total	\$ 23,079.06	\$ 23,079.02	\$ 23,079.02	\$ 23,079.02	\$ 92,316.12
Fee	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 200.00

AL & HIGNITE INS INC

Check # 5005

CHECK NUMBER .

000000

Date:

January 17, 2012

Invoice Number	Date	GL Account Numbers	Distribution Reference	Voucher Amount	Paid Amount
GWPKG0143601	12/20/2011	1-00-16201 2-00-16600 3-00-16600 4-00-16600		\$10,612.98 \$5,002.00 \$431.74 \$7,082.31	\$23,129.03

TOTAL: \$23,129.03

VN080 L001

Curneal & Hignite Insurance, Inc.

2905 Ring Road
P. O. Box 807
Elizabethtown, Ky 42702-0807
Phone (270)737-2828 Fax (270)737-4950
www.curnealhigniteins.com

1.00.16201 10,613.18
2.00.16600 5001.90
3.00.16600 431.76
4.00.16600 7082.19
5.00.16201 9336.85

04502

Hardin County Water District No. 1
1400 Rogersville Road

1.00.23100 32465.88

Radcliff, KY 40160

INVOICE

Customer	Hardin County Water District No. 1 00011402
Date	March 27, 2012
Customer Service	Joel F. Stewart Jeffrey B Stiles, CIC
Page	1

Payment Information	
Invoice Summary	
Payment Amount	\$32,415.88
Payment for:	2nd Quarterly Installment

THANK YOU

Invoice	Effective	Transaction	Description	AMOUNT
244450	1/1/2012	Renewal	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Water Commercial Package - 2 nd Quarterly Installment Taxes & Surcharges Policy Fee	\$21,874.50 \$380.69 \$50.00
4454	1/1/2012	Renewal	Policy# GWFXS0143601 01/01/2012-01/01/2013 Arch Insurance Company Water Commercial Excess Liability - 2 nd Quarterly Installment Taxed & Surcharges	\$810.75 \$13.09
254003	1/1/2012	Endorsement	Policy# GWPKG0143600 01/01/2011-01/01/2012 Arch Insurance Company Water Commercial Package - 2 nd Quarterly Installment (FT Knox) Taxes & Surcharges \$3371.87	23,129.03 9,171.75 165.10 9336.85

JE3311
Entered
168594 - March 2012

9336.85
+ 168593 1ST BILL
11022.78 ÷ 3 =
3674.26
5.00.16201 3674.26
April - Dad 20940 100590

Curneal & Hignite Insurance, Inc.
2905 Ring Road P. O. Box 807
Elizabethtown, Ky 42702-0807

(270)737-2828

Total
\$32,415.88

32465.88
131



e
NEAL & HIGNITE INS INC

Check Number: 005216
Date: April 11, 2012

Number	Date	GL Account Numbers	Distribution Reference	Voucher Amount	Paid Amount
	04/01/2012	1-00-16201		\$10,613.18	\$32,465.88
		2-00-16600		\$5,001.90	
		3-00-16600		\$431.76	
		4-00-16600		\$7,082.19	
		5-00-16201		\$9,336.85	

TOTAL: \$32,465.88



V110703233

Curneal & Hignite Insurance, Inc.

2905 Ring Road
 P. O. Box 807
 Elizabethtown, Ky 42702-0807
 Phone (270)737-2828 Fax (270)737-4950
 www.curnealhigniteins.com

INVOICE

Customer	Hardin County Water District No. 1 00011402
Date	June 27, 2012
Customer Service	Joel F. Stewart Jeffrey B Stiles, CIC
Page	1

1.00.16201 10,070.61
 2.00.16600 5,001.90
 3.00.16600 431.76
 4.00.16600 7518.90
 5.00.16201 9336.84
 Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff, KY 40160
 1.00.23100 32,360.01
 OK to pay
 6-26-12

Payment Information	
Invoice Summary	
Payment Amount	\$32,360.01
Payment for:	3rd Quarterly Installment

Invoice	Effective	Transaction	Description	AMOUNT
244450	1/1/2012	Renewal	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Water Commercial Package - 3 rd Quarterly Installment Taxes & Surcharges Policy Fee	\$21,874.50 \$380.69 \$50.00
244454	1/1/2012	Renewal	Policy# GWFXS0143601 01/01/2012-01/01/2013 Arch Insurance Company Water Commercial Excess Liability - 3 rd Quarterly Installment Taxed & Surcharges	\$810.75 \$13.09
254003	1/1/2012	Endorsement	Policy# GWPKG0143600 01/01/2011-01/01/2012 Arch Insurance Company Water Commercial Package - 3 rd Quarterly Installment (FT Knox) WATER Taxes & Surcharges	9,171.75 165.10
313083	3/23/2012	Endorsement	Policy# GWPKG0143600 01/01/2011-01/01/2012 Arch Insurance Company Water Business Auto - Deleting 2005 Colorado Truck #5715 HCWD Office	-\$542.58
321889	6/7/2012	Endorsement	Policy# GWPKG0143600 01/01/2011-01/01/2012 Arch Insurance Company Water Business Auto - Adding 2012 Chevrolet 3500 #24218 Radcliff WW	\$436.71

1.00.65900 3356.87
 2.00.97800 1667.30
 3.00.143.92
 4.00.1506.30
 5.00.3112.28

1.00.16201 3356.87
 2.00.16600 1667.30
 3.00.16600 143.92
 4.00.16600 7506.30
 5.00.16201 9336.84

Total
 \$32,360.01

Scott Schmuck

From: Jeff Stiles [jstiles@chiins.com]
Sent: Tuesday, June 26, 2012 2:11 PM
To: Scott Schmuck
Subject: Third Quarter Installment - Invoice
Attachments: HCWD1 3rd Qtr Installment Invoice.pdf

Scott,

Please find attached 3rd Quarter Installment Invoice. This installment includes 2 Auto Endorsements during the past quarter. Should you have any questions, please feel free to call me.

Jeff Stiles

CE
HIGNITE INS INC

Check Number: 005391
Date: June 28, 2012

number	Date	GL Account Numbers	Distribution Reference	Voucher Amount	Paid Amount
FER 2012	06/27/2012	1-00-16201		\$10,070.61	\$32,360.01
		2-00-16600		\$5,001.90	
		3-00-16600		\$431.76	
		4-00-16600		\$7,518.90	
		5-00-16201		\$9,336.84	

TOTAL: \$32,360.01

VN0504689

Curneal & Hignite Insurance, Inc.

2905 Ring Road
 P. O. Box 807
 Elizabethtown, Ky 42702-0807
 Phone (270)737-2828 Fax (270)737-4950
 www.curnealhighniteins.com

INVOICE

Customer	Hardin County Water District No. 1 00011402
Date	September 27, 2012
Customer Service	Joel F. Stewart Jeffrey B Stiles, CIC
Page	1

Hardin County Water District No. 1
 1400 Rogersville Road

Radcliff, KY 40160

Payment Information	
Invoice Summary	
Payment Amount	\$32,483.23
Payment for	4 th Quarterly Installment

THANK YO

Invoice	Effective	Transaction	Description	AMOUNT
244450	1/1/12	Renewal	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Commercial Package – 4 th Quarterly Installment Taxes & Surcharges Policy Fee	\$21,874.50 \$480.69 \$50
.454	1/1/12	Renewal	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Commercial Excess Liability – 4 th Quarterly Installment Taxes & Surcharges	\$810.75 \$13.09
254003	1/29/12	Endorsement	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Commercial Package – 4 th Quarterly Installment (Ft Knox) Taxes & Surcharges	\$9,171.75 \$243.26
323281	7/2/12	Endorsement	Policy# GWPKG0143601 01/01/2012-01/01/2013 Arch Insurance Company Adding 2012 Ford F150 Short Bed	\$412.27
330744	8/9/12	Endorsement	Deleting 2 Ford Trucks	-\$573.08
1 06.65700 3369.66 (F.05) 2. 00.92400 1673.65 3. 00.92400 144.47 4. 06.92400 2515.85 5. 06.65700 3124.13				
Total \$32,483.23				
Invoice 1.00.16201 3369.66 10,108.93 1.00.16600 1673.65 5020.95 3.00.16600 144.47 422.41 4.00.16600 2515.85 754.85 5.00.16201 3124.13 8372.39 32483.23				

OK
 10/5/12

Curneal & Hignite Insurance, Inc. 2905 Ring Road P. O. Box 807
 Elizabethtown, Ky 42702-0807 (270)737-2828

Karen Morrison

From: Scott Schmuck
Sent: Monday, October 01, 2012 10:07 AM
To: Karen Morrison
Subject: FW:
Attachments: HCWD1 4th Quarter Installment.dot

Karen,

C&H 4th Qtr Invoice attached. It is ok to pay.

Thanks

Serving Hardin County Since 1952	
Scott Schmuck <i>Finance & Accounting Manager</i>	Hardin County Water District #1 1400 Rogersville Road Radcliff, KY 40160
sschmuck@hcwd.com www.HCWD.com	tel: 270-352-4280, ext 222 fax: 270-352-3055
Want to always have my latest info?	Want a signature like this?

From: Jeff Stiles [mailto:jstiles@chiins.com]
Sent: Monday, October 01, 2012 9:56 AM
To: Scott Schmuck
cc: jstewart@chiins.com
Subject:

Scott,

Please find attached 4th quarter installment for the current term.

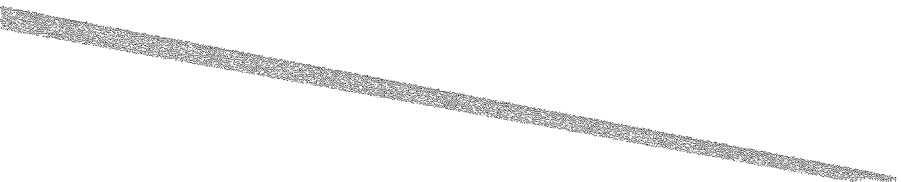
Jeff Stiles

IN OFFICE
CURNEAL & HIGNITE INS INC

Check Number: 005596
Date: October 16, 2012

Voucher Number	Date	GL Account Numbers	Distribution Reference	Voucher Amount	Paid Amount
2012	09/30/2012	1.00.16201		\$10,108.93	\$32,483.23
		2.00.16600		\$5,020.95	
		3.00.16600		\$433.41	
		4.00.16600		\$7,547.55	
		5.00.16201		\$9,372.39	

TOTAL: \$32,483.23



10. Refer to the Application at 191; Pre-Filed Testimony, Question 12.

- a. At page 191 of the Application, Hardin District states that an adjustment of \$79,391 to test-period contractual service expense results from the capitalization of "a portion of the Veolia contract." In the written testimony submitted with the Application, Bart Kreps states: "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." Explain the discrepancy and state which rationale reflects Hardin District's position.
- b. The total annual costs of Veolia's services have increased by \$79,391. Provide a breakdown of the increase between annual costs and estimated overages.
- c. Describe how Hardin District estimated contract overages for 2013. Provide all work papers, show all calculations, and state all assumptions used to develop the estimate.
- d. Explain how a pro forma adjustment to reflect estimated cost increases is "known and measurable."

ANSWER 10:

- a. The statement "...Hardin District states that an adjustment of \$79,391 to test-period contractual service expense results from the capitalization of a portion of the Veolia contract" is not correct. Appendix E, page 191 of Hardin District's Application states; "HCWD1 capitalizes a portion of the Veolia contract operating agreement." For the test year 2012, the Veolia Management Fee or Contractual Service totaled \$2,158,923 which includes \$2,016,599 for Operations fees, Maintenance & Repair Limits agreed upon as well as Electrical limit fees and Odor Control Fees plus \$142,324 for amounts over the agreed upon amounts for limit accounts known as "overages".

Throughout the year \$56,383 of items were classified as a capital fixed asset and therefore, re-classed out of Contractual Services leaving the total balance of contractual services for 2012 of \$2,102,540 (\$2,158,923 less \$56,383).

For test year 2013, \$2,181,931 was budgeted for the Veolia Management Fee, which included an approved fee increase to \$2,056,931 (+2.0%) per the attached letter from Veolia dated August 30, 2012 (see attached Exhibit 12) as well as \$125,000 for anticipated overages for the Maintenance & Repair Limit and Electrical Limit accounts. These overages were based upon the actual overages in 2010, 2011 and 2012 for the Maintenance & Repair limit account and the Electrical Limit Account totaling \$113,274, \$186,596 and \$142,324

(Answer 10 continued)

respectively. Hardin District has attached the limit tracking reports for these three years as Exhibit 12b.

Therefore, Hardin District agrees that the \$79,391 is a total increase in Veolia's costs for 2013 compared to 2012.

- b. As explained in Answer 10.a, the \$79,391 is the "Net Increase" in Veolia costs from 2012 to 2013. The 2012 contractual services, after deducting costs for capital expenditure type items and recording actual Limit overages, totaled \$2,102,540. On August 30, 2012, Veolia notified Hardin District that their fee would increase for 2013 to \$2,056,931 or 2.0% over 2012. This fee increase was approved by Hardin District's Board of Commissioners on October 16, 2012 as seen in the minutes submitted as Exhibit 13. Hardin District also added \$125,000 to contractual services for overages as discussed in answer 10.a. Please see Exhibit 13 for a breakdown of annual costs with actual overages compared to budgeted overages for years 2009 through 2012 and estimated overages for 2013.
- c. See above answers to 10.a and 10.b.
- d. As discussed in response 10.a and 10.b, the Limit account overages for 2010, 2011 and 2012 were known and measurable. Because those overages are known and measurable, it is Hardin District's position that accruing for an overage totaling \$125,000 for 2013 is fair and reasonable since the actual three year average is more than \$125,000 (average = \$147,398).

Due to the high level of Inflow and Infiltration (I&I) the Radcliff system experiences, coupled with the fact of the high maintenance costs generated with maintain and improve the aging system, Hardin District's believes it to be reasonable that it will have costs exceeding the Maintenance & Repair Limit account as well as the Electric Limit account as set forth in its contract with Veolia, NA, and has used that basis to calculate the \$125,000 accrual.

Furthermore, Generally Accepted Accounting Principles (GAAP) require that management record estimates based upon "known and measurable" experience and use accrual basis accounting. Since Hardin District is a Special Purpose Entity as defined by the Commonwealth of Kentucky, it is required to follow the procedures of the Governmental Accounting Standards Board, (GASB). As such, GASB34 requires state and local governments to "prepare financial statements based upon the accrual basis of accounting". See attached Exhibit 14.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager



August 30, 2012

Mr. Jim Bruce
 Hardin County Water District No. 1
 1400 Rogersville Road
 Radcliff, KY 40160

Dear Mr. Bruce:

Please find below a summary of the proposed O&M fee increase for the period of January 1, 2013 to December 31, 2013. I have also sent you a letter with the fee calculated based on the Annual Fee Adjustment Formula in the contract. What Veolia is requesting here is less than the formula calculation.

The O&M fee is requested to be adjusted 2.00% to reflect cost of living increases for employees and increases in benefit costs, utilities, fuel, chemical and vehicle maintenance totaling \$40,331.98 overall annually.

The breakdown is as follows

- The salaries, benefits, fuel and vehicle maintenance has been increased by 2.00%
- Utility (Natural Gas) has been increased 36.00%
- Chemicals has been increased 5.00%
- Outside Services has been increased 5.00%

The annual fee mutually negotiated between Hardin County Water District No. 1 and Veolia Water North America South, LLC will increase from \$2,016,598.92 to \$2,056,930.90 effective January 1, 2013.

\$ 171,410.91

	Current Monthly Fee	Current Annual Fee	Proposed 2013 Fee	Difference	Comment
O&M	\$168,049.91	\$2,016,598.92	\$2,056,930.90	\$40,331.98	Salaries, Benefits, vehicle maintenance, chemicals and fuel
R&M	\$16,100	\$193,200	\$193,200	0	
Odor	\$1,250	\$15,000	\$15,000	0	
Electrical	\$15,897	\$190,764	\$190,764	0	
				\$40,331.98	

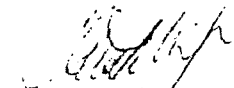
Total annual increase = 2.00%
 \$3,361.00 monthly increase

2.5%

Veolia Water NA - Radcliff WWTF
 350 New Street East, Radcliff, KY 40160
 tel: 270 351 6270 - fax: 270 352 4499
 www.veoliawaterna.com

August 30, 2012

Sincerely,



Clure L. Winfree
Area Manager
Veolia Water North America South, LLC

cc: Steve Kruger, Operations Manager, Veolia Water NA, South LLC

Brad Walker, Project Manager, Veolia Radcliff, KY

Limit Tracking Reports

Summary all Limits			
	Actual	Budget	
\$	33,027.35	\$ (33,247.00)	\$ (219.64)
\$	41,904.88	\$ (33,247.00)	\$ 8,747.88
\$	46,637.86	\$ (33,247.00)	\$ 13,690.86
\$	54,095.03	\$ (33,247.00)	\$ 20,818.03
\$	62,023.29	\$ (33,247.00)	\$ 28,770.29
\$	39,950.55	\$ (33,247.00)	\$ 6,703.55
\$	41,779.11	\$ (33,247.00)	\$ 8,532.11
\$	45,551.58	\$ (33,247.00)	\$ 12,304.58
\$	41,627.56	\$ (33,247.00)	\$ 8,380.56
\$	42,036.47	\$ (33,247.00)	\$ 8,758.47
\$	28,994.54	\$ (33,247.00)	\$ (6,562.46)
\$	36,580.82	\$ (33,247.00)	\$ 3,333.82
\$	512,238.06	\$ (398,964.00)	\$ 113,274.06
Total Due after 100% Budget \$ 113,274.06			
Total Due after Budget & Pmts \$ 83,275.38			
128%			

Radcliff P & L Budget 2010			
	ACTUAL	BUDGETED	Monthly Running Tot
Jan-10	7,820.40	\$ (16,100.00)	(8,279.60)
Feb-10	14,548.99	\$ (16,100.00)	(1,551.01)
Mar-10	20,867.29	\$ (16,100.00)	4,767.29
Apr-10	27,170.44	\$ (16,100.00)	11,070.44
May-10	37,960.72	\$ (16,100.00)	21,590.72
Jun-10	16,828.17	\$ (16,100.00)	728.17
Jul-10	18,913.54	\$ (16,100.00)	2,513.54
Aug-10	30,136.80	\$ (16,100.00)	14,036.80
Sep-10	19,919.97	\$ (16,100.00)	3,519.97
Oct-10	14,131.26	\$ (16,100.00)	(1,968.72)
Nov-10	7,483.06	\$ (16,100.00)	(8,616.02)
Dec-10	15,373.47	\$ (16,100.00)	(726.53)
Total	\$ 230,258.05	\$ (193,200.00)	\$ 37,058.05
Total Due after 100% Budget			
Additional Billings			
Sept	\$ -		
Oct	\$ -		
Nov	\$ 66.32		
Dec	\$ 14,131.28		
Jan			
Total Pmts	\$ 14,197.60		
Total Due after Pmts & Budget		\$	22,857.45
% Budget Spent	119%		

Radcliff Electric Budget 2010			
	ACTUAL	BUDGETED	Monthly Running Tot
Jan-10	24,917.07	\$ (15,897.00)	9,020.07
Feb-10	27,445.89	\$ (15,897.00)	11,546.89
Mar-10	26,070.57	\$ (15,897.00)	10,173.57
Apr-10	26,894.59	\$ (15,897.00)	10,997.59
May-10	24,362.57	\$ (15,897.00)	8,465.57
Jun-10	23,122.38	\$ (15,897.00)	7,225.38
Jul-10	22,875.66	\$ (15,897.00)	6,978.66
Aug-10	15,414.73	\$ (15,897.00)	(482.23)
Sep-10	21,998.82	\$ (15,897.00)	5,796.82
Oct-10	27,558.87	\$ (15,897.00)	11,661.87
Nov-10	19,210.56	\$ (15,897.00)	3,313.56
Dec-10	21,207.35	\$ (15,897.00)	5,310.35
Total	\$ 280,747.13	\$ (190,784.00)	\$ 89,963.13
Total Due after 100% Budget			
Additional Billings			
Sept	\$ -		
Oct	\$ -		
Nov	\$ 22,008.35		
Dec	\$ 27,558.87		
Jan			
Total Pmts	\$ 49,565.22		
Total Due after Pmts & Budget		\$	49,417.91
% Budget Spent	147%		

Radcliff Odor Control Budget 2010			
	ACTUAL	BUDGETED	Monthly Running Tot
Jan-10	289.89	\$ (1,250.00)	(960.11)
Feb-10	-	\$ (1,250.00)	(1,250.00)
Mar-10	-	\$ (1,250.00)	(1,250.00)
Apr-10	-	\$ (1,250.00)	(1,250.00)
May-10	-	\$ (1,250.00)	(1,250.00)
Jun-10	-	\$ (1,250.00)	(1,250.00)
Jul-10	289.89	\$ (1,250.00)	(960.11)
Aug-10	-	\$ (1,250.00)	(1,250.00)
Sep-10	340.77	\$ (1,250.00)	(909.23)
Oct-10	315.32	\$ (1,250.00)	(934.88)
Nov-10	-	\$ (1,250.00)	(1,250.00)
Dec-10	-	\$ (1,250.00)	(1,250.00)
Total	\$ 1,236.87	\$ (15,000.00)	\$ (13,764.13)
Total Due after 100% Budget \$ (13,764.13)			
Additional Billings			
Sept	\$ -		
Oct	\$ -		
Nov	\$ -		
Dec	\$ -		
Jan			
Total Pmts	\$ -		
Total Due after Pmts & Budget		\$	(13,764.13)
% Budget Spent	8%		

Summary 2011			
Actual	Budget	Variance	Balance
\$ 28,351.34	\$ (33,247.00)	\$ (4,895.66)	
\$ 23,970.99	\$ (33,247.00)	\$ (9,276.34)	
\$ 43,483.83	\$ (33,247.00)	\$ 10,236.83	
\$ 37,281.88	\$ (33,247.00)	\$ 4,034.88	
\$ 70,015.15	\$ (33,247.00)	\$ 36,768.15	
\$ 68,882.57	\$ (33,247.00)	\$ 35,635.57	
\$ 54,887.72	\$ (33,247.00)	\$ 21,740.72	
\$ 47,431.34	\$ (33,247.00)	\$ 14,184.34	
\$ 63,082.21	\$ (33,247.00)	\$ 29,835.21	
\$ 47,358.99	\$ (33,247.00)	\$ 14,109.99	
\$ -	\$ (33,247.00)	\$ -	
\$ 638,784.34	\$ (388,864.00)	\$ 149,920.34	
Total Due after Payments \$ 14,109.99			
Total Due after 100% Budget & Prnts \$ 129,830.34			
Total Due after Budget & Prnts \$ (19,137.31)			
Payments Billed			
November \$ 148,987.65			
133%			

Budget 2011 by Month			
Month	Actual	Budget	Variance
Jan-11	3,142.75	(18,100.00)	(12,957.25)
Feb-11	4,548.44	(18,100.00)	(11,551.56)
Mar-11	28,484.00	(18,100.00)	10,384.00
Apr-11	18,102.84	(18,100.00)	(97.16)
May-11	10,858.10	(18,100.00)	(5,241.90)
Jun-11	33,328.20	(18,100.00)	17,228.20
Jul-11	33,958.47	(18,100.00)	17,858.47
Aug-11	32,253.07	(18,100.00)	16,153.07
Sep-11	22,242.58	(18,100.00)	16,142.58
Oct-11	37,899.99	(18,100.00)	21,509.99
Nov-11	27,598.38	(18,100.00)	11,498.38
Dec-11		(18,100.00)	
Total	\$ 287,228.73	\$ (183,200.00)	\$ 104,028.73
Total Due after Payments \$ 11,408.38			
Total Due after 100% Budget \$ 1,001.82			
Total Due after Budget & Prnts \$ (1,801.82)			
Payments Billed			
November \$ 68,627.35			
% Budget Spent 133%			

Budget 2011 by Budget 2011			
Month	Actual	Budget	Variance
Jan-11	25,208.59	(15,887.00)	9,311.59
Feb-11	19,422.22	(15,887.00)	3,535.22
Mar-11	28,478.06	(15,887.00)	12,591.06
Apr-11	28,380.99	(15,887.00)	12,493.99
May-11	28,403.78	(15,887.00)	12,516.78
Jun-11	36,886.96	(15,887.00)	20,999.96
Jul-11	25,503.18	(15,887.00)	9,616.18
Aug-11	22,734.05	(15,887.00)	6,847.05
Sep-11	14,947.85	(15,887.00)	(939.15)
Oct-11	25,382.22	(15,887.00)	9,495.22
Nov-11	19,358.02	(15,887.00)	3,471.02
Dec-11		(15,887.00)	
Total	\$ 279,902.80	\$ (190,764.00)	\$ 89,138.80
Total Due after Payments \$ 3,458.02			
Total Due after 100% Budget \$ 12,437.98			
Total Due after Budget & Prnts \$ (12,437.98)			
Payments Billed			
November \$ 82,176.48			
% Budget Spent 142%			

Budget 2011 Control Budget 2011			
Month	Actual	Budget	Variance
Jan-11	-	(1,250.00)	(1,250.00)
Feb-11	-	(1,250.00)	(1,250.00)
Mar-11	-	(1,250.00)	(1,250.00)
Apr-11	-	(1,250.00)	(1,250.00)
May-11	-	(1,250.00)	(1,250.00)
Jun-11	-	(1,250.00)	(1,250.00)
Jul-11	422.92	(1,250.00)	(827.08)
Aug-11	-	(1,250.00)	(1,250.00)
Sep-11	240.90	(1,250.00)	(1,009.10)
Oct-11	-	(1,250.00)	(1,250.00)
Nov-11	402.29	(1,250.00)	(847.71)
Dec-11		(1,250.00)	
Total	\$ 1,068.11	\$ (18,000.00)	\$ (12,931.89)
Total Due after Payments \$ (847.71)			
Total Due after 100% Budget \$ (13,033.89)			
Total Due after Budget & Prnts \$ (2,097.71)			
Payments Billed			
November \$ (11,835.18)			
% Budget Spent 7%			

280,610 Annual
 (193,200)
 (20,400) Nov 12
 (21,000) Nov 13

 46,010

295,095 Annual
 (190,764)
 (93,000) 7750x12
 (38,500) 7700x5

 (27,169)

(12,700)

2011 TOTAL OVERAGE
 R+M
 ELECT
 OROR CONTRA
 2011 OVERAGE
 8100,849.88
 99,679.72
 (13,933.89)

 * 186,595.71

Scott Schmuck

From: Walker, James [James.Walker@veoliawaterma.com]
 Sent: Thursday, January 05, 2012 10:23 AM
 To: Jim Bruce; Winfree, Clure; Brett Pyles; Scott Schmuck; Preston Pendley
 Cc: Newton, Jessica; Fox, Barbara
 Subject: Electrical limit

As per section 6.9 of Veolia Water's contract with the District, Veolia Water shall notify the District when the actual Electrical expenditures equal eighty (80%) of the Electrical limit budget. The Radcliff Electrical limit budget as of the end of December 2011 is as follows:

Radcliff Electric Budget 2011

	ACTUAL	BUDGETED	Monthly Running Tot
Jan-11	25,208.59	\$(15,897.00)	9,311.59
Feb-11	19,422.22	\$(15,897.00)	3,525.22
Mar-11	26,476.05	\$(15,897.00)	10,579.05
Apr-11	28,380.99	\$(15,897.00)	12,483.99
May-11	26,403.78	\$(15,897.00)	10,506.78
Jun-11	36,686.95	\$(15,897.00)	20,789.95
Jul-11	25,503.18	\$(15,897.00)	9,606.18
Aug-11	22,734.65	\$(15,897.00)	6,837.65
Sep-11	14,947.85	\$(15,897.00)	(949.15)
Oct-11	25,382.22	\$(15,897.00)	9,485.22
Nov-11	19,356.02	\$(15,897.00)	3,459.02
Dec-11	21,111.38	\$(15,897.00)	5,214.38
Total	\$291,613.88	\$(190,764.00)	\$100,849.88

Total Due after Payments \$5,214.38

Total Due after 100% Budget \$100,849.88

Total Due after Budget & Pmts \$5,214.38

Payments Billed

November \$92,176.48
 December \$3,459.02

% Budget Spent 153%

291,613.88
 (190,764.00)
 (85,250.00) 7750 x 11
 (30,800.00) 7700 x 4

 (15,200.12) Over Account Dec 11
 66,979.72 Under Account Dec 11

 51,779.60
 (13,933.89) Under Account

 37,845.71 Acc Account 2011

Any questions please feel free to contact me.

James E. Walker

Radcliff Project Manager
Veolia Water North America South LLC.

Radcliff

50 East New Street

Radcliff, Ky. 40160

Phone: (270) 351-6270

Fax: (270) 352-4499

Cell: (270) 268-0136

james.walker@veoliawaterna.com

www.veoliawaterna.com

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Scott Schmuck

From: Walker, James [James.Walker@veoliawatema.com]
 Sent: Thursday, January 05, 2012 10:12 AM
 To: Jim Bruce; Winfree, Clure; Brett Pyles; Scott Schmuck; Preston Pendley
 Cc: Newton, Jessica; Fox, Barbara
 Subject: R&M limit budget

As per section 6.8 of Veolia Water's contract with the District, Veolia Water shall notify the District when the actual Repair and Maintenance expenditures equal eighty (80%) percent of the Repair and Maintenance limit. The Radcliff Repair and Maintenance limit budget as of the end of December is as follows:

Radcliff R & M Budget 2011				Monthly Running Tot
	ACTUAL		BUDGETED	
Jan-11	3,142.75	\$	(16,100.00)	(12,957.25)
Feb-11	4,548.44	\$	(16,100.00)	(11,551.56)
Mar-11	26,494.90	\$	(16,100.00)	10,394.90
Apr-11	15,102.84	\$	(16,100.00)	(997.16)
May-11	10,858.10	\$	(16,100.00)	(5,241.90)
Jun-11	33,328.20	\$	(16,100.00)	17,228.20
Jul-11	33,956.47	\$	(16,100.00)	17,856.47
Aug-11	32,253.07	\$	(16,100.00)	16,153.07
Sep-11	32,242.59	\$	(16,100.00)	16,142.59
Oct-11	37,699.99	\$	(16,100.00)	21,599.99
Nov-11	27,598.38	\$	(16,100.00)	11,498.38
Dec-11	35,653.99	\$	(16,100.00)	19,553.99
Total	\$ 292,879.72	\$	(193,200.00)	\$ 99,679.72
			Total Due after Payments	\$ 19,553.99
	<i>Total Due after 100% Budget</i>	\$	99,679.72	<i>292,879.72 Actual</i> <i>(193,200.00)</i> <i>(18,700.00) Nov 11</i> <i>(17,000.00) Dec 11</i> <hr/> <i>66,779.72</i>
	Total Due after Budget & Pmts	\$	19,553.99	

Payments Billed

November	\$	68,627.35
December	\$	11,498.38

% Budget Spent	152%
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Any questions please feel free to contact me.

James B. Walker
Radcliff Project Manager
Veolia Water North America South LLC.
Radcliff
350 East New Street
Radcliff, Ky. 40160
Phone: (270) 351-6270
Fax: (270) 352-4499
Cell: (270) 268-0136
james.walker@veoliawaterna.com

www.veoliawaterna.com

"Service First, Safety Always"



www.veoliawaterna.com Veolia Water is the world leader in water and wastewater services and technology solutions. We are part of Veolia Environnement (NYSE: VE), the global leader in environmental services with 30,000 North American employees.

www.growingblue.com Water. Economics. Life. Growing Blue is an information resource that tells the story of how water is as essential to our economic and social growth as it is to sustaining our environment.

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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	
\$ 46,868.51	\$ (33,247.00)	\$ 13,421.51	
\$ 37,177.64	\$ (33,247.00)	\$ 3,930.64	
\$ 57,194.38	\$ (33,247.00)	\$ 23,947.38	
\$ 39,923.90	\$ (33,247.00)	\$ 6,676.90	
\$ 45,472.71	\$ (33,247.00)	\$ 12,225.71	
\$ 49,522.08	\$ (33,247.00)	\$ 16,275.08	
\$ 40,227.17	\$ (33,247.00)	\$ 6,980.17	
\$ 43,982.20	\$ (33,247.00)	\$ 10,735.20	
\$ 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		\$ 18,583.52	
Payments Billed			
	\$ 118,750.28		
	\$ 6,980.17		
	\$ 10,715.20		
136%			

Radcliff R & T Budget 2012				
Actual	Budget			
Jan-12	41,312.88	\$ (16,100.00)	25,212.88	
Feb-12	16,054.36	\$ (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	25,581.47	\$ (16,100.00)	9,481.47	
Jul-12	14,584.28	\$ (16,100.00)	(1,515.72)	
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		\$ 4,964.13		
Total Due after 100% Budget				
Total Due after Budget & Pmts		\$ 6,491.42		
Payments Billed				
October	\$ 51,286.07			
November	\$ 8,345.86			
December	\$ 1,627.29			
% Budget Spent		134%		

Radcliff Electric Budget 2012				
Actual	Budget			
Jan-12	20,440.38	\$ (15,897.00)	4,543.38	
Feb-12	21,362.29	\$ (15,897.00)	5,465.29	
Mar-12	28,770.49	\$ (15,897.00)	10,873.49	
Apr-12	38,421.00	\$ (15,897.00)	20,524.00	
May-12	17,894.78	\$ (15,897.00)	1,997.78	
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)	(11,390.95)	
Sep-12	37,935.94	\$ (15,897.00)	22,038.94	
Oct-12	15,543.09	\$ (15,897.00)	(353.94)	
Nov-12	28,234.91	\$ (15,897.00)	10,337.91	
Dec-12	20,161.19	\$ (15,897.00)	4,264.19	
Total		\$ 280,844.30	\$ (190,784.00)	\$ 90,060.30
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	Budget			
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	238.25	\$ (1,250.00)	(1,011.75)	
Aug-12	238.25	\$ (1,250.00)	(1,011.75)	
Sep-12	-	\$ (1,250.00)	(1,250.00)	
Oct-12	238.25	\$ (1,250.00)	(1,011.75)	
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	\$ (1,011.75)			
December	\$ (1,250.00)			
% Budget Spent		8%		

Accrued @ 12-31-12

26,637.61

Due Overlap - NET

(7,878.32)

Over Accrued - 2012

18,759.29

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.

Radcliff Veolia Fee Comparison 2009-2013											
	2013		2012		2011		2010		2009		
	Annual	Mthly	Annual	Mthly	Annual	Mthly	Annual	Mthly	Annual	Mthly	
O&M Fee	\$ 1,657,966.90	\$ 138,163.91	\$ 1,617,634.92	\$ 134,802.91	\$ 1,600,318.92	\$ 133,359.91	\$ 1,550,581.00	\$ 129,215.08	\$ 1,496,700.00	\$ 124,725.00	
R&M	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 16,100.00	
Electric	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00	
Odor Control	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00	
Total Veolia Fee	\$ 2,056,930.90	\$ 171,410.91	\$ 2,016,598.92	\$ 168,049.91	\$ 1,999,282.92	\$ 166,606.91	\$ 1,949,545.00	\$ 162,462.08	\$ 1,895,664.00	\$ 157,972.00	
	Overages		Overages		Overages		Overages		Overages		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
R&M	\$ 25,000.00	???	\$ 25,000.00	\$ 90,080.30	\$ -	\$ 99,679.72	\$ -	\$ 37,055.05	\$ -	Breakdown not available	
Electric	\$ 100,000.00	???	\$ 100,000.00	\$ 66,103.35	\$ 93,000.00	\$ 100,849.88	\$ -	\$ 89,983.13	\$ -	Breakdown not available	
Odor Control	\$ -	???	\$ -	\$ (13,859.68)	\$ -	\$ (13,933.89)	\$ -	\$ (13,764.13)	\$ -	Breakdown not available	
	\$ 125,000.00	???	\$ 125,000.00	\$ 142,323.97	\$ 93,000.00	\$ 186,595.71	\$ -	\$ 113,274.05	\$ -	\$ 169,967.15	
	2012 Summary Totals				%						
	Total Paid Veolia		\$ 2,158,922.89								
	R&M		\$ 283,280.30		13.12%						
	Electric		\$ 256,867.35		11.90%						
	Odor Control		\$ 1,140.32		0.05%						
	Base Fee		\$ 1,617,634.92		74.93%						



Summaries / Status

Summary of Statement No. 34

Basic Financial Statements—and Management's Discussion and Analysis— for State and Local Governments (Issued 6/99)

Preface

This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will create new information and will restructure much of the information that governments have presented in the past. We developed these new requirements to make annual reports more comprehensive and easier to understand and use.

The GASB's first concepts Statement,* issued in 1987 after extensive due process, identifies what we believe are the most important objectives of financial reporting by governments. Some of those objectives reaffirm the importance of information that governments already include in their annual reports. Other objectives point to a need for new information. For this reason, this Statement requires governments to retain some of the information they currently report, but also requires them to reach beyond the familiar to new and different information. This Statement will result in reports that accomplish many of the objectives we emphasized in that concepts Statement.

*GASB Concepts Statement No. 1, *Objectives of Financial Reporting*.

Retaining the Familiar

Annual reports currently provide information about funds. Most funds are established by governing bodies (such as state legislatures, city councils, or school boards) to show restrictions on the planned use of resources or to measure, *in the short term*, the revenues and expenditures arising from certain activities. Concepts Statement 1 noted that annual reports should allow users to assess a government's accountability by assisting them in determining compliance with finance-related laws, rules, and regulations. For this reason and others, this Statement requires governments to continue to present financial statements that provide information about funds. The focus of these statements has been sharpened, however, by requiring governments to report information about their most important, or "major," funds, including a government's general fund. In current annual reports, fund information is reported in the aggregate by fund type, which often makes it difficult for users to assess accountability.

Fund statements also will continue to measure and report the "operating results" of many funds by measuring cash on hand and other assets that can easily be converted to cash. These statements show the performance—*in the short term*—of individual funds using the same measures that many governments use when financing their current operations. For example, if a government issues fifteen-year debt to build a school, it does not collect taxes in the first year sufficient to repay the *entire* debt; it levies and collects what is needed to make that year's required payments. On the other hand, when governments charge a fee to users for services—as is done for most water or electric utilities—fund information will continue to be based on accrual accounting (discussed below) so that all costs of providing services are measured.

Showing budgetary compliance is an important component of government's accountability. Many citizens—regardless of their profession—participate in the process of establishing the original annual operating budgets of state and local governments. Governments will be required to continue to provide budgetary comparison information in their annual reports. An important change, however, is the requirement to add the government's *original* budget to that comparison. Many governments revise their original budgets over the course of the year for a variety of reasons. Requiring governments to report their original budget in addition to their *revised* budget adds a new analytical dimension and increases the usefulness of the budgetary comparison. Budgetary changes are not, by their nature, undesirable. However, we believe that the information will be important—in the interest of accountability—to those who are aware of, and perhaps made decisions based on, the original budget. It will also allow users to assess the government's ability to estimate and manage its general resources.

Bringing In New Information

The financial managers of governments are knowledgeable about the transactions, events, and conditions that are reflected in the government's financial report and of the fiscal policies that govern its operations. For the first time, those financial managers will be asked to share their insights in a required management's discussion and analysis (referred to as MD&A) by giving readers an objective and easily readable analysis of the government's *financial* performance for the year. This analysis should provide users with the information they need to help them assess whether the government's financial position has improved or deteriorated as a result of the year's operations.

Financial managers also will be in a better position to provide this analysis because for the first time the annual report will also include new government-wide financial statements, prepared using accrual accounting for all of the government's activities. Most governmental utilities and private-sector companies use accrual accounting. It measures not just current assets and liabilities but also long-term assets and liabilities (such as capital assets, including infrastructure, and general obligation debt). It also reports *all* revenues and *all* costs of providing services each year, not just those received or paid in the current year or soon after year-end.

These government-wide financial statements will help users:

Assess the finances of the government in its entirety, including the year's operating results

Determine whether the government's overall financial position improved or deteriorated

Evaluate whether the government's current-year revenues were sufficient to pay for current-year services

See the cost of providing services to its citizenry

See how the government finances its programs—through user fees and other program revenues versus general tax revenues

Understand the extent to which the government has invested in capital assets, including roads, bridges, and other infrastructure assets

Make better comparisons between governments.

In short, the new annual reports should give government officials a new and more comprehensive way to demonstrate their stewardship in the long term *in addition* to the way they currently demonstrate their stewardship in the short term and through the budgetary process.

The GASB expresses its thanks to the thousands of preparers, auditors, academics, and users of governmental financial statements who have participated during the past decade in the research, consideration, and deliberations that have preceded the publication of this Statement. We especially appreciate the input of those who participated by becoming members of our various task forces, which began work on this and related projects as early as 1985.

The GASB is responsible for developing standards of state and local governmental accounting and financial reporting that will (a) result in useful information for users of financial reports and (b) guide and educate the public, including issuers, auditors, and users of those financial reports. We have an open decision-making process that encourages broad public participation.

Summary

This Statement establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities. It establishes that the basic financial statements and required supplementary information (RSI) for general purpose governments should consist of:

Management's discussion and analysis (MD&A). MD&A should introduce the basic financial statements and provide an analytical overview of the government's financial activities. Although it is RSI, governments are required to present MD&A *before* the basic financial statements.

Basic financial statements. The basic financial statements should include:

Government-wide financial statements, consisting of a statement of net assets and a statement of activities. Prepared using the economic resources measurement focus and the accrual basis of accounting, these statements should report all of the assets, liabilities, revenues, expenses, and gains and losses of the government. Each statement should distinguish between the governmental and business-type activities of the primary government and between the total primary government and its discretely presented component units by reporting each in separate columns. Fiduciary activities, whose resources are not available to finance the government's programs, should be excluded from the government-wide statements.

Fund financial statements consist of a series of statements that focus on information about the government's major governmental and enterprise funds.

including its blended component units. Fund financial statements also should report information about a government's fiduciary funds and component units that are fiduciary in nature. *Governmental* fund financial statements (including financial data for the general fund and special revenue, capital projects, debt service, and permanent funds) should be prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *Proprietary* fund financial statements (including financial data for enterprise and internal service funds) and fiduciary fund financial statements (including financial data for fiduciary funds and similar component units) should be prepared using the economic resources measurement focus and the accrual basis of accounting.

Notes to the financial statements consist of notes that provide information that is *essential* to a user's understanding of the basic financial statements.

Required supplementary information (RSI). In addition to MD&A, this Statement requires budgetary comparison schedules to be presented as RSI along with other types of data as required by previous GASB pronouncements. This Statement also requires RSI for governments that use the modified approach for reporting infrastructure assets.

Special-purpose governments that are engaged in only governmental activities (such as some library districts) or that are engaged in both governmental and business-type activities (such as some school districts) generally should be reported in the same manner as general purpose governments. Special-purpose governments engaged only in business-type activities (such as utilities) should present the financial statements required for enterprise funds, including MD&A and other RSI.

Important Aspects of MD&A

MD&A should provide an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. MD&A should include comparisons of the current year to the prior year based on the government-wide information. It should provide an analysis of the government's overall financial position and results of operations to assist users in assessing whether that financial position has improved or deteriorated as a result of the year's activities. In addition, it should provide an analysis of significant changes that occur in funds and significant budget variances. It should also describe capital asset and long-term debt activity during the year. MD&A should conclude with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

Important Aspects of the Government-wide Financial Statements

Governments should report all capital assets, including infrastructure assets, in the government-wide statement of net assets and generally should report depreciation expense in the statement of activities. Infrastructure assets that are part of a network or subsystem of a network are not required to be depreciated as long as the government manages those assets using an asset management system that has certain characteristics and the government can document that the assets are being preserved approximately at (or above) a condition level established and disclosed by the government.

The net assets of a government should be reported in three categories—invested in capital assets net of related debt, restricted, and unrestricted. This Statement provides a definition of the term *restricted*. Permanent endowments or permanent fund principal amounts included in restricted net assets should be displayed in two additional components—expendable and nonexpendable.

The government-wide statement of activities should be presented in a format that reports expenses reduced by program revenues, resulting in a measurement of "net (expense) revenue" for each of the government's functions. Program expenses should include all direct expenses. General revenues, such as taxes, and special and extraordinary items should be reported separately, ultimately arriving at the change in net assets for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

Important Aspects of the Fund Financial Statements

To report additional and detailed information about the primary government, separate fund financial statements should be presented for governmental and proprietary funds. Required governmental fund statements are a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Required proprietary fund statements are a statement of net assets; a statement of revenues, expenses, and changes in fund net assets; and a statement of cash flows. To allow users to assess the relationship between fund and government-wide financial statements, governments should present a summary reconciliation to the government-wide financial statements at the bottom of the fund financial statements or in an accompanying schedule.

Each of the fund statements should report separate columns for the general fund and for other major governmental and enterprise funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds

funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. Nonmajor funds should be reported in the aggregate in a separate column. Internal service funds also should be reported in the aggregate in a separate column on the proprietary fund statements.

Fund balances for governmental funds should be segregated into reserved and unreserved categories. Proprietary fund net assets should be reported in the same categories required for the government-wide financial statements. Proprietary fund statements of net assets should distinguish between current and noncurrent assets and liabilities and should display restricted assets.

Proprietary fund statements of revenues, expenses, and changes in fund net assets should distinguish between operating and nonoperating revenues and expenses. These statements should also report capital contributions, contributions to permanent and term endowments, special and extraordinary items, and transfers separately at the bottom of the statement to arrive at the all-inclusive change in fund net assets. Cash flows statements should be prepared using the direct method.

Separate fiduciary fund statements (including component units that are fiduciary in nature) also should be presented as part of the fund financial statements. Fiduciary funds should be used to report assets that are held in a trustee or agency capacity for others and that cannot be used to support the government's own programs. Required fiduciary fund statements are a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Interfund activity includes interfund loans, interfund services provided and used, and interfund transfers. This activity should be reported separately in the fund financial statements and generally should be eliminated in the aggregated government-wide financial statements.

Required Supplementary Information

To demonstrate whether resources were obtained and used in accordance with the government's legally adopted budget, RSI should include budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the government's budgetary basis. This Statement also requires RSI for governments that use the modified approach for reporting infrastructure assets.

Effective Date and Transition

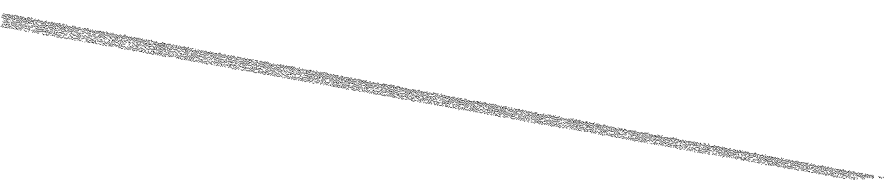
The requirements of this Statement are effective in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999. Governments with total annual revenues (excluding extraordinary items) of \$100 million or more (phase 1) should apply this Statement for periods beginning after June 15, 2001. Governments with at least \$10 million but less than \$100 million in revenues (phase 2) should apply this Statement for periods beginning after June 15, 2002. Governments with less than \$10 million in revenues (phase 3) should apply this Statement for periods beginning after June 15, 2003. Earlier application is encouraged. Governments that elect early implementation of this Statement for periods beginning before June 15, 2000, should also implement GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, at the same time. If a primary government chooses early implementation of this Statement, all of its component units also should implement this standard early to provide the financial information required for the government-wide financial statements.

Prospective reporting of general infrastructure assets is required at the effective dates of this Statement. Retroactive reporting of all major general governmental infrastructure assets is encouraged at that date. For phase 1 and phase 2 governments, retroactive reporting is *required* four years after the effective date on the basic provisions for all major general infrastructure assets that were acquired or significantly reconstructed, or that received significant improvements, in fiscal years ending after June 30, 1980. Phase 3 governments are encouraged to report infrastructure retroactively, but may elect to report general infrastructure prospectively only.

Components of This Statement

This Statement consists of several components. The detailed authoritative standards established by this Statement are presented in paragraphs 3 through 166. Appendix C provides nonauthoritative illustrations of MD&A; the basic financial statements required for a variety of types of governments, such as towns, school districts, fire districts, and utilities; notes to those financial statements required by this Statement; and RSI other than MD&A. The reasons for the Board's conclusions on the major issues are discussed in the Basis for Conclusions (Appendix B). Appendix D summarizes how the new standards would be incorporated into the GASB's June 30, 1999, *Codification of Governmental Accounting and Financial Reporting Standards*.

Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments, public benefit corporations and authorities, public employee retirement systems, utilities, hospitals and other healthcare providers, and colleges and universities. Paragraphs 2 and 3 discuss the applicability of this Statement.



11. Refer to the Application at 192.

- a. Provide a copy of the "contract operating agreement between HCWDI and the Fort Knox Water system" or, if previously filed with the Commission, state the case number of the proceeding in which Hardin District filed the agreement and the date on which it filed the agreement.
- b. Describe how the "contract operating agreement between HCWDI and the Fort Knox Water system" affects the "general and administrative costs" allocated to the Radcliff operations.

ANSWER 11:

- a. Hardin District previously provided a copy of the contract operating agreement between HCWD1 and Louisville Water Company to provide Water Treatment Services for the Fort Knox Water Utility under Case No. 2011-00416 in response to question number 25.a of data request number 1 which was sent to the PSC on January 27, 2012.
- b. The "contract operating agreement between HCWD1 and the Fort Knox Water System affects the general and administrative costs" allocated to Radcliff Sewer as a benefit or credit of \$88,329 per Exhibit 10, pages 194 – 195 of Hardin District's pre-filed testimony.

Fort Knox Water pays for a portion of the general and administration costs (\$328,980) of the other four funds (County Water, Ft. Knox Sewer, Ft. Knox Storm Water and Radcliff Sewer). These costs include such items as Salaries & Benefits, Accounting & Legal Fees, Utilities and Transportation & Fuel costs, etc. The calculation of these costs and benefits can be seen in Exhibit 15. Therefore, the general and administrative cost paid by Fort Knox Water is a benefit to the other four funds by helping to pay existing fixed costs.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

2012 Budget Line Accounts									
2012 - Board Approved - 12/20/2011				1.03				1.03	
ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YTD	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments		
WATER UTILITY		GP Accounts	Source of Supply:						
\$ 1	10.10.6150100	1.01.61501	Power Purchased/Well (Gray Ln)	\$ 35,686	\$ 28,625	\$ 28,098	\$ 30,000	Assumes taking normal permit amount in 2012	
\$ 3	10.10.6200400	1.01.62300	Maint. & Repair Expense	\$ 133	\$ 1,000	\$ -	\$ 1,000		
\$ 4	10.10.6350000	1.01.63600	Contractual Services	\$ -	\$ 500	\$ -	\$ -		
SUB TOTAL >			\$ 35,820	\$ 28,125	\$ 28,098	\$ 31,000			
		Pirtle Water Plant							
\$ 5	10.11.6010000	1.02.60100	Salary & Wages	\$ 300,167	\$ 354,800	\$ 221,638	\$ 248,900		
\$ 6	10.11.6010001	1.02.60101	Salary & Wages (Contra Account)	\$ (4,674)	\$ -	\$ (4,414)	\$ -		
\$ 7	10.11.6010100	1.02.40812	OASDI	\$ 21,552	\$ 27,800	\$ 15,488	\$ 19,400		
\$ 8	10.11.6010200	1.02.60400	Pension	\$ 50,623	\$ 60,200	\$ 40,622	\$ 47,400		
\$ 9	10.11.6010300	1.02.60401	Health / Life / Disab Insurance	\$ 32,556	\$ 42,808	\$ 31,211	\$ 30,292		
\$ 10	10.11.6010400	1.02.60102	Overtime	\$ 6,242	\$ 3,500	\$ 2,054	\$ 4,800	Using 2.5% estimated	
\$ 11	10.11.6010500	1.02.60103	Premium Time	\$ 4,667	\$ 4,900	\$ 3,785	\$ 5,000	Estimated	
\$ 12	10.11.6010801	1.02.60402	Flexible Benefits	\$ 11,760	\$ 13,400	\$ 8,540	\$ 10,100		
\$ 13	10.11.6580500	1.02.65800	Workers Comp	\$ 5,724	\$ 10,892	\$ 4,844	\$ 6,214		
\$ 14	10.11.6150000	1.02.61500	Utilities	\$ 48,344	\$ 49,000	\$ 36,761	\$ 50,500	Incl Billed water use, non cash expense	
\$ 15	10.11.6150300	1.02.61503	WTP Energy Expenses	\$ 145,726	\$ 145,300	\$ 113,619	\$ 156,000	Main Pirtle Spring raw pumps on own elect mtr now	
\$ 16	10.11.6180000	1.02.61800	Chemicals	\$ 141,003	\$ 153,500	\$ 129,904	\$ 150,000	Avg of 09+10 plus 2.5%	
\$ 17	10.11.6200300	1.02.62000	Supplies & Expense	\$ 14,587	\$ 9,600	\$ 8,952	\$ 11,700	Slightly higher to supply new plant	
\$ 18	10.11.6200400	1.02.62300	Maintenance & Repairs	\$ 5,079	\$ 6,200	\$ 5,576	\$ 8,800	Added \$1,100 for Chemical feed rebuild kits & Wall Case per Phil 10/17/11	
\$ 20	10.11.6200900	1.02.62600	Small Tool Expense	\$ 1,372	\$ 2,500	\$ 672	\$ 3,200	Added \$2,100 for Pressure Washer, Stepladder, Work Planks & Weed Eater per Phil 10/17/11	
\$ 21	10.11.6350000	1.02.63600	Contractual Services	\$ 293	\$ 400	\$ 1,763	\$ 500	Waste Mgmt, Random Testing, DOT Physicals (Backed out EPA Penalty & CIP Closeout)	
\$ 22	10.11.6350100	1.02.63500	Professional Services/Lab	\$ 16,385	\$ 21,600	\$ 15,452	\$ 6,000	Per Mandy's guesstimate	
\$ 23	10.11.6500000	1.02.65000	Transportation Fuel & Repairs	\$ 4,775	\$ 4,300	\$ 3,884	\$ 6,250	Fuel, oil only, Plus Tires for '06 Chevy & Ford Ranger	
\$ 24	10.11.6750100	1.02.67600	Phone Expense	\$ 3,971	\$ 4,500	\$ 2,899	\$ 3,900	Windstream(Added Addtl line in Sept '09), Bluegrass, MCI	
SUB TOTAL >			\$ 812,152	\$ 915,200	\$ 643,251	\$ 768,956			
		Distribution							
\$ 25	10.14.6010000	1.03.60100	Salary & Wages	\$ 460,080	\$ 413,900	\$ 308,911	\$ 385,100	Sal + OH allocate to other funds plus Capital list items	
\$ 26	10.14.6010001	1.03.60101	Salary & Wages (Contra Account)	\$ (180,800)	\$ (103,907)	\$ (108,950)	\$ (121,073)	Est Capitalized salaries + OH	
\$ 27	10.14.6010100	1.03.40812	OASDI	\$ 34,395	\$ 32,300	\$ 23,296	\$ 31,200		
\$ 28	10.14.6010200	1.03.60400	Pension	\$ 78,071	\$ 69,000	\$ 57,918	\$ 75,100		
\$ 29	10.14.6010300	1.03.60401	Health / Life / Disab Insurance	\$ 56,340	\$ 58,539	\$ 42,731	\$ 59,052		
\$ 30	10.14.6010400	1.03.60102	Overtime	\$ 14,451	\$ 16,600	\$ 14,062	\$ 16,500		
\$ 31	10.14.6010500	1.03.60103	Premium Time	\$ 795	\$ 2,500	\$ -	\$ 2,500	Estimated	
\$ 32	10.14.6010811	1.03.60117	Salary & Wages - Part Time (Contra Account)	\$ (2,491)	\$ -	\$ (869)	\$ -		
\$ 33	10.14.6010801	1.03.60402	Flexible Benefits	\$ 20,160	\$ 18,500	\$ 14,000	\$ 18,500		
\$ 34	10.14.6580500	1.03.65800	Workers Comp	\$ 8,639	\$ 12,264	\$ 6,615	\$ 9,617		
\$ 35	10.14.6010600	1.03.60107	Salary & Wages - Part Time	\$ 5,431	\$ 5,600	\$ 2,464	\$ 5,700		
\$ 37	10.14.6150200	1.03.61502	Fl. Knox Energy	\$ 15,159	\$ 10,800	\$ 493	\$ 7,600	Annualized Aug 2011 plus 2.5% - Pritchard ONLY- Rec'd Credit in 2011 for overbilling	
\$ 38	10.14.6150303	1.03.61504	1882 Energy	\$ 1,457	\$ 2,600	\$ 806	\$ 1,300		
\$ 39	10.14.6150400	1.03.61505	WHSP Hills Energy	\$ 5,760	\$ 6,710	\$ 4,489	\$ 5,900		
\$ 41	10.14.6200000	1.03.62000	Materials & Supplies/Misc	\$ 3,300	\$ 13,325	\$ 433	\$ 3,400	SCADA supplies + Exst mtr repairs etc, Includes DOT Rainware, DOES NOT INCLUDE Capita	
\$ 42	10.14.6200100	1.03.62700	Transmission Main Repairs	\$ 11,555	\$ 11,600	\$ 10,980	\$ 15,100		
\$ 43	10.14.6200200	1.03.62200	Service Line Repairs	\$ 27,695	\$ 21,600	\$ 28,177	\$ 38,700		
\$ 46	10.14.6200600	1.03.62400	Storage Maintenance	\$ 2,777	\$ 3,000	\$ 2,142	\$ 2,800		

2012 Budget Line Accounts

2012 - Board Approved - 12/20/2011

			\$					
			1.03				1.03	
ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YE	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments	
\$ 47	10.14.6200701	1.03.62500	Booster Station Supply & Expense	\$ 809	\$ 1,500	\$ 5,301	\$ 600	Avg of 09+10 plus 2.5%
\$ 48	10.14.6200900	1.03.62600	Small Tool Expense	\$ 4,879	\$ 5,000	\$ 1,746	\$ 6,800	Includes Concrete Vibrator, 1-2" Pump & Gas Cut-off Saw, fire hydrant hoses etc
	10.14.6203000	1.03.62701	Existing Meter Repairs	\$ 1,878	\$ -	\$ -	DELETE	Included in Material & Supplies
	10.14.6205000	1.03.61901	Bac T Supplies Expense	\$ -	\$ -	\$ -	\$ 4,400	Per Brett - Bac-T/HPC supplies & tests
\$ 51	10.14.6350000	1.03.63800	Contractual Services	\$ 47,400	\$ 68,800	\$ 34,930	\$ 65,100	Bart's fees, Includes Tank Inspections - Brizendinge (\$6200) & LT/Whispering Hills (\$3900)
\$ 52	10.14.6500000	1.03.65000	Transportation Fuel & Repairs	\$ 22,694	\$ 30,000	\$ 28,082	\$ 43,600	Includes Tires for 2 Trailers, Backhoe, John Deer Tractor & Dump Truck
\$ 53	10.14.6750100	1.03.67600	Phone Expense	\$ 1,938	\$ 1,900	\$ 1,551	\$ 2,100	
SUB TOTAL >			\$ 642,372	\$ 701,931	\$ 477,311	\$ 679,596		
Customer Service								
\$ 56	10.15.6154270	1.04.42704	Deposit Interest Expenses	\$ (900)	\$ 600	\$ 467	\$ 600	Done monthly per PSC direction
\$ 57	10.15.6010000	1.04.60100	Salary & Wages	\$ 228,136	\$ 239,280	\$ 171,609	\$ 250,900	Est payroll +OH spent on RaSw, FKSw plus Capital list items
\$ 58	10.15.6010001	1.04.60101	Salary & Wages (Contra Account)	\$ (128,475)	\$ (160,898)	\$ (99,427)	\$ (175,838)	Est payroll +OH spent on RaSw, FKSw
\$ 59	10.15.6010100	1.04.40812	OASDI	\$ 16,351	\$ 17,900	\$ 12,241	\$ 19,400	
\$ 60	10.15.6010200	1.04.60400	Pension	\$ 38,272	\$ 38,900	\$ 31,386	\$ 47,500	
\$ 61	10.15.6010300	1.04.60401	Health / Life / Disab Insurance	\$ 23,630	\$ 26,691	\$ 18,672	\$ 32,196	
\$ 62	10.15.6010400	1.04.60102	Overtime	\$ 4,083	\$ 2,600	\$ 1,959	\$ 2,900	
\$ 63	10.15.6010500	Not Used	Premium Time	\$ -	\$ -	\$ -	\$ -	
\$ 64	10.15.6010600	Not Used	Salary & Wages - Part Time	\$ -	\$ -	\$ -	\$ -	
\$ 65	10.15.6010801	1.04.60402	Flexible Benefits	\$ 10,080	\$ 10,100	\$ 7,560	\$ 11,800	
\$ 66	10.15.6580500	1.04.65800	Workers Comp	\$ 327	\$ 471	\$ 270	\$ 440	
\$ 67	10.15.6200000	1.04.62000	Materials & Supplies/Misc	\$ 4,979	\$ 3,700	\$ 3,149	\$ 4,300	20% alloc RaSw, 4% FKSw, 1% FK Storm - What is New Allocation????????
\$ 69			Maintenance & Repairs	\$ 1,595	\$ 1,500	\$ 429	\$ 1,100	47% alloc RaSw
\$ 72			Contractual Services	\$ 34,796	\$ 33,600	\$ 31,676	\$ 10,000	47% alloc RaSw less \$1.20 Web Pymt Fee - C.C. Pymts have increased in 2011
\$ 74			Contracted Security Services	\$ 1,791	\$ 1,782	\$ 1,143	\$ 1,100	47% alloc RaSw
\$ 75			Bill Printing/Mailing Contract	\$ 42,367	\$ 42,300	\$ 31,234	\$ 10,000	47% alloc RaSw - More late notices sent in 2011
\$ 78	10.15.6750100	1.04.67600	Phone Expense	\$ 865	\$ 1,000	\$ 532	\$ 800	Bluegrass Cellular
\$ 80			Cash Over & Short	\$ (2)	\$ -	\$ 26	\$ 1,100	47% alloc RaSw, 2% FKSw
SUB TOTAL >			\$ 279,874	\$ 259,526	\$ 213,125	\$ 275,199		
Maintenance								
\$ 81	10.16.6010000	1.05.60100	Salary & Wages	\$ 58,742	\$ 51,700	\$ 40,926	\$ 52,800	Est payroll +OH spent on RaSw
\$ 82	10.16.6010001	1.05.60101	Salary & Wages - (Contra Account)	\$ (41,467)	\$ (3,771)	\$ (23,981)	\$ (1,554)	
\$ 83	10.16.6010100	1.05.40812	OASDI	\$ 3,836	\$ 4,100	\$ 2,676	\$ 4,200	
\$ 84	10.16.6010200	1.05.60400	Pension	\$ 10,235	\$ 8,900	\$ 7,484	\$ 10,200	
\$ 85	10.16.6010300	1.05.60401	Health / Life / Disab Insurance	\$ 6,923	\$ 5,526	\$ 6,107	\$ 5,583	
\$ 86	10.16.6010400	1.05.60102	Overtime	\$ 1,353	\$ 1,900	\$ 664	\$ 1,900	
\$ 87	10.16.6010500	Not Used	Premium Time	\$ -	\$ -	\$ -	\$ -	
\$ 88	10.16.6010801	1.05.60402	Flexible Benefits	\$ 1,680	\$ 1,700	\$ 1,260	\$ 1,700	
\$ 89	10.16.6580500	1.05.65800	Workers Comp	\$ 846	\$ 1,586	\$ 829	\$ 1,318	
\$ 90	10.16.6010701	1.05.60105	CS Labor	\$ 1,245	\$ -	\$ 1,583	\$ -	Do not est budget - charged as occurs during year
\$ 91	10.16.6010601	1.05.60104	Distribution Labor	\$ 2,348	\$ -	\$ 2,867	\$ -	Do not est budget - charged as occurs during year
\$ 92	10.16.6010800	1.05.60106	PWP Labor	\$ 12,155	\$ -	\$ 11,256	\$ -	Do not est budget - charged as occurs during year
\$ 93	10.16.6200000	1.05.62000	Materials & Supplies/Misc	\$ 289	\$ 500	\$ 289	\$ 500	
\$ 94	10.16.6200900	1.05.62600	Small Tool Expense	\$ 880	\$ 800	\$ 211	\$ 600	
\$ 96	10.16.6500000	1.05.65000	Transportation Fuel & Repairs	\$ 3,889	\$ 3,000	\$ 3,326	\$ 4,300	Includes New Tires for Sprinter Van
\$ 98	10.16.6750100	1.05.67600	Phone Expense	\$ 723	\$ 800	\$ 529	\$ 700	
SUB TOTAL >			\$ 61,677	\$ 76,741	\$ 56,004	\$ 82,227		

2012 Budget Line Accounts

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ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YTD	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments
		Administration					
\$ 99	10.19.6403000	Depreciation Expense	\$ 887,538	\$ 936,501	\$ 723,749	\$ 987,132	% incl shared assets. Does Not Include Capital Items
\$ 100	10.19.6403001	Allocated Depreciation Expense	\$ (82,989)	\$ (82,400)	\$ (51,770)	\$ (71,400)	Credit shared asset depr to other funds
\$ 101	10.19.6408100	Utility Regulatory Assessment Fees	\$ 8,269	\$ 8,300	\$ 4,877	\$ 6,300	Part of PSC annual sewer assessment
\$ 102	10.19.6408300	Amortized Rate Case Expenses	\$ 7,805	\$ 7,605	\$ 5,704	\$ 4,400	Water rate case (not alloc to sewer) - Ends July 2012
\$ 104	10.19.6427030	Fixed Rate Long Term Debt	\$ 303,619	\$ 259,257	\$ 195,989	\$ 249,800	2005 Bond-Based on Amortization Sched- (not alloc to sewer)-98 Bond Paid off 2010
\$ 105	10.19.6427040	Variable Rate Long Term Debt	\$ 57,324	\$ 49,045	\$ 32,289	\$ 39,100	Based on BoNY current rate plus Cecilia Letter of Credit Fees plus Moody's Fees (NEED NE
\$ 106		Remarketing & Other Bond Fees	\$ 530	\$ 700	\$ 1,808		% of Debt for SC x employees hours-98 Bond Paid off 2010, No Fees
\$ 107	10.19.6428000	Amortization of Debt Disc. & Expense	\$ 106,527	\$ 15,500	\$ 11,961	\$ 15,500	% of Debt for SC x employees hours-98 Bond Paid off 2010, No Fees
\$ 109	10.19.6010000	Salary & Wages	\$ 404,749	\$ 533,580	\$ 397,233	\$ 575,700	Recovered in annual alloc transfer - Includes Capital list items
\$ 110	10.19.6010001	Salary & Wages - (Contra Account)	\$ (285,078)	\$ (576,619)	\$ (375,463)	\$ (629,770)	Admin Sal + OH Capitalized
\$ 111	10.19.6010100	OASDI	\$ 29,088	\$ 40,800	\$ 29,724	\$ 44,200	Recovered in annual alloc transfer
\$ 112	10.19.6010200	Pension	\$ 68,391	\$ 88,500	\$ 73,700	\$ 108,000	Recovered in annual alloc transfer
\$ 113	10.19.6010300	Health / Life / Disab Insurance	\$ 35,872	\$ 58,826	\$ 35,528	\$ 59,063	Recovered in annual alloc transfer
\$ 114	10.19.6010400	Overtime	\$ 3,597	\$ 2,400	\$ 1,480	\$ 1,600	
\$ 115	10.19.6010801	Flexible Benefits	\$ 12,320	\$ 16,800	\$ 11,060	\$ 16,800	Recovered in annual alloc transfer
\$ 116	10.19.6030400	Legal/Wages	\$ 20,074	\$ 20,400	\$ 15,267	\$ 20,400	Direct in Sewer
\$ 117	10.19.6030500	Legal/Pension	\$ 3,322	\$ 3,500	\$ 2,988	\$ 3,900	Direct in Sewer
\$ 118	10.19.6030800	Legal/OASDI	\$ 269	\$ 1,600	\$ 94	\$ 1,581	Direct in Sewer
\$ 119	10.19.6580500	Workers Comp	\$ 951	\$ 1,552	\$ 1,127	\$ 2,846	Recovered in annual alloc transfer
\$ 120	10.19.6030000	Comm/Salary & Wages	\$ 30,200	\$ 30,200	\$ 22,850	\$ 30,200	Recovered in annual alloc transfer
\$ 121	10.19.6030100	Comm/Oasdi	\$ 2,095	\$ 2,310	\$ 1,570	\$ 2,310	Recovered in annual alloc transfer
\$ 122	10.19.6030300	Comm/Health Insurance	\$ 16,698	\$ 17,950	\$ 15,478	\$ 25,697	Recovered in annual alloc transfer
\$ 123	10.19.6030200	Comm/Pension	\$ 4,997	\$ 5,200	\$ 3,988	\$ 5,800	
\$ 124	10.19.6100000	Purchased Water	\$ 132,748	\$ 119,776	\$ 69,855	\$ 74,700	25% Decrease from 2011. Major Leak was found & fixed
\$ 125	10.19.6150000	Utilities	\$ 20,811	\$ 21,000	\$ 19,427	\$ 20,250	Total Est = \$27K.20% to RA-S, 4% to FKS, 1% to FKStorm, bal to water
\$ 128		Materials & Supplies/Misc	\$ 6,248	\$ 3,100	\$ 5,401		
	10.19.6200101	Computer Supplies	\$ 48	\$ 500			Record in Materials & Supplies/Misc in future
\$ 128	10.19.6200400	Maintenance & Repairs	\$ 1,657	\$ 1,400	\$ 2,406	\$ 3,300	
	10.19.6206000	Lab Supplies				\$ 7,900	Per Brett - Non Bac-T/HPC supplies
\$ 132	10.19.6320000	Professional Services - Accounting	\$ 15,956	\$ 15,600	\$ 11,798	\$ 15,700	Direct in Rad, FKS, FKStorm, FKWater - Paychex Fees + Audit Fees per Brad Hayes email 10
\$ 133	10.19.6330000	Professional Services - Legal	\$ 15,387	\$ 5,000	\$ 6,284	\$ 5,000	Direct in Sewer - Estimated Contingency for Legal issues
\$ 134		Contractual Services	\$ 13,783	\$ 20,750	\$ 17,797		Mithy Maint Contracts - HAS/FRA, Garbage, Pest, Janit, CC exp etc. Includes \$1840 for EE H
\$ 135		Uniform Expense	\$ 19,252	\$ 17,500	\$ 12,011		93% of total uniform expense
\$ 136	10.19.6350300	Investment Fees	\$ 8,664	\$ -	\$ -	\$ -	No Longer have Chase or 98 BoNY Bond
\$ 137	10.19.6500000	Transportation Fuel & Repairs	\$ 4,908	\$ 5,400	\$ 4,398	\$ 4,000	% time JB and BP spend on sewer
\$ 138	10.19.6570000	Fleet Insurance	\$ 41,111	\$ 35,100	\$ 23,965	\$ 42,900	Direct in Sewer - C&H quote
\$ 140	10.19.6590000	Unemployment Insurance	\$ 2,301	\$ 2,900	\$ 2,807	\$ 5,400	UI increase 65% form 2011 to 2010. Estimating 30% increase in 2012
\$ 142	10.19.6600000	Advertising Expense	\$ 16,711	\$ 10,100	\$ 1,332	\$ 9,200	Direct in Sewer
\$ 144	10.19.6700000	Bad Debt Write Off	\$ 33,848	\$ 37,800	\$ 22,458	\$ 31,800	Does not include added for MHP billing write offs
\$ 145	10.19.6700001	Collection Expense	\$ 3,894	\$ 4,500	\$ 4,375	\$ 6,000	Online Collections; Credit Bureau
\$ 148		Miscellaneous Expense	\$ 10,532	\$ 10,800	\$ 5,210		% time employees at SC on sewer
\$ 149	10.19.6750100	Phone Expense	\$ 8,820	\$ 8,900	\$ 7,228	\$ 10,100	% time employees at SC on sewer
\$ 151		Dues & Subscriptions	\$ 3,770	\$ 4,300	\$ 3,267		20% to Radcliff Sewer
\$ 152		Postage & Mailing	\$ 5,697	\$ 5,700	\$ 3,567		20% to Radcliff Sewer
\$ 154		Safety Committee	\$ 3,062	\$ 2,600	\$ 3,383		
\$ 155	10.19.6750502	Information Technology Committee	\$ 35,320	\$ 37,212	\$ 27,610	\$ 42,400	% time employees at SC on sewer
\$ 156		Commission Expense	\$ 2,964	\$ 3,100	\$ 2,421		% of Motions in 08
\$ 157	10.19.6750700	Certification Training	\$ 2,237	\$ 2,500	\$ 825	\$ 1,800	For water related certification, less 20% R, 4% FKS, 1% FKStorm, Added Lab Analyst School
\$ 158	10.19.6750800	Travel & Lodging	\$ 12,234	\$ 11,250	\$ 2,777	\$ 5,600	10 Actual less 20% to Rad & 4% FK Sew & 1% FK Storm - Less Travel due to Cash Shortage
\$ 159	10.19.6750900	Education & Conferences	\$ 7,410	\$ 10,200	\$ 6,621	\$ 8,100	% time employees at SC on sewer
		Allocated FK Water G&A Expenses				\$ (198,460)	
\$ 163		SUB TOTAL >	\$ 2,111,767	\$ 1,856,505	\$ 1,427,238	\$ 1,684,570	Line accts allocated to sewer
\$ 164		SUB TOTAL EXP >>	\$ 3,943,662	\$ 3,838,028	\$ 2,845,027	\$ 3,521,548	Non-Cash exp to add back as source of funds

2012 Budget Line Accounts				\$ -			
2012 - Board Approved - 12/20/2011				1.03			
ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YTD	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments
WATER UTILITY							
Revenues:							
\$ 165	10.00.4190000	1.00.41901	Interest & Dividend Income \$ 70,115	\$ 30,700	\$ 31,778	\$ 26,000	Current Investment Level @ 1% Mny Mrkt Avg rate
\$ 166	10.00.4210000	1.00.47401	Non-Utility Income \$ 6,166	\$ 8,200	\$ 10,275	\$ 14,100	
\$ 167	10.00.4210001	1.00.42101	Gain/Loss on Investments \$ 1,187	\$ -	\$ -	\$ -	
\$ 169	10.00.4210100	1.00.41401	Gain/Loss Sale of Assets \$ (490,570)	\$ -	\$ (16,513)	\$ -	
\$ 170	10.00.4210102	1.00.43201	Misc. Revenue - Grants \$ 751,219	\$ -	\$ 19,152	\$ -	KY DOT Funding - Hwy 1500
\$ 171	10.00.4210103	1.00.43202	Misc. Revenue - Grants HWY 1882 \$ 402,843	\$ 425,000	\$ 22,532	DELETE	Grant Completed in 2011
\$ 172	10.00.4210104	1.00.43203	Misc. Revenue - Grants HWY 144 \$ 282,559	\$ 265,000	\$ 12,012	DELETE	Grant Completed in 2011
	10.00.4210108	1.00.43207	Misc. Revenue - Grants - Louisville H2O Connector \$ 2,250,000	\$ -	\$ -	\$ 500,000	Assume only engineering / easement costs in 2012 (of \$4.5M total)
	10.00.4210109	1.00.43208	Misc. Revenue - Grants - Constantine Road \$ 632,000	\$ -	\$ -	\$ 632,000	Assume 80% used in 2012
\$ 174	10.00.4600000	1.00.46001	Customer Meter Charges \$ 703,732	\$ 720,000	\$ 532,358	\$ 714,000	1% Increase + One new 6"(Parks & Vine)
\$ 175	10.00.4610100	1.00.46101	Residential Sales \$ 2,002,119	\$ 2,120,970	\$ 1,437,148	\$ 1,904,900	Estimate from Revenue Analysis
\$ 176	10.00.4610200	1.00.46102	Commercial Sales \$ 285,075	\$ 294,500	\$ 217,775	\$ 180,400	Estimate from Revenue Analysis
\$ 177	10.00.4610500	1.00.46105	Multi-Family Sales \$ 160,043	\$ 212,960	\$ 136,147	\$ 288,700	Estimate from Revenue Analysis
\$ 178	10.00.4620200	1.00.46202	Private Fire Protection \$ 38,092	\$ 39,100	\$ 26,088	\$ 36,400	
\$ 179	10.00.4610600	1.00.47402	Water Revenue - Other \$ 1,896	\$ 2,100	\$ 813	\$ 1,300	Sales & Use Tax Vendor Compensation
\$ 180	10.00.4660100	1.00.46601	Sales For Resale Vine Grove \$ 281,202	\$ 282,700	\$ 207,360	\$ 279,245	Estimate from Revenue Analysis
\$ 181	10.00.4660300	1.00.46603	Sales For Resale Meade County \$ 408,881	\$ 385,900	\$ 281,395	\$ 377,070	Estimate from Revenue Analysis
\$ 182	10.00.4660400	1.00.46604	Sales For Resale Hardinsburg \$ 7,315	\$ -	\$ -	\$ 0	Currently not buying water
\$ 184	10.00.4660200	1.00.46602	Sales For Resale District No. 2 \$ 71	\$ -	\$ -	\$ 0	Currently not buying water
\$ 185	10.00.4700900	1.00.47001	Penalties & Misc. Fees \$ 191,291	\$ 199,700	\$ 146,146	\$ 193,100	Assume all will incr with tariff revision
\$ 186	10.00.4710500	1.00.47100	Bad Debt Recovered \$ 7,598	\$ 8,400	\$ 6,397	\$ 8,800	Collections have picked up in 2011
\$ 188	10.00.4720000	1.00.47201	Rents From Water Property \$ 42,622	\$ 54,500	\$ 32,604	\$ 43,400	Cell ant leases, Does NOT include Verizon
\$ 190	10.00.4740101	1.00.47403	Storm Sewer Revenue Income - Monthly Contract \$ 8,589	\$ 8,500	\$ 6,455	\$ 11,125	Incr by x3 in June (advised City at meeting with Mayor)
	10.00.4740200	1.00.47404	Lab Service Fees \$ -	\$ -	\$ -	\$ 5,000	Rough guess, unknown how many
\$ 191	10.00.4220000	1.00.43205	Tap Fees \$ 109,527	\$ 182,000	\$ 50,735	\$ 75,000	Decreased during 2011 from 2010
\$ 192			SUB TOTAL REV >> \$ 5,269,373	\$ 8,122,230	\$ 3,180,457	\$ 5,290,539	
			NON-OPERATING REVENUES >> \$ (1,548,148)	\$ (3,754,000)	\$ (104,431)	\$ 1,207,000	
			TOTAL OPERATING REVENUES >> \$ 3,723,224	\$ 4,368,230	\$ 3,058,026	\$ 4,083,539	
			EXPENSES >> \$ 3,943,662	\$ 3,838,028	\$ 2,845,027	\$ 3,521,548	
\$ 193			ADJ TO YEAR END >> \$ -	\$ -	\$ -	\$ -	
\$ 194			OPERATING INCOME >> \$ (220,437)	\$ 530,202	\$ 210,999	\$ 561,991	

2012 Budget Line Accounts							\$	-			1.03
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ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YE	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments				
FK SEWER											
		Expenses:									
\$ 196	20.00.6009200	Administrative Labor	\$ 71,246	\$ 80,624	\$ 30,819	\$ 96,326	From PR spreadsheet plus Capital list items				
\$ 197	20.00.6307330	Professional Services - Legal	\$ -	\$ 1,500	\$ -	\$ -	None planned for 2012				
\$ 198	20.00.6307340	IT Expense	\$ 1,884	\$ 1,900	\$ 1,473	\$ 2,300	Lexnet, Harris, Arcview, Versaprobe, Sage, Oasis etc. Maint Fees less Allocations				
\$ 199	20.00.6320000	Professional Services - Accounting	\$ 4,416	\$ 4,500	\$ 4,253	\$ 6,290	Audit Fees per Brad Hayes email 10/11/11. Includes \$600 for EE Handbook				
\$ 202	20.00.6403000	Depreciation Expense	\$ 534,319	\$ 540,102	\$ 459,332	\$ 627,918	Depreciation Projections. Does Not include Capital items				
\$ 203	20.00.6403001	Allocated Depreciation Expense	\$ 3,347	\$ 3,400	\$ 2,927	\$ 4,500	Projected Depreciation from Class Codes				
\$ 205	20.00.6507102	Int Maint/Supervision/Inspection	\$ 2,059	\$ 3,771	\$ 1,947	\$ -	From PR spreadsheet				
\$ 207	20.00.6709050	Misc Customer Service Expense (CS Labor)	\$ 6,324	\$ 3,232	\$ 4,971	\$ 573	From PR spreadsheet - Currently we Allocate 2%				
\$ 208	20.00.6750300	Dues & Subscriptions	\$ -	\$ -	\$ -	\$ -					
\$ 209	20.00.6750800	Travel & Lodging	\$ -	\$ -	\$ -	\$ -					
\$ 211	20.00.6806210	Office Supplies & Expense	\$ 569	\$ 660	\$ 288	\$ 500	Plus Capital list items				
\$ 212	20.00.6809290	Transportation Expense	\$ 652	\$ 600	\$ 429	\$ 500	Balance to Water and Ra-Sew				
\$ 213	20.00.7004270	Variable Rate Long Term Debt	\$ 1,720	\$ 1,500	\$ 989	\$ 1,400	Balance to Water and Ra-Sew				
\$ 214	20.00.7310000	Contractual Services - Engineering	\$ 24,477	\$ -	\$ 8,580	\$ -	All HDR monthly fees capitalized				
\$ 216	20.00.7330000	Contractual Services - Legal	\$ 4,523	\$ 3,576	\$ 2,137	\$ 3,626	Based on rate basis agreed in 2008-D. Wilson				
\$ 217	20.00.7360000	Contractual Services - Other	\$ 1,715,566	\$ 1,985,441	\$ 1,298,372	\$ 1,785,214	Per Veolia Contract Dated Nov 31, 2010 & Aug 19, 2011. Includes \$11,000 for UV Bulbs Rplc				
\$ 218	20.00.7500000	Transportation Fuel & Repairs	\$ 262	\$ 600	\$ 265	\$ 300					
\$ 219	20.00.7570000	Insurance - General Liability WW	\$ 33,219	\$ 55,800	\$ 32,801	\$ 20,000	Based on C&H Quote				
\$ 222	20.00.7600000	Advertising Expense	\$ -	\$ -	\$ -	\$ -	Only recovered in water and Ra-Sew				
\$ 223	20.00.7670000	Regulatory Commission Expense	\$ 4,232	\$ 4,477	\$ 3,306	\$ 4,400	Part of PSC annual sewer assessment				
\$ 224	20.00.7750000	Miscellaneous Allocated Expense	\$ 639	\$ 500	\$ 974	\$ 1,200	Only recovered in water and Ra-Sew. Includes (\$700) Manhole Injectable Grout Kit				
\$ 225	20.00.7750200	Education & Conferences	\$ 3,216	\$ 1,900	\$ 938	\$ 1,500	Balance to Water and Ra-Sew, In-house/HDR Training Svcs				
\$ 227	20.00.7750300	Investment expenses	\$ 137	\$ 500	\$ -	\$ -	Wire Fees etc				
\$ 228	20.00.7750400	Certification & Training	\$ 35	\$ 1,000	\$ 44	\$ 1,000	DC & BP added training for certification				
\$ 230	20.00.7750600	Utilities	\$ 2,198	\$ 1,120	\$ 1,961	\$ 2,200	Balance to Water and Ra-Sew, Utilities plus Phone plus Pritchard Water Meter				
		Allocated FK Water G&A Expenses				\$ (41,606)					
\$ 231		SUB TOTAL EXP >>	\$ 2,415,040	\$ 2,696,703	\$ 1,856,767	\$ 2,518,141					
Revenues:											
\$ 232	20.00.4190000	Interest & Dividend Income	\$ 8,557	\$ 18,000	\$ 8,871	\$ 9,600	Current Investment Level @ 1% Mny Mkt Avg rate				
\$ 233	20.00.4210000	Non-Utility Income	\$ 939	\$ -	\$ -	\$ -					
\$ 234	20.00.4210100	Gain/Loss Sale of Assets	\$ 20,000	\$ -	\$ -	\$ -	Sale of old vehicles equip - if any				
\$ 235	20.00.4220500	Capital Contributions	\$ 1,053,319	\$ 96,400	\$ 417,264	\$ 3,044,679	Assumes 75% of CLN Projects Completed				
\$ 237	20.00.4800000	Reimbursement of HCWD Overhead	\$ 38,830	\$ 3,800	\$ 17,313	\$ 133,966	Assumes 75% of CLN Projects Completed at 4.4% Admin Labor				
\$ 238	20.00.5210400	Fort Knox Sanitary Sewer Revenue	\$ 2,705,793	\$ 2,781,390	\$ 2,070,511	\$ 2,822,868	Assumes No Fee Increase at 10/1/12				
\$ 242	20.00.5214001	Fixed Monthly Billing - Muldraugh	\$ 4,827	\$ 4,827	\$ 3,620	\$ 4,827	Fixed portion of monthly bill				
\$ 243	20.00.5224001	Muldraugh Wastie Water Flows	\$ 49,366	\$ 56,900	\$ 51,634	\$ 70,900	Based on avg of 2011				
		SUB TOTAL REV >>	\$ 3,881,632	\$ 2,961,317	\$ 2,569,014	\$ 6,086,840					
		NON-OPERATING REVENUES >>	\$ (1,053,319)	\$ (96,400)	\$ (417,264)	\$ (3,044,679)					
		TOTAL OPERATING REVENUES >>	\$ 2,828,313	\$ 2,864,917	\$ 2,151,749	\$ 3,042,161					
		EXPENSES >>	\$ 2,415,040	\$ 2,696,703	\$ 1,856,767	\$ 2,518,141					
		OPERATING INCOME >>	\$ 413,272	\$ 168,214	\$ 294,982	\$ 524,020					

2012 Budget Line Accounts

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ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YTD	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments
		Expenses:					
\$ 245	30.14.6007011	Collection System Labor	\$ 36,767	\$ 82,762	\$ 27,683	\$ 98,917	13.82 % of Distribution Labor
\$ 254		Routine Maintenance Service	\$ 1,950	\$ 1,330	\$ 8,002	\$ 8,002	7% of Uniform Expense - 2011 included \$6700 Tap Fee Exp for WWTP- one time fee
\$ 255	30.14.6507102	Internal Maintenance Supervision & Engineering	\$ 964	DELETE	\$ -	\$ -	No Longer Allocating Curt's Labor
\$ 268	30.15.6009032	Customer Service Labor	\$ 120,151	\$ 167,620	\$ 94,456	\$ 174,121	49% of C/S Labor plus Capital list items
\$ 268		Miscellaneous Customer Expense	\$ 1,414	\$ 1,300	\$ 380	\$ 380	47% of CS Maint & Repairs
\$ 269	30.15.6809210	Office Supplies & Expense	\$ 1,328	\$ 1,200	\$ 840	\$ 1,000	20% of CS Mat & Supplies
\$ 270		Contracted Services	\$ 74,208	\$ 74,757	\$ 59,827	\$ 77,236	47% of Bill printing, contracted svcs, security svc less \$1.20 Web Pymt Fee. Includes \$880 for
\$ 273	30.15.7004310	Customer Interest Expense	\$ 727	\$ 900	\$ 624	\$ 800	
\$ 274	30.19.6009200	Administrative Labor	\$ 102,521	\$ 149,766	\$ 69,093	\$ 124,013	30.00% of Commissioners Salary & 31.28% of Admin plus Capital list items
\$ 275	30.19.6107012	Utilities	\$ 18,148	\$ 5,600	\$ 13,090	\$ 10,600	20% of total SC utilities estimated \$27k + Phone + Water Svc @325 New St & Lincoln LS - Fr
\$ 276	30.19.6307310	Professional Services - Engineering	\$ 4,512	\$ 1,500	\$ 2,300	\$ 3,200	Misc studies
\$ 277	30.19.6307320	Professional Services - Accounting	\$ 7,728	\$ 7,805	\$ 5,103	\$ 7,370	Audit Fees per Brad Hayes email 10/11/11
\$ 278	30.19.6307330	Professional Services - Legal	\$ 4,523	\$ 5,875	\$ 3,511	\$ 5,957	David Wilson Salary Allocation
\$ 279	30.19.6307340	IT Expense	\$ 9,419	\$ 14,200	\$ 7,363	\$ 11,300	20% of Water Annual Expense - LexNet, Harris, Itron, LexNet, GP, etc
\$ 280	30.19.6307350	Certification & Training	\$ 2,837	\$ 1,000	\$ 1,480	\$ 1,000	DC & BP added training for certification
\$ 281	30.19.6307360	Education & Conferences	\$ 2,136	\$ 5,600	\$ 4,112	\$ 3,800	20% of Water Annual Expense
\$ 282	30.19.6327600	Promotion/Advertising	\$ -	\$ 1,000	\$ -	\$ -	
\$ 284	30.19.6709031	Agency Collection Expense	\$ 3,233	\$ 3,600	\$ 2,870	\$ 3,900	Online Collections; Credit Bureau
\$ 285	30.19.6709040	Bad Debt Expense	\$ 43,508	\$ 43,900	\$ 26,833	\$ 39,600	
\$ 286	30.19.6807001	Management Fee (Veolia)	\$ 2,037,511	\$ 2,091,284	\$ 1,549,110	\$ 2,125,319	\$171,406 58/mth per Veolia agrmnt dtd Aug 26, 2011 + \$100,000 Elect overage + \$25,000 R
\$ 287		Office Supplies & Expense	\$ 7,667	\$ 10,600	\$ 5,531	\$ -	20% of Water - Admin Supplies, Dues, Postage & Safety Committee, not just office supplies p
\$ 288		Contracted Services	\$ 12,170	\$ 14,180	\$ 15,896	\$ -	47% of Water Annual Expense
\$ 289	30.19.6809233	Investment expenses	\$ 613	\$ 500	\$ 1	\$ -	Wire Fees etc
\$ 290	30.19.6809240	Insurance Expenses	\$ 28,894	\$ 17,800	\$ 13,730	\$ 27,900	Based on C&H Quote
\$ 291	30.19.6809280	Regulatory Commission Expense	\$ 4,726	\$ 5,500	\$ 4,081	\$ 5,500	Part of PSC annual sewer assessment
\$ 292	30.19.6809290	Transportation Expense	\$ 4,571	\$ 3,000	\$ 2,209	\$ 3,000	Approx 45% of Jim and Brett's transp costs
\$ 293	30.19.6809310	Rents	\$ 2,250	\$ 2,250	\$ 1,688	\$ 2,250	Annual Lease with Gov't (RA WWTP)
\$ 294	30.19.6809300	Miscellaneous General Expenses	\$ 6,344	\$ 1,000	\$ 562	\$ 1,450	Includes \$700 Manhole Injectable Grout Kit
\$ 297	30.19.6904030	Depreciation Expense	\$ 738,227	\$ 745,897	\$ 593,809	\$ 854,806	Based on RA-SW assets only
\$ 298	30.19.6904031	Allocated Depreciation Expense	\$ 58,638	\$ 59,200	\$ 48,842	\$ 66,900	Shared assets with water (SC, vehicles, other) Projected from Class Allocation
\$ 299	30.19.6904060	Amortization of Acquisition Expense	\$ 9,100	DELETE	\$ 6,825	\$ 9,100	\$758.36/mth, Standard AJE
\$ 300	30.19.6904080	Amortization of Rate Case Expense	\$ -	\$ 12,000	\$ -	\$ 14,100	Raftelis Rate Study - \$70,500 over 5 yrs
\$ 301	30.19.7004070	Amortization of Debt Expense	\$ 11,482	DELETE	\$ -	DELETE	Only 6 mths left in 2010 for KLC Bond Accrual per 2008 Audit
\$ 302	30.19.7004071	Allocation of Amorf. Debt Disc./Exp	\$ 3,195	DELETE	\$ -	DELETE	Allocation Stopped per JB Sept 2010
\$ 303	30.19.7004270	Interest on Long Term Debt	\$ 101,844	\$ 7,226	\$ 65,853	\$ 76,770	KIA Debt Expense 2012
\$ 304		Loan Service Fees	\$ 7,128	\$ 380	\$ 7,181	\$ -	KIA Debt Fees + 13% of Water Remarketing Fees
\$ 305	30.19.7004272	Allocated Interest Expense	\$ 7,452	\$ 6,376	\$ 4,198	\$ 6,000	Allocate 13% of Water 2002 Interest
		Allocated FK Water G&A Expenses				\$ (88,329)	
		TOTAL RADCLIFF SEWER EXPENSE >>	\$ 3,478,885	\$ 3,546,908	\$ 2,647,084	\$ 3,703,324	
		Revenues:					
\$ 311	30.00.4005220	Measured Revenue - Multi Family	\$ 209,532	\$ 203,800	\$ 180,875	\$ 426,030	Incl rate decrease 9/2011, plus incr accts + use incr
\$ 312	30.00.4005221	Measured Revenue - Residential	\$ 2,783,343	\$ 2,819,600	\$ 2,021,208	\$ 2,875,702	Incl rate decrease 9/2011, plus incr accts + use incr
\$ 313	30.00.4005212	Measured Revenue - Commercial	\$ 390,557	\$ 373,700	\$ 297,356	\$ 248,517	Incl rate decrease 9/2011, plus incr accts + use incr
\$ 318	30.00.4075260	Penalties	\$ 182,651	\$ 269,004	\$ 139,199	\$ 185,600	Annualize YTD Sept
\$ 320	30.00.4085260	Discharge Permit Fees	\$ 303	\$ 1,170	\$ 775	\$ 1,500	Guess at 3 new permits
\$ 321	30.00.4085270	Sewer High Strength Surcharge	\$ 119	\$ 200	\$ 136	\$ 200	Billed Quarterly
\$ 323	30.00.4194190	Interest & Dividend Income	\$ 75,740	\$ 35,000	\$ 32,444	\$ 25,000	Current Investment Level @ 1% Mny Mrkt Avg rate
\$ 324	30.00.4194210	Not Used	\$ -	DELETE	\$ -	\$ -	
\$ 325	30.00.4204210	Gain/Loss on Investments	\$ -	DELETE	\$ -	\$ -	
\$ 326	30.00.4210000	Gain/Loss on Assets Dispositions	\$ (4,105)	DELETE	\$ (24,471)	\$ -	
\$ 327	30.00.4214210	Non-Utility Income	\$ 100	DELETE	\$ -	\$ -	
\$ 327	30.00.4214210	Miscellaneous Nonoperating Revenues	\$ -	DELETE	\$ -	\$ -	
\$ 328	30.00.4220000	Sewer Tap Fees	\$ 22,050	\$ 63,165	\$ 7,350	\$ 7,500	50 New tap sales at \$150 ea
\$ 329	30.00.4210106	Misc. Revenue - Grants - I&I	\$ 1,300,853	\$ 404,539	\$ 199,147	DELETE	Grant Completed in 2011
\$ 330	30.00.4210107	Misc. Revenue - Grants - Pump Stations	\$ 12,700	\$ 2,237,300	\$ 367,578	\$ 875,000	Balance of unbilled BRAC Grant (50%)
\$ 330	30.00.4210110	Misc. Revenue - Grants - SI Grant	\$ -	\$ 2,500,000	\$ 579,633	\$ 900,000	New BRAC Grant awarded in Sept 2010 (50%)
\$ 331	30.00.4710500	Bad Debt Recovered	\$ 9,355	\$ 10,400	\$ 8,028	\$ 11,000	Based on YTD 09/11 actual
		SUB TOTAL REV >>	\$ 4,983,198	\$ 8,917,878	\$ 3,809,257	\$ 5,556,049	
		NON-OPERATING REVENUES >>	\$ (1,335,603)	\$ (6,205,004)	\$ (1,153,708)	\$ 1,782,500	
		TOTAL OPERATING REVENUES >>	\$ 3,647,595	\$ 3,712,874	\$ 2,655,550	\$ 3,773,549	
		EXPENSES >>	\$ 3,478,885	\$ 3,546,908	\$ 2,647,084	\$ 3,703,324	
		OPERATING INCOME >>	\$ 168,710	\$ 165,965	\$ 8,465	\$ 70,225	

2012 Budget Line Accounts				\$ -				
2012 - Board Approved - 12/20/2011				1.03				1.03
				2010	2011	2011	2012	
ROW#	ACCOUNTNO		ACCOUNT	Actual YE	Approved	Sep YTD	Requested	Allocate Basis / Comments
FK STORM								
Expenses:								
\$ 332	40.00.6403000	3.00.40300	Depreciation Expense	\$ 25,345	\$ 26,843	\$ 25,145	\$ 36,646	Based on FK-Storm assets only
\$ 334	40.00.6009200	3.00.92000	Administrative Labor	\$ -	\$ 23,433	\$ 17,122	\$ 29,906	Plus Capital list items
	40.00.6709050	3.00.90301	Misc Customer Service Expense (CS Labor)				\$ 286	
\$ 335	40.00.6307340	3.00.93000	Information Technology Expense	\$ 471	\$ 500	\$ 368	\$ 600	1% of LexNet, Harris, Ilron, LexNet, GP, etc
\$ 336	40.00.6320000	3.00.92300	Professional Services - Accounting	\$ 1,104	\$ 1,115	\$ 851	\$ 1,150	Audit Fees per Brad Hayes email 10/11/11. Includes \$200 for EE Handbook.
\$ 337	40.00.8809210	3.00.92100	Office Supplies & Expense	\$ 370	\$ 580	\$ 142	\$ 500	1% of Water Allocated + \$400 Miscellaneous plus Capital list items
\$ 338	40.00.8809290	3.00.92900	Transportation Expense	\$ 163	\$ 150	\$ 83	\$ 500	
	40.00.7310000	3.00.92302	Contractual Services - Engineering	\$ -	\$ -	\$ 200	\$ -	
\$ 339	40.00.7330000	3.00.92301	Contractual Services - Legal	\$ -	\$ 1,277	\$ 763	\$ 1,295	David Wilson Salary Allocation
\$ 340	40.00.7360000	3.00.70000	Contractual Services - Other	\$ 259,691	\$ 269,715	\$ 201,865	\$ 280,984	Per Veolia Contract Dated Nov 31, 2010 & Aug 19, 2011. Does NOT include Capital Items
\$ 341	40.00.7500000	3.00.92901	Transportation Fuel & Repairs	\$ 65	\$ 100	\$ 59	\$ 500	1% of Water Allocated
\$ 342	40.00.7570100	3.00.92400	Insurance - General Liability - Storm Water	\$ 5,651	\$ 1,500	\$ 1,272	\$ 1,700	Based on C&H Quote
\$ 343	40.00.7800000	Not Used	Advertising Expense	\$ -	\$ -	\$ -	\$ -	
\$ 344	40.00.7750200	3.00.93010	Education & Conferences	\$ 99	\$ 150	\$ 175	\$ 500	1% of Water Allocated
\$ 345	40.00.7750300	3.00.93003	Investment expenses	\$ 75	\$ 100	\$ -	\$ -	Miscellaneous Wire Fees
\$ 346	40.00.7750400	3.00.93005	Certification & Training	\$ 9	\$ 100	\$ 11	\$ 500	1% of Water Allocated
\$ 347	40.00.7750800	3.00.93004	Utilities	\$ 390	\$ 280	\$ 379	\$ 500	1% of Water Allocated
		3.00.93600	Allocated FK Water G&A Expenses				\$ (10,585)	
			TOTAL FORT KNOX STORM WATER EXPENSE >>	\$ 293,433	\$ 325,843	\$ 248,434	\$ 344,982	
Revenues:								
\$ 348	40.00.4190000	3.00.41900	Interest & Dividend Income	\$ 3,858	\$ 9,500	\$ 4,166	\$ 5,300	Current Investment Level @ 1% Mny Mrkt Avg rate
\$ 349	40.00.4220500	3.00.27102	Capital Contributions	\$ 357,640	\$ -	\$ -	\$ 1,281,789	Assumes 75% of CLN Projects Completed
\$ 350	40.00.4800000	3.00.53603	Reimbursement of HCWD Overhead	\$ 13,590	\$ -	\$ -	\$ 56,399	Assumes 75% of CLN Projects Completed at 4.4% Admin Labor
\$ 351	40.00.5210500	3.00.52106	Fort Knox Storm Water Revenue	\$ 481,425	\$ 469,576	\$ 349,560	\$ 477,792	Assumes No Fee Increase at 10/01/12
			SUB TOTAL REV >>	\$ 856,511	\$ 479,076	\$ 353,726	\$ 1,821,280	
			NON-OPERATING REVENUES >>	\$ (357,640)	\$ -	\$ -	\$ (1,281,789)	
			TOTAL OPERATING REVENUES >>	\$ 498,871	\$ 479,076	\$ 353,726	\$ 539,491	
			EXPENSES >>	\$ 293,433	\$ 325,843	\$ 248,434	\$ 344,982	
			OPERATING INCOME >>	\$ 205,438	\$ 153,233	\$ 105,292	\$ 194,508	

2012 Budget Line Accounts			\$				
2012 - Board Approved - 12/20/2011			1.03			1.03	
ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YE	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments
FK WATER							
		Expenses:					
		Distribution					
		Salary & Wages				\$ 252,221	From wage SS
50.14.6010000	5.03.60100	OASDI				\$ 19,600	From wage SS
50.14.6010100	5.03.40812	Pension				\$ 49,100	From wage SS
50.14.6010200	5.03.60400	Health / Life / Disab Insurance				\$ 37,728	From wage SS
50.14.6010300	5.03.60401	Overtime				\$ 4,000	From wage SS
50.14.6010400	5.03.60102	Premium Time				\$ 2,000	Gussed estimate
50.14.6010500	5.03.60103	Flexible Benefits				\$ 11,800	From wage SS
50.14.6010801	5.03.60402	Workers Comp				\$ 6,457	From wage SS
50.14.6580500	5.03.65800	Salary & Wages - Part Time				\$ -	
50.14.6010600	5.03.60107	Materials & Supplies/Misc				\$ 9,148	Balance of Supplies in Admin
50.14.6200000	5.03.62000	Transmission Main Repairs				\$ 5,000	Gussed estimate
50.14.6200100	5.03.62700	Service Line Repairs				\$ 54,250	Gussed estimate
50.14.6200200	5.03.62200	Storage Maintenance				\$ 5,000	Gussed estimate
50.14.6200600	5.03.62400	Booster Station Supply & Expense				\$ 5,000	Gussed estimate
50.14.6200701	5.03.62500	Small Tool Expense				\$ 1,500	Gussed estimate
50.14.6200900	5.03.62600	Existing Meter Repairs				\$ 2,800	\$50 x 52 meters - for meters we maintain
50.14.6203000	5.03.62701	Bac T Supplies Expense				\$ 8,528	From govt cost SS
50.14.6205000	5.03.61901	Contractual Services				\$ 6,400	Gussed estimate
50.14.6350000	5.03.63600	Uniform Expense				\$ 1,914	Gussed estimate
	5.03.63700	Transportation Fuel & Repairs				\$ 3,162	Gussed estimate
50.14.6500000	5.03.65000	Phone Expense				\$ 1,200	Gussed estimate
50.14.6750100	5.03.67600						
		SUB TOTAL >				\$ 466,606	\$464,500
		Administration					
		Depreciation Expense				\$ 50,000	Unknown - will not have calculated until 2013
50.19.6403000	5.06.40300	Utility Regulatory Assessment Fees				\$ 12,750	Calculated by KM based on PSC formula
50.19.6408100	5.06.40810	Amortization of Acquisition Expense				\$ 111,845	CH2M + LWC + DW legal Transition Cost over 5 yrs
50.19.xxxxxxx	5.06.42802	Legal/Wages				\$ -	
50.19.6030400	5.06.60107	Allocated Comm/Salary & Wages				\$ 9,608	
50.19.xxxxxxx	5.06.60108	Allocated Admin Labor				\$ 68,539	
50.19.xxxxxxx	5.06.60109	Allocated Customer Service Labor				\$ 858	
50.19.xxxxxxx	5.06.60110	Allocated Maintenance Labor				\$ 1,554	
50.19.xxxxxxx	5.06.60111	Allocated Distribution Labor				\$ 255	
50.19.xxxxxxx	5.06.60112	Purchased Water				\$ -	
50.19.6100000	5.06.61000	Materials & Supplies/Misc				\$ 55,900	Balance of Supplies
50.19.6200000	5.06.62000	Professional Services - Accounting				\$ 3,000	
50.19.6320000	5.06.63200	Professional Services - Legal				\$ -	Besides David Wilson - Ken Martin?
50.19.6330000	5.06.63300	Contractual Services				\$ 1,080	Inlcudes \$480 for EE Handbook
50.19.6350000	5.06.63600	Management Fee (LWC)				\$ 1,574,435	Per LWC Agreement = Water Treatment + MRL
50.19.xxxxxxx	5.06.63800	Fleet Insurance				\$ 37,300	Based on C&H Quote for 11 mths beg Feb '12
50.19.6570000	5.06.65700	Advertising Expense				\$ 1,500	
50.19.6600000	5.06.66000	Miscellaneous Expense				\$ 2,500	
50.19.6750000	5.06.67500	Postage & Mailing				\$ 500	
50.19.6750400	5.06.67800	Certification Training				\$ 1,281	
50.19.6750700	5.06.68300	Travel & Lodging				\$ 2,500	
50.19.6750800	5.06.68400	Education & Conferences				\$ 1,500	
50.19.6750900	5.06.68500	Allocated FK Water G&A Expenses				\$ 328,980	4.4% of total revenues, less sal/wages already allocated on Wage SS
	5.06.68600						
		SUB TOTAL >				\$ 2,215,885	
		SUB TOTAL EXP >>				\$ 2,702,492	
		Revenues:					
		Interest & Dividend Income				\$ 2,500	Conservative Approach - .25% Savings rate
50.00.4190000	5.00.41901	Non-Utility Income				\$ -	
50.00.4210000	5.00.47401	Gain/Loss Sale of Assets				\$ -	
50.00.4210100	5.00.41401	Capital Contributions				\$ 4,629,719	Trans Surch +ISDC Surcharge less MWTP ISDC operations
50.00.4220500	5.00.43206	Reimbursement of HCWD Overhead				\$ 328,980	Net available G&A revenues after paying salaries
50.00.xxxxxxx	5.00.47405	Fort Knox Water Revenue				\$ 3,467,821	11 mths of Mthly Service Charge + 11/12ths of MWTP operating ISDC cost
50.00.xxxxxxx	5.00.46400						
		SUB TOTAL REV >>				\$ 8,429,019	
		NON-OPERATING REVENUES >>				\$ (4,629,719)	
		TOTAL OPERATING REVENUES >>				\$ 3,799,300	
		EXPENSES >>				\$ 2,702,492	
		OPERATING INCOME >>				\$ 1,096,809	

2012 Budget Line Accounts						\$	-		
2012 - Board Approved - 12/20/2011						1.03			1.03
ROW#	ACCOUNTNO	ACCOUNT	2010 Actual YE	2011 Approved	2011 Sep YTD	2012 Requested	Allocate Basis / Comments		
			Total	Depr + Debt + CO	Net Admin	Fund %			
		Calculation of Allocation FKW G&A to other funds;	\$ 1,873,029	\$ 1,221,732	\$ 651,297	57.3%	WA Adm		
			\$ 3,438,235	\$ 3,134,895	\$ 303,340	26.8%	RA Adm		
			\$ 2,559,748	\$ 2,417,833	\$ 142,115	12.6%	FKS Adm		
			\$ 355,567	\$ 317,830	\$ 37,937	3.2%	FKST Adm		
			\$ 8,226,579	\$ 7,091,890	\$ 1,134,689				
						\$ 328,980	Total FKW Available to pay G&A other funds		
						\$ 188,460	WA Adm		
						\$ 88,329	RA Adm		
						\$ 41,606	FKS Adm		
						\$ 10,585	FKST Adm		

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

13-Aug-13

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2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
(Using Current Year)

DIV	#FTE TOTAL	FTSAL	PTSAL	OT	HEALTH	DENT/VISN	LIFE+LTD
COMM	5.0	\$ 30,200	\$ 0	\$ 0	\$ 18,893	\$ 1,804	\$ 0
LEG	1.0	\$ 20,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FK WAT-Dist	6.4	\$ 252,221	\$ 0	\$ 4,000	\$ 32,370	\$ 2,525	\$ 2,833
ADM	10.0	\$ 561,579	\$ 0	\$ 1,570	\$ 49,529	\$ 3,246	\$ 6,288
PIRTLE	6.0	\$ 242,736	\$ 0	\$ 4,662	\$ 25,930	\$ 1,637	\$ 2,725
CS	7.0	\$ 244,691	\$ 0	\$ 2,798	\$ 26,921	\$ 2,525	\$ 2,750
MAINT	1.0	\$ 51,501	\$ 0	\$ 1,880	\$ 4,624	\$ 361	\$ 578
DIST	11.0	\$ 375,648	\$ 5,557	\$ 16,117	\$ 50,868	\$ 3,968	\$ 4,217
TOTAL	47.4	\$ 1,778,976	\$ 5,557	\$ 31,027	\$ 209,135	\$ 16,066	\$ 19,391
STAFF	41.4	\$ 1,728,376	\$ 5,557	\$ 31,027	\$ 190,242	\$ 14,262	\$ 19,391

SUMMARY BY UTILITY:
(Using Current Year)

UTILITY	#FTE TOTAL	FTSAL	PTSAL	OT	HEALTH	DENT/VISN	LIFE+LTD
Water	27.4	\$ 1,030,027	\$ 3,218	\$ 17,965	\$ 121,089	\$ 9,302	\$ 11,227
R-Sewer	8.0	\$ 300,770	\$ 940	\$ 5,246	\$ 35,358	\$ 2,716	\$ 3,278
FK-Sewer	2.0	\$ 75,302	\$ 235	\$ 1,313	\$ 8,852	\$ 680	\$ 821
FK-Storm	0.6	\$ 23,586	\$ 74	\$ 411	\$ 2,773	\$ 213	\$ 257
FK WAT	9.3	\$ 349,611	\$ 1,092	\$ 6,098	\$ 41,100	\$ 3,157	\$ 3,811
TOTAL	47.4	\$ 1,779,297	\$ 5,558	\$ 31,033	\$ 209,172	\$ 16,068	\$ 19,395

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

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

13-Aug-13
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2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
 (Using Current Year)

DIV	#FTE TOTAL	FTSAL	PTSAL	OT	HEALTH	DENT/VISN	LIFE+LTD	
	2012 % Chg>	2.52%	2.52%	2.52%	0.0%	2.52%	1.2%	0.00%
DIV	FTSAL	PTSAL	OT	INSUR	OASDI	PENSION	FLEX_140	
COMM	\$ 30,200	\$ 0	\$ 0	\$ 20,697	\$ 2,310	\$ 5,800	\$ 5,000	
LEG	\$ 20,400	\$ 0	\$ 0	\$ 0	\$ 1,561	\$ 3,900	\$ 0	
FK WAT-Dist	\$ 252,221	\$ 0	\$ 4,000	\$ 37,728	\$ 19,600	\$ 49,100	\$ 11,800	
ADM	\$ 575,700	\$ 0	\$ 1,600	\$ 59,063	\$ 44,200	\$ 108,000	\$ 16,800	
PIRTLE	\$ 248,900	\$ 0	\$ 4,800	\$ 30,292	\$ 19,400	\$ 47,400	\$ 10,100	
CS	\$ 250,900	\$ 0	\$ 2,900	\$ 32,196	\$ 19,400	\$ 47,500	\$ 11,800	
MAINT	\$ 52,800	\$ 0	\$ 1,900	\$ 5,563	\$ 4,200	\$ 10,200	\$ 1,700	
DIST	\$ 385,100	\$ 5,700	\$ 16,500	\$ 59,052	\$ 31,200	\$ 75,100	\$ 18,500	
TOTAL	\$ 1,816,221	\$ 5,700	\$ 31,700	\$ 244,592	\$ 141,871	\$ 347,000	\$ 75,700	
STAFF	\$ 1,765,621	\$ 5,700	\$ 31,700	\$ 223,895	\$ 138,000	\$ 337,300	\$ 70,700	

SUMMARY BY UTILITY:
 (2012 Budget)

SUPR	#FTE TOTAL	FTSAL	PTSAL	OT	HEALTH	DENT/VISN	LIFE+LTD
Water	27.4	\$ 1,054,717	\$ 3,310	\$ 18,409	\$ 121,471	\$ 9,331	\$ 11,263
R-Sewer	8.0	\$ 307,895	\$ 966	\$ 5,374	\$ 35,460	\$ 2,724	\$ 3,288
FK-Sewer	2.0	\$ 76,800	\$ 241	\$ 1,340	\$ 8,845	\$ 679	\$ 820
FK-Storm	0.6	\$ 24,056	\$ 75	\$ 420	\$ 2,770	\$ 213	\$ 257
FK WAT	9.3	\$ 352,751	\$ 1,107	\$ 6,157	\$ 40,626	\$ 3,121	\$ 3,767
TOTAL	47.4	\$ 1,816,220	\$ 5,700	\$ 31,700	\$ 209,172	\$ 16,068	\$ 19,395
	% of Total >	76.4%	0.2%	1.3%	8.8%	0.7%	0.8%

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

13-Aug-13
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2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
 (Using Current Year)

DIV	#FTE TOTAL	FTSAL	PTSAL	OT	HEALTH	DENT/VISN	LIFE+LTD
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Calculation of How Much extra Admin salaries are charged to FK, above Trans Fee labor recovery and FK Dist dept salaries;

\$ 461,721 Total Salaries Charged to FKW
 -\$35,242 Transition Fee salaries
 -\$ 380,907 FK Distribution Dept total salaries
 \$ 45,572 Amount to take away from total 4.4% G&A charged to FKW

Total 4.4% G&A Available from FKW

\$8,512,551 Total 2012 FKW Revenues	\$8,512,551	\$8,153,784	
\$374,552 4.4% G&A Charged to FKW, paying other funds G&A		\$358,767	\$15,786
-\$ 45,572 Amount used for G&A Salaries		-\$45,572	
\$ 328,980 Net G&A To charge FKW and pay other funds		\$313,194	\$15,786

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
(Using Current Year)

DIV	OASDI	PENSION	FLEX 140	LESS CAPIZD	W_COMP	TOTAL	\$ WAT
COMM	\$ 2,310	\$ 5,726	\$ 5,040	\$ 0	\$ 54	\$ 64,027	\$ 17,608
LEG	\$ 1,561	\$ 3,868	\$ 0	\$ 0	\$ 39	\$ 25,867	\$ 15,003
FK WAT-Dist	\$ 19,601	\$ 48,579	\$ 11,760	\$ 0	\$ 6,457	\$ 380,346	\$ 0
ADM	\$ 43,081	\$ 106,773	\$ 16,800	-\$ 283,357	\$ 2,753	\$ 508,262	\$ 231,406
PIRTLE	\$ 18,926	\$ 46,907	\$ 10,080	\$ 0	\$ 6,214	\$ 359,816	\$ 359,816
CS	\$ 18,933	\$ 46,924	\$ 11,760	\$ 0	\$ 440	\$ 357,743	\$ 185,465
MAINT	\$ 4,084	\$ 10,121	\$ 1,680	\$ 0	\$ 1,318	\$ 76,147	\$ 74,624
DIST	\$ 30,395	\$ 74,279	\$ 18,480	-\$ 21,362	\$ 9,617	\$ 567,783	\$ 470,511
TOTAL	\$ 138,890	\$ 343,177	\$ 75,600	-\$ 304,719	\$ 26,893	\$ 2,339,992	\$ 1,354,432
STAFF	\$ 135,019	\$ 333,583	\$ 70,560	-\$ 304,719	\$ 26,799	\$ 2,250,098	57.9%
						\$ 2,644,712	

SUMMARY BY UTILITY:
(Using Current Year)

UTILITY	OASDI	PENSION	FLEX 140	LESS CAPIZD	TOTAL	W_COMP	% OF TOTAL
Water	\$ 80,418	\$ 198,699	\$ 43,772	-\$ 176,433	\$ 1,339,285	\$ 15,571	57.2%
R-Sewer	\$ 23,482	\$ 58,021	\$ 12,782	-\$ 51,519	\$ 391,074	\$ 4,547	16.7%
FK-Sewer	\$ 5,879	\$ 14,526	\$ 3,200	-\$ 12,898	\$ 97,911	\$ 1,138	4.2%
FK-Storm	\$ 1,841	\$ 4,550	\$ 1,002	-\$ 4,040	\$ 30,667	\$ 357	1.3%
FK WAT	\$ 27,295	\$ 67,442	\$ 14,857	-\$ 59,885	\$ 454,580	\$ 5,285	19.4%
TOTAL	\$ 138,915	\$ 343,238	\$ 75,614	-\$ 304,774	\$ 2,313,516	\$ 26,897	100.0%
						\$ 2,340,414	

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

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
(Using Current Year)

DIV	OASDI	PENSION	FLEX_140	LESS CAPIZD	W_COMP	TOTAL	\$ WAT
	2012 % Chg>	2.52%	0.00%				
DIV	ESS CAPIZD	W_COMP	2012 TOTAL	% CHG 11>12	2011 BUDGET	%/CHG	Amount e \$ WAT
COMM	\$ 0	\$ 54	\$ 64,062	0.10%	\$ 55,724	15.0%	\$ 17,617
LEG	\$ 0	\$ 39	\$ 25,899	0.1%	\$ 25,545	1.4%	\$ 15,022
FK WAT-Dist	\$ 0	\$ 6,457	\$ 380,906	0.1%	\$ 0	0.0%	\$ 0
ADM	-\$ 290,500	\$ 2,753	\$ 517,616	1.8%	\$ 420,930	23.0%	\$ 235,665
PIRTLE	\$ 0	\$ 6,214	\$ 367,106	2.0%	\$ 516,300	-28.9%	\$ 367,106
CS	\$ 0	\$ 440	\$ 365,137	2.0%	\$ 327,162	11.6%	\$ 189,299
MAINT	\$ 0	\$ 1,318	\$ 77,681	2.0%	\$ 75,112	3.4%	\$ 76,128
DIST	-\$ 21,901	\$ 9,617	\$ 578,868	1.9%	\$ 589,060	-1.7%	\$ 479,696
TOTAL	-\$ 312,401	\$ 26,893	\$ 2,377,275	1.6%	\$ 2,009,833	18.3%	\$ 1,380,533
STAFF	-\$ 312,401	\$ 26,799	\$ 2,287,314		\$ 1,928,564	18.6%	58.1%

SUMMARY BY UTILITY:
(2012 Budget)

SUPR	OASDI	PENSION	FLEX 117	W COMPLESS CAPIZD	TOTAL	% OF TOTAL
Water	\$ 82,387	\$ 201,510	\$ 43,961	\$ 15,617	-\$ 181,418	\$ 1,380,559 59.0%
R-Sewer	\$ 24,051	\$ 58,825	\$ 12,833	\$ 4,559	-\$ 52,960	\$ 403,015 17.2%
FK-Sewer	\$ 5,999	\$ 14,673	\$ 3,201	\$ 1,137	-\$ 13,210	\$ 100,527 4.3%
FK-Storm	\$ 1,879	\$ 4,596	\$ 1,003	\$ 356	-\$ 4,138	\$ 31,488 1.3%
FK WAT	\$ 27,555	\$ 67,395	\$ 14,703	\$ 5,223	-\$ 60,675	\$ 461,730 19.7%
TOTAL	\$ 141,871	\$ 347,000	\$ 75,700	\$ 26,893	-\$ 312,401	\$ 2,377,318 100.0%
	6.0%	14.6%	3.2%	1.1%		101.6%

\$ 2,689,719 (With Cap add)

Labor O/H Calc 45.1%

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

2012 - Board Approved 12/20/11

SUMMARY BY DIVISION:
(Using Current Year)

DIV	\$ RASEW	\$ FKSEW	\$ FKSTM	\$ FKWAT	% OF TOTAL
COMM	\$ 16,007	\$ 16,007	\$ 4,802	\$ 9,603	2.7%
LEG	\$ 5,949	\$ 3,621	\$ 1,293	\$ 0	1.1%
FK WAT-Dist	\$ 0	\$ 0	\$ 0	\$ 380,347	16.3%
ADM	\$ 106,046	\$ 78,860	\$ 24,648	\$ 67,301	21.7%
PIRTLE	\$ 0	\$ 0	\$ 0	\$ 0	15.4%
CS	\$ 170,595	\$ 561	\$ 280	\$ 841	15.3%
MAINT	\$ 0	\$ 0	\$ 0	\$ 1,523	3.3%
DIST	\$ 97,023	\$ 0	\$ 0	\$ 250	24.3%
TOTAL	\$ 395,621	\$ 99,049	\$ 31,024	\$ 459,865	100.0%
STAFF	16.9%	4.2%	1.3%	19.7%	100.0%

SUMMARY BY UTILITY:
(Using Current Year)

UTILITY
Water
R-Sewer
FK-Sewer
FK-Storm
FK WAT
TOTAL

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

Hardin County Water District No. 1
2012 Salary & Benefit Summary:

2012 - Board Approved 12/20/11

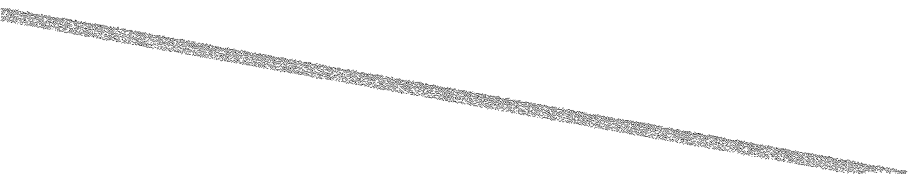
SUMMARY BY DIVISION:
 (Using Current Year)

DIV	\$ _ RASEW	\$ _ FKSEW	\$ _ FKSTM	\$ _ FKWAT	% OF TOTAL
2012 % Chg>					
allocate on line accounts:					
DIV	\$ _ RASEW	\$ _ FKSEW	\$ _ FKSTM	\$ _ FKWAT	+/- \$
COMM	\$ 16,015	\$ 16,015	\$ 4,805	\$ 9,608	\$2
LEG	\$ 5,957	\$ 3,626	\$ 1,295	\$ 0	-\$1
FK WAT-Dist	\$ 0	\$ 0	\$ 0	\$ 380,907	-\$1
ADM	\$ 107,998	\$ 80,311	\$ 25,101	\$ 68,539	\$2
PIRTLE	\$ 0	\$ 0	\$ 0	\$ 0	\$0
CS	\$ 174,121	\$ 573	\$ 286	\$ 858	\$0
MAINT	\$ 0	\$ 0	\$ 0	\$ 1,554	-\$1
DIST	\$ 98,917	\$ 0	\$ 0	\$ 255	\$0
TOTAL	\$ 403,008	\$ 100,525	\$ 31,487	\$ 461,721	\$1
STAFF	17.0%	4.2%	1.3%	19.4%	

SUMMARY BY UTILITY:
 (2012 Budget)

SUPR	
Water	-\$ 26
R-Sewer	-\$ 7
FK-Sewer	-\$ 2
FK-Storm	-\$ 1
FK WAT	-\$ 9
TOTAL	-\$ 44

ed back in)



12. a. Describe how the rates developed in the Wastewater Rate and Cost of Service Study affect the rate for sewer service that Hardin District assesses the city of Muldraugh.
- b. Describe how Hardin District developed the rate for sewer service that it assesses to the city of Muldraugh.

ANSWER 12:

- a. The special City of Muldraugh rate for treatment services only are based wholly on operating costs of the Ft. Knox sewer system. All the City of Muldraugh flows are received by and treated at the Ft. Knox Wastewater Treatment Plant and have no affect on the Radcliff system operating costs. At the time that rate was developed, Hardin District had not acquired the Radcliff sewer system.

Because the two systems operate independently, and costs are mostly isolated to the respective systems, the Radcliff rates developed by the cost of service study are not impacted by, nor considered the City of Muldraugh rate.

- b. The rate development and calculation for the City of Muldraugh were included in a tariff change request filed with the Commission in June, 2007. This rate and tariff was approved by the Commission on 1-September-2007 and has remained in place since approval. (See attached Exhibit 16).

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

June 11, 2007

Mr. Brent Kirtley
Director - Division of Filings
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

SUBJECT: Sewer Tariff Change / Addition

Dear Mr. Kirtley;

Enclosed please find four original sheets of our sewer tariff change and addition. These changes were anticipated and required under our current contract with the U.S. Government, in taking over ownership and operating of their sanitary sewer system. This was approved by the PSC in order 2004-00422, dated December 1, 2004.

On Page 5 of the PSC order, item 22.e., the requirement for the District to begin billing the City of Muldraugh ("City") is addressed. We have allocated a portion of costs used for the Ft. Knox rate, to develop the new tariff specifically for Muldraugh, which only bills them for the specific services they will receive (sewer flow treatment only). We have also entered into a special agreement with the City to complete a CCTV inspection of their sewer system, after which they agreed to reimburse the District \$5,500 over three years. We have confirmed through preliminary flow studies and calculations that the City's sewer system has excessive I&I (Inflow & Infiltration) occurring in their system, and the inspection is intended to assist them in finding and repairing their system to reduce future I&I, and thus reduce their sewer charges.

As part of our agreement with the Government, we are also required to reduce their monthly fixed charge, after we begin receiving direct revenues from the City. This is because we are already being paid for the flows from the City by the Government's monthly payment, and adding payment by the City would be redundant revenue to the District. The presented tariff includes a reduction to the Government's monthly charge.

The City and the Government have both been notified in writing of this tariff filing. We also sent a previous written notice to the City by letter dated October 26, 2004. We also attended a City Council meeting (open public meeting) on January 8, 2007, and presented them with our proposed rate and tariff requirements at that time. To date, the City has not opposed any of the proposed rate or policy information. The Government has also accepted their revised, reduced rate.

Phone 1-270-351-3222

FAX: 1-270-352-3055

www.HCWD.com

Exhibit 16

175

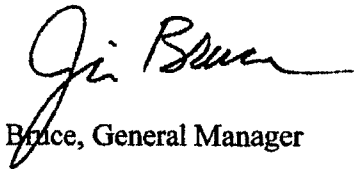
June 11, 2007
Mr. Brent Kirtley
Kentucky Public Service Commission

SUBJECT: Sewer Tariff Change / Addition

Continued

Our initial notice to the two customers showed an effective date of July 1, 2007. However, to provide your staff with additional time to review our tariff, we have changed this date to September 1, 2007. We have also enclosed supporting data and information, with a table of contents. Please feel free to call if you have any questions, or need additional information.

Sincerely,



Jim Bruce, General Manager

Encl.

Cf; Mr. David Wilson II, HCWD1 Attorney
Mr. William Rissel, Chairman, HCWD1
Mayor Danny Tate, City of Muldraugh
Ms. Stephanie Bowman, U.S. Government Contracting Officer, Ft. Knox, Kentucky

Supporting Data / Information

June 8, 2007

Revised & New Tariff Submittal Sewer Utility

Submitted By:

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
Phone: 270-351-3222
Mr. Jim Bruce, General Manager
email: jbruce@hcwd.com

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Requirement to Accept City of Muldraugh - Current Tariff	1
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Written Notice of Tariff to Sewer Customers	15
Certificate of Service for Notice	16
October, 2004 prior written notice to City of Muldraugh	17

station pipe sizes, materials, age and invert elevations, valve sizes, materials and age, lift station pump sizes, materials and age, emergency generators information, culvert sizes and materials, and treatment plant information. The Contractor shall maintain "as-built" drawings for all facilities and related system components installed and/or modified and update the Government GIS system within ninety (90) days after installation/modification. Upon reasonable request and with reasonable notice, the Government may inspect and copy such drawings and the Contractor shall provide available to the Government.

J32.4 Current Service Arrangement

The U.S. Army currently provides wastewater collection and treatment service for Fort Knox and the City of Muldraugh. Current service agreement with City of Muldraugh shall remain in affect for a period of one year after award. At that time a new agreement may be negotiated. Other treatment services to be provided include treatment of waste from Field Latrines and grey water placed in system at Septic Receiving Station by contractors and units, treatment of Landfill Leachate placed by contractor in Burke Motor Park Manhole, and treatment of cooked grease from dining facilities and soil from car wash placed on drying beds by contractors. The treated wastewater is discharged into Mill Creek under a Kentucky Pollutant Discharge Elimination Permit # KY 0002917.

J32.5 Secondary Metering

There are currently no requirements for secondary metering of wastewater included in this contract.

Any future wastewater secondary metering requested by the Government will be IAW C.3, Future Secondary Meters.

J32.6 Monthly Submittals

In addition to the submittal requirements from Clause H.5, the Contractor shall provide the Government monthly submittals for:

1. Invoicing (IAW G.2) for the previous months services. The Contractor's invoice shall be prepared in a format proposed by the Contractor and accepted by the Contracting Officer. Monthly invoices shall be submitted to Directorate of Base Operation Support, Engineer and Services Division, Building 1110, Fort Knox, KY 40121.
2. Monthly interruption report for the previous month. The Contractor's monthly interruption report shall be prepared in the format presented in Attachment 1.
3. System Efficiency Report. If required by Clause C.3 the Contractor shall submit a system efficiency report in a format proposed by the Contractor and accepted by the Contracting Officer.

J32.7 Infiltration and Inflow (I&I) Projects

IAW C.3, Utility Service Requirement, only an Infiltration and Inflow Study has been implemented by the Government for managing and monitoring I&I.

Roy F. Weston, Inc. conducted an Infiltration and Inflow Study for the U.S. Army Fort Knox Base in November 1998. The study's scope was to identify sources of infiltration and inflow in the Base's wastewater collection system. Infiltration is defined as water originating from rainfall or groundwater seepage flowing into the wastewater collection system through (1)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
APPROVED
MAY 12 2001
MAY 12 2001 5:011
BY _____
Executive Director

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

(N)

5. **Rates and Charges:** All the terms, services provided, rates, responsibilities of District and process for future rate adjustments have been negotiated and agreed to in the Contract signed and executed on September 30, 2004. The agreed to rates for the Government, being the initial and only customer of the District, are as follows;

SERVICES REQUIRED / SUPPLIED	AGREED MONTHLY SERVICE CHARGE
Fixed monthly charge for the first 36 months of Contract for District to provide all <u>sanitary sewer services</u> as required in the Contract under Section C, <i>Descriptions, Specifications and Work Statement</i> .	\$213,659
Initial Monthly Capital Improvement Surcharge for the first 24 months to provide all <u>initial capital upgrades</u> as required and agreed to in the Contract	\$58,995
Initial Monthly Capital Improvement Surcharge for first 24 months to design and install an <u>Ultraviolet Disinfection System</u> as required and agreed to in the Contract	\$19,170
Fixed monthly charge for first 36 months of Contract for District to provide all <u>storm water sewer services</u> as required in the Contract under Section C, <i>Descriptions, Specifications and Work Statement</i> .	\$33,811
Monthly Credit for 1 month for Purchase Price of both sanitary and storm water utility systems	(\$2.00)

6. **Future Rate Adjustments:** All rates and charges shall remain in affect for the number of months shown above, beginning on October 1, 2004. As agreed in the Contract, future rate increases may only be allowed after the number of initial months has passed, and then the frequency and method for rate adjustments will be according to the terms agreed in the Contract.

7. **Applicable and Executed Contract:** The contract which has been agreed to and executed is attached as ATTACHMENT A and is made part of this tariff as if fully set forth herein.

DATE OF ISSUE December 1, 2004

ISSUED BY: Jim Bruce, Mr. Jim Bruce, Gi
Hardin County Water District No. 1, Radcliff, Kentucky

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE	
12/1/2004	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	
By _____	Executive Director

Hardin County Water District No. 1CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES

1. **Rates and Charges:** All the terms, services provided, rates, responsibilities of District and process for future rate adjustments have been negotiated and agreed to in the Contract signed and executed on September 30, 2004. The agreed to rates for the Government, being the initial and only customer of the District, are as follows;

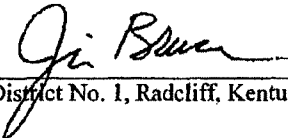
(T) (R)

SERVICES REQUIRED / SUPPLIED	AGREED MONTHLY SERVICE CHARGE
Fixed monthly charge beginning on September 1, 2007, through July 1, 2008, to provide all <u>sanitary sewer services</u> as required in the Contract under Section C, <i>Descriptions, Specifications and Work Statement</i> .	\$209,406
Initial Monthly Capital Improvement Surcharge for the first 24 months to provide all <u>initial capital upgrades</u> as required and agreed to in the Contract	\$58,995
Initial Monthly Capital Improvement Surcharge for first 24 months to design and install an <u>Ultraviolet Disinfection System</u> as required and agreed to in the Contract	\$19,170
Fixed monthly charge for first 36 months of Contract for District to provide all <u>storm water sewer services</u> as required in the Contract under Section C, <i>Descriptions, Specifications and Work Statement</i> .	\$33,811
Monthly Credit for 1 month for Purchase Price of both sanitary and storm water utility systems	(\$2.00)

(T)

2. **Future Rate Adjustments:** All rates and charges shall remain in affect for the number of months shown above, beginning on July 1, 2005, or other specific date shown. As agreed in the Contract, future rate increases may only be allowed after the number of initial months has passed, and then the frequency and method for rate adjustments will be according to the terms agreed in the Contract.
3. **Applicable and Executed Contract:** The contract which has been agreed to and executed is attached as ATTACHMENT A and is made part of this tariff as if fully set forth herein.

DATE OF ISSUE June 1, 2007EFFECTIVE DATE: September 1, 2007

ISSUED BY: , Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky



DEPARTMENT OF THE ARMY
US ARMY CONTRACTING AGENCY SOUTHERN REGION
FORT KNOX DIRECTORATE OF CONTRACTING
BUILDING 1109B
119 6TH AVE STE 250
FORT KNOX, KY 40121-5720

May 18, 2007

Mr. Jim Bruce
Hardin County Water District No. 1
1400 Rogersville Rd.
Radcliff, KY 40160

Subject: Contract W9124D-05-C-0017, Operation of the Waste Water and Storm Water Utility Systems at Fort Knox, Kentucky – Proposed Credit for Muldraugh Sewer Billing

Dear Mr. Bruce:

Reference Hardin County Water District #1 letter dated May 16, 2007, subject: Proposed Credit/Government Monthly Rate Change Muldraugh Sewer Billing.

As requested in referenced letter, the Government is providing written acceptance of proposed \$4,253.00 monthly credit for Muldraugh sewer billing to be applied to subject contract effective 1 July 2007. It is understood the credit amount must be approved by the Kentucky Public Service Commission (PSC) prior to being incorporated into the contract by modification. Please provide notice when PSC approval is obtained and a modification will be prepared and forwarded for your signature

Any questions regarding this matter may be directed to the undersigned at (502) 624-4947 or e-mail Stephanie.Bowman@knox.army.mil.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie A. Bowman".

Stephanie A. Bowman
Contracting Officer

City of Muldraugh - New Sewer Tariff Charges

New Sewer Treatment Tariff
Supporting Data

Submitted by: Hardin County Water District No. 1

Calculation 1: Fixed Monthly Billing Charge

Capital / 1 Time	Amortized Years	Monthly Amount	Cost Component
\$15,525	30	\$43.13	One time flow station capital cost (Design, equipment, labor)
\$14,780	10	\$123.00	SCADA / Telemetry Cost (to transmit flow rate, LEL alarms, TOC/VOC limit alarm)
\$1,000	1	\$83.33	Annual Composite Sampling Cost (labor, hourly rental rate, sample analysis costs)
\$2,500	3	\$69.44	PSC Application, approval costs (3 Yr Amort)
\$1,000	1	\$83.33	Annual Maintenance / Repairs, Customer Equipment
\$34,785		\$402.24	< Total One Time & Monthly

Calculation 2: Allocated Collection System Rate / kgal

\$519,388 Veolia Annual Collection System Maintenance Charged to Ft. Knox
(Excludes any lift station maintenance or storm water costs)

738.48 Total Inch Miles Ft. Knox Collection System pipe
54.77 Inch Miles of mains required to deliver Muldraugh Flows to FK-WWTP
7.42% Percent of Muldraugh Main Route Length of Total System
10.66% Percent of Muldraugh Annual Flows to Total
0.79% Net Percent of Total Collection System Costs to Muldraugh
\$4,462 Allocated Annual Collection System Costs to Muldraugh
\$372 Monthly Collection System Costs

\$0.005 Collection \$ / kgal Allocated to Muldraugh

Calculation 3: Allocated Sewer Treatment Rate / kgal

\$996,645 Veolia Annual Sewer Treatment only costs
(Excludes any collection system, lift station, storm sewer or capital costs. Includes electric costs at FK rate paid to LG&E)

850,000 Annual kgals treated by FK-WWTP

\$1.173 Treatment Cost / kgal

\$1.178 Total Rate / kgal - Treatment + Collection System Costs

City of Muldraugh

120 South Main Street
P.O. Box 395
Muldraugh, Kentucky 40155-0395

Phone: 502-942-2824
Fax: 502-942-2892
Email: CityofMuldraugh@aol.com

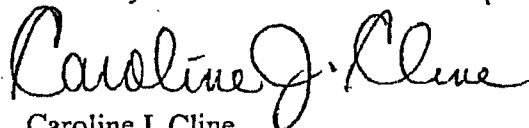
January 30, 2007

Jim Bruce
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, Kentucky 40160

Dear Mr. Bruce:

Please find enclosed two signed agreements for the inspection of the City of Muldraugh sewer system. If you need anything else concerning this matter, please let me know.

Sincerely:



Caroline J. Cline
City Clerk/Treasurer

Enclosures

AGREEMENT

This agreement between the City of Muldraugh ("City") and the Hardin County Water District No. 1 ("District") sets forth the terms by which the District agrees to inspect the sanitary sewer system of the City, and provide the City any data, video, digital information, photographs and measurements which are obtained as a result of this inspection. This memorandum has been mutually agreed to effective JANUARY 31, 2007,

NOW THEREFORE; the above parties further agree to the following terms and conditions;

The City herein agrees and understands the following;

1. Assist the District in this inspection by providing an employee of the City, to guide the employees and agents of the District, to various parts of the sewer system, obtain legal access and ingress where parts of the sewer system may be on private property, and generally provide technical knowledge and expertise about the system.
2. To also provide any water needed for flushing of the sewer system, to aid in the CCTV (Closed Circuit TeleVision) inspection of the system, and provide any traffic control or road blocking by the City's Police Department.
3. Agree to pay the District an amount of \$153.00 per month, for 36 (thirty-six) months, beginning at a future date when the District has been approved by the Public Service Commission (PSC) of Kentucky to bill the City rates and charges as needed for the District to treat the sanitary waste flows from the City's system. Said payment shall not begin until PSC approval is obtained, and monthly billing has commenced for services provided. In no case shall the total of the payments exceed \$5,500.
4. Understands that the District will attempt to provide the services set forth below, but no quality, quantity or set volume of video is guaranteed, and that due to circumstances not now foreseen nor under the control of the District, may not be able to complete an inspection of the City's complete system.
5. Agrees that the District is not a licensed engineer and therefore does not carry any errors and omissions insurance, and that the District shall not be responsible for errors of accuracy or missing data and that the City accepts all responsibility and expense of using the data and information, and will ultimately decide how best to use the data and information in any future construction, maintenance or repair contracts issued.
6. The City shall defend, indemnify and hold the District harmless from and against any and all claims, demands, liabilities, damages, and expenses including reasonable attorneys' fees for injuries to persons or damages to property resulting from or arising out of the intentional acts, negligence or alleged negligence of the responsible party, its employees, servants, or agents, related to carrying out the activities anticipated in this memorandum.

The District herein agrees and understands the following;

- 7. To provide all personnel, equipment, media supplies and vehicles as needed to complete an inspection of a substantial portion of the City's sanitary sewer system. Said inspection shall include various methods which may include; A) CCTV television video of the inside of the sewer pipes, B) Visual inspection of manholes, including use of a "downhole" camera which will photograph the upstream and downstream sewer pipes; C) Cleaning some sewer mains where the camera cannot pass obstructions; D) Provide to the City all digital video, photographs, mapping, flow monitoring results and a written summary report of the inspection.
- 8. To provide geographic coordinates of a majority of the manhole locations using GPS equipment.
- 9. To provide a graphic exhibit of a majority of the pipes and manholes of the City's system, which may assist the City in the future for planning its repair and maintenance needed on the sewer system.

WITNESSETH:

Hardin County Water District No. 1

James Bruce
 Mr. Jim Bruce, General Manager

1-31-07
 Date

City of Muldraugh

Danny Tate
 Mayor Danny Tate

1-30-07
 Date

NOTARY:

The above signature by the Mayor of Muldraugh was witnessed and sworn to before me, this 30 day of Jan, 2007.

Shirley B. Lowe
 Notary Public, Meade County, Commonwealth of Kentucky

My Commission Expires: Feb. 25 2009

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES
CITY OF MULDRAUGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

1. **Applicability:** These rules, rates and policies apply to the District's single wholesale sanitary sewer treatment customer, being the City of Muldraugh ("City"), located in Meade County, Kentucky, and will be in affect until changed and approved by the District's Board of Commissioners and the Kentucky Public Service Commission ("PSC"). Other rules, policies, customer rights and levels of service, which may be required by the PSC and are available from the PSC offices (phone 1-800-772-4636 or TDD at 1-800-648-6056) or may be reviewed upon request at the District offices.
2. **Requirement to Accept Customer:** As part of the District's contract and acquisition of the U.S. Government's ("Government") sanitary sewer system ("Fort Knox System"), the District was required to accept the City as a customer, and begin providing sewer treatment services. This requirement was also recognized in the PSC's order authorizing the District to accept the Government's system, and begin operations as a sewer utility (PSC case 2004-00422, order dated December 1, 2004, Section 22.e.) This requirement was also set forth in the Government's contract to the District, section J32.4 "Current Service Arrangement", which contract has been set forth in the District's existing sewer utility tariff as "Attachment A". This section in the Government contract requires the District to begin and continue providing sanitary sewer treatment services to the City, after July 1, 2007, after which time the City would no longer be a sewer customer of the Government.
3. **Services Provided:** The service provided to the City by the District is the treatment of its sanitary sewer, biodegradable wastes, which will be pumped from the City's collection system, into the District's Fort Knox System. The District will not be providing any other services to the City's sewer collection system, or other facilities located within the incorporated limits of the City.
4. **Area Served:** There is no specific service area which the District will serve related to this tariff. As the City owns the sewer collection within the City limits, and will continue to maintain said system, the District will provide no services within the City limits.
5. **Point of Service:** The point of service shall be at a manhole at the end of a sewer force main, which is owned by the City. The manhole is located approximately 138 feet east of the centerline of the CSX railroad line, and 1,800 feet southeast from the intersection of said railroad line and the center of Brandenburg Station Road. The

DATE OF ISSUE June 11, 2007EFFECTIVE DATE: September 1, 2007ISSUED BY:  _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
 GENERAL RULES AND POLICIES
 CITY OF MULDRAUGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

ownership of the sewer main upstream of the point of service shall be owned by the City, and the City will be responsible to service and maintain said sewer main, up to the point of service, including the manhole. The coordinates of this point are; X= -85 degrees, 58 minutes, 28.89 seconds West; Y= 37 degrees, 55 minutes, 14.35 seconds North. The City has also agreed to allow the District to use portions of this force / gravity main, which lie within the boundary of the Ft. Knox military base, for connection of other District customers or sewer service lines.

- a. **Metering Station Location:** In order to provide metering of adequate accuracy, at a serviceable location with electric service, the District's meter to be used for billing shall be located directly south of the City's sewer lift station, which is upstream of the point of service, by approximately 5,490 feet. Said lift station is located near the intersection of Sunset and Perrine Streets, within the City of Muldraugh. The City agrees to allow the District to locate the meter, meter vault, appurtenances and any telemetry controls within the City's easement or property at said site.
- b. **Meter Accuracy:** The District shall be responsible to maintain, replace and read the meter. The District will maintain and test the meter in accordance with PSC regulations, 807 KAR 5:066, Sections 14, 15 and 16, which provide requirements for potable water meters. As the District will be using an electro-magnetic flow meter (EFM), the District will also be required to comply with terms of an order from the PSC to the District, providing guidelines for use of EFM meters, which order was dated June 6, 2004, PSC Case No. 2003-00480.
6. **Reimbursement for Sewer System Inspection:** To assist the City with locating and finding sources of excessive Inflow & Infiltration (I&I), which increase flows to the District's sewer treatment plant, the District and City entered into a previous agreement or special contract for the District to provide CCTV camera inspection and report of the City's sewer system. This agreement was executed on January 31, 2007. Under the terms of the agreement, the City agreed to reimburse the District a total of \$5,500, by making payments of \$153.00 per month, for thirty-six (36) months, beginning with the first bill for services from the District to the City. Said monthly payment is included as a Special Charge in this tariff, and will cease and no longer be paid once the full amount has been paid to the District.

DATE OF ISSUE June 11, 2007EFFECTIVE DATE: September 1, 2007

ISSUED BY:  , Mr. Jim Bruce, General Manager
 Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

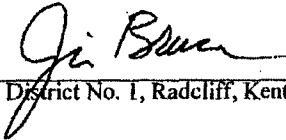
CLASSIFICATION OF SERVICE:
 GENERAL RULES AND POLICIES
 CITY OF MULDRAGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

7. Discharge Strength & Control Requirements:

- a. The City is authorized to discharge sewage strengths at levels equal to or less than the limits set forth in the Fort Knox Pretreatment Program without penalty. Discharge of amenable parameters (BOD, TSS, and Ammonia) that exceed the allowable average levels will evoke a penalty fee for the period in excess. For this tariff, these levels shall be determined by the following parameters and amounts;
- i. Total Suspended Solids (TSS): Shall be no more than an average over a thirty (30) day period of 500 milligrams per liter (mg/l).
 - ii. Biological Oxygen Demand (BOD): Shall be no more than an average over a thirty (30) day period of 500 mg/l.
 - iii. Ammonia: Shall be no more than an average over a thirty (30) day period of 60 mg/l.
- b. The City agrees to allow the District to use sampling equipment, located at the point of metering, to determine the discharge strengths. Average strengths for this section shall be determined by composite samples collected randomly during any month at the District's discretion. In the event that the average strength of any of the above parameters are determined to be in excess, the City agrees to execute, perform, and/or abide by the following conditions:
- i. To assist the District in determining which City customer(s) is discharging excessive strength parameters, which is causing the City's sewage average to exceed the levels established herein.
 - ii. The City will be assessed a penalty per month for each incident of excessive strength, which will continue until such time levels are returned to acceptable values. The City may elect to recover the cost of the penalty once established to the parties involved.
 - iii. The penalty cost will be based on each excessive pound loading for the number days out of compliance, for each parameter exceeding the limits herein. The days out of compliance will be counted from the date of

DATE OF ISSUE June 11, 2007EFFECTIVE DATE: September 1, 2007

ISSUED BY: , Mr. Jim Bruce, General Manager
 Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES
CITY OF MULDRAUGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

sample showing excessive levels to the date of sample showing acceptable levels. In no event shall the number of days the penalty apply exceed 31.

- iv. To adopt and implement all elements of the Fort Knox Pretreatment Program as needed to control both prohibitive and amenable parameters and reduce amounts of excessive strength being contributed to the sewer system by the City's customers.
- v. To enforce any section of the Fort Knox Pretreatment Program or other City or State statutes or regulations which would address illegal sewer discharges or excessive strength discharges.
- vi. The City is also required to develop and/or maintain a municipal Sewer Use Ordinance which shall provide limits, prohibited discharges, penalties or enforcement action against any residential or commercial sewage dischargers within the City, in order to control prohibitive or limited discharges. The requirements stipulated in the Muldraugh City's Sewer Use Ordinance shall be no less stringent than the requirements specified in the Fort Knox Sewer Use Regulations.

8. **Prohibitive Parameters:** The City agrees to allow the District to monitor for parameters which would be prohibitive at the stated levels and indicate the presence of any materials of a disruptive nature to the Fort Knox System. Any parameters or material at excessive levels, explosive or harmful in nature or contaminants that would be destructive to the Fort Knox System, from the City shall be prohibited. In the event that the District is able to confirm, through tangible evidence with actual sampling or testing, that hazardous materials or prohibitive contaminants have been received by the District, from the City's system, the City agrees to complete the following;
- a. Assist in investigating the source or cause of the discharge or hazardous material within the City's collection system.
 - b. Reimbursement the District for any additional tests, treatment chemicals or mitigation or clean-up expenses if the event is found to be from a source of discharge from within the City's system.

DATE OF ISSUE June 11, 2007EFFECTIVE DATE: September 1, 2007ISSUED BY: , Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
 GENERAL RULES AND POLICIES
 CITY OF MULDRAGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

9. **Rates and Charges:** The rates and charges which are applicable under this tariff are as follows;

SERVICES REQUIRED / SUPPLIED	AGREED FEE / RATES
Rate per 1,000 gallons of sanitary sewer flows metered and measured, and contributed from the wholesale customer, for transfer through the District's sewer collection system to the District's sewer treatment plant, and for cost of treatment of the customers sewage flows	\$1.178 / kgal
Fixed monthly charge to provide and maintain flow metering, remote monitoring and measurement of flows, amortized recovery of a metering equipment station, periodic annual sewage strength monitoring and monthly billing and service availability.	\$402.24 Per Month
Special Charge: Reimbursement of Sewer System Inspection services, as agreed by customer in January 31, 2007, for a total number of 36 payments, beginning with the first monthly bill to the customer and terminating once a total of \$5,500 has been paid to the District.	\$153.00 Per Month
High Strength Penalty: This rate shall be applied to each pound for each parameter that exceeds the set limits found in Section 7 of this tariff.	\$0.40 / lb. (For excess BOD and TSS) \$0.60 / lb. (For excess Ammonia)

10. **Billing Policies & Due Date:** The typical monthly due date shall be the fifteenth (15th) day of each month, which date may vary as required by holidays or weekends. If payment is not received at the District office by the due date, a ten percent (10%) penalty shall be added to the due amount. In the event that payment is not received within fifteen (15) days after the due date, the District and City agree the following may occur, at the District's discretion:
- a. The District may file a lien on any unpaid balance against the City, its assets, its other revenue sources, as needed to collect and recover the past due amount.

DATE OF ISSUE June 11, 2007EFFECTIVE DATE: September 1, 2007

ISSUED BY:  Mr. Jim Bruce, General Manager
 Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES
CITY OF MULDRAGH - WHOLESALE SEWER TREATMENT SERVICES

(N)

- b. The District may choose to file other court or legal action against the City, as needed to recover the unpaid amount. In this event, the City agrees that the District will also add other legal and collection expenses as necessary and incurred by the District.
 - c. The District may file for relief and action from the Kentucky PSC. Said action may include request that the City pay an additional surcharge to continue to receive sewer treatment services, that the City pay additional penalties or late charges, or as a last resort, if ordered by the PSC and or the Division of Water, that the City divest and transfer its sewer utility and system to the District.
11. **Future Rate Adjustments**; All rates and charges shall remain in affect beginning on the effective date of this tariff, and until a future rate adjustment is submitted by the District and approved by the PSC. The City shall have a right to advance notice of any rate change, and rights for intervention, as set forth under PSC regulations and statutes applying to customers of a regulated utility in Kentucky.

DATE OF ISSUE June 11, 2007

EFFECTIVE DATE: September 1, 2007

ISSUED BY:  , Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

June 1, 2007

Mayor Danny Tate
Town of Muldraugh
120 S. Main Street
Muldraugh, KY 40155

Ms. Stephanie Bowman
Contracting Officer
Ft. Knox Directorate of Contracting
Building 1109B
119 6th Avenue, Suite 250
Ft. Knox, KY 40121

SUBJECT: Notice Tariff Filing

Dear Mayor Tate & Ms. Bowman;

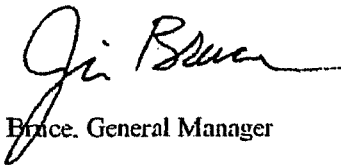
In accordance with 807 KAR 5:011, we are providing both parties this written notice of our proposed tariff filing. This is in addition to a prior notice to the City by writing on October 26, 2004, and a presentation at a City Council meeting on January 8, 2007 where the proposed City rate was presented. You may notice that the monthly rates in the tariff are slightly lower than what was presented in January.

It is our intent to present the tariff change to the Public Service Commission on June 8, 2007, with an effective date of July 1, 2007. This effective date was approved by the Government by electronic mail notice to the District on December 18, 2006.

The tariff change also includes a reduction to the Government's monthly sewer charge. This was a requirement of the contract between the District and the Government. The Government accepted the revised monthly charge in a letter we received dated May 18, 2007.

If you have any questions about the tariff, please contact me before June 7, 2007. My phone mobile phone number is 270.268-4069. If I am not available, please contact Mr. Brett Pyles, at 766-9477.

Sincerely,



Jim Bruce, General Manager

Enc.

Cf; Mr. David Wilson II, HCWD1 Attorney
Mr. Brett Pyles, Operations Manager, HCWD1
Mr. Jeffrey Greer, Project Manager, Veolia Water / Ft. Knox

Phone 1-270-351-3222

FAX: 1-270-352-3055

CERTIFICATION

This is to certify that a true and correct written copy of a Notice of Tariff with changed or new rates was delivered to the City of Muldraugh, in person by the below signed, and sent via electronic mail to the United States, Department of the Army at Ft. Knox, Contracting Officer, on June 1, 2007.

HARDIN COUNTY WATER DISTRICT No. 1

By James S. Bruce
JAMES S. BRUCE, GENERAL MANAGER

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 8th day of June, 2007, personally appeared before me, James S. Bruce, 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.

Aaron B. Pyles
NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; October 30, 2008

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

October 26, 2004

Mayor Danny Tate
Town of Muldraugh
120 S. Main Street
Muldraugh, KY 40155

SUBJECT: Notice of Initial & Future Tariff Rate - Ft. Knox Sewer Utility

Dear Mayor Tate;

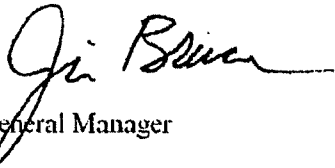
As you are aware, Ft. Knox and the United States Government have completed the process of privatizing their sewer operations at Ft. Knox. Our District was the successful bidder and we have entered a Utility Service Contract, executed on September 30, 2004, to take over ownership and operations of these utilities. Our District formed a partnership with Veolia Water - North America, who will be performing all operations on post of the sewer utilities on our behalf.

As required in our Contract, we have been advised that we will be required to begin providing sewer treatment services to your Town after two years, when your current contract with the Government expires. It is our intention to contact the Town of Muldraugh after eighteen months, and present you with our calculated and proposed new sewer treatment rate. We are sensitive to your Town's current financial situation, and we can assure you that we will make every attempt to present you with a fair and reasonable rate in the future.

As a regulated utility, you will also have standing as a customer under the Public Service Commission (PSC) of Kentucky. This means that we will be required to give you advance notice of any rate change, and you will be able to intervene in any rate case or rate design. It would be our intention to meet with you in advance of any rate proposed to the PSC, with the goal of coming to a mutual agreement before we submit the rate to the PSC for approval. I have attached a Public Notice for our new rates, which have been agreed to with the Government and will be included in our initial rate.

We look forward to serving your community in the future and providing you excellent service at a fair rate. If you have any questions or need more information, or would like to meet with me, please do not hesitate to call.

Sincerely,



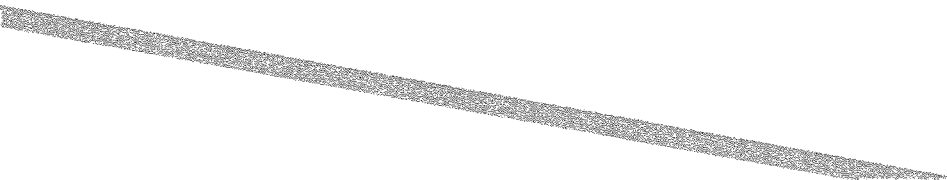
Jim Bruce, General Manager

Enc.

Cf; Mr. David Wilson II, HCWD1 Attorney
Mr. Rob Nicholas, Veolia Water, North America

Phone 1-270-351-3222

FAX: 1-270-352-3055



13. a. Explain why the billing analysis contained in the Wastewater Rate and Cost of Service Study is based upon average customer usage and average revenue.
- b. State whether Hardin District has usage information for each customer for the test period, if it has such information; explain why this information was not used to develop a billing analysis.
- c. State whether Hardin District's billing and automated data processing systems have are able to generate an analysis of individual customer bills and usage for the test period.

ANSWER 13:

- a. The billing analysis is based on average usage to verify the reasonableness of the account and billing data per usage block used in both the test and rate years. HCWD1's billing software was able to develop a bill frequency report providing the number of bills and usage for 1,000 gallon increments.

Although HCWD1's billing system measures in 100 gallon units, the billing analysis calculates revenue based on an average of the block interval to maintain consistency with the level of detail in the bill frequency. By using an average usage per block the billing analysis calculates total revenue of \$3,406,387 (Appendix E, Schedule 2a, page 161 of Hardin Districts Application), which is \$35,305, or approximately 1.0%, higher than test year revenues of \$3,371,082.

However, as seen in attached Exhibit 17 in this response to information request, the test year billable flow and account data used in the Excel rate and cost of service model (provided separately) to calculate revenues under the existing rates calculates revenue of \$3,373,632, which is only \$2,550, or 0.08%, higher than test year revenue of \$3,371,082.

- b. HCWD1's billing system is able to provide account and usage information for the test year (2012). As noted in the testimony provided by Bart Kreps, prior to filing the application for this rate case the test year was updated multiple times (2009 - 2011) with a bill frequency analyses developed in each occurrence.

Each time the billing frequency analysis was developed it was necessary to adjust the account and billable flow data to ensure the revenue calculated was consisted with revenue reported on the respective financial statements. In our experience, it is typical to adjust raw data provided by the billing system for rate calculation purposes, as this information often over-states billed consumption due to adjustments, delinquencies, and other anomalies in the data.

This tends to be more pronounced with sewer utilities using water

(Answer 13, Continued)

consumption as a surrogate to estimate sewer flows, as adjustments are often required for specific activities involving elective water consumption that is not returned to the sewer system (e.g. deduct meters, filling a pool). As a result, it is always been our practice to validate the reasonableness of raw billing data with actual revenue.

For HCWD1, this was done by comparing actual revenue collected from both the minimum charge and volumetric rate with calculated revenue from raw consumption and account data. Since we had updated the bill frequency on three separate occasions, and in order to limit the additional effort required in updating the test year for 2012, 2011 raw billing data was used as a baseline and then adjusted (both accounts and consumption) based on actual revenue reported in 2012.

Specifically, accounts reported in 2011 were decreased by 1.5% and consumption was reduced by 4.5% to align more closely with actual revenue. As noted above (13a), the calculated revenue using test year account and billing data (adjusted based on actual revenue) was within 0.08% of test year revenue. If we used account and usage data for 2012, we would have gone through the same adjustment process to ensure consistency with actual revenue.

- c. Yes. HCWD1's system can generate bills and usage for the test period.

WITNESS: Mr. Bart Kreps, Rate Consultant

HCWD1 - Radcliff Utility
Calculation of Test Year Revenues

Minimum Charge Revenues

Type of Charge	Current Charge (per bill)	Test Year Number of Bills (Used in Rate Calculation)	Rate Year Revenue Under Existing Charge
Minimum Charge (1)	\$ 17.110	104,154	\$ 1,782,073

Total Revenues from Minimum Charge Under Existing Rates (Calculated) \$ 1,782,073

Volumetric Charge Revenues

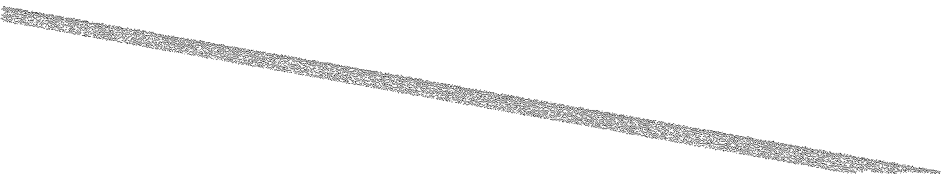
Type of Charge	Current Charge (per kgal)	Test Year Billable Flows (Used in Rate Calculation)	Rate Year Revenue Under Existing Charge
Rate Block 1 (2,000 - 15,000 Gallons)	\$ 5.580	193,961	\$ 1,082,301
Rate Block 2 (Above 15,000 Gallons)	\$ 4.470	113,928	509,258

Total Revenues from Volumetric Charges Under Existing Rates (Calculated) \$ 1,591,559

Total Rate Year Revenue From Existing Rates and Charges (Calculated) \$ 3,373,632

Test Year Revenue (Reported on Financial Statements) \$ 3,371,082

\$ Difference \$ 2,550
 % Difference 0.08%



14. Using the information set forth in Appendix E of Exhibit 3 of the Application, Commission Staff calculated test year revenues from current rates for the calculated revenue from minimum charge to be \$1,782,160.49; revenue from volume charge for average use to be \$1,630,152.03; and total revenue to be \$3,412,312.52. Hardin District calculated total calculated revenue to be \$3,371,082.00. State whether after reviewing its original calculations, Hardin District continues to report total calculated revenue to as \$3,371,082.00.

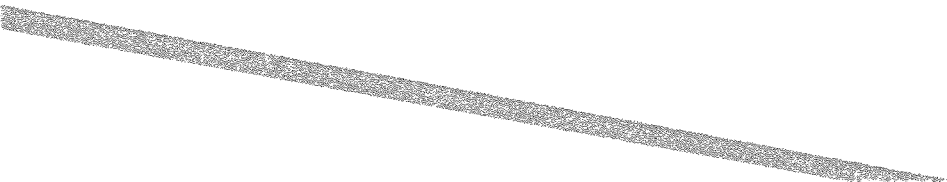
ANSWER 14:

The user charge revenue identified in the audited financial reports is \$3,371,082 in the test year (see Detailed Comparative Income Statement in electronic files). As noted in response Question 13a, the reasonableness of the revenue calculated using the adjusted billing data for the test year was validated, as calculated revenue was \$3,373,632, which is only \$2,550, or 0.08%, higher than test year actual results.

Without knowing the method or seeing the calculation the Commission staff used to develop its own 2012 revenues, it is not possible to comment on whether the Commission number is more or less accurate.

Thus, HCWD1 wishes to continue reporting total test year revenue of \$3,371,082 as a basis for determining additional revenue needed, since this is a known and measurable amount.

WITNESS: Mr. Bart Kreps, Rate Consultant



15. Tariff sheets that Hardin District filed with the Commission on July 16, 2013 indicate that Hardin District's proposed sewer service rates will apply to Hardin District's entire service area. Hardin District's currently effective tariff sheets indicate three distinct service areas with differing rates.
- a. State whether the proposed rates are intended to apply to all of Hardin District's territory.
 - b. State whether the proposed rates are intended to apply to the City of Muldraugh and the Fort Knox military installation.
 - c. State whether Hardin District disagrees that the proposed rates should apply only to the Radcliff area.

ANSWER 15:

- a. No
- b. No
- c. No

When Hardin District acquired the Radcliff system in 2008, it filed new tariff sheets with the Commission to add new sheets beginning at 5-1, specifically addressing the Radcliff system and rates. On sheet 5-1.4, under "Territory Served", there is a definition of the area to which these sheets apply. This tariff filing and added sheets were approved by the Commission on 8-May-2008 (See attached Exhibit 18).

Those approved tariff sheets included the words "Entire Service Area" in the upper right hand corner of each sheet. If the Commission requires Hardin District to re-file sheets 5-1 and subsequent sheets for the Radcliff related tariff, with different words in that space, Hardin District will do so.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 554-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

May 08, 2008

Jim Bruce
Hardin County Water District # 1
1400 Rogersville Road
P. O. Box 489
Radcliff, KY 40160

RE: Filing No. **TFS2008-00182**
Entire New Tariff for Sewer Service.

Dear Jim Bruce:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2008-00182>

Sincerely,

Dennis Brent Kirtley
Dennis Brent Kirtley
Tariff Review Branch Manager

Hardin County Water District No. 1

CLASSIFICATION OF SERVICE:
GENERAL RULES AND POLICIES
CITY OF RADCLIFF - SANITARY SEWER SERVICES

(N)

1. General Explanation of Sheet 5, and Subsequent Pages / Sections:

The following sections, policies, rates and charges have been adopted by the District, from an existing Sewer Use Ordinance from the previous owner, the City of Radcliff. This adoption of this ordinance was part of an agreement between the City of Radcliff and the District for the District to assume the ownership and operations of the sanitary sewer system. These sheets of the District's tariff apply to all customers who had been receiving sanitary sewer service from the City, prior to the transfer of the system to the District, and all new customers of the District after the transfer.

2. Terms, Definitions and Interpretation:

The definition section (Section 17-11) includes certain term changes to transfer meaning and authority from the City to the District. Any other terms within these sheets which formerly applied to the City, employee or agent of the City, shall automatically transfer to the equivalent person or meaning of the District. Where a term is not clearly transferable, the Board of Commissioners of the District will provide an interpretation or translation when needed.

3. Limitations and Restrictions:

Only specific written or set forth rates, charges, fees or penalties on these sheets may be charged by the District. Any inference to un-written or powers to assess un-written charges or fees to a customer, shall not transfer to the District, or may be charged by the District, until such time that the District receives approval to change its tariff in accordance with 807 KAR 5:011, and said application for charges are approved by the Commission.

Any powers, authority or rights written or shown in these adopted sections, which are not provided to a Water District under Kentucky Revised Statutes 74, 278 and 279, are not created, do not apply nor are granted by the adoption of this section and may not be applied by the District. All other powers, authority or rights mentioned below, which are granted under 807 KAR 5:011, or other Commission regulations applying to a Water District, or granted by the Clean Water Act to a Publicly Owned Treatment Works, do and will apply and may be applied or enforced by the District.

4. Territory Served:

These tariff sheets shall apply to all sanitary sewer customers within the current city limits, of the City of Radcliff, and also to any future customers who live outside these city limits, but within the sewer service area of the District which may be expanded or approved from time to time, in accordance with KAR 74.110 and other regulations of the Commission which apply to service area for Water District's.

DATE OF ISSUE March 28, 2008ISSUED BY: Jim Bruce, Mr. Jim Bruce,
Hardin County Water District No. 1, Radcliff, Kentucky

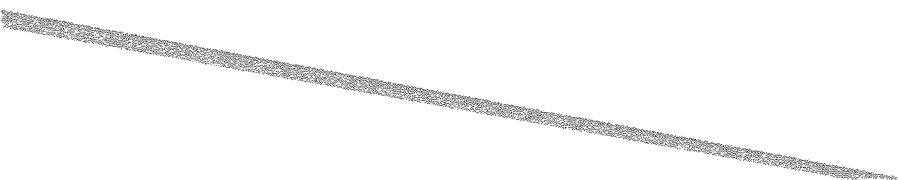
ISSUED BY ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
4/20/2008

PURSUANT TO 807 KAR 5:011
EFFECTIVE DATE: April 20, 2008
SECTION 5 (1)

By Stephanie Hunter
Executive Director



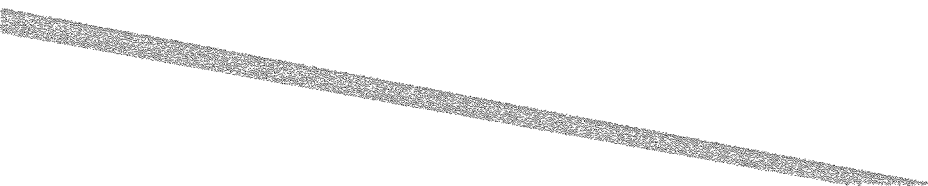
16. a. Provide a schedule showing Hardin District's annual costs resulting from its operations and maintenance contract with Veolia Water North America-South, LLC allocated by major function for the calendar years 2009 through 2013.
- b. List the provisions of Hardin District's operations and maintenance contract with Veolia Water North America-South, LLC that permit Hardin District to dispute cost overages.
- c. Describe the process that Hardin District must follow to resolve any dispute over cost overages.

ANSWER 16:

- a. Please see Exhibit 13 attached with answer 10.b in this response.
- b. Per Exhibit 12 of Hardin District's Pre-filed Testimony, there is nothing in the contract with Veolia Water, N.A. that states we cannot dispute cost overages. Under section 4.20.14 – General Duties of Veolia Water, there is a dispute resolution clause. Further, under section 6.11 – Fees and Compensation, any fee increase from Veolia Water shall be negotiated each year at least four months prior to the anniversary of the commencement date. Since this contract is based upon a calendar year, Veolia Water is to notify Hardin District by September 1 of each year of the intended fee increase.
- c. All electric limit overages are strictly the result of excess usage of electricity affected by the increase in flows due to the excessive rainfall contributing to the I&I issues described in answer 10.d. These electric costs are direct charges to Veolia Water from Nolin RECC and Kentucky Utility Company (KU). These charges are run through the limit account and when the costs have exceed the limit account Hardin District reimburses Veolia Water for the overages. This is a dollar for dollar transaction with no Veolia profit added. Please see the Radcliff Veolia Fee Comparison included in Exhibit 13b and the Limit Tracking Report, found as Exhibit 12b, both attached with question 10 of this response.

All charges run through the Repair & Maintenance Limit account are supplied by Veolia Water to Hardin District's Operations Manager. Any discrepancies found are discussed. If the charges are agreed upon then they are left in the limit account. If Hardin District deems the charge is not part of this limit account it will be removed and therefore not count against the limit ceiling. This same principle applies to the Odor Control limit account as well.

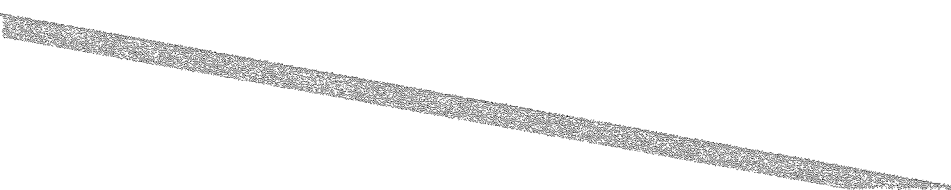
WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager



17. List each of Hardin District's non-regulated utility and business activities. For each activity, describe the Hardin District accounting policies and procedures that ensure that regulated rates do not subsidize the activity.

ANSWER 17: The only non-regulated business activity is the Ft. Knox Storm Water utility. Also see Exhibit 9 provided for response to question 8.b. All employees are provided training to ensure that all understand the policies and procedures to be used in allocating time and expenses to the proper utility or utilities to ensure that no improper subsidization occurs.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager



18. a. Provide a test-period general ledger showing account number, subaccount number, account title, subaccount title, and all entries to each account. For each entry state the date paid, vendor name, check number used to make payment, and the amount. The general ledger shall include all asset, liability, capital, income, and expense accounts used by Hardin District. All accounts should show activity for 12 months. Show the balance in each control and all underlying subaccounts per utility books.
- b. Provide on an electronic storage medium in Microsoft Excel format the test-period general ledger.

ANSWER 18:

- a. The detailed Radcliff Sewer general ledger for calendar year 2012 is attached as a digital file titled "Radcliff 2012 Trial Balance Detail" on the Compact Disc behind tab 35.
- b. Provided on the Compact Disc behind tab 35.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

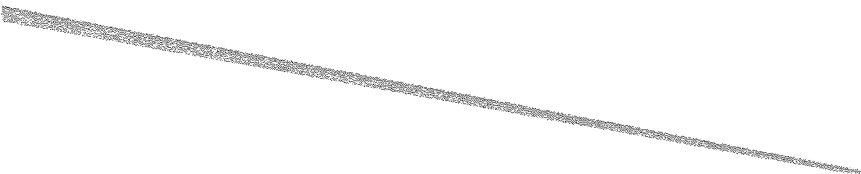


19. a. For each cash account that Hardin District used during the test period, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount.
- b. Provide on an electronic storage medium in Microsoft Excel format the test-period cash disbursements ledger.

ANSWER 19:

- a. The Radcliff disbursement ledger (Radcliff O&M account) for calendar year 2012 is attached as a digital file titled "Radcliff 2012 Checkbook Register" on the Compact Disc behind tab 35.
- b. Provided on the Compact Disc behind tab 35.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager



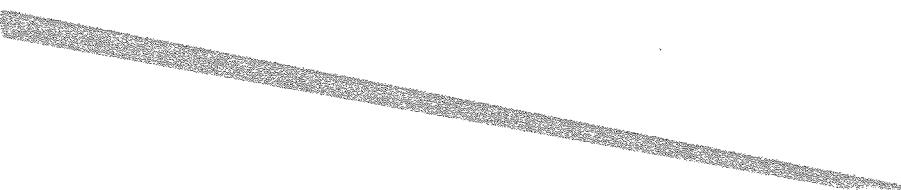
20. Provide a copy of all audit adjustments made for the test-period financial statements.

ANSWER 20: Please see attached Exhibit 19 for the 2012 audit entries for Radcliff Sewer as directed by the auditing firm of Ray, Foley, Hensley & Company, PLLC.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

Client: 03949-000 - Hardin County Water District
 Engagement: 2012 - Hardin County Water District
 Period Ending: 12/31/2012
 Trial Balance: Fund 40 - Radcliff Sewer TB
 Workpaper: 103-C - Radcliff - AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
To adjust Radcliff R&M electric overage accrual to actual, per Scott				
4.00.23800	Radcliff.General.Accrued Expenses		18,759.29	
4.06.70000	Radcliff.Administration.Veolia Management Fee			18,759.29
Total			<u>18,759.29</u>	<u>18,759.29</u>
Adjusting Journal Entries JE # 2				
To book Phillip Brothers invoice, per Scott				
4.00.10700	Radcliff.General.CIP - Radcliff		39,036.69	
4.00.23200	Radcliff.General.Accounts Payable			39,036.69
Total			<u>39,036.69</u>	<u>39,036.69</u>
Adjusting Journal Entries JE # 3				
To book additional payable from search				
4.00.10700	Radcliff.General.CIP - Radcliff		41,198.84	
4.00.23200	Radcliff.General.Accounts Payable			41,198.84
Total			<u>41,198.84</u>	<u>41,198.84</u>
Adjusting Journal Entries JE # 4				
To reclass restricted portion of funds				
4.00.13300	Restricted Cash		338,722.61	
4.00.12402	Radcliff.General.Money Market Cecilian			338,722.61
Total			<u>338,722.61</u>	<u>338,722.61</u>
Adjusting Journal Entries JE # 5				
To reclass current portion of debt				
4.00.22100	Radcliff.General.Bond Payable 1997		278,656.20	
4.00.23100	Radcliff.General.Current Portion Of Bonds			278,656.20
Total			<u>278,656.20</u>	<u>278,656.20</u>

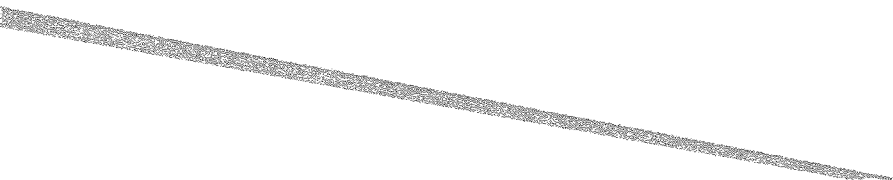


21. a. For each Hardin District employee whose salary is allocated to Radcliff wastewater operations during the test period, provide:
- (1) Name.
 - (2) Title.
 - (3) Length of employment with Water Service Corporation.
 - (4) Job duties.
 - (5) Test-period pay rate and current pay rate.
 - (6) Test-period regular time worked and overtime worked.
 - (7) Percentage of test-period payroll capitalized.
 - (8) Total test-period payroll expensed and capitalized.
 - (9) Type of employee benefits (e.g., health insurance, dental insurance, vision insurance, pension) and Hardin District's contribution.
- b. Provide on an electronic storage medium in Microsoft Excel format the information requested in Item 21(a).
- c. Provide all work papers, show all calculations, and state all assumptions used to develop the percentage of test-period payroll capitalized.

ANSWER 21:

- a. Digital file titled "Radcliff Allocated Labor" on the Compact Disc behind tab 35 shows the employees allocated to Radcliff Sewer by name; title; length of employment; test period pay rate and current period pay rate; test period regular time worked and overtime worked; percentage of test period payroll capitalized; test period payroll expensed and capitalized.
- The type of employee benefits and Hardin District's contribution for the test period is also included in the exhibit as well as a table outlining those benefits located at the bottom. A description of job duties for the allocated employees is attached as a digital file titled "Job Descriptions" on the Compact Disc behind tab 35.
- b. Please refer to digital file titled "Radcliff Allocated Labor – 2012" on the Compact Disc behind tab 35.
- c. Please refer to Exhibit 7, pages 470-486 of Hardin District's application for Allocation methodologies and Labor Capitalization Methodologies and to Exhibit 9, attached with answer 8.b of this response, for the memo titled "Accounting Allocation Procedure for Water & Sewer Utilities".

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager



22. a. Identify all employees listed in the response to Item 21(a) who are no longer Hardin District employees.
- b. For each employee identified in the response to Item 22(a):
1. If the employee's position has been filled, identify the employee currently in the position and state the date on which the replacement employee(s) was hired, his or her actual annualized salary and actual benefit information, and the salary and employee benefit costs that are included in Hardin District's pro forma operating expenses.
 2. If the position is currently vacant, state:
 - a. The reason(s) why the position is vacant.
 - b. The current status of Hardin District's efforts to fill the position and the anticipated hire date.
 - c. Whether the cost of the position is included in the pro forma salaries and wage expense.
 - d. If the cost of the position is included in the pro forma salaries and wage expense, the position costs that are included in the test-period operating expenses (e.g., payroll expenses, payroll capitalized, retirement, payroll taxes, insurance benefits) and the accounts to which each amount was charged.

ANSWER 22:

- a. Hardin District has three employees who have been allocated to Radcliff Sewer during the test year who are no longer with Hardin District. The employees and termination dates are as follows:

Employee	Title	Termination Date
Franklin Whitworth	Distribution Operator I or II	3/29/13
Bill Rissell	Commissioner	3/31/13
Steve Walton	Commissioner	8/31/13

- b. 1. The three Hardin District employees mentioned in response 22.a were all replaced in 2013 by the following employees:

Employee	Title	Hire Date
Jason Maier	Distribution Operator I or II	6/3/13
Howard Williams	Commissioner	4/1/13
Jim Shelton	Commissioner	9/1/13

See attached Exhibit 20 titled "Terminated Employees Allocated to Radcliff", which shows \$65,934 total salary and benefits of the three terminated Hardin District employees was included in the pro-forma operating expenses for 2013. The total annualized salary and benefits for the three replacement employees for 2013 is actually \$62,030.

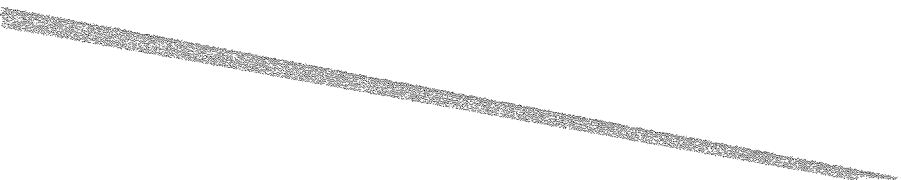
2. Does not apply

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

Hardin County Water District #1											
2012 Test Period											
Allocated Employees - No Longer with Hardin County Water District											
					Pro Forma						
					2012	2013	Hire	Termination			
DIV	FIRST NAME	LAST NAME	TITLE	Workers Comp	Total Actual Salary & Benefits	Total Annualized Salary & Benefits	Date	Years	Date		
TERMINATED EMPLOYEES											
COMM	Steve	Walton	Commissioner	\$ 11	\$ 9,666	\$ 9,694	09/01/05	8.0	8/31/2013		
COMM	Bill	Riesel	Commissioner	\$ 11	\$ 9,666	\$ 9,694	09/01/04	8.6	3/31/2013		
DIST	Franklin	Whitworth	Distribution Operator - I or II	\$ 613	\$ 36,277	\$ 46,546	01/23/12	1.2	3/29/2013		
2012 Totals				\$ 635	\$ 55,609	\$ 65,934					
REPLACEMENT EMPLOYEES											
COMM	Jim	Shelton	Commissioner (Replaces Steve Walton)	\$ 11	\$ 0	\$ 14,532	09/01/13	0.0			
COMM	Howard	Williams	Commissioner (Replaces Bill Riesel)	\$ 11	\$ 0	\$ 9,303	04/01/13	0.4			
DIST	Jason	Maier	Distribution Operator - I or II (Replaces Franklin Whitworth)	\$ 613	\$ 0	\$ 38,195	6/3/2013	0.2			
2013 Totals				\$634	\$0	\$62,030					

Hardin County Water District #1									
2012 Test Period									
Allocated Employees - No Longer with Hardin County Water District									
DIV	FIRST NAME	LAST NAME	TITLE	\$234/Hlth Opt Out	Dental Insurance	Vision Insurance	Life/LTDD Insurance	Pension	\$140 Flex Benefit
TERMINATED EMPLOYEES									
COMM	Steve	Walton	Commissioner	\$ 0	\$ 277	\$ 83	\$ 0	\$ 1,155	\$ 1,680
COMM	Bill	Rissel	Commissioner	\$ 0	\$ 277	\$ 83	\$ 0	\$ 1,155	\$ 1,680
DIST	Franklin	Whitworth	Distribution Operator - I or II	\$ 0	\$ 231	\$ 70	\$ 258	\$ 4,625	\$ 1,400
			2012 Totals	\$ 0	\$ 786	\$ 236	\$ 258	\$ 6,935	\$ 4,760
REPLACEMENT EMPLOYEES									
COMM	Jim	Shelton	Commissioner (Replaces Steve Walton)	\$ 0	\$ 290	\$ 83	\$ 0	\$ 1,153	\$ 1,680
COMM	Howard	Williams	Commissioner (Replaces Bill Rissel)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,153	\$ 1,680
DIST	Jason	Maier	Distribution Operator - I or II (Replaces Franklin Whitworth)	\$ 0	\$ 290	\$ 83	\$ 300	\$ 4,601	\$ 1,680
			2013 Totals	\$ 0	\$ 580	\$ 167	\$ 300	\$ 6,908	\$ 5,040

Hardin County Water District #1									
2012 Test Period									
Allocated Employees - No Longer with Hardin County Water District									
				2012	2013	2012	2013		
DIV	FIRST NAME	LAST NAME	TITLE	HRATE	HRATE	Actual Dollars	Annualized Dollars	OASDI	Health Insurance
TERMINATED EMPLOYEES									
COMM	Steve	Walton	Commissioner	\$500 per mth	\$500 per mth	\$ 6,000	\$ 6,000	\$459	\$ 0
COMM	Bill	Rissel	Commissioner	\$500 per mth	\$500 per mth	\$ 6,000	\$ 6,000	\$459	\$ 0
DIST	Franklin	Whitworth	Distribution Operator - I or II	\$ 13.00	\$ 13.43	\$ 23,956	\$27,934	\$1,272	\$3,854
			2012 Totals			\$ 35,956	\$ 39,934	\$ 2,190	\$ 3,854
REPLACEMENT EMPLOYEES									
COMM	Jim	Shelton	Commissioner (Replaces Steve Walton)	\$ 0.00	\$500 per mth	\$ 0	\$6,000	\$459	\$4,855
COMM	Howard	Williams	Commissioner (Replaces Bill Rissel)	\$ 0.00	\$500 per mth	\$ 0	\$6,000	\$459	\$0
DIST	Jason	Maier	Distribution Operator - I or II (Replaces Franklin Whitworth)	0	\$11.51	\$ 0	\$23,941	\$1,831	\$4,855
			2013 Totals				\$35,941	\$2,749	\$9,711



23. a. Provide the employer retirement contribution rate(s) effective during calendar years 2010, 2011, and 2012 and the date each rate became effective.
- b. 1. State whether the Kentucky Retirement System has notified Hardin District of the employer retirement contribution rate that will be charged in the fiscal year beginning July 1, 2013.
2. If Hardin District has been notified, provide a copy of the notice from the Kentucky Retirement System.
3. If Hardin District has not been notified, provide a copy of the notice from the Kentucky Retirement System when it is received.

ANSWER 23:

- a. Please see attached Exhibit 21 for the notifications from the Kentucky Retirement System for years 2010 – 2013. The employer contribution rate is effective July 1 of each year.
- b. 1. The Retirement contribution rate effective July 1, 2013 is 18.89%. Please see attached Exhibit 21.
2. Provided with Exhibit 21
3. Does not apply

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

CERS Nonhazardous Contribution Rates

FISCAL YEAR	EMPLOYEE	EMPLOYER
1958 – 1959	2.50% of first \$4,200 of creditable compensation plus 4% of excess	4%
1959 – 1960		4%
1960 – 1961		4%
1961 – 1962		5%
1962 – 1963	4% of creditable compensation	6%
1963 – 1964	4% of creditable compensation	6%
1964 – 1965	3.50% of creditable compensation	6%
1965 – 1966	3.50% of creditable compensation	6%
1966 – 1967	4% of creditable compensation	7%
1967 – 1968	4% of creditable compensation	7%
1968 – 1969	4% of creditable compensation	7%
1969 – 1970	4% of creditable compensation	7%
1970 – 1971	4% of creditable compensation	7%
1971 – 1972	4% of creditable compensation	7%
1972 – 1973	4% of creditable compensation	7.25%
1973 – 1974	4% of creditable compensation	7.25%
1974 – 1975	4% of creditable compensation	7.25%
1975 – 1976	4% of creditable compensation	7.25%
1976 – 1977	4% of creditable compensation	7.25%
1977 – 1978	4% of creditable compensation	7.25%
1978 – 1979	4% of creditable compensation	7.25%
1979 – 1980	4% of creditable compensation	7.25%
1980 – 1981	4% of creditable compensation	7.25%
1981 – 1982	4% of creditable compensation	7.25%
1982 – 1983	4% of creditable compensation	6.25%
1983 – 1984	4% of creditable compensation	6.25%
1984 – 1985	4% of creditable compensation	6.25%
1985 – 1986	4% of creditable compensation	5.25%
7/1/1986 – 8/1/1986	4% of creditable compensation	5.25%
8/1986 – 6/1987	4.25% of creditable compensation	5.75%
1987 – 7/31/1988	4.25% of creditable compensation	5.75%
8/1988 – 1989	4.25% of creditable compensation	6.35%
1989 – 7/31/1990	4.25% of creditable compensation	6.35%
8/1990 – 1991	5% of creditable compensation	7.68%
1991 – 1992	5% of creditable compensation	7.95%
1992 – 1993	5% of creditable compensation	8.82%
1993 – 1994	5% of creditable compensation	8.82%
1994 – 1995	5% of creditable compensation	8.82%
1995 – 1996	5% of creditable compensation	8.94%
1996 – 1997	5% of creditable compensation	8.65%
1997 – 1998	5% of creditable compensation	8.65%
1998 – 1999	5% of creditable compensation	8.22%
1999 – 2000	5% of creditable compensation	7.28%

FISCAL YEAR	EMPLOYEE	EMPLOYER
2000 – 2001	5% of creditable compensation	7.17%
2001 – 2002	5% of creditable compensation	6.41%
2002 – 2003	5% of creditable compensation	6.34%
2003 – 2004	5% of creditable compensation	7.34%
2004 – 2005	5% of creditable compensation	8.48%
2005 – 2006	5% of creditable compensation	10.98%
2006 – 2007	5% of creditable compensation	13.19%
2007 – 2008	5% of creditable compensation	16.17%
2008 – 2009	5% of creditable compensation	13.50%
2009 – 2010	5% of creditable compensation	16.16%
2010 – 2011	5% of creditable compensation	16.93%
2011 – 2012	5% of creditable compensation	18.96%

*Per Executive Budget



Kentucky Employees Retirement System
 County Employees Retirement System
 State Police Retirement System

KENTUCKY RETIREMENT SYSTEMS
 Perimeter Park West
 1260 Louisville Road
 Frankfort, Kentucky 40601



Robert M. Burnside
 Executive Director
 Phone 502-696-8800
 FAX # 502-696-8822
 www.kyret.com

MEMORANDUM

TO: Agencies Participating in the County Employees Retirement System

FROM: Robert M. Burnside, Executive Director
 Kentucky Retirement Systems

DATE: April 2, 2009

SUBJECT: Contribution Rates for Fiscal Year 2009-2010

During the 2009 Regular Legislative Session, the Kentucky General Assembly amended KRS 16.645 to require the KRS Board of Trustees to establish employer contribution rates for the County Employees Retirement System that will phase in to the full actuarially required contribution for the health insurance fund over a ten (10) year period using the 2007-2008 fiscal year employer contribution for health insurance fund as a base employer rate and incrementally increasing the employer rate from fiscal year 2008-2009 through fiscal year 2017-2018. In conformance with the requirements of KRS 16.645, as amended, and as recommended by the System's actuary, the KRS Board met on April 2, 2009 and re-established the CERS employer rates for 2009-2010 as follows:

CERS nonhazardous	16.16%
CERS hazardous	32.97%

These employer contribution rates will become effective July 1, 2009.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted in upcoming sessions of the Kentucky General Assembly.

MEMORANDUM

DATE: December 15, 2009
TO: Agencies participating in the County Employees Retirement System
FROM: Robert M. Burnside
Executive Director
RE: Contribution Rates for Fiscal Year 2010-2011

The Kentucky Retirement Systems Board of Trustees adopted the following employer contribution rates at their November 19, 2009 meeting in accordance with KRS 61.565 and the recommendation of the System's independent actuary:

CERS Nonhazardous	16.93%
CERS Hazardous	33.25%

These employer contribution rates will become effective July 1, 2010.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted in upcoming sessions of the Kentucky General Assembly.



Kentucky Employees Retirement System
 County Employees Retirement System
 State Police Retirement System

KENTUCKY RETIREMENT SYSTEMS
 Perimeter Park West
 1260 Louisville Road
 Frankfort, Kentucky 40601



Robert M. Burnside
 Executive Director
 Phone 502-696-8800
 FAX # 502-696-8822
 www.kyret.com

MEMORANDUM

TO: Agencies participating in the County Employees Retirement System

FROM: Robert M. Burnside, Executive Director
 Kentucky Retirement Systems

DATE: November 18, 2010

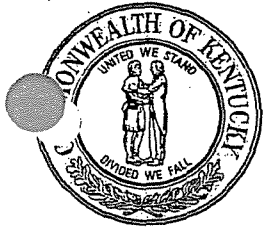
SUBJECT: **Contribution Rates for Fiscal Year 2011-2012**

The Kentucky Retirement Systems Board of Trustees adopted the following employer contribution rates at their November 19, 2009 meeting in accordance with KRS 61.565 and the recommendation of the System's independent actuary:

CERS nonhazardous	18.96%
CERS hazardous	35.76%

These employer contribution rates will become effective July 1, 2011.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted in upcoming sessions of the Kentucky General Assembly.



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Interim Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



MEMORANDUM

TO: Agencies participating in the County Employees Retirement System

FROM: William A. Thielen, Interim Executive Director
Kentucky Retirement Systems

DATE: November 18, 2011

SUBJECT: Contribution Rates for Fiscal Year 2012-2013

The Kentucky Retirement Systems Board of Trustees adopted the following employer contribution rates at their November 17, 2011 meeting in accordance with KRS 61.565 and the recommendation of the System's independent actuary:

CERS nonhazardous	19.55%
CERS hazardous	37.60%

These employer contribution rates reflect the ten-year phase-in of the insurance portion of the rate that is required by KRS 61.565(6). These rates will become effective July 1, 2012.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted in upcoming sessions of the Kentucky General Assembly.



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



MEMORANDUM

TO: Agencies participating in the County Employees Retirement System

FROM: William A. Thielen, Executive Director
Kentucky Retirement Systems

DATE: December 5, 2012

SUBJECT: Contribution Rates for Fiscal Year 2013-2014

The Kentucky Retirement Systems Board of Trustees adopted the following CERS employer contribution rates at their December 5, 2012 meeting in accordance with KRS 61.565 and the recommendation of the System's independent actuary, Cavanaugh Macdonald:

CERS nonhazardous	18.89%
CERS hazardous	35.70%

These employer contribution rates reflect the ten-year phase-in of the insurance portion of the rate that is required by KRS 61.565(6). These rates will become effective July 1, 2013.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted during the 2013 session of the Kentucky General Assembly.

News *KRS Board Adopts FY 2014 Employer Contribution Rates*



KRS Board Adopts FY 2014 Employer Contribution Rates

Published at 12:13pm on December 06, 2012

The Kentucky Retirement Systems (KRS) Board of Trustees is required by KRS 61.565 to determine the employer contribution rates for the Kentucky Employees Retirement System (KERS), the County Employees Retirement System (CERS), and the State Police Retirement System (SPRS) based on an annual actuarial valuation of each plan.

Additionally, KRS 61.565(6) requires the KRS Board to establish the employer contribution rates for CERS that will phase in to the full actuarially required contribution for the health insurance fund over a ten (10) year period using the 2007-2008 fiscal year contribution rates as the base rates. The most recent actuarial valuations were performed by the KRS actuary-Cavanaugh Macdonald - for the period ended June 30, 2012. The following employer rates, to be effective July 1, 2013, are the actuarially recommended funding rates, as set forth in the 2012 valuations. The KRS Board adopted these rates at its meeting held on December 5, 2012 in compliance with the requirements of KRS 61.565:

Retirees

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Kentucky Employees Retirement System, nonhazardous
..... 45.28%*

Kentucky Employees Retirement System, hazardous
..... 28.84%*

State Police Retirement System 96.52%*

County Employees Retirement System, nonhazardous
18.89%**

County Employees Retirement System, hazardous
..... 35.70%**

* The rates set forth above for the KERS and SPRS plans are the actuarially recommended rates as set forth in the 2012 annual valuation. The rates actually to be paid by KERS and SPRS participating employers set by the Kentucky General Assembly in the biennial budget legislation. During its 2012 Regular Session, the General Assembly passed House Bill 265, which set the rates to be for the July 1, 2013 – June 30, 2014 fiscal year as follows:

KERS nonhazardous 26.79%

KERS hazardous 32.21%

SPRS 71.15%

** The rates set forth above for the CERS plans reflect the ten-year phase-in of the health insurance portion of the rate, as required by KRS 61.565(6).

The newly approved rates will result in substantial savings for Kentucky's cities and counties next fiscal year (FY 2014). The foundation for the savings was set earlier this year when the KRS Board voted to transition a self-insured health plan to a plan provided by Humana for its medicare eligible retirees. This decision resulted in an actuarially determined reduction in the unfunded liability for health insurance of approximately \$2.5 billion. This reduction caused a decrease in the

employer contribution rate from local governments necessary to fund health insurance benefits in FY 2014. This decrease more than offset a slight rise the required rate for the pension component of the retirement plans administered by KRS.

"The decision by the KRS Board to move to a fully insured Medicare eligible health plan effective January 1, 2013 was difficult, but the Board is determined to protect the overall solvency of the plans it administers and ensure that it is able to pay retirement benefits to its members and their beneficiaries," said Tommy Elliott, chairman of the Board of Trustees.

The total estimated savings for all participating CERS employers in FY 2014 compared to the FY 2013 contributions is \$24.7 million. In November 2011 the actuaries projected an increase in FY 2014 contributions totaling \$61.3 million. The total difference between that projection and savings announced today is \$86 million.

[Click here to see a sample of the projected savings.](#) These charts provide an estimate of the savings that will be realized by selected local government employers. The estimated dollar savings is the difference between the employer contribution rate being paid this fiscal year (FY 2013) and the rate approved by the KRS Board for FY 2014 times the total payroll reported by these employers for FY 2012. If the payroll for an individual employer increases or decreases in FY 2014, the savings will inversely increase or decrease.

"The contribution rate reductions for local governments in FY 2014 do not mean that KRS' funding problems have been resolved. The KERS nonhazardous and SPRS plans remain severely underfunded and the KRS Board of Trustees and staff are committed to working with the Governor and the General Assembly to resolve our retirement funding issues," said Elliott.



24. a. List each fringe benefit available to Hardin District employees and the actual test-period cost of each benefit and the pro forma cost. Provide comparative cost information for calendar years 2012 and 2013.
- b. Identify each fringe benefit listed in the response to Item 24(a) that is limited to management or full-time employees.
- c. Describe each change in fringe benefits that has occurred since January 1, 2011 and state the reason for the change.

ANSWER 24:

- a. Attached Exhibit 22 shows the 2012 actual test period costs of fringe benefits as well as the 2013 pro forma costs for the rate year for all allocated employees to Radcliff Sewer. The total costs are broken down by department; Administration, Commission, Customer Service, Collection and Legal.
- b. The General Manager's employment contract provides additional dependent health insurance, higher life insurance coverage and other fringe benefits not included in the standard benefit package. Also, Board Commissioners are able to receive dependent health insurance if they request it, which is not offered to other employees.
- c. There has been no change in fringe benefits, since January 1, 2011, other than increases in yearly premium amounts.

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

Current Hourly Rate	Hours per Week	2012		Rate Year	% Capitalized	Net O&M	Allocation to Radcliff Utility		
		Test Year (1)	Adjustments				% Allocation	\$ Allocation	
Salaries & Wages									
Accountant	\$ 22.14	40	\$ 46,051	\$ 1,382	\$ 47,433	23.0%	\$ 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	\$ 46,530	\$ 1,396	\$ 47,925	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%	\$ 5,543
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
			\$ 633,724	\$ 37,583	\$ 671,309		\$ 455,769		\$ 109,858
Overtimes									
Accountant	\$ -		\$ -	\$ -	\$ -	23.0%	\$ -	35.0%	\$ -
PT Salaries	\$ -		\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 464		\$ 464	\$ 14	\$ 478	23.0%	\$ 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		\$ 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%	\$ -
			\$ 932	\$ 28	\$ 960		\$ 840		\$ 244
Health									
Accountant	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	23.0%	\$ 4,901	35.0%	\$ 1,715
PT Salaries	\$ -		\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	25.0%	\$ 4,901	25.0%	\$ 1,225
Project Coordinator	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	33.0%	\$ 4,378	31.0%	\$ 1,357
General Manager	\$ 8,598		\$ 8,598	\$ 3,893	\$ 12,491	20.0%	\$ 9,993	25.0%	\$ 2,498
Finance & Accounting Manager	\$ 4,488		\$ 4,488	\$ -	\$ 4,488	25.0%	\$ 3,366	25.0%	\$ 842
Engineering Manager	\$ 4,488		\$ 4,488	\$ -	\$ 4,488	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 4,488		\$ 4,488	\$ -	\$ 4,488	0.0%	\$ 4,488	32.0%	\$ 1,436
Operations Manager	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	50.0%	\$ 3,268	15.0%	\$ 490
WQ / Measurement Specialist	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 6,535		\$ 6,535	\$ -	\$ 6,535	50.0%	\$ 3,268	42.5%	\$ 1,389
			\$ 61,272	\$ 3,893	\$ 65,165		\$ 45,098		\$ 10,953
W Comp									
Accountant	\$ 74		\$ 74	\$ -	\$ 74	23.0%	\$ 56	35.0%	\$ 19
PT Salaries	\$ -		\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 62		\$ 62	\$ -	\$ 62	25.0%	\$ 47	25.0%	\$ 12
Project Coordinator	\$ 74		\$ 74	\$ -	\$ 74	33.0%	\$ 50	31.0%	\$ 15
General Manager	\$ 200		\$ 200	\$ -	\$ 200	20.0%	\$ 160	25.0%	\$ 40
Finance & Accounting Manager	\$ 109		\$ 109	\$ -	\$ 109	25.0%	\$ 82	25.0%	\$ 20
Engineering Manager	\$ 318		\$ 318	\$ -	\$ 318	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 62		\$ 62	\$ -	\$ 62	0.0%	\$ 62	32.0%	\$ 20
Operations Manager	\$ 330		\$ 330	\$ -	\$ 330	50.0%	\$ 165	15.0%	\$ 25
WQ / Measurement Specialist	\$ 1,057		\$ 1,057	\$ -	\$ 1,057	0.0%	\$ 1,057	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 84		\$ 84	\$ -	\$ 84	50.0%	\$ 42	42.5%	\$ 18
			\$ 2,370	\$ -	\$ 2,370		\$ 1,719		\$ 169
Dental & Vision									
Accountant	\$ 372		\$ 372	\$ -	\$ 372	23.0%	\$ 279	35.0%	\$ 98
PT Salaries	\$ -		\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 372		\$ 372	\$ -	\$ 372	25.0%	\$ 279	25.0%	\$ 70
Project Coordinator	\$ 372		\$ 372	\$ -	\$ 372	33.0%	\$ 249	31.0%	\$ 77
General Manager	\$ 372		\$ 372	\$ -	\$ 372	20.0%	\$ 298	25.0%	\$ 74
Finance & Accounting Manager	\$ 288		\$ 288	\$ -	\$ 288	25.0%	\$ 216	25.0%	\$ 54
Engineering Manager	\$ 288		\$ 288	\$ -	\$ 288	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 372		\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Operations Manager	\$ 372		\$ 372	\$ -	\$ 372	50.0%	\$ 186	15.0%	\$ 28
WQ / Measurement Specialist	\$ 372		\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 372		\$ 372	\$ -	\$ 372	50.0%	\$ 186	42.5%	\$ 79
			\$ 3,552	\$ -	\$ 3,552		\$ 2,437		\$ 599
Life & LTD									
Accountant	\$ 519		\$ 519	\$ -	\$ 519	23.0%	\$ 389	35.0%	\$ 136
PT Salaries	\$ -		\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 437		\$ 437	\$ -	\$ 437	25.0%	\$ 328	25.0%	\$ 82
Project Coordinator	\$ 529		\$ 529	\$ -	\$ 529	33.0%	\$ 354	31.0%	\$ 110
General Manager	\$ 1,176		\$ 1,176	\$ -	\$ 1,176	20.0%	\$ 941	25.0%	\$ 235
Finance & Accounting Manager	\$ 774		\$ 774	\$ -	\$ 774	25.0%	\$ 581	25.0%	\$ 145
Engineering Manager	\$ 779		\$ 779	\$ -	\$ 779	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 441		\$ 441	\$ -	\$ 441	0.0%	\$ 441	32.0%	\$ 141
Operations Manager	\$ 812		\$ 812	\$ -	\$ 812	50.0%	\$ 406	15.0%	\$ 61
WQ / Measurement Specialist	\$ 646		\$ 646	\$ -	\$ 646	0.0%	\$ 646	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 595		\$ 595	\$ -	\$ 595	50.0%	\$ 298	42.5%	\$ 126
			\$ 6,708	\$ -	\$ 6,708		\$ 4,383		\$ 1,037

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	23.0%	\$ 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	\$ 4,159	50.0%	\$ 2,080	42.5%	\$ 884
	\$ 44,551	\$ 2,877	\$ 47,428		\$ 34,931		\$ 8,425

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%	\$ 2,348
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
	\$ 116,054	\$ 6,271	\$ 122,325		\$ 80,570		\$ 19,117

Total Administration

	\$ 773,163	\$ 50,655	\$ 823,818		\$ 625,747		\$ 150,399
		\$ 12,175					\$ 24.0%
		<i>Allocated to Radcliff</i>					

	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	\$ 37.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 39.62	2	\$ 6,200	\$ -	\$ 6,200	0.0%	\$ 6,200	32.0%	\$ 1,984
Commissioner	\$ 37.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 37.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 37.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
			\$ 30,200	\$ -	\$ 30,200		\$ 30,200		\$ 9,664
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
			\$ 26,312	\$ -	\$ 26,312		\$ 26,312		\$ 8,420
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
			\$ 50	\$ -	\$ 50		\$ 50		\$ 16
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
			\$ 1,860	\$ -	\$ 1,860		\$ 1,860		\$ 595
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
			\$ 2,310	\$ 69	\$ 2,380		\$ 2,380		\$ 761
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
			\$ 5,904	\$ 94	\$ 5,999		\$ 5,999		\$ 1,920
Total Commissioners			\$ 66,636	\$ 164	\$ 66,800		\$ 66,800		\$ 21,376
				\$ 32					\$ 32.0%
				Allocated to Radcliff					

	Current Hourly Rate	Hours per Week	2012		Rate Year	% Capitalized	Net O&M	Allocation to Radcliff Utility	
			Taxi Year (1)	Adjustments				% Allocation	\$ Allocation
Salaries and Wages									
Customer Service Representative	\$ 16.42	40	\$ 34,154	\$ 1,025	\$ 35,178	0.0%	\$ 35,178	47.0%	\$ 16,554
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%	\$ 13,965
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
			\$ 242,372	\$ 7,271	\$ 249,643		\$ 249,643		\$ 116,797
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
			\$ 846	\$ 25	\$ 871		\$ 871		\$ 407
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
			\$ 35,116	\$ -	\$ 35,116		\$ 35,116		\$ 16,439
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			\$ 37	\$ -	\$ 37	0.0%	\$ 37	47.0%	\$ 18
Customer Service Representative			\$ 49	\$ -	\$ 49	0.0%	\$ 49	47.0%	\$ 23
Utility Billing Specialist			\$ 64	\$ -	\$ 64	0.0%	\$ 64	46.0%	\$ 29
			\$ 394	\$ -	\$ 394		\$ 394		\$ 184
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
			\$ 1,865	\$ -	\$ 1,865		\$ 1,865		\$ 873
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
			\$ 2,897	\$ -	\$ 2,897		\$ 2,897		\$ 1,337
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
			\$ 18,026	\$ 558	\$ 18,584		\$ 18,584		\$ 8,966
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			\$ 5,676	\$ 91	\$ 5,767	0.0%	\$ 5,767	47.0%	\$ 2,711
Customer Service Representative			\$ 6,964	\$ 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
			\$ 45,262	\$ 724	\$ 45,986		\$ 45,986		\$ 21,533
Total Customer Service			\$ 347,358	\$ 8,579	\$ 355,937		\$ 355,937		\$ 166,557
			\$	\$ 4,014					\$ 46.8%
				Allocated to Radcliff					

	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									
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	\$ 1,083	\$ 37,233	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	\$ 33,506	\$ 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%	\$ -
			\$ 405,996	\$ 12,180	\$ 418,176		\$ 403,282		\$ 82,171
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			\$ 2,181	\$ 77	\$ 2,258	0.0%	\$ 2,258	0.0%	\$ -
Distribution Operator - I or II			\$ 2,137	\$ 67	\$ 2,204	0.0%	\$ 2,204	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%	\$ -
			\$ 21,543	\$ 646	\$ 22,191		\$ 21,253		\$ 5,119
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%	\$ -
			\$ 71,883	\$ -	\$ 71,883		\$ 69,271		\$ 13,455
W_Corp									
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%	\$ 233
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%	\$ -
			\$ 7,294	\$ -	\$ 7,294		\$ 7,034		\$ 1,432
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	0.0%	\$ -
Distribution Supervisor			\$ 372	\$ -	\$ 372	0.0%	\$ 372	1.5%	\$ 6
TEMP Summer Help			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
			\$ 4,092	\$ -	\$ 4,092		\$ 3,943		\$ 880
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%	\$ -
			\$ 4,536	\$ -	\$ 4,536		\$ 4,372		\$ 903

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	\$ 3,172	0.0%	\$ 3,172	47.0%	\$ 1,491
Distribution Operator - I	\$ 2,540	\$ 88	\$ 2,628	40.0%	\$ 1,817	0.0%	\$ -
Distribution Operator - I	\$ 2,363	\$ 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%	\$ -
	\$ 32,707	\$ 981	\$ 33,688		\$ 32,477		\$ 6,678

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	\$ 11,345	\$ 183	\$ 11,729	0.0%	\$ 11,729	1.5%	\$ 176
TEMP Summer Help	\$ 968	\$ 15	\$ 983	0.0%	\$ 983	0.0%	\$ -
	\$ 83,284	\$ 1,337	\$ 84,922		\$ 81,868		\$ 16,833

Total Collection System

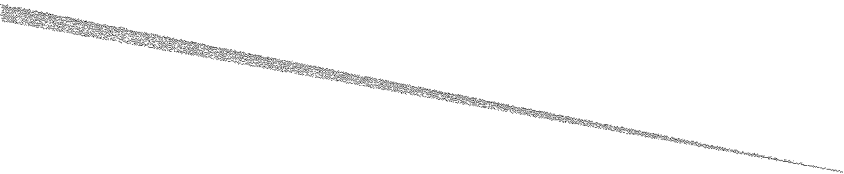
	\$ 631,639	\$ 15,145	\$ 646,784		\$ 633,500		\$ 129,473
		\$ 3,143					\$ 20.8%
		<i>Allocated to Road/Off</i>					

Salaries and Wages
 Attorney (Professional Services)

Current Hourly Rate	Hours per Week	2012		Rate Year	% Capitalized	Net O&M	Allocation to Radcliff Utility				
		2012 Tax Year (1)	Adjustments				% Allocation	\$ Allocation			
\$	27,512	\$	77	\$	27,589	0.0%	\$	27,589	30.2%	\$	8,332
Total Legal	\$	27,512	\$	77	\$	27,589	\$	27,589	\$	8,332	30.2%
			\$	23							
			Allocated to Radcliff								

	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									
Maint. & Control Specialist	\$ 26.17	40	\$ 54,434	\$ 1,633	\$ 56,067	0.0%	\$ 56,067	0.0%	\$ -
Overtime									
Maint. & Control Specialist			\$ 2,994	\$ 90	\$ 3,084	0.0%	\$ 3,084	0.0%	\$ -
Health									
Maint. & Control Specialist			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
W_Comp									
Maint. & Control Specialist			\$ 1,007	\$ -	\$ 1,007	0.0%	\$ 1,007	0.0%	\$ -
Dental & Vision									
Maint. & Control Specialist			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Life & LTD									
Maint. & Control Specialist			\$ 616	\$ -	\$ 616	0.0%	\$ 616	0.0%	\$ -
OASDI									
Maint. & Control Specialist			\$ 4,393	\$ 132	\$ 4,525	0.0%	\$ 4,525	0.0%	\$ -
Pension									
Maint. & Control Specialist			\$ 11,227	\$ 180	\$ 11,407	0.0%	\$ 11,407	0.0%	\$ -
Total Maintenance			\$ 81,578	\$ 2,034	\$ 83,612		\$ 83,612		\$ -
				\$					0.0%

Allocated to Radcliff



25. Provide the most recent vendor invoice for each of the following employee insurance coverages:

- a. Health Insurance;
- b. Dental Insurance; and
- c. Life Insurance.

If an invoice does not list employees individually by name and state the type of coverage or if it identifies employees by a code number or other identifier, provide the name of each employee and the type of coverage provided to him or her.

ANSWER 25: Please see attached Exhibit 23 for copies of the August 2013 invoices for Health Insurance (Anthem), Dental Insurance (Delta Dental) and Life Insurance (Lincoln National Life Insurance Company).

WITNESS: Mr. Scott Schmuck, HCWD1 Finance & Accounting Manager

2113
2113



1351 Wm Howard Taft
Cincinnati, OH 45206-1775

An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. ®Registered marks Blue Cross and Blue Shield Association.

072113 DPL341912 KYGRP 7058 03



*****AUT0**SCH 3-DIGIT 400
953 1 AT 0-384 5

HARDIN COUNTY WATER DIST #1
ATTN: KAREN MORRISON
1400 ROGERSVILLE RD
RADCLIFF KY 40160-9343

UHBGGKUT COMB 20130722 002285 Env [953] 1 of 3 B 2.4

DETACH AND RETURN LOWER PORTION WITH YOUR PAYMENT

RETURN THIS WITH YOUR PAYMENT - DO NOT STAPLE

Hardin County Water Dist #1

Group No.	From Date	Through Date	Due Date
00160663-0000	08/01/2013	08/31/2013	08/01/2013
Amount Due		Amount Paid	
\$17,074.99			

Unit No. 003 FKY1-MB
Bill Clerk Kentucky Small Group Service Number



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MAKE CHECKS PAYABLE TO
ANTHEM BLUE CROSS BLUE SHIELD



ANTHEM BCBS KY GROUP
PO Box 105124
Atlanta GA 30348-5124

1 1001606630000000000000000090801201300017074990031

Group ID: 00160663

Invoice Number: 107536424



An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc. ®Registered marks Blue Cross and Blue Shield Association.

Billing for: Hardin County Water Dist #1
1400 Rogersville Rd
Radcliff, KY 40160-9343

Due Date: 08/01/2013
Billing Date: 07/21/2013
Coverage Period From: 08/01/2013
Through: 08/31/2013

Group ID: 00160663

Invoice Number: 107536424

Account Summary

07/02/2013 Previous Total Due \$16,670.37
Payment (\$16,670.37)

Outstanding Balance as of 07/21/2013 \$0.00
Current Invoice \$17,074.99
Total Due \$17,074.99

Please Pay This Amount

For billing questions, please call 1-866-912-3278.

THIS STATEMENT IS FOR YOUR RECORDS ONLY AND REFLECTS PREMIUMS DEDUCTED THROUGH ELECTRONIC FUND TRANSFER (EFT).

- + Remember to PAY AS BILLED - pay the total amount shown as due on the bill.
- + Do not add or delete members by writing on your bill - your payment goes to an automatic deposit box that cannot read your changes.
- + Submit membership changes to Anthem as they occur. We will adjust your premiums, when applicable, on a future bill.

IMPORTANT NOTICE REGARDING PAYMENT OF PREMIUM

Please be advised that if Anthem does not receive the group premium payment within the 30 day grace period following the premium payment due date, the group health coverage will be terminated effective on the last date through which full premiums were paid. This notice serves as the 30-day notice of termination required by law.

IMPORTANT NOTICE: If this bill reflects an outstanding premium balance for the prior month's bill, Anthem's issuance of this invoice does not waive Anthem's contractual right to automatically terminate your group's coverage for failure to timely pay premiums.

Fax your Membership ADDITIONS/CHANGES/TERMINATIONS to 1-800-844-6367

20130722 002285 Env [953] 2 of 3 B 2.4

Account Detail

	Subscribers	Dependents	Current	Retro	Net
Health 1	34	8	\$17,074.99	\$0.00	\$17,074.99
	Current Bill Total		\$17,074.99	\$0.00	\$17,074.99
	Balance Carried Forward				\$0.00
		Total			\$17,074.99

Current Subscriber Details

SubGroup ID: 0000

SubGroup Name: Hardin County Water Dist #1

Subscriber	Subscriber ID	Plan	Volume	Subscriber	Dependent	Total
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$343.93	\$748.55
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$343.93	\$748.55
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$526.01	\$930.63
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$526.01	\$930.63
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$526.01	\$930.63
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$526.01	\$930.63
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$526.01	\$930.63
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
[REDACTED]	[REDACTED]	Health 1		\$404.62	\$0.00	\$404.62
Subtotal for 0000				\$13,757.08	\$3,317.91	\$17,074.99

20130722 002285
20130723B00 JB07
3 of 3 B 2,4



GROUP DETAIL COPY

Please retain this copy for your records.

DUE001

PO BOX 710974
Columbus, OH 43271-0974

DUE DATE
08/01/2013
FROM
08/01/2013
THROUGH
08/31/2013
GROUP NUMBER
M00043
TOTAL DUE
\$1,740.07
DO NOT PAY

Please Remit To:

DELTA DENTAL OF KENTUCKY
PO BOX 710974
Columbus, OH 43271-0974

HARDIN COUNTY WATER DISTRICT #1
KAREN MORRISSON
1400 ROGERSVILLE RD
RADCLIFF, KY 40160

***** TOTAL DUE WILL BE DEDUCTED FROM YOUR ACCOUNT ON OR ABOUT 08/01/2013.*****

CUSTOMER SERVICE: 1-800-955-2030

Page 1 of 4

TOTAL DUE
\$1,740.07
DUE DATE
08/01/2013

CONTRACT TYPE (CT)

- 1. Employee
- 2. Employee / Spouse
- 3. Family
- 5. Employee / Child
- 6. Employee / Children

BILLING CODES (BC)

- 10. ADDITION
- 20. TERMINATION
- 30. EFFECTIVE DATE CHANGE
- 40. STATUS CHANGE

COBRA	MEMBER ID NUMBER	MEMBER NAME LAST, FIRST	CT	EFFECTIVE DATE	TERM DATE	BC	PREMIER ADJUSTMENT	PREMIER PREMIUM	CARE ADJUSTMENT	CARE PREMIUM	PPO ADJUSTMENT	PPO PREMIUM	AMOUNT DUE
		00000066-0000											
			1	01/01/12				24.15					24.15
			6	01/01/08				72.74					72.74
			3	09/01/11				72.74					72.74
			2	06/01/08				46.50					46.50
			1	09/01/08				24.15					24.15
			3	01/01/11				72.74					72.74
			1	12/01/12				24.15					24.15
			1	01/01/13				24.15					24.15
			2	01/01/08				46.50					46.50
			1	04/01/12				24.15					24.15
			1	01/01/13				24.15					24.15
			1	04/01/12				24.15					24.15
			2	01/01/08				46.50					46.50
			2	01/01/08				46.50					46.50
			2	01/01/08				46.50					46.50
			1	03/01/12				24.15					24.15
			2	04/01/13				46.50					46.50
			2	01/01/08				46.50					46.50
			1	08/01/13				24.15					24.15
			5	01/01/11				46.50					46.50
			1	09/01/11				24.15					24.15
			1	01/01/08				24.15					24.15
			2	01/01/13				46.50					46.50
			3	01/01/08				72.74					72.74
			2	09/01/12				46.50					46.50
			1	01/01/12				24.15					24.15
			1	03/01/12				24.15					24.15
			1	01/01/12				24.15					24.15
			2	03/01/11				46.50					46.50
			2	01/01/08				46.50					46.50
			3	01/01/08				72.74					72.74
			3	01/01/12				72.74					72.74
			1	05/01/11				24.15					24.15
			1	01/01/11				24.15					24.15
			1	08/01/12				24.15					24.15
			3	01/01/08				72.74					72.74
			2	01/01/08				46.50					46.50
			1	01/01/08				24.15					24.15
			1	01/01/12				24.15					24.15

PREMIUM	ADJUSTMENTS	NET BILLED	PAST DUE	TOTAL DUE
\$1,740.07		\$1,740.07		\$1,740.07



GROUP DETAIL COPY

Please retain this copy for your records.

DUE001

PO BOX 710974
Columbus, OH 43271-0974

DUE DATE
08/01/2013
FROM
08/01/2013
THROUGH
08/31/2013
GROUP NUMBER
M00043
TOTAL DUE
\$1,740.07
DO NOT PAY

Please Remit To:

DELTA DENTAL OF KENTUCKY
PO BOX 710974
Columbus, OH 43271-0974

HARDIN COUNTY WATER DISTRICT #1
KAREN MORRISON
1400 ROGERSVILLE RD
RADCLIFF, KY 40160

***** TOTAL DUE WILL BE DEDUCTED FROM YOUR ACCOUNT ON OR ABOUT 08/01/2013.*****

CUSTOMER SERVICE: 1-800-955-2030

TOTAL DUE
\$1,740.07
DUE DATE
08/01/2013

Page 2 of 4

CONTRACT TYPE (CT)

- 1. Employee
- 2. Employee / Spouse
- 3. Family
- 5. Employee / Child
- 6. Employee / Children

BILLING CODES (BC)

- 10. ADDITION
- 20. TERMINATION
- 30. EFFECTIVE DATE CHANGE
- 40. STATUS CHANGE

COBRA	MEMBER ID NUMBER	MEMBER NAME LAST, FIRST	CT	EFFECTIVE DATE	TERM DATE	BC	PREMIER ADJUSTMENT	PREMIER PREMIUM	CARE ADJUSTMENT	CARE PREMIUM	PPO ADJUSTMENT	PPO PREMIUM	AMOUNT DUE
			1	09/01/11				24.15					24.15
			2	10/01/08				46.50					46.50
			3	07/16/11				72.74					72.74
			1	03/01/12				24.15					24.15
							PREMIUM	ADJUSTMENTS	NET BILLED	PAST DUE	TOTAL DUE		
							\$1,740.07		\$1,740.07		\$1,740.07		

LY147 8-1-005

BILLING SUMMARY

Lincoln National Life Insurance Company
Box 0821
Stream IL 60132-0821

Account#: HARDINWT1-BL-1144246
Amount Due: \$1,940.09
Prem Due By: 08/01/2013
Coverage: 08/01/2013-08/31/2013

***** PAID BY AUTOMATED WITHDRAWAL ON 08/01/2013 - NO PAYMENT REQUIRED. *****

GR-AD 010926 1501192075
Attn: Karen Morrison
Hardin County Water District #1
1400 Rogersville Road
Radcliff KY 40160



000000002000795786 1144246 000194009 08012013 9

01-AUG-2013

(Please remove and return top portion with your check made payable to The Lincoln National Life Insurance Company)

Previous Billed Balance	\$1,886.72	
Premium Processed	- \$1,886.72	
Beginning Balance		\$.00
Current Period Premium	\$1,911.67	
Current Period Adjustments	\$28.42	
Current Billed Balance		\$1,940.09

Amount Paid by Automatic Withdrawal \$1,940.09

PREMIUM PAYMENT INSTRUCTIONS

Your premium will be paid by automatic withdrawal. No payment is required

Please do not submit enrollment changes with your premium payment

Use the Adjustment Report to make any of the following changes: termination, class, billing location, salary changes (if benefit is salary based), etc.

The following type of changes need a Group Change Form completed and returned before the change can be processed: name, beneficiary, marital status, or change in dependent coverages

These forms and enrollment forms must be received at least 10 days prior to the next bill's draw date for the change to be reflected. Please fax forms to: 877-573-6177 or visit our website:

www.lincoln4benefits.com

If you have any questions, please call your Client Service Representative at 800-423-2765.

The Lincoln National Life Insurance Company

NS*15011920/5 010926 0001 100000 0M118577

BILLING DETAIL

Attn: Karen Morrison
Hardin County Water District #1
1400 Rogersville Road
Radcliff KY 40160

Account# HARDINWT1-BL-1144246
Reference# 2555490909
LIFE Policy# 000010140097 00000
LTD Policy# 000010140098 00000

Premium Due By: 08/01/2013

Bill Print Date: 07/11/2013
Coverage Period: 08/01/2013 - 08/31/2013

Current Premium:

ADMINISTRATION

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
xxxxx2835	Bruce, James S.	300000	57.00	9.00	26.83						92.83
xxxxx3201	Clifford, Daniel	159000	30.21	4.77	20.23						55.21
xxxxx9650	Morrison, Karen D.	116000	22.04	3.48	14.80						40.32
xxxxx8744	Palmer, Andrea M.	117000	22.23	3.51	14.94						40.68
xxxxx6412	Pendley, Preston	208000	39.52	6.24	26.48						72.24
xxxxx8981	Pyles, Aaron B.	216000	41.04	6.48	26.83						74.35
xxxxx2154	Schmuck, Scott	206000	39.14	6.18	26.22						71.54
xxxxx6316	Spalding, Amanda	172000	32.68	5.16	21.89						59.73
xxxxx1722	Strange, Stephanie R.	139000	26.41	4.17	17.65						48.23
xxxxx6315	Thomas, John M.	140000	26.60	4.20	17.84						48.64
Lives: 10	Group Totals	1773000	336.87	53.19	213.71						603.77

CUSTOMER SERVICE

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
xxxxx4611	Bragg, Chelsea A.	87000	16.53	2.61	11.07						30.21
xxxxx8136	Campbell, Christie	92000	17.48	2.76	11.69						31.93
xxxxx5824	Easter, Genia C.	185000	35.15	5.55	23.53						64.23
xxxxx0363	Thompson, Linda	121000	22.99	3.63	15.43						42.05
xxxxx2791	Williams, Charles	103000	19.57	3.09	13.09						35.75
xxxxx3419	Wittstock, Susanna S.	107000	20.33	3.21	13.58						37.12
Lives: 6	Group Totals	695000	132.05	20.85	88.39						241.29

01-AUG-2013

LIFE-Life. AD+D-AD&D. LTD-LTD.
*AC-Add Coverage SC-Salary Change

DISTRIBUTION

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
xxxxx1088		90000	17.10	2.70	11.47						31.27
xxxxx6562		109000	20.71	3.27	13.86						37.84
xxxxx9538		113000	21.47	3.39	14.39						39.25
xxxxx0313		118000	22.42	3.54	15.03						40.99
xxxxx7106		123000	23.37	3.69	15.70						42.76
xxxxx0592		88000	16.72	2.64	11.14						30.50
xxxxx6615		87000	16.53	2.61	11.06						30.20
xxxxx9524		76000	14.44	2.28	9.69						26.41
xxxxx2882		119000	22.61	3.57	15.17						41.35
xxxxx2631		72000	13.68	2.16	9.18						25.02
xxxxx7647		110000	20.90	3.30	14.03						38.23
xxxxx7317		83000	15.77	2.49	10.52						28.78
xxxxx8855		136000	25.84	4.08	17.32						47.24
xxxxx5188		96000	18.24	2.88	12.25						33.37
xxxxx2726		114000	21.66	3.42	14.52						39.60
xxxxx1546		178000	33.82	5.34	22.63						61.79
xxxxx8818		178000	33.82	5.34	22.68						61.84
xxxxx8327		107000	20.33	3.21	13.61						37.15
xxxxx7268		132000	25.08	3.96	16.82						45.86
Lives: 19	Group Totals	2129000	404.51	63.87	271.07						739.45

MAINTENANCE

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
xxxxx6727		164000	31.16	4.92	20.87						56.95
Lives: 1	Group Totals	164000	31.16	4.92	20.87						56.95

PARTLE

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
xxxxx9153		122000	23.18	3.66	15.54						42.38
xxxxx5725		178000	33.82	5.34	22.69						61.85
xxxxx9650		116000	22.04	3.48	14.78						40.30
xxxxx1044		109000	20.71	3.27	13.87						37.85
xxxxx9074		124000	23.56	3.72	15.76						43.04
xxxxx3784		129000	24.51	3.87	16.41						44.79

Continued on next page

LIFE-Life. AD+D-AD&D. LTD-LTD.
AC-Add Coverage SC-Salary Change

PIRTLE

CERT NO.	NAME	LI VOLUME	LIFE	AD+D	LTD						TOTAL
Lives: 6	Group Totals	778000	147.82	23.34	99.05						270.21
	Totals	5539000	1052.41	166.17	693.09						1911.67

Total number of lives: 42

TOTAL CURRENT PREMIUM \$1,911.67

Current Adjustments:

DISTRIBUTION

CERT NO.	NAME	ADJ DATE	LIFE	AD+D	LTD						TOTAL	*REASON
<xxx9538	[REDACTED]	06/13	1.90	0.30	1.20						3.40	SC
<xxx2631	[REDACTED]	07/13	13.68	2.16	9.18						25.02	AC
	Group Totals		15.58	2.46	10.38						28.42	
	Totals		15.58	2.46	10.38						28.42	

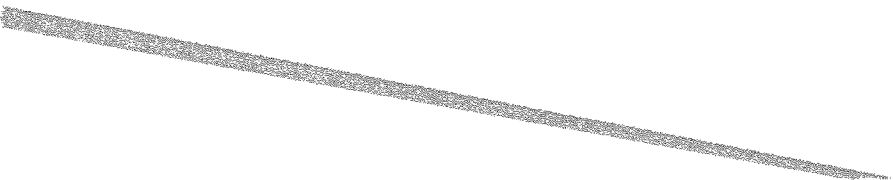
TOTAL CURRENT ADJUSTMENTS \$28.42

CURRENT BILL TOTAL \$1,940.09

Notice: This bill reflects changes, payments, and adjustments made prior to this bill's generation date of 07/11/2013.

01-AUG-2013

LIFE-Life. AD+D-AD&D. LTD-LTD.
:AC-Add Coverage SC-Salary Change



26. Provide a completed and executed Statement of Disclosure of Related Party Transactions Form for each member of Hardin District's Board of Commissioners and its General Manager. A copy of this form is attached to this Request.

ANSWER 26: The requested and completed forms are attached as Exhibit 24.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

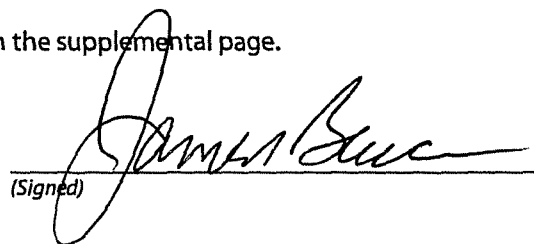
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARDIN COUNTY WATER DISTRICT NO. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.

JAMES BRUCE
(Print Name)


(Signed)

GENERAL MANAGER
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

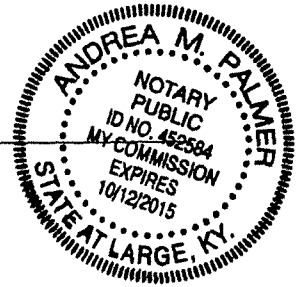
COMMONWEALTH OF KENTUCKY

COUNTY OF Hardin

Subscribed and sworn to before me by James Bruce
(Name)

this 15th day of August, 20 13.

[Signature]
NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Harzin County Water District No. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

WILLIAM GOSSETT
(Print Name)

William Gossett
(Signed)

Chairman of Board
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

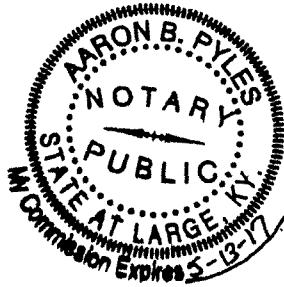
COMMONWEALTH OF KENTUCKY

COUNTY OF Hardin

Subscribed and sworn to before me by William Gossett
(Name)

this 2nd day of August, 2013.

Aaron B Pyles
NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

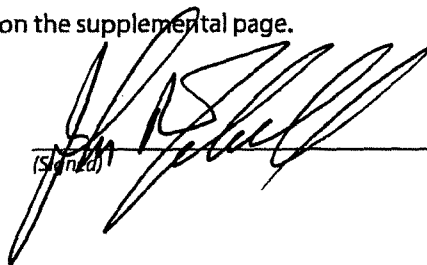
I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Hardin County Water District No. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Five Star Consulting, Inc.	Five Star Consulting is an LLC in which	No compensation
	Commissioner Tindall is one-third owner,	is paid from
	Five Star Consulting, LLC assists different	the District to
	business entities in efforts to procure	Five Star
	government related contracts. A client of	Consulting, LLC
	Five Star Consulting, LLC is Heritage	
	Engineers, Inc. who does some business with	
	Hardin County Water District No. 1	

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

John Tindall
(Print Name)


(Signed)

Commissioner
(Position/Office)


* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Hardin

Subscribed and sworn to before me by John Tindall
(Name)

this 22nd day of August, 20 13.


NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Hardin County Water District NO. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Ronald Heickman
(Print Name)

Ronald Heickman
(Signed)

Commissioner
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

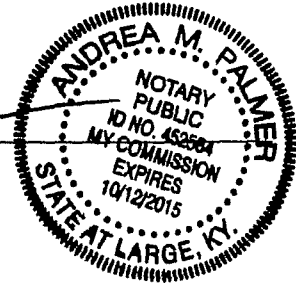
COMMONWEALTH OF KENTUCKY

COUNTY OF Hardin

Subscribed and sworn to before me by Ronald Hockman
(Name)

this 20th day of August, 20 13.

[Signature]
NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

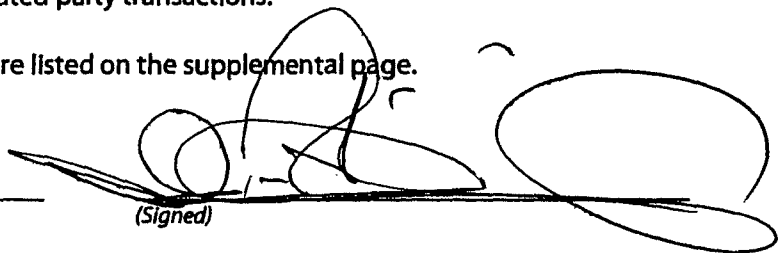
I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Hardin County Water District No. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Howard A. Williams
(Print Name)


(Signed)

Commissioner
(Position/Office)


* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

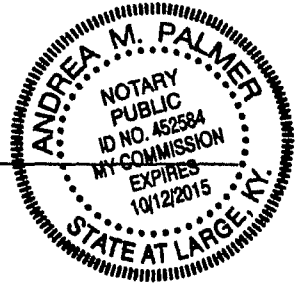
COMMONWEALTH OF KENTUCKY

COUNTY OF Hardin

Subscribed and sworn to before me by Howard Williams
(Name)

this 16th day of August, 20 13.


NOTARY PUBLIC
State-at-Large



**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Hardin County Water District No. 1 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

James Shelton
(Print Name)

James Shelton
(Signed)

Commissioner
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

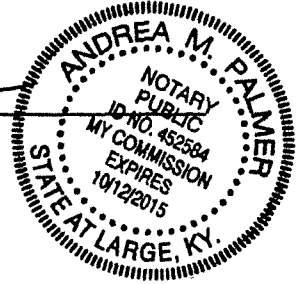
COMMONWEALTH OF KENTUCKY

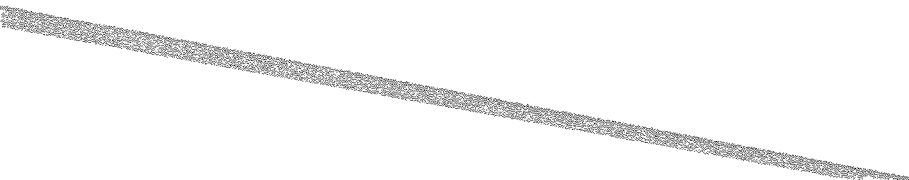
COUNTY OF Hardin

Subscribed and sworn to before me by James Shelton
(Name)

this 7th day of August, 2013.


NOTARY PUBLIC
State-at-Large





27. Provide on an electronic storage medium in Microsoft Excel format an electronic version of the cost-of-service study filed with Hardin District's application. All formulas contained in this version should be self-contained and without any linked references to or macro commands involving external files.

ANSWER 27: The requested information is found as a digital file titled "Cost of Service Study" on the Compact Disc behind tab 35.

WITNESS: Mr. Bart Kreps, Rate Consultant



28. State whether Hardin District has an asset management plan for its sewer operations. If Hardin District has such plan, provide a copy.

ANSWER 28: Yes

Asset management is accomplished by using numerous tools and systems employed by Veolia for the Radcliff (and Ft. Knox) systems. These include GIS (Geographic Information System), Hach WIMS® (Water Information Management Solution), Hach Ops 32®, CMMS (Computer Maintenance Management System), PipeTech® and a Capital Improvement Program.

Key and integrated into the above systems is the CCTV (Closed Circuit TeleVision) inspection data which uses its own software (PipeTech® by Penisular Technologies) to apply PACP and MACP (Pipeline & Manhole Certification Programs) ratings to all completed inspections.

All of these systems and resulting data is then summarized in monthly reports to Hardin District personnel. Each year, Veolia provides an annual summary of the system asset strengths and weaknesses. Veolia also provides a preliminary CIP (Capital Improvement Program) list. Problems during the year are also discussed at the monthly status meeting, as well as progress on the current year CIP.

Finally, the Hardin District Operations Manager and Engineering Manager prioritize a CIP for the upcoming budget year. The Finance & Accounting Manager and General Manager then develop working capital (including grant funding) amount available for the next year proposed budget, and a 5-Year projected budget. Depending on funding available, a final CIP budget is developed for the Engineering Manager to work on in the following year.

The Board of Commissioners approves a total CIP construction budget, and individual requests for Capital Purchases (vehicles, equipment, building related projects).

The attached Exhibit 29 provides more detailed explanations of each of the Asset Management Plan elements, CIP plans and screen shots of some of the software programs.

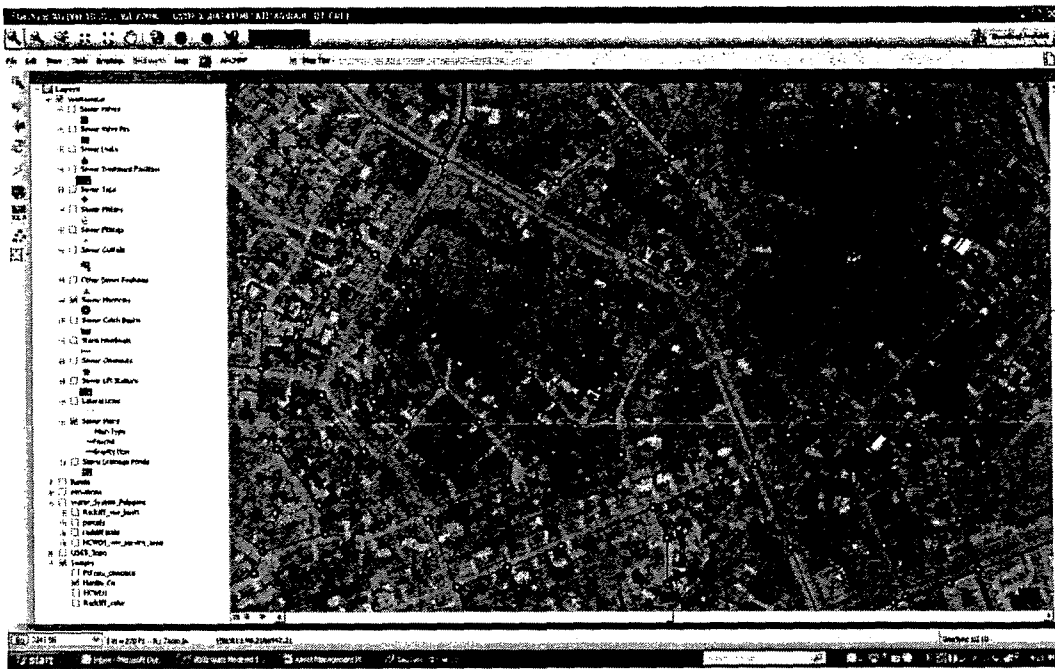
WITNESS: Mr. Jim Bruce, HCWD1 General Manager
Mr. Brad Walker, Veolia Project Manager, Radcliff Project



ASSET MANAGEMENT PLAN:

The asset management plan consists of eight components which are: GIS, HachWims, OPS 32, E3 compliance, CMMS, Pipe Tech and Capital Improvement Program.

GIS: tracks mapping, sewer pipes and manholes, lift station locations, pipe diameter, elevation, material type, age, condition, lateral connections, soil, pavement, Industrial areas and Facilities.



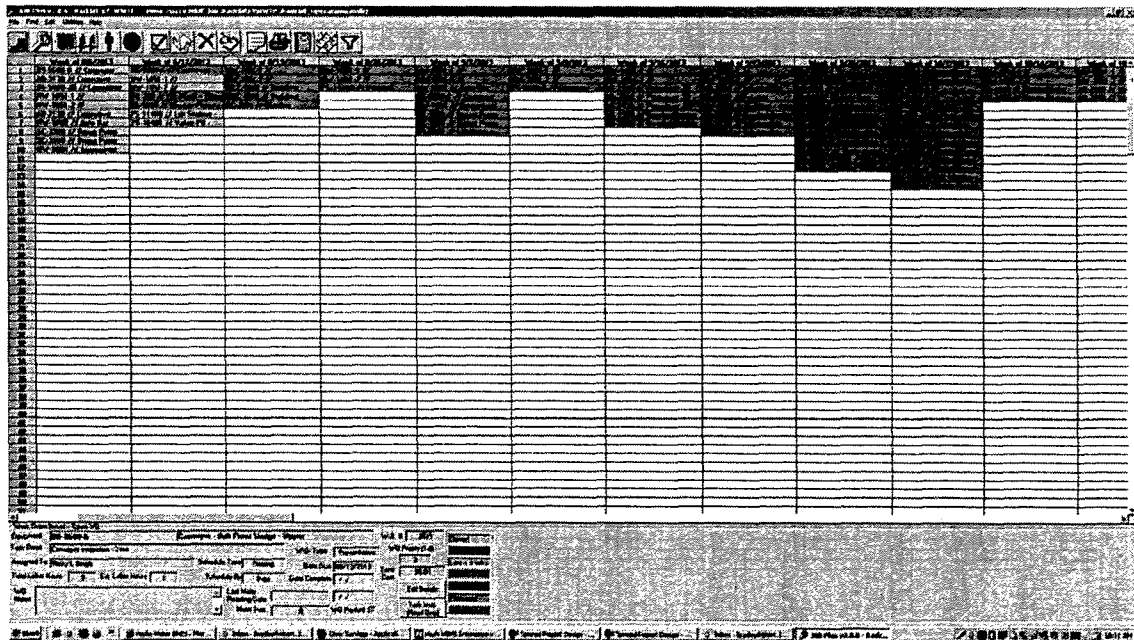
Veolia Water North America
350 New Street East
Radcliff, Ky. 40160
Tel 270-351-6270
www.veoliawaterna.com

HachWims: Computerized process control data management software. The primary goal of this program is to allow operations staff to access, in a timely manner, whether unit processes are in or out of established control limitations. It tracks BOD removal, TSS removal, Ammonia Nitrogen reduction, utility consumption and residuals management.

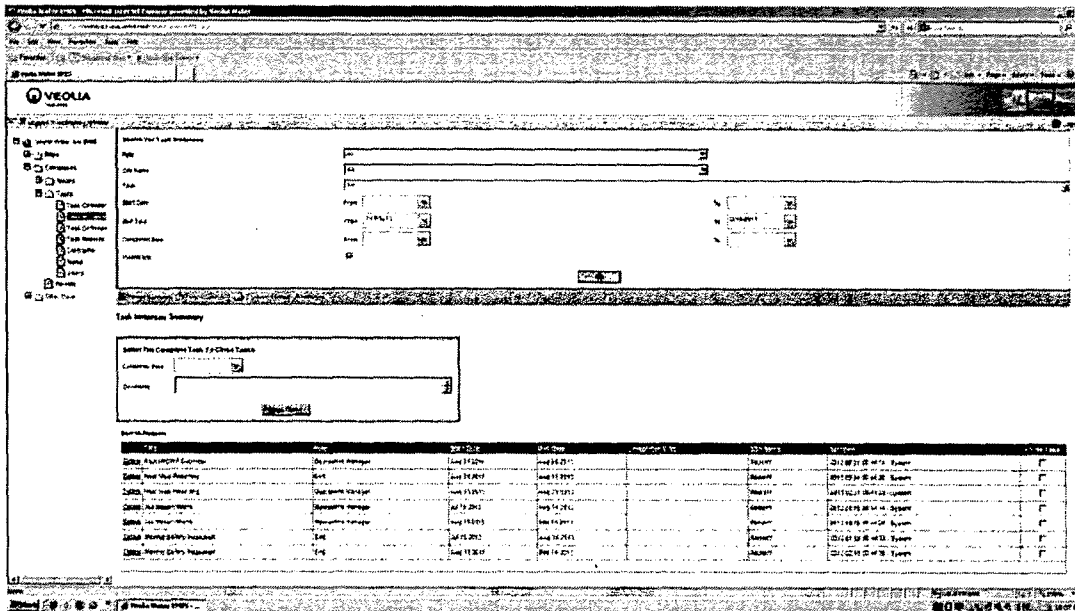
The screenshot displays the HachWims software interface. At the top, there is a menu bar and a title bar. Below the title bar, a window titled 'HachWims' is open, showing a data table. The table has the following columns: 'Date', 'Plant Name', 'Average', 'BOD', 'TSS', 'NH3', 'NH4', 'NO3', 'NO2', 'O2', 'pH', 'DO', 'ORP', 'MLSS', 'MLVSS', 'SVI', 'Sludge Index', 'Flow Rate', 'Temperature', 'Pressure', 'Vibration', 'Motor Amperage', 'Motor Voltage', 'Motor Current', 'Motor Power Factor', 'Motor Efficiency', 'Motor Speed', 'Motor Torque', 'Motor Slip', 'Motor Losses', 'Motor Noise', 'Motor Vibration', 'Motor Temperature', 'Motor Humidity', 'Motor Pressure', 'Motor Flow Rate', 'Motor Temperature', 'Motor Humidity', 'Motor Pressure', 'Motor Flow Rate'. The table contains multiple rows of data, with the first row showing '1998-01-01' for the date and 'Plant Name' for the plant name. Below the table, there are several empty rows and a section for 'Please Contact Support' with a phone number. The bottom of the screenshot shows a Windows taskbar with the date '1/10/98' and the time '10:10:10 AM'.



OPS32: Computerized operational software for collecting and reporting operational data and unit performance. This program automatically generates Flash and Exception reports from existing and new data being input to the program so that the operations staff can react in a timely manner to any issues that arise.



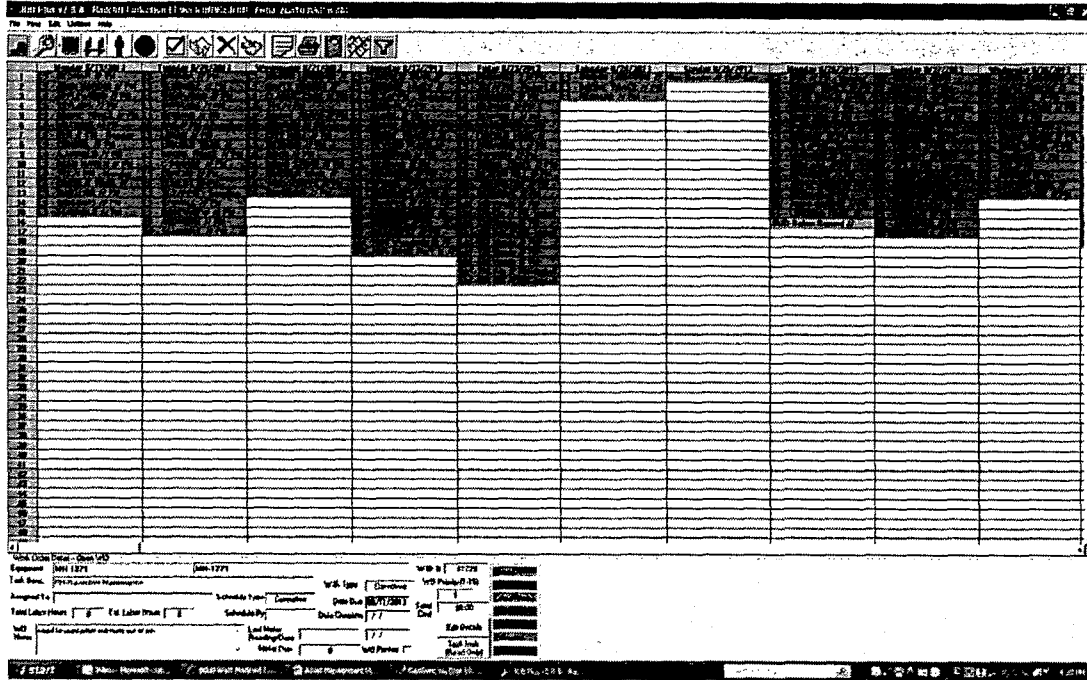
E3 Compliance: Computerized software that consolidates several areas of information. These include complete facilities information that may be required by internal or external reporting. It includes personnel or individuals who may be assigned responsibilities for accomplishment verification or review, operator or process information to assist in categorization and review of tasks or issues, contacts for support, materials, assistance or other input on tasks and issues also tasks that are repetitive or recurring items such as inspections or reports and scheduling.



CMMS: Tracks and organizes repair and maintenance task schedules, labor, materials, parts and other resources utilized in the conduct of maintenance and repair. Vendor,



manufacturer, supplier and service provider records are also tracked. Equipment data including name plate data, specifications, warranty and life cycle information is included. There are detailed historical information on all aspects of maintenance and repair including equipment, parts, materials, labor, vendors, purchasing and scheduling. There are descriptions and instructions for task and procedures to be performed.



PipeTech: Computerized system utilized on the CCTV truck to record and document inspections performed in the collections system. It documents manhole to manhole inspections, any defects such as sags, debris, broken or missing pipe, roots, lateral connections and pipe material.

The screenshot displays a software interface for PipeTech. At the top, there are menu options like 'File', 'Edit', 'View', 'Print', 'Help'. Below the menu is a title bar and a toolbar. The main area contains a data table with the following columns: ID, Date, Time, Location, and Inspection Status. The table lists numerous entries, each representing a manhole inspection. The 'Inspection Status' column contains values such as 'PASS', 'DEFECT', 'ROOT', 'SAG', 'DEBRIS', 'BROKEN', 'MISSING', 'LATERAL', and 'PIPE MATERIAL'. The bottom of the window shows a taskbar with the Windows logo and several open application icons.



Capital Improvement Program: Utilizes the above mentioned programs to compile asset conditions and incorporates into an annual replacement schedule. Along with the District input the schedule includes a One, Five and 20 year replacement program.

Microsoft Excel

Station 1999

STATION NAME	Comments	Inventory #	Service Life	Annual Asset	2013 Year 1	2014 Year 2	2015 Year 3	2016 Year 4	2017 Year 5	2018 Year 6	2019 Year 7	2020 Year 8	2021 Year 9	2022 Year 10	2023 Year 11	2024 Year 12	2025 Year 13	2026 Year 14
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	Asset Type	Collection		Weaknesses		Threat	Notes / Comments
INDOOR TRAIL	GRAVITY LINES	622 MH	OVER 53% PVC LINES... NEW LINE	47% CLAY LINES...DOOR IN HIGH TRAFFIC AREA... SSO PROBLEM IN LOW AREAS OLD LINES.... H2S damage at discharge manholes Rain event SSO's in residential areas	CIPP LINES IN WORSE AREAS...REDUCE INFILTRATION WITH SPOT REPAIRS		PACP RATING: 2.6 MODERATE...INCLUDES BASINS: LOGAN, CEMENT, CROCUS, K-GARTEN, CHURCH, MARVINS, GREENVIEW, C-SQ, MAPLE FOREST, INDIANA, HENSLEY, DOCS...
	GRAVITY LINES	554 MH	80% PVC LINES...	HIGH LATERAL LINE INFLOW FRM RESIDENTIAL SSO PROBLEM IN LOW AREAS OLD LINES.... H2S damage at discharge manholes Rain event SSO's in residential areas	PROGRAM TO REDUCE LATERAL LINE LEAKS... SMOKE TESTING OF LARGE AREA TO DETECT LATERAL LEAKAGE.		PACP RATING: 2.3 MODERATE... INCLUDES BASINS: CONROE, SKYLARK, MASTER, DEER HAVEN, BTR
	GRAVITY LINES	255 MH	NEW L/SFM	56% CLAY LINES...HEAVY INFILTRATION/INFLOW OLD SYSTEM H2S damage at discharge manholes Rain event SSO's in residential areas	ARRANGE FOR BETTER ACCESS TO OLD LINES RE-DIRECT LATERAL FRM 1800 S DDOE TO ADENA LOOP		PACP RATING: 2.8 MODERATE INCLUDES BASINS: OAK, BOONE TRACE II, BROOKE TRACE, SHERWOOD
	GRAVITY LINES	428 MH	ALL PVC...A ARNOLD NEW FM... STOVALL NEW LS FM	INCREASE VOL. INCREASE HIGH FLOW.... ACCESS TO MAINS RESTRICTED ISOLATION INCREASES THEFT MH LIDS, ETC. H2S damage at discharge manholes Rain event SSO's in residential areas	MAKE ACCESS EASIER TO MAINS IN WOODS, CREEKS AND FARM AREAS. MH AND LINES NOT IN USE SHOULD BE SECURED		PACP RATING: 2.1 MINOR...INCLUDES BASINS: WATKINS, APPLEWOOD, J. HARDIN, A. ARNOLD, STOVALL
	GRAVITY LINES	509 MH	62% PVC LINE...	36% CLAY LINE...HEAVY INFILTRATION/INFLOW ROOT PROBLEM IN OLD LINES...ACCESS TO PROBLEM LINES RESTRICTED, (i.e., WOODED & RESIDENTIAL BACK YARDS, FENCES, H2S damage at discharge manholes Rain event SSO's in residential areas	CIPP LINES IN WORSE AREAS...IMPROVE ACCESS TO MAINS....		PACP RATING: 2.6 MODERATE...INCLUDES BASINS: AUDUBON, HILLCREST, PAYTON PL, PARADISE I & II, REDHAWK, N. LOGSDON, ARLINGTON, BEACON HILL, WENDOVER
	GRAVITY LINES	171 MH	NEW FM...ARY UPDATED...ONLY 1 LS PUMPS TO REDMAR...NO EXCESS FLOW FROM OTHER LS	22% PVC LINES. HEAVY INFILTRATION/INFLOW... EXCESSIVE ROOTS PROBLEMS...SOME ACCESS ISSUES...OLD LINES...OLD NEIGHBORHOODS..... 78% CLAY LINES LOTS OF STRUCTURAL DEFECTS H2S damage at discharge manholes Rain event SSO's in residential areas	REPLACE LINES IN WORSE AREAS. IMPROVE ACCESS TO MAINS...INCREASE MAINT SCHEDULE FOR ROOT CUTTING... TRY DIFFERENT SOURCES FOR EFFECTIVE ROOT KILLERS	More chance of dry weather overflows in the collection system due to roots and deteriorating line segments.	PACP RATING: 3.0 SEVERE INCLUDES BASIN: GLOBE
	GRAVITY LINES	91 MH	DRUG STORE AND WOODCREEK ARE BEING COMBINED....	57% CLAY LINES. HEAVY GREASE LOADS COMING INTO LS...HEAVY INFILTRATION/INFLOW...ROOTS DUE TO OLD LINES. Rain event SSO's in residential areas H2S damage at discharge manholes	CIPP LINES IN WORSE AREAS. INCREASE USE OF ROOT KILLERS...CONDUCT SMOKE TESTING TO DETECT LATERAL AS WELL AS MAIN LINE LEAKS...		PACP RATING: 2.8 MODERATE INCLUDES BASINS: PLANT, BROWN, SPRING, DRUG STORE, WOODCREEK



2012 Year End Review-Radcliff Wastewater Lift Stations

Station	Asset Type	Strengths	Weaknesses	Threats	Notes / Comments		
001	Lift Station	Good access. Doesn't rag up often. This station is controlled by a float switch.	Station requires frequent cleaning.	Gold rails are rusted. Could use 3 position main disconnect. Grade work and scrub brush removal.	no fall restraint installed on wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
002	Lift Station	Good access. Fenced in. Newer station, float controls, mechanically sound, fall restraint is installed.	No Omni Site. Main disconnect is outside of the fenced area.	Install Omni Site. 3 position main disconnect.	Remove wiring to old Omni Site box from the exterior of the control panel.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
003	Lift Station	Transducer has been installed. Fall restraints, by pass valve, fenced in station, newer station	No Omni Site. The site is currently hard to access due to the construction of the new state road. Poor electrical construction. Light duty fence installed.	Build a deck for ease of getting on and off station. Cover over control panel. Install stilling well for transducer. Return electrical conduits. 3 position main disconnect.	move control panel 180 degrees so it does open over wet well. Hazardous getting on and off wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
004	Lift Station	Good access to station.	Uses Multi Trade for level controls. No Omni Site, No backup floats, poor conduit installation.	Install Omni Site, 3 position main disconnect, finish installing screens on platform, pressure wash and stain structure, repair conduit entering the control panel. Install bypass valve.	No fall restraints, no slip guards on the steps of structure.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
005	Lift Station	Good access to station. 3 position disconnect is installed. Station is controlled by floats	Standing water in valve vault, rusted piping in valve vault, cracked concrete lid on wet well, rusted couplings on guide rail brackets	Install bypass valve, replace guide rail and support brackets, install flowable fill grout in valve vault so channel the standing water out, pressure wash and paint pipes in vault.	No fall restraints installed in wet well, concrete lid on wet well is cracking.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
006	Lift Station	Good access, control panel, fall restraints, bypass	Motors require start and run capacitors because this is a single phase station.	Reroute control panel feeder so that it is not exposed, station is in residential area and needs fence installed. 3 position main disconnect.	Concerned about public safety and access to site.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
007	Lift Station	Omni Site, transducer, good access	Pumps rag up weekly. Requires crane service, station only has two pumps in it. Third pump is being used by Rodmar while waiting for new or rebuilt pump. Flooding at Outgass contribute to problems at Boone	Install bypass, replace back flow preventer, 3 position main disconnect, new control panel, stilling well for transducer, new well hatches, install balling grinder or chopper pumps so ragging will no longer be an issue.	Control panel must be opened for all inspections daily and has no interior door isolating exposed live parts. Wet well has no fall protection. No slip guards installed on steps.	No arc flash barrier Periodic ragging issues causing pumps to clog	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
008	Lift Station	New station. Good access, float controlled, fall restraints in place	Motors require start and run capacitors because this is a single phase station.	Grade work needs to be done at this site, install omni site, 3 position main disconnect, site should be fenced in, site has a lot of trees growing in and limbs and debris fall on enclosures.	Capacitors subject to fail from unstable source voltages.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
009	Lift Station	New station. Good access, float controlled, fall restraints in place	Motors require start and run capacitors because this is a single phase station.	Grade work needs to be done at this site, install omni site, 3 position main disconnect, site should be fenced in.	Capacitors subject to fail from unstable source voltages.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
010	Lift Station	Good access, float control	Station collects a lot of grease, station is in low area and is muddy most of the time.	Install 3 position main disconnect, gravel area and reroute storm water, install back flow preventer in valve vault, too much blow back from pumps, new check valves	No Fall restraint over wet well, tree limbs over the service drop.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
011	Lift Station	Good access, station controlled by floats	No Omni Site, not a secure area, needs fencing	Install bypass valve, 3 position main disconnect	No fall restraint.	Station could be damaged by car running off road Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control. Install ballasters to protect control panel from vehicle damage.	
012	Lift Station	Good access, station is on float controls, Omni Site installed.	gravel washes out during heavy rain events, needs storm water reroute	Repair road, repack guide rails, support brackets, install bypass, new electrical service, 3 position main disconnect, pressure wash and stain, install flow diverter to stop flow from dumping directly over pump.	No fall restraints in wet well, no slip guards on steps, tree limbs threaten electrical service drop.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
013	Lift Station	float control	No Omni Site, tree limbs can fall and block access to station	Install Omni Site, trim trees back, 3 position main disconnect.	tree limbs hanging over main electrical service drop.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	
014	Lift Station	Indoor	None	None		N/A	
015	Lift Station	Only supports one building	None	Install new control panel and move it closer to station	Only serves one customer in one building.	N/A	
016	Lift Station	Good access road, float controls	truck or boat often parked in access road making it difficult to clean station with Vac Truck, No Omni Site,	Road need gravel and vegetation cleared out, Possible gets and fence around station, needs new shut off valves, 3 position main disconnect	No fall restraint over wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control	

Crystal Ball	LIR Station	Good access, transducer, newer station	No barrier to keep public off of station property	Fence installation, install Omni Site, 3 position main disconnect	Station is next to a public road and sidewalk. No fall protection over wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Fenced in station, vacuum pump station, pumps meters above ground, easy to work on station	Sewers rusting, trees everywhere	Station needs to be updated, 3 position main disconnect	Trees need to be trimmed over station, sewer rust all over station.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, float control	No Omni Site, road needs to be grating and gravel, brush encroaching access road on one side, pump 1 has vibration, pump 2 has blow by and is difficult to see, standing water in wet well.	Replace guide rails and support brackets, install 3 position main disconnect, Omni Site, Slip guards on steps, pressure wash and stain structure.	Guide rails rusted through, main disconnect latch is broken, no fall protection over wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	no severe ragging issues with this station	No access road, no omni site, no bypass valve, Mulitrode controls	Install Omni, Bypass, 3 position main disconnect, needs assessment for road access	no fall restraints over wet well, no vehicle access when ground is wet (no assessment for road)	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Station is to be eliminated	Station is to be eliminated	Station is to be eliminated		Station to be eliminated
Crystal Ball	LIR Station	Good access to station. Float control	Station is no fenced off, no Omni Site	Install Omni, 3 position main disconnect, rebuild check valves, pumps have trouble sealing correctly	no fall restraint over wet well	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, security, standby generator, Omni Site, Fall restraints, overhead structure, transducer, back up float, bypass valve	None	In line grinder, stain overhead structure supports		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Gate at beginning of access road, float controls, FOG sprayer	Rusted guide rails and support brackets, station is in flood zone.	raise grade area around wet well to be able to get crane truck close enough to pull pumps, install omni site, 3 position main disconnect, replace rusted guide rails and brackets, install bypass, fix conduit	Deck to control panel needs to be rebuilt, non slip pads on stairs, fall restraints over wet well.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, float control, no ragging issues	No Omni Site	Install Omni Site, 3 position main disconnect, gravel access road	No fall restraint over wet well	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Easy access, Omni Site, Transducer, Soft starts controlled with bypass starters, does have fall restraint	Control panel is capable of running three pumps but needs the remaining electrical components to make it work. Unable to pull pumps without crane service.	Install 3 position main disconnect and standby generator, filling well for transducer, backup floats, repair broken hardware on wet well and valve w/out fix.	Control panel has high temperature during warm months, bypass transfer valve	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Ragging up of pumps is not an issue at this station	Multi Trode float control system, station is inaccessible, heavy tree limbs, rusting guidarails, have to pull pumps by hand crank, no access for vehicles, no assessment	Install pump bypass, 3 position main disconnect, thorough inspection of check valves	Tree damage, fall protection, inaccessibility, lift station is in the back yard of a customer. There is no fence separating the area of the lift station from the home owners yard.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, float control	no bypass available, valve vault is extremely deep	Install bypass, 3 position main disconnect, fines off entire station due to high foot traffic areas, pour concrete pad around service metering equipment	No fall restraints over wet well, electrical service roadway is separated.	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, float control	No Omni Site, Road is actually part of the storm drain and can be flooded during heavy rain, debris builds up on access road.	Install Omni Site, 3 position main disconnect, new impellers, inspect check valves		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Omni Site, Transducer, good access, newer control panel, security fence	Unable to pull pumps without crane service, no air scrubber, electrical service feed needs to be rerun	FOG Control in wet well (AUX) sand blast and paint pipes and valves in wet well, 3 position main disconnect, generator, backup floats, air scrubber, install silencing well for transducer, replace hardware on wetwell lids	No fall restraints over wet well, wet well have H2S damage, electrical service pole in bathing and conduit is in poor condition, generator quick connection needs to be installed	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, station controlled by floats	No Omni Site, Bypass valve needs rehab	Install Omni Site, repair bypass, 3 position main disconnect, pressure wash and stain structure	Install slip guards on stairs, no fall protection over wet well	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, station controlled by floats	road washed gravel away during heavy rain, older station, no fence, no omni site, lots of trees	Repair road, needs bypass, repair conduit at panel, turn panel 180 degrees 3 position main disconnect	no fall restraints over wet well, no bypass	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	Good access, float control, good wet well, has omni site	rusted guide rails and support brackets	Install 3 position main disconnect, inspect check valves and rebuild if possible, replace guide rails	no fall restraint over wet well	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Crystal Ball	LIR Station	No major problems from station	smth and totesse above ground station, problems with rusting, very poor access, pipes freeze during extreme cold weather, station over 25 years old	Replace station with submersible station similar to Crocus	severe rusting and decay and station, no access	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control

North Legation	Lift Station	Station to be eliminated	Station to be eliminated	Station to be eliminated		Station to be eliminated
	Lift Station	Good access, security, station is good condition	Multi mode controlled, no backup floats, check valves stem shut, valve vault hold water	Install omni site, fix drain pipe in valve vault		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Good access, security, fall restraints, bypass	No omni site	Install omni site, 3 position main disconnect, backup floats		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Good access, security, control panel, fall restraints, bypass	no omni site	Install omni site, 3 position main disconnect		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	station to be rebuilt	station to be rebuilt	station to be rebuilt		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Omni Site, good access	Multi Trade float control system, station is prone to high wet well conditions and flooding during rain events	Repair road entrance, 3 position main disconnect, raise valve vault and increase ground grade for area of access, new control panel, pressure wash and stain structure, install backup floats, replace guide rails	replace wet well and valve vault lid, control panel has no interlock barrier protecting against arc flash, no fall restraints over wet well, no slip guards on steps	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Good access, float control	No omni site, currently this station has only one pump, no fencing	Install fence, pressure wash and stain structure, install omni site, 3 position main disconnect, guide rail brackets need spacer so pulling pumps is safer	no fall restraints over wet well, exposed charged parts when operators have to maintain station	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Omni site, rain gauge, no problems rigging up, easy access, has bypass connection	multi trade controls, one of the pumps "borrowed" from Boone Trace, No backup floats, unable to pull pumps without crane service, rusty guide rails and brackets	Install transducer and wiring well, 3 position main disconnect, backup floats, new control panel, fence around station	control panel is opened daily for inspections, no interior door isolating exposed charged parts, wet well has no fall restraints	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Transducer, low rigging issues, easy access, omni site	access road floods during heavy rain events	Install skirting wall for transducer, 3 position main disconnect, new control panel, backup floats, structure needs pressure washing and staining	control panel is opened daily for inspections, no interior door isolating exposed charged parts, wet well has no fall restraints, no slip guards on steps, tree limbs threaten electrical service	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Pumps don't rig up often, float controlled	No access road, No omni site, heavy tree limbs around electrical service	get equipment for access road, new control panel, new guide rails and support brackets, Omni Site, 3 position main disconnect	No access, no fall restraints, tree limbs hanging over electrical service, guide rails and supports are not structurally sound	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Good access, doesn't rig up often, good station, float controls	gravel washes out during heavy rain events, needs storm water reticula, heavy buildup of grease on floats, valve vault holds water, valve vault lid bent	Install omni site, 3 position main disconnect, install flowable fill in valve vault to channel out water, track flow preventer in valve vault, send bleed and paint pipes in vault, repair access road	No fall restraint over wet well	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Good access, fall restraints, transducer with backup floats, bypass, new electrical service, control panel, new pumps and rails, 3 position main disconnect	Few tree limbs hanging over service	Install omni site	tree limbs hanging over main electrical service drops	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	new lift station	new lift station	new lift station		new lift station
	Lift Station	grinder station	none	none		N/A
	Lift Station	Good access, station controlled by floats	No omni site, guide rail and brackets are rusted, bolts broken or stripped out	Replace guide rails and support brackets, install 3 position main disconnect, Omni Site, Slip guards on steps, pressure wash and stain structure	No fall restraints over wet well, concrete lid on wet well is cracking	Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
	Lift Station	Fair access, Omni Site, float controls	no Omni			Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control
Woodstock	Lift Station	station to be rebuilt	station to be rebuilt	station to be rebuilt		Generator quick connections need to be installed, upgrade Omni Site "Viper" to Crystal Ball for remote station control



Year End Review Priority Summary (2012)-Radcliff Collections System

	Description	Comments	Recommendation
	Boone Trace - currently running on two pumps only, control panel does not have an electrical safe barrier, no stand by generator, no by pass capability, no storage capacity, pumps constantly clog	Cannon and Cannon working on lift station upgrade. Veolia installing Bypass connection.	Chopper pumps or in line grinder needed at station. Install gantry to assist with pulling pumps for maintenance purposes, replace control panel for arc flash safety
3	Quiggins - Old sewer lines still tied in to system. Constant Flooding (M) issues, ground settling around construction sites, manholes leaning, new line unde Dixie Hwy not flowing properly and holding solids, control panel does not have and electrical safe barrier.	HCWD No.1 and Horizon Engineering still dealing with contractor over construction issues	Replace control panel for arc flash safety

Year End Review (2012)- Radcliff WWTP

Asset Type	Strengths	Weaknesses	Threats	Notes / Comments	
WWTP	New building/industrial work area, electrical wiring systems new, isolated control room/capacity variable, gas detection system, New treatment system for operational area, hydraulic channel design eliminates overflow, New Explosion proof motor and grill cover, Aluminum walkway over grit chamber, Ferrous metals coated with polyethylene/epoxy, New explosion proof motor for grit blower	Gas screen does not remove all debris material, grit removal system does not remove all grit, wash down water does not have enough volume, No pentryhold for lifting/tilting automatic screen	Secondary channel needs automatic barscreen, add barscreen operation to SCADA		
WWTP	Concrete in good condition, Pressure washer in good condition	Grease clog drain screen, Debris drains to EQ1 pump station clogging pumps, contributes to trash in collection ditch, grease and trash draining to EQ 1, Drain station can damage pumps	Add dumpster pad and dedicated dumpster		
WWTP	PLC controls high flow gate actuators, ultrasonic flow meter easily accessed	Return activated sludge mass with influent stream and ends up in EQ basins during high flow events, Heavy sludge going to EQ basin	Add splitter box during future expansion		
WWTP	Metal exactor has been received, Doesn't have any roof leaks	Outdated equipment that has outlived its useful life, Components have to be custom made to replace non supported Westinghouse equipment, Built in 1984	Replace all electrical components and run through SCADA system	The electrical gear currently in the MCC building has recently been experiencing electrical failures. It is obsolete from Westinghouse non-supported equipment. All replacement parts have to be custom made.	
WWTP	Speed reducers alloy resin coated, risers polyurea coated, aluminum railing in fair condition, aluminum grating excellent condition, speed reducers in fair condition	Motors and speed reducers were installed in 1984 and are nearing the end of their useful life, Motor on ditch 2 needs repair, poorly designed drain system, electrical conduit separated, Built in 1984	Mixer 4/20 signal to SCADA, DO and ORP probe additions, replace motors, replace conduit.	Meter on Ditch 1 has vibration	Spares motor is available. However, if VFD's are chosen to repair the current electrical failure, this motor will need to be reconfigured.
WWTP	Concrete structure in very good condition, aluminum railing in excellent condition, aluminum grating in excellent condition, Motor, speed reducer and mixer in very good condition	Motors and speed reducers need new coating, seal and expansion joints need resealing, poorly designed draft, built in 1997	Mixer 4/20 signal to SCADA, coat mixer and speed reducer, seal seal and expansion joints		
WWTP	Concrete structure in very good condition, All ferrous metals above water have been sand blasted and alloy resin coated, all metals below water level have been polyurea coated, speed reducers have been recently rebuilt, scrapers in good condition, fiberglass v-notch weirs have been leveled, walkway and safety rails in excellent condition		Install well/well cleaning system, divert RAS to future new splitter box		
WWTP	Concrete structure in very good condition, walkway and safety rails in excellent condition, scrapers in good condition, fiberglass v-notch weirs in good condition	Ferrous metals above and below water are corroding	Coat all ferrous metals, install well/well cleaning system, divert RAS to future new splitter box.		
WWTP	Concrete structure in very good condition, Aluminum guard rails in excellent condition, lifting capacity in excellent condition, flow monitors in fair condition, Drawblow in good condition, valves and check valves in good condition, control cabinets in good condition	RAS Pump 1 in good condition but does not meet ten state standards for RAS return, RAS Pump 2 failed, RAS Pump 3 failed, Using 6 inch bypass pump to maintain RAS return	Replacing RAS pumps under current capital project		
WWTP	Building in good condition	Numerous electrical failures, two of the three VFD's are currently out of service, one starter has failed.	Replacing controls under current capital project		
WWTP	Roof in good condition, bathroom facilities are in good condition, piping on building on good condition	Not enough storage space, sidewalks are deteriorating around building, windows not fully insulated, windows in office areas leaking	Evaluate cost of sidewalk repairs		
WWTP	Roof in good condition, Overhead doors work	Consider full size locker room during next plant upgrade, no floor drain in shop, limited storage			
WWTP	Generator installed in 2009, generator is in excellent condition	No weaknesses to note			
WWTP	Generator installed in 1997, generator is in good condition	No weaknesses to note			
WWTP	Control panel upgraded in 2010, W-1 meter installed in 2011, grating in very good condition	Blocks need to be replaced	Wear seal building blocks		
WWTP	Sludge pumps 1 and 2 in very good condition, inline grinder in very good condition, piping good, blower 1 fair, blower 2 fair, heater good, lighting fair, aluminum railing fair, electrical components good	Concrete walkway support cracked, Building needs paint, Drain valve failure on digester 2	At next plant upgrade or blower failure, investigate use of turbo blowers. At next plant upgrade replace mixers with defurred scraper and slm blowers sparingly		
WWTP	Fence in excellent condition, rip rap in good condition	Liners have a tendency to tear from separation and contraction, drain pumps could be larger based on demand	Repair liners as necessary		
WWTP	Rip rap in good condition, fence in excellent condition	Liner has failed and is unrepairable	replace liner at next plant upgrade		
WWTP	Pumps in good condition, control panel in good condition	Top elevation lower than water level in clarifiers, drains to digesters, should go to head of the plant	Raise the elevation of the station, reroute flow to the head of the plant		
WWTP	Pumps in good condition, control panel in good condition				

	WWTP	Pumps in good condition, control panel in good condition	Station too small for draining OO 1 and 2 effectively			
	WWTP	Building has good heater, press in good condition, conveyor belt in excellent condition, polyblender in good condition	Roof has been patched in several places, stucco falling off, electrical panels need to be replaced due to water damage	replace roof, repair stucco, replace electrical panels, floor belt replacements in current capital project		
	WWTP	Aeration steps in very good condition, aluminum railing in very good condition, signage in excellent condition				
	WWTP	Clarified tanks in good condition	W-3 pumps historically replaced frequently as they do not meet the design of this application	Mitigated problem by using 1 line pumps for wastewater cleanup		
	WWTP		sewerline have numerous areas that are 48" dia tanks, asphalt needs sealing, needs to be replaced in some areas			

STATION NAME	YEAR	HP	Station Type	Budgetary \$	Service Life	Annual Maint.	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
City Hall	1999	1	Well Pump																							
pump #1				\$500	5	\$100		\$500					\$500				\$500					\$500				
pump #2				\$500	5	\$100			\$500					\$500				\$500					\$500			
motor #1				\$200	5	\$50	\$200						\$200									\$200				\$200
motor #2				\$200	5	\$50		\$200						\$200									\$200			\$200
controls				\$1,500	7	\$225				\$1,500							\$1,500							\$1,500		
Conroe Dr	1999	2	Myers																							
pump #1				\$1,650	10	\$165				\$1,650											\$1,650					
pump #2				\$1,650	10	\$165					\$1,650											\$1,650				
controls				\$1,500	10	\$150				\$1,500												\$1,500				
wet well				\$80,000	30	\$4,000																				
Safari Trail	1994	2	Myers																							
pump #1				\$1,650	10	\$165		\$1,650													\$1,650					
pump #2				\$1,650	10	\$165			\$1,650													\$1,650				
controls				\$1,500	10	\$150				\$1,500												\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Sherwood	1992	2	Myers																							
pump #1			grinder	\$1,650	3	\$578	\$1,650			\$1,650			\$1,650								\$1,650					\$1,650
pump #2			grinder	\$1,650	3	\$578		\$1,650			\$1,650			\$1,650							\$1,650					\$1,650
controls				\$1,500	7	\$225	\$1,500							\$1,500								\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Spring Street East	1991	2	Myers																							
pump #1				\$1,650	10	\$165		\$1,650													\$1,650					
pump #2				\$1,650	10	\$165			\$1,650													\$1,650				
controls				\$1,500	10	\$150			\$1,500													\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Watkin's	1991	2	Myers																							
pump #1				\$1,650	10	\$165	\$1,650											\$1,650								
pump #2				\$1,650	10	\$165		\$1,650											\$1,650							
controls				\$1,500	10	\$150				\$1,500												\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Crocus Drive (West)	1972	3	Davco																							
pump #1				\$3,200	5	\$640	\$3,200					\$3,200											\$3,200			
pump #2				\$3,200	5	\$640		\$3,200				\$3,200											\$3,200			
controls				\$1,500	7	\$225			\$1,500							\$1,500								\$1,500		
wet well				\$80,000	30	\$4,000						\$80,000														
Skyline Drive	1993	3	Myers																							
pump #1				\$3,050	10	\$305			\$3,050													\$3,050				
pump #2				\$3,050	10	\$305				\$3,050													\$3,050			
controls				\$1,500	10	\$150			\$1,500													\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Woodcreek	1979	3	S&L DH																							
pump #1			doghouse		5																					
pump #2			doghouse		5																					
motor #1			doghouse		7																					
motor #2			doghouse		7																					
total replacement				\$150,000		\$7,500				\$150,000																
rehab				\$20,000	10	\$1,000													\$20,000							
Applewood	2003	5	Myers																							
pump #1				\$3,260	10	\$326				\$3,260												\$3,260				
pump #2				\$3,260	10	\$326					\$3,260												\$3,260			
controls				\$1,500	10	\$150				\$1,500												\$1,500				
wet well				\$80,000	30	\$4,000																				\$80,000
Cypress Drive	1980	5	S&L DH																							
pump #1					5																					
pump #2					5																					
motor #1					7																					
motor #2					7																					
controls																										
total replacement						\$7,500				\$150,000																

STATION NAME	YEAR	HP	Station Type	Budgetary \$	Service Life	Annual Maint.	2008 Year 1	2008 Year 2	2010 Year 3	2011 Year 4	2012 Year 5	2013 Year 6	2014 Year 7	2015 Year 8	2016 Year 9	2017 Year 10	2018 Year 11	2019 Year 12	2020 Year 13	2021 Year 14	2022 Year 15	2023 Year 16	2024 Year 17	2025 Year 18	2026 Year 19	2027 Year 20
rehab				\$20,000	10	\$1,000																				
Redmar Blvd	1987	88	Flygt																							
pump #1				\$21,000	15																					
pump #2				\$21,000	15																					
odor control tank				\$3,500	15	\$175													\$3,500							
odor control pump				\$850	2	\$170													\$850		\$850		\$850			\$850
controls				\$25,000	4	\$2,500																				\$25,000
wet well				\$80,000	30																					\$80,000
Doc's	1987	5	Flygt																							
pump #1				\$3,245	10	\$325	\$3,245												\$3,245							
pump #2				\$3,245	10	\$325		\$3,245												\$3,245						
controls				\$1,500	10	\$150																				
wet well				\$80,000	30	\$4,000				\$1,500										\$1,500						
Elm Road	1981	5	Cantex																							
pump #1				\$3,000	5	\$600	\$3,000					\$3,000														\$3,000
pump #2				\$3,000	5	\$600		\$3,000					\$3,000													\$3,000
motor #1			explosion proof	\$850	7	\$128	\$850							\$850												\$850
motor #2			explosion proof	\$850	7	\$128		\$850							\$850											\$850
controls				\$1,500	7	\$225			\$1,500							\$1,500										\$1,500
wet well				\$80,000	30	\$4,000					\$80,000															
Paradise #2	2002	5	Myers																							
pump #1				\$3,560	10	\$356			\$3,560																	\$3,560
pump #2				\$3,560	10	\$356				\$3,560																\$3,560
controls				\$1,500	10	\$150		\$1,500												\$1,500						
wet well				\$80,000	30																					\$80,000
Byerly Boulevard	1997	7.5	Myers																							
pump #1				\$3,545	10	\$355		\$3,545																		\$3,545
pump #2				\$3,545	10	\$355			\$3,545																	\$3,545
controls				\$2,000	10	\$200				\$2,000																\$2,000
wet well				\$80,000	30																					\$80,000
Church (Methodist)	1999	7.5	Myers																							
pump #1				\$3,545	10	\$355			\$3,545																	\$3,545
pump #2				\$3,545	10	\$355				\$3,545																\$3,545
controls				\$2,000	10	\$200					\$2,000															\$2,000
wet well				\$80,000	30																					\$80,000
Deer Haven	1988	7.5	Myers																							
pump #1				\$4,100	10	\$410	\$4,100																			\$4,100
pump #2				\$4,100	10	\$410		\$4,100																		\$4,100
elevated platform				\$2,000	5	\$400	\$2,000							\$2,000												\$2,000
controls				\$2,000	10	\$200				\$2,000																\$2,000
wet well				\$80,000	30	\$4,000																				\$80,000
Globe	1987	7.5	Flygt																							
pump #1				\$3,545	5	\$709	\$3,545																			\$3,545
pump #2				\$3,545	5	\$709		\$3,545						\$3,545												\$3,545
controls				\$2,000	7	\$300	\$2,000								\$2,000											\$2,000
wet well				\$80,000	30	\$4,000																				\$80,000
Kindergarten (Woodland)	1999	7.5	Myers																							
pump #1				\$3,545	10	\$355			\$3,545																	\$3,545
pump #2				\$3,545	10	\$355				\$3,545																\$3,545
controls				\$2,000	10	\$200		\$2,000																		\$2,000
wet well				\$80,000	30																					\$80,000
Logan	1999	7.5	Myers																							
pump #1				\$4,200	10	\$420		\$4,200																		\$4,200
pump #2				\$4,200	10	\$420			\$4,200																	\$4,200
controls				\$2,000	10	\$200				\$4,200																\$2,000
wet well				\$80,000	30																					\$80,000
Maple Forest	1991	7.5	Myers																							
pump #1				\$4,100	10	\$410	\$4,100																			\$4,100
pump #2				\$4,100	10	\$410		\$4,100																		\$4,100
controls				\$2,000	10	\$200					\$2,000															\$2,000

STATION NAME	YEAR	HP	Station Type	Budgetary \$	Service Life	Annual Maint.	2008 Year 1	2009 Year 2	2010 Year 3	2011 Year 4	2012 Year 5	2013 Year 6	2014 Year 7	2015 Year 8	2016 Year 9	2017 Year 10	2018 Year 11	2019 Year 12	2020 Year 13	2021 Year 14	2022 Year 15	2023 Year 16	2024 Year 17	2025 Year 18	2026 Year 19	2027 Year 20
wet well				\$80,000	30	\$4,000																				
Marvin's pump #1	1992	7.5	Myers	\$4,100	10	\$410			\$4,100										\$4,100							
pump #2				\$4,100	10	\$410			\$4,100											\$4,100						
controls				\$2,000	10	\$200			\$2,000											\$2,000						
wet well				\$80,000	30	\$4,000																				\$80,000
Master Street	1984	7.5	S&L DH																							
pump #1				\$3,000	5																					
pump #2				\$3,000	5																					
motor #1				\$850	7																					
motor #2				\$850	7																					
controls				\$2,000	7																					
totl replacement				\$100,000		\$7,500								\$150,000												
rehab				\$20,000	10	\$1,000																				\$20,000
Red Hawk Drive	1985	7.5	Myers																							
pump #1				\$4,100	10	\$410			\$4,100											\$4,100						
pump #2				\$4,100	10	\$410			\$4,100											\$4,100						
controls				\$2,000	10	\$200	\$2,000											\$2,000								
wet well				\$80,000	30	\$4,000													\$80,000							
Wendover Court	1980	7.5	Myers																							
pump #1				\$4,100	10	\$410	\$4,100													\$4,100						
pump #2				\$4,100	10	\$410		\$4,100												\$4,100						
controls				\$2,000	10	\$200			\$2,000											\$2,000						
wet well				\$80,000	30	\$4,000														\$80,000						
Classic Cars			Myers	\$1,850																						
pump #1			grinder	\$1,850	3	\$578	\$1,850			\$1,850										\$1,850					\$1,850	
pump #2			grinder	\$1,850	3	\$578		\$1,850			\$1,850			\$1,850						\$1,850			\$1,850		\$1,850	\$1,850
controls				\$1,500	7	\$225			\$1,500						\$1,500								\$1,500			
wet well				\$80,000	30	\$4,000									\$80,000											
Swaps's																										
pump #1			grinder	\$1,850	3	\$495			\$1,850			\$1,850			\$1,850					\$1,850			\$1,850		\$1,850	
controls				\$1,800	7	\$225			\$1,800						\$1,800								\$1,800		\$1,800	
wet well				\$80,000	30	\$4,000									\$80,000											
Audubon	1987	10	Flygt																							
pump #1				\$4,300	5	\$860	\$4,300				\$4,300									\$4,300					\$4,300	
pump #2				\$4,300	5	\$860		\$4,300				\$4,300								\$4,300					\$4,300	
controls				\$2,500	7	\$500	\$2,500					\$2,500												\$2,500		\$2,500
wet well				\$80,000	30	\$4,000									\$80,000											
Drug Store	1997	10	Flygt																							
pump #1				\$6,400	5	\$1,280			\$6,400						\$6,400										\$6,400	
pump #2				\$6,400	5	\$1,280			\$6,400						\$6,400										\$6,400	
controls				\$2,500	7	\$375		\$2,500							\$2,500									\$2,500		\$2,500
wet well				\$80,000	30	\$4,000									\$80,000											
Hensley's	1987	10	Flygt																							
pump #1				\$4,300	5	\$860			\$4,300					\$4,300											\$4,300	
pump #2				\$4,300	5	\$860			\$4,300					\$4,300											\$4,300	
controls				\$2,500	7	\$375				\$2,500					\$2,500										\$2,500	
wet well				\$80,000	30	\$4,000									\$80,000											
Indiana Trail	1987	10	Flygt																							
pump #1				\$4,300	5	\$860		\$4,300						\$4,300											\$4,300	
pump #2				\$4,300	5	\$860			\$4,300					\$4,300											\$4,300	
controls				\$2,500	7	\$375			\$2,500						\$2,500										\$2,500	
wet well				\$80,000	30	\$4,000									\$80,000											
Paradise #1	2002	10	Flygt																							
pump #1				\$6,400	7	\$960				\$6,400																\$6,400
pump #2				\$6,400	7	\$960				\$6,400																\$6,400
controls				\$2,500	7	\$250					\$2,500														\$2,500	
wet well				\$80,000	30	\$4,000																				
A. Arnold & Son	1992	15	Myers																							
pump #1				\$6,800	10	\$680			\$6,800																	\$6,800

STATION NAME	YEAR	HP	Station Type	Budgetary	Service Life	Annual Maint.	2008 Year 1	2008 Year 2	2010 Year 3	2011 Year 4	2012 Year 5	2013 Year 6	2014 Year 7	2015 Year 8	2016 Year 9	2017 Year 10	2018 Year 11	2018 Year 12	2019 Year 13	2020 Year 14	2021 Year 15	2022 Year 16	2023 Year 17	2024 Year 18	2025 Year 19	2026 Year 20	2027 Year 21	
pump #2				\$6,800	10	\$680				\$6,800											\$6,800							
controls				\$3,000	10	\$300		\$3,000											\$3,000									
wet well				\$80,000	30	\$4,000																	\$80,000					
Emmaus Circle	2001	15	Myers																									
pump #1				\$4,400	10	\$440					\$4,400																	
pump #2				\$4,400	10	\$440						\$4,400										\$4,400						
controls				\$3,000	10	\$300			\$3,000											\$3,000								
wet well				\$80,000	30	\$4,000																						
Hilicrest	1991	15	Myers																									
pump #1				\$6,800	10	\$680				\$6,800												\$6,800						
pump #2				\$6,800	10	\$680					\$6,800											\$6,800						
controls				\$3,000	10	\$300			\$3,000													\$3,000						
wet well				\$80,000	30	\$4,000																	\$80,000					
Industrial Park	1984	15	Myers																									
pump #1				\$4,600	10	\$460	\$4,600											\$4,600										
pump #2				\$4,600	10	\$460		\$4,600											\$4,600									
controls				\$3,000	10	\$300				\$3,000													\$3,000					
wet well				\$80,000	30	\$4,000									\$80,000													
John Hardin	2001	15	Myers																									
pump #1				\$4,400	10	\$440					\$4,400																	
pump #2				\$4,400	10	\$440						\$4,400											\$4,400					
controls				\$3,000	10	\$300						\$3,000											\$3,000					
wet well				\$80,000	30	\$4,000																						
Peyton Place	1991	15	Myers																									
pump #1				\$6,800	10	\$680			\$6,800													\$6,800						
pump #2				\$6,800	10	\$680				\$6,800												\$6,800						
controls				\$3,000	10	\$300					\$3,000													\$3,000				
wet well				\$80,000	30	\$4,000																	\$80,000					
Cement	1992	20	Myers																									
pump #1				\$7,400	15	\$740	\$7,400																\$7,400					
pump #2				\$7,400	15	\$740		\$7,400																\$7,400				
controls				\$3,500	10	\$350					\$3,500												\$3,500					
wet well				\$80,000	30	\$4,000																		\$80,000				
North Longdon	1994	20	Myers																									
pump #1				\$7,400	15	\$740			\$7,400																	\$7,400		
pump #2				\$7,400	15	\$740				\$7,400																	\$7,400	
controls				\$3,500	10	\$350						\$3,500												\$3,500				
wet well				\$80,000	30	\$4,000																			\$80,000			
Stovall	1988	25	Myers																									
pump #1				\$7,000	15	\$700			\$7,000																	\$7,000		
pump #2				\$7,000	15	\$700				\$7,000																	\$7,000	
controls				\$4,000	10	\$400						\$4,000												\$4,000				
wet well				\$80,000	30	\$4,000																				\$80,000		
Battle Training Road	1994	30	MYERS																									
pump #1				\$7,600	15	\$760				\$7,600																	\$7,600	
pump #2				\$7,600	15	\$760					\$7,600																\$7,600	
controls				\$4,200	10	\$420	\$4,200													\$4,200								
wet well				\$80,000	30	\$4,000																				\$80,000		
Oak Drive (Heards)	2004	30	Flygt																									
pump #1				\$7,600	15	\$760					\$7,600																\$7,600	
pump #2				\$7,600	15	\$760						\$7,600															\$7,600	
controls				\$4,200	7	\$630			\$4,200				\$7,600												\$4,200			
wet well				\$80,000	30	\$4,000																					\$80,000	
Highway 313	2000	88	Flygt																									
pump #1				\$16,780	15	\$1,678					\$16,780																\$16,780	
pump #2					15	\$838						\$16,780															\$16,780	
pump #3					15	\$838							\$16,780														\$16,780	
VFD				\$15,000	4	\$3,750			\$15,000																		\$15,000	
VFD				\$15,000	4	\$3,750				\$15,000				\$15,000											\$15,000		\$15,000	
VFD				\$15,000	4	\$3,750					\$15,000				\$15,000										\$15,000		\$15,000	

Hardin County Water District No. 1
5 Year Financial Forecast - Approved at 12/06/12 Board Meeting

Period: 2013 - 2018

LINE	ITEM	Approved 2012	Approved 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
RADCLIFF SEWER UTILITY:								
202	OPERATING REVENUES:							
203	(Rate Increase Proposed)	0.0%	0.0%	13.8%	0.0%	0.0%	0.0%	0.0%
204	Interest on investments	\$ 25,000	\$ 19,700	\$ 17,000	\$ 11,000	\$ 10,000	\$ 10,000	\$ 10,000
205	Sewer Sales:	\$ 3,550,249	\$ 3,683,500	\$ 4,223,262	\$ 4,254,938	\$ 4,286,848	\$ 4,319,000	\$ 4,351,392
206	Residential	\$ 2,875,702	\$ 2,946,800	\$ 3,378,609	\$ 3,403,949	\$ 3,429,479	\$ 3,455,200	\$ 3,481,114
207	Multi-Family	\$ 426,030	\$ 268,900	\$ 308,303	\$ 310,818	\$ 312,945	\$ 315,292	\$ 317,657
208	Commercial	\$ 248,517	\$ 467,800	\$ 536,349	\$ 540,372	\$ 544,424	\$ 548,508	\$ 552,621
209	Rate Increase Impact	\$ -	\$ -	\$ 508,323	\$ -	\$ -	\$ -	\$ -
210	Other revenues	\$ 198,300	\$ 180,800	\$ 182,158	\$ 183,522	\$ 184,899	\$ 186,285	\$ 187,682
211	TOTAL-OPERATING REVENUES	\$ 3,773,549	\$ 3,884,000	\$ 4,422,418	\$ 4,449,458	\$ 4,481,747	\$ 4,515,285	\$ 4,549,074
212	OPERATING EXPENSES:							
213	Other Oper Expenses	\$ 633,958	\$ 668,043	\$ 686,415	\$ 705,291	\$ 724,686	\$ 744,815	\$ 765,092
214	Fixed Charges	\$ 27,900	\$ 25,600	\$ 26,304	\$ 27,027	\$ 27,771	\$ 28,534	\$ 29,319
215	FKW Allocations (Credit to RaSw)	\$ (88,329)	\$ (54,666)	\$ (54,260)	\$ (54,260)	\$ (54,260)	\$ (20,203)	\$ (20,203)
216	Depreciation	\$ 921,706	\$ 1,022,726	\$ 1,100,587	\$ 1,167,700	\$ 1,215,044	\$ 1,247,775	\$ 1,276,405
217	Contract Operations	\$ 2,125,319	\$ 2,181,931	\$ 2,236,479	\$ 2,292,391	\$ 2,349,701	\$ 2,408,443	\$ 2,468,855
218	Debt Service Interest	\$ 82,770	\$ 71,900	\$ 56,635	\$ 45,538	\$ 34,011	\$ 22,043	\$ 9,616
219	New Debt Service Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
220	Year End Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
221	Large Repair Proj / Requested Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
222	TOTAL-OPERATING EXPENSES	\$ 3,703,324	\$ 3,915,534	\$ 4,052,160	\$ 4,183,685	\$ 4,296,954	\$ 4,431,208	\$ 4,528,884
223	NET OPERATING INCOME (LOSS)	\$ 70,225	\$ (31,534)	\$ 370,258	\$ 265,773	\$ 184,793	\$ 84,077	\$ 20,191
224	Income Margin (Income to Revenues)	1.86%	-0.81%	8.37%	5.97%	4.12%	1.86%	0.44%
225	Rate Adj Req'd ->							
226	Operating Ratio ->	98.1	100.8	91.6	94.0	95.9	98.1	99.6
227	SOURCE OF FUNDS:							
228	Net Operating Income (Loss)	\$ 70,225	\$ (31,534)	\$ 370,258	\$ 265,773	\$ 184,793	\$ 84,077	\$ 20,191
229	Depreciation Expense	\$ 921,706	\$ 1,022,726	\$ 1,100,587	\$ 1,167,700	\$ 1,215,044	\$ 1,247,775	\$ 1,276,405
230	Other Non-Cash Amortized Costs	\$ 23,200	\$ 9,100	\$ 9,100	\$ 9,100	\$ 9,100	\$ -	\$ -
231	Tap Fees	\$ 7,500	\$ 3,750	\$ 5,625	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
232	Use of Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
233	New Bond / Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234	Grant Proceeds	\$ 1,775,000	\$ 2,400,000	\$ 967,000	\$ -	\$ -	\$ -	\$ -
235	Year-end cash adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
236	TOTAL-SOURCES	\$ 2,797,631	\$ 3,404,042	\$ 2,452,570	\$ 1,450,073	\$ 1,416,438	\$ 1,339,352	\$ 1,304,095
237	USE OF FUNDS:							
238	General Plant	\$ 41,262	\$ 111,167	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
239	Treatment	\$ 63,000	\$ 66,300	\$ 150,000	\$ 200,000	\$ 200,000	\$ 150,000	\$ 150,000
240	Collection System	\$ 2,269,383	\$ 2,357,447	\$ 2,000,000	\$ 1,000,000	\$ 500,000	\$ 400,000	\$ 400,000
241	Capitalized HCWD1 Salaries	\$ 52,960	\$ 60,440	\$ 62,102	\$ 63,810	\$ 65,565	\$ 67,368	\$ 69,221
242	Capital Improvements (Total):	\$ 2,426,605	\$ 2,595,354	\$ 2,237,102	\$ 1,578,156	\$ 1,091,010	\$ 954,339	\$ 968,159
243	Bond Principal Payments	\$ 288,362	\$ 278,656	\$ 278,656	\$ 289,346	\$ 300,445	\$ 311,971	\$ 323,938
244	ST Loan Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
245	TOTAL-USES	\$ 2,694,967	\$ 2,874,010	\$ 2,515,758	\$ 1,867,502	\$ 1,391,455	\$ 1,266,310	\$ 1,292,097
246	WORKING CAPITAL SUMMARY:							
247	Beginning Balance-Working Capital	\$ 2,839,000	\$ 2,941,664	\$ 3,471,697	\$ 3,408,508	\$ 2,991,079	\$ 3,016,062	\$ 3,089,103
248	Increase <Decrease>	\$ 102,664	\$ 530,032	\$ (63,188)	\$ (417,429)	\$ 24,983	\$ 73,042	\$ 11,999
249	% Cash Incr of Total Revenues	2.7%	13.6%	-1.4%	-9.4%	0.6%	1.6%	0.3%
250	Ending Balance-Working Capital	\$ 2,941,664	\$ 3,471,697	\$ 3,408,508	\$ 2,991,079	\$ 3,016,062	\$ 3,089,103	\$ 3,101,102
251	Desired Balance (4 Mos O&M + Debt)	\$ 998,837	\$ 1,043,580	\$ 1,062,972	\$ 1,087,756	\$ 1,113,174	\$ 1,153,483	\$ 1,190,218
252	Over <Under>	\$ 1,942,827	\$ 2,428,117	\$ 2,345,536	\$ 1,903,322	\$ 1,902,888	\$ 1,935,620	\$ 1,920,884



29. a. Identify the electric utilities that serve Hardin District's wastewater facilities.
- b. Provide the monthly bills that were rendered to Hardin District during the test period for electric service to its Radcliff wastewater facilities.
- c. State the rate schedule(s) under which the electric utilities provide electric service to Hardin District's Radcliff wastewater facilities. If service is provided under more than one rate schedule, list for each rate schedule the facilities that are served under that rate schedule.

ANSWER 29:

- a. There are two electric utilities that service the Radcliff wastewater system: Nolin RECC and Kentucky Utilities.
- b. Exhibit 30 (under separate cover) includes the requested information. This information is also available in a digital file titled "Monthly Electric Bills" on the Compact Disc behind tab 35.
- c. Attached Exhibit 25 includes the requested information as a table.

WITNESS: Mr. Brett Pyles, HCWD1 Operations Manager

Kentucky Utilities Electric Accounts

Primary Account #: 3000-0001-5176

Lift Stations	KU Acc #	METER NUMBER	Rate Sch
A. Arnold	3000-0045-9598	M535114-A	113 (GS 3 phase)
Boone Trace #2	3000-0760-3727	L285750-A	110 (GS)
Brooke Trace	3000-0760-3537	C350507-A	110 (GS)
Brown Street	3000-0333-1547	M535549	113 (GS 3 phase)
Cement	3000-0238-2137	C531107-A	113 (GS 3 phase)
Drug Store	3000-0174-1655	C513486-A	113 (GS 3 phase)
Globe Street	3000-0130-4579	C518318-A	113 (GS 3 phase)
Hensleys	3000-0344-8176	C533354	113 (GS 3 phase)
Indiana Trail	3000-0185-3997	C513840-A	113 (GS 3 phase)
Lincoln Trail	3000-0064-3787	C517270-A	113 (GS 3 phase)
Logan	3000-0380-3081	C513111-A	113 (GS 3 phase)
Masters	3000-0256-1987	L052901-A	113 (GS 3 phase)
Paradise #1	3000-0224-7611	C527371-A	113 (GS 3 phase)
Quiggins	3000-0308-5176	C532122-A	113 (GS 3 phase)
Redmar	3000-0686-9709	C522812	113 (GS 3 phase)
Sherwood	3000-0254-9511	C328743-A	110 (GS)
Spring Street	3000-0402-2780	L294781-A	110 (GS)
Wastewater Treatment Plant			
WWTP#1 (Admin)	3000-0453-1707	C531307-A	568 (PS Secondary -- PF Adj)
WWTP#2 (rear of plant)	3000-0268-4003	M537445-A	562 (PS Secondary)
WWTP#3 (Lower Shop)	3000-0176-2792	L055142-A	113 (GS 3 phase)

Kentucky Utilities Company

P.S.C. No. 16, Original Sheet No. 10.1

Standard Rate

GS
GENERAL SERVICE RATE

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: January 31, 2013

DATE EFFECTIVE: January 1, 2013

ISSUED BY: /s/ Lonnie E. Bellar, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2012-00221 dated December 20, 2012

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 15
Canceling P.S.C. No. 16, Original Sheet No. 15

Standard Rate

PS POWER SERVICE

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rate schedule is available for secondary or primary service.

Service under this schedule will be limited to customers whose 12-month-average monthly minimum secondary loads exceed 50 kW and whose 12-month-average monthly maximum loads do not exceed 250 kW. Secondary or primary customers receiving service under PSC 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new customer.

RATE

	Secondary	Primary
Basic Service Charge per month:	\$90.00	\$170.00
Plus an Energy Charge per kWh of:	\$ 0.03340	\$ 0.03338
Plus a Demand Charge per kW of:		
Summer Rate: (Five Billing Periods of May through September)	\$14.33	\$ 14.31
Winter Rate: (All other months)	\$12.23	\$ 12.21

Where the monthly billing demand is the greater of:

- the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
- a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
- a minimum of 60% of the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

DATE OF ISSUE: January 31, 2013

DATE EFFECTIVE: January 1, 2013

ISSUED BY: /s/ Lonnie E. Bellar, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2012-00221 dated December 20, 2012

Kentucky Utilities Company

P.S.C. No. 16, First Revision of Original Sheet No. 15.1
Cancelling P.S.C. No. 16, Original Sheet No. 15.1

Standard Rate

PS
POWER SERVICE

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: January 31, 2013

DATE EFFECTIVE: January 1, 2013

ISSUED BY: *ls/* Lonnie E. Bellar, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2012-00221 dated December 20, 2012

Nolin RECC Electric Accounts

Lift Stations	Nolin Acc #	2012 Electric Meter #	Rate Sch	2013 Electric Meter #
Applewood	921029502	60404	2	
Arlington Woods	4001567201	60254	3	
Audubon	319065001	60488	2	41103
Battletraining Rd	621012401	60327	2	
Boone Trace #1	320003701	80019	4	
C-Square	318005001	60237	3	
Church	319046001	60244	2	
Conroe	521028001	58148	2	
Crocus	4001691600	60425	2	
Cypress Drive	318048601	41120	2	
Deer Haven	621011601	60207	2	
Docs	319045801	60092	2	
Greenview	4001748600	60105	3	40843
Highway 313	519014102	60157	3	
Hillcrest Drive	318004601	41121	2	
John Hardin	921018902	60220	2	
Kindergarten	319045601	60257	2	
Maple Forest	419009701	60253	2	
Marvins	319045101	60247	2	
North Logsdon	218090001	41038	2	
Oak Drive	421104102	60265	3	60397
Paradise #2	118014201	41037	2	
Payton Place	218102101	60312	2	
Red Hawk Drive	218080401	60246	2	
Seminole	219007201	60104	3	
Skylark	520018601	60337	2	
Stovall Church	419095101	60225	2	
Watkins (Drexler)	922064201	60396	2	
Wendover	218080201	60233	2	
Woodcreek	219030701	41084	2	

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
14th Revision Sheet No. 22

CANCELING PSC KY NO. 10
13th Revision Sheet No. 22

CLASSIFICATION OF SERVICE

SCHEDULE 2 - COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to commercial members and small power loads requiring transformer capacity of 50 KVA or less, single phase and commercial members requiring three phase service with 50 KVA or less of total transformer capacity all subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

Customer Charge \$16.82

(R) All KWH Charge \$0.09274 per KWH

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE: The minimum monthly charge for service shall be \$16.82.

DATE OF ISSUE	June 13, 2011	DATE EFFECTIVE	June 1, 2011
ISSUED BY	<i>Michael L. Mills</i>	TITLE	President & CEO
	NAME		TITLE

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2010-00506, Dated May 31, 2011.

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN	
411 Ring Road Elizabethtown, KY 42701-6767	
PRESIDENTIAL DIRECTOR	
ADDRESS	
<i>Brent Kirtley</i>	
EFFECTIVE	
6/1/2011	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
13th Revision Sheet No. 24

CANCELING PSC KY NO. 10
12th Revision Sheet No. 24

CLASSIFICATION OF SERVICE

SCHEDULE 3 - LARGE POWER

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to consumers located on or near Cooperatives three phase lines whose transformer capacity would be more than 50 KVA and the demand would be 99 kw or less. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Customer Charge \$28.50

Demand Charge:

\$4.95 per kilowatt of billing demand per month

Energy Charge:

- (R) First 2,500 KWH per month \$0.07845 net per KWH
- (R) Next 12,500 KWH per month \$0.07337 net per KWH
- (R) Over 15,000 KWH per month \$0.07184 net per KWH

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

DATE OF ISSUE June 13, 2011		DATE EFFECTIVE June 1, 2011	
ISSUED BY <i>Michael L. Miller</i>		JEFF R. DEROUEN	
NAME		REGULATIVE DIRECTOR	
TITLE		411 Ring Road Elizabethtown, KY 42701-6767	
Issued by authority of an Order of the Public Service Commission of Kentucky		<i>Brent Kinley</i>	
Case No. 2010-00506, Dated May 31, 2011.		EFFECTIVE	
		6/1/2011	
		PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

FOR ENTIRE SERVICE AREA

PSC KY NO. 10
12th Revision Sheet No. 26

CANCELING PSC KY NO. 10
11th Revision Sheet No. 26

CLASSIFICATION OF SERVICE

SCHEDULE 4 - INDUSTRIAL

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to Members located on or near Cooperatives three phase lines whose transformer capacity would be less than 1000 KVA and the demand would be 100 kw or more. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Demand Charge:

\$4.95 per kilowatt of billing demand per month

Energy Charge:

- (R) First 3,500 KWH per month \$0.08248 net per KWH
- (R) Next 6,500 KWH per month \$0.06789 net per KWH
- (R) Over 10,000 KWH per month \$0.06410 net per KWH

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

DATE OF ISSUE	June 13, 2011	DATE EFFECTIVE	June 1, 2011
ISSUED BY	<i>Michael L. Miller</i>	TITLE	President & CEO
	NAME		TITLE
Issued by authority of an Order of the Public Service Commission of Kentucky		Case No. 2010-00506, Dated May 31, 2011.	
		EFFECTIVE	
		6/1/2011	
		PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

**KENTUCKY
PUBLIC SERVICE COMMISSION**

JEFF R. DEROUEN
EXECUTIVE DIRECTOR
411 Ring Road
Elizabethtown, KY 42701-6767

Brent Hartley
EFFECTIVE

6/1/2011
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
14th Revision Sheet No. 22

CANCELING PSC KY NO. 10
13th Revision Sheet No. 22

CLASSIFICATION OF SERVICE

SCHEDULE 2 - COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to commercial members and small power loads requiring transformer capacity of 50 KVA or less, single phase and commercial members requiring three phase service with 50 KVA or less of total transformer capacity all subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Single phase 120/240 volts and three phase service where available at available voltages.

RATES PER MONTH:

Customer Charge \$16.82

(R) All KWH Charge \$0.09274 per KWH

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

MINIMUM CHARGE: The minimum monthly charge for service shall be \$16.82.

DATE OF ISSUE June 13, 2011		DATE EFFECTIVE June 1, 2011	
ISSUED BY <i>Michael L. Mull</i> President & CEO		JEFF R. DEROUEN EXECUTIVE DIRECTOR 411 Ring Road Elizabethtown, KY 42701-6767	
NAME		TITLE	
Issued by authority of an Order of the Public Service Commission of Kentucky		Brent Kirtley EFFECTIVE	
Case No. 2010-00506, Dated May 31, 2011.		6/1/2011 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
13th Revision Sheet No. 24

CANCELING PSC KY NO. 10
12th Revision Sheet No. 24

CLASSIFICATION OF SERVICE

SCHEDULE 3 - LARGE POWER

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to consumers located on or near Cooperatives three phase lines whose transformer capacity would be more than 50 KVA and the demand would be 99 kw or less. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Customer Charge \$28.50

Demand Charge:

\$4.95 per kilowatt of billing demand per month

Energy Charge:

- (R) First 2,500 KWH per month \$0.07845 net per KWH
- (R) Next 12,500 KWH per month \$0.07337 net per KWH
- (R) Over 15,000 KWH per month \$0.07184 net per KWH

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

DATE OF ISSUE June 13, 2011		DATE EFFECTIVE June 1, 2011	
ISSUED BY <i>Michael L. Miller</i>		JEFF R. DEBOEN	
NAME		411 Ring Road Elizabethtown, KY 42701-6767	
TITLE		PRESIDENT & CEO	
Issued by authority of an Order of the Public Service Commission of Kentucky		EFFECTIVE	
Case No. <u>2010-00506</u> , Dated May 31, 2011.		6/1/2011	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)			

FOR ENTIRE SERVICE AREA

Nolin RECC
411 Ring Road
Elizabethtown, KY 42701-6767

PSC KY NO. 10
12th Revision Sheet No. 26

CANCELING PSC KY NO. 10
11th Revision Sheet No. 26

CLASSIFICATION OF SERVICE

SCHEDULE 4 - INDUSTRIAL

APPLICABLE: Entire Service Area

AVAILABILITY OF SERVICE: Available to Members located on or near Cooperatives three phase lines whose transformer capacity would be less than 1000 KVA and the demand would be 100 kw or more. All subject to the established rules and regulations of the Cooperative.

TYPE OF SERVICE: Three phase 60 cycle at available voltages, as agreed to in the five (5) year contract for service.

RATES PER MONTH:

Demand Charge:

\$4.95 per kilowatt of billing demand per month

Energy Charge:

- (R) First 3,500 KWH per month \$0.08248 net per KWH
- (R) Next 6,500 KWH per month \$0.06789 net per KWH
- (R) Over 10,000 KWH per month \$0.06410 net per KWH

MINIMUM CHARGE: The computed minimum monthly charge shall be as specified in the contract for service.

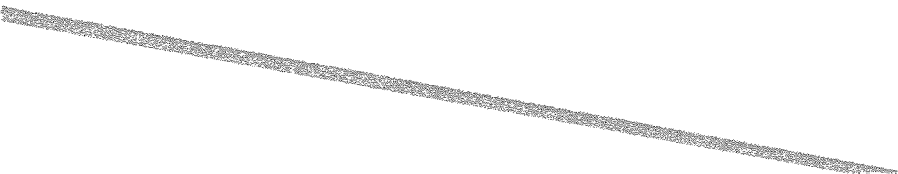
DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the Member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The member agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than 90%, the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 90% and divided by the percent power factor.

DATE OF ISSUE	June 13, 2011	DATE EFFECTIVE	June 1, 2011
ISSUED BY	<i>Michael Z. Miller</i>	TITLE	President & CEO
	NAME		TITLE

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EXECUTIVE DIRECTOR	
411 Ring Road Elizabethtown, KY 42701-6767	
PHONE	
<i>Brent Hatley</i>	
EFFECTIVE	
6/1/2011	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

Issued by authority of an Order of the Public Service Commission of Kentucky
Case No. 2010-00506, Dated May 31, 2011.



30. List and describe all actions that Hardin District has taken and the programs that it has implemented since its acquisition of the Radcliff wastewater facilities to minimize purchased-power expenses and improve energy efficiency.

ANSWER 30: See attached Exhibit 28 with the table of significant actions implemented since 2008 which are intended or have resulted in reduced purchased power expenses and improve energy efficiency.

WITNESS: Mr. Brad Walker, Veolia Project Manager, Radcliff Project

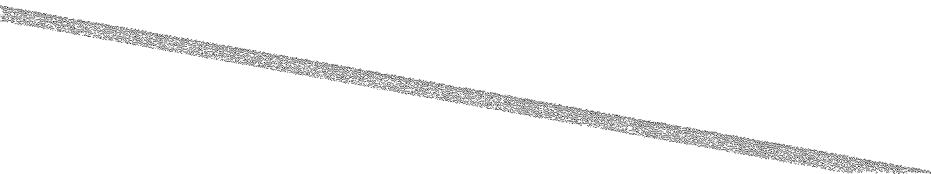


Response to Data Request 1, Q30

HCWD1 - Radcliff Sewer Rate Case
PSC Case 2013-00050

Year	Name of Project	Scope	Intended / Resulting Benefits
2008	EQ basin process change	Stop using 7 areators during rain events	Reduce electrical consumption
2008	Digester process change	Use two of three digesters	Reduce electrical consumption
2008	Oxidation ditches process change	Utilize two of three ditches	Reduce electrical consumption
2008	Clarifier process change	Utilize one of two clarifiers	Reduce electrical consumption
2009	Oxidation ditches 1 & 2	Operate ditches on low speed during low flow	Reduce electrical consumption
2009	UV upgrade	Upgraded electrical components	Reduce electrical consumption
2009	Generator (Admin building)	Operate generator during peak hours	Reduce electrical consumption
2010	EQ process change	Utilize EQ basin to divert peak flows and send back to headworks during low flows	Reduce electrical consumption
2010	UV bulb replacements	Signed contract with UV Doctor for bulb replacement	Reduce operating expense
2010	ENNIX study	Study different biological process / bacteria	Not complete. Company claims significant reduced sludge, energy costs
2010	TDG/Source One technical Study	Locate areas within plant for opportunities to reduce electrical consumption	Reduce electrical consumption
2011	RUMPKE contract (Replaced WM)	Signed five year contract to reduce cost	Reduce operating expense by \$20k/year
2011	Nolin RECC Audit of rate schedules	Utility reviewed all bills, locations to see if correct rates	Reduce electric bills by changing some rates
2011	Admin Generator	Replaced antiquated generator at Admin building	Efficient operations, reduce maintenance issues and reduce electrical consumption
2011	Digester blower process change	Reduce using digester blower from 16-18 hours per day to 12 hours per day	Reduce electrical consumption
2012	Veolia internal WWTP energy audit	Find areas within plant to improve energy consumption	Reduce electrical consumption/operational processes to cut cost
2012	Admin Building lighting upgrade	Replaced out dated lighting with energy efficient LED lighting	Reduce electrical consumption
2012	UV process change	Utilize one of two banks of lights during normal flow	Reduce electrical consumption
2013	DO probe and ORP probe project	Add DO probe and ORP probes to oxidation ditches 1 & 2	Reduce operating expense and to reduce electrical consumption
2013	RAS pump replacement project	Replace antiquated pump equipment with energy efficient motors	Lower HP and higher head pumps to reduce electrical consumption
2013	Oxidation ditch #1 Motor	Re-wind motor and added VFD drive to ditch	Replaced antiquated equipment with efficient components
2013	Lower shop lighting upgrade	Replaced outdated lighting with energy efficient LED lighting and motion sensors	Reduce operating expense and to reduce electrical consumption
2013	VFD project	Replaced obsolete master controls with VFD drive on oxidation ditch one	Reduce electrical consumption
Below; Annual Results of Required Maintenance & Inspection Program;			
YEAR	Cleaned	CCTV'ed	Manholes Inspected
2008	69,835	67,775	430
2009	139,049	168,189	439
2010	125,994	118,635	380
2011	124,553	136,006	465
2012	98,864	89,701	339
2012	39,991	49,179	279

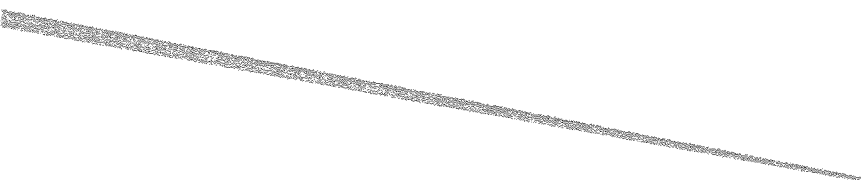
NOTES: 1. Veolia Sourcing signs national contracts with vendors such as Grainger, Fastenal and USA Blue Book and receives discounted rates on materials and supplies
2. Contract with HCWD1 requires 10% of system cleaned and CCTV'ed each year



31. Describe the effects on Hardin District's sewer operations, if any, that Hardin District expects to result from the recent Department of the Army decision to reduce the number of active duty military personnel stationed at the Fort Knox Military Installation.

ANSWER 31: Hardin District has not been notified by the Government of any change to its Water, Sewer or Storm Water contracts, levels of required service or reduction in payment for services. Measurement of expected future effects, if any, would require speculation or guessing.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager



32. Provide the minutes of all meetings of Hardin District's Board of Commissioners in which the option of entering an operations and maintenance contract with Veolia Water North America-South, LLC for the Radcliff wastewater operations was discussed.

ANSWER 32: The requested information is shown as attached Exhibit 26.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

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

March, 23, 2006

Chairman Bill Rissel called the meeting to order at 5:30 p.m. with Commissioners John Tindall, Ron Hockman, and Les Powers attending. Commissioner Gossett attended by video-teleconference which was noted on the published agenda for the meeting. Staff present included; General Manager, Mr. Jim Bruce; Operations Manager, Mr. Brett Pyles; Attorney, Mr. David Wilson II; and Administrative Assistant, Ms. DeOndrea Bostic. Guests present included; Mr. Rob Nicholas and Mr. Jeff Greer from Veolia North America, South. Dinner was provided.

Chairman Rissel then asked for a motion to accept the Secretary's Report for February 23 regular and March 14 special meetings. Commissioner Hockman then made a motion to accept the minutes which was seconded by Commissioner Powers and passed.

Mr. Bruce then reviewed the February, 2006 Treasurer's report and answered several questions from the Board on various items. Secretary Tindall asked if the annual reimbursement for costs from sewer to water could be made and shown on a monthly basis. Mr. Bruce said he would check into this. Secretary Tindall made a motion to accept the report which was seconded by Treasurer Gossett and passed.

Chairman Rissel then asked Mr. Bruce to review the General Manager's report. The Board had several questions on items which Mr. Bruce answered. Chairman Rissel then asked Mr. Pyles to review the Operation Manager's report. The Board had several questions on items which Mr. Pyles answered.

Mr. Bruce and Mr. Nicholas reviewed a proposed Memorandum of Understanding between the District and Veolia Water. As the City of Radcliff and District have now executed the Memorandum of Agreement for completing the Radcliff Sewer Study, a new agreement with Veolia Water NA would be needed to assist the District in carrying out this study. Mr. Nicholas reviewed the document and answered questions for the Board. Secretary Tindall made a motion to authorize the Chairman or General Manager to sign the agreement, including a stipulation that either the District or Veolia could decide at future date not to proceed with any operation or ownership of the Radcliff Sewer utilities, which agreement set the terms and commitments between the District and Veolia Water, North America, as both parties jointly carry out the Radcliff Sewer Study, and any sewer operations that occur as a result of this study. The motion was seconded by Commissioner Powers and passed.

Mr. Bruce then noted that staff had completed upgrading, repairing or installing master meters at each trailer park. At the September, 2005 Board meeting where this topic was discussed, the Board asked staff to measure water loss at each park, and compare to the estimated loss we presented at the October, 2004 Board meeting. Mr. Bruce reviewed the data and results of the metering. The Board discussed the various options and time table for proceeding. Commissioner Powers made a motion to authorize staff to formulate new policy or tariff changes to mitigate or solve the problems with meters located within the parks on private property, considering past comments by the Board and Public Service Commission staff, and to meet with park owners and other interested parties, and to bring proposal back to the Board within sixty days. The motion was seconded by Secretary Tindall and passed.

Mr. Bruce and Mr. Pyles then reviewed the Statement of Qualifications proposed to select a Design-Build team to design and construct the Pirtle Spring WTP Reconstruction Project. Mr. Bruce noted that legislative changes appear to have been, or will be, approved, allowing the District to use the design-build process. Commissioner Hockman made a motion to authorize staff to issue advertisement for Statement of Qualifications for a Design-Build Team of Engineer and Contractor to carry out the Pirtle

Hardin County Water District No. 1
Minutes of Special Meeting - October 23, 2006
of the Board of Commissioners

Chairman Bill Rissel called the meeting to order at 11:10 a.m. with Commissioners William Gossett, Ron Hockman, Les Powers and John Tindal attending. Staff present included; General Manager, Mr. Jim Bruce; Operations Manager, Mr. Brett Pyles; Attorney; Mr. David Wilson and Administrative Assistant, Ms. Tonia White. Guests present were Mr. Rob Nicholas with Veolia and Mr. Zia Qureshi, P.E., of Metroplex Core in Houston, Texas. Lunch was provided.

Chairman Rissel opened the floor to the public or customers for public comments. None were present so no comments given and the floor was closed for public comments. Mr. Bruce noted that public notice had been made aware of this special meeting and agenda distributed to the media.

Radcliff Sewer Study: Mr. Bruce and Mr. Nicholas began a slide presentation summarizing the Radcliff Sanitary Sewer Study. Mr. Bruce discussed the process used for the study, the conclusion as well as the possibility of lowering Radcliff sewer rates. Mr. Bruce also explained that the proposal and recommendation did not include the storm water system. Mr. Nicholas spoke about the lift stations, current City sewer projects, county growth and expansion, and other benefits of economies of scale. These benefits are to lower sewer rates in the second year of operations, by at least 15 percent. The proposal would be an acquisition of the Radcliff sanitary sewer system by the District, with contract operations of the system by Veolia Water.

Mr. Bruce added that the study considers many options to determine the best value to all parties involved, particularly the customer. The Board had multiple concerns and opinions regarding the sewer study. Mr. Nicholas answered all questions and further explained the various treatment options available today. Mr. Nicholas pointed out the fact that certain tasks and operations could be shared between the Fort Knox project and Radcliff, by the same crews and would reduce duplication, as well as maximize the use of personnel and equipment.

All City employees impacted would continue working at their current pay rate, and would be offered a position with Veolia. Chairman Rissel shared his concerns about the impact to District staff and current operations. Commissioner Hockman made a motion to authorize the General Manager, and Veolia, to proceed with discussions with the City regarding the acquisition of the Sanitary Sewer system. The motion was seconded by Treasurer Gossett and passed.

2006 Christmas / Awards Dinner: Ms. White asked the Board for an amount to be allotted for the upcoming District Christmas dinner and an amount to be provided as a Christmas bonus to each employee. Ms. White stated the Vine Grove Community Center is available on December 8th, 2006 and Cobblestone would cater. Commissioner Hockman made a motion to allow up \$1,300 for dinner and approve \$100 to each employee. The motion was seconded by Secretary Tindall and passed.

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

May 17, 2007

Chairman Bill Rissel called the meeting to order at 9:00 A.M. with Commissioners Ron Hockman, William Gossett and John Tindall attending. Staff present included Jim Bruce, General Manager; Stephanie Brown, Administrative Assistant and attorney David Wilson, II. Breakfast was provided for the Board and staff by Commissioner Hockman. Mr. Bruce noted that proper notification to the media and public had been made of this special meeting.

Radcliff Sewer Memorandum of Understanding: Mr. Bruce presented the Board with the latest draft of the Radcliff Sewer Memorandum of Understanding (MOU), prepared by City Attorney, for the City of Radcliff. Mr. Bruce also advised the Board that the District has received a letter from Veolia Water stating their interest and commitment in operating the system on behalf of the District and hiring current Radcliff sewer employees. Mr. Bruce also advised the Board that Mr. Rob Nicholas, area Vice President for Veolia Water, North America, South, has updated the cost model, which still included a proposal to lower the sewer rates by 15% at the end of one year to Radcliff sewer customers.

Mr. Bruce reviewed each of the key points of the MOU with the Board. The Board had multiple concerns, questions and opinions about some of the key points within the MOU. Mr. Bruce clarified in further detail the different aspects of the MOU where there was concern from the Board. There was also extensive discussion about asking a third party to review staff's projections and financial statements used in the transaction.

Secretary Tindall made a motion to proceed with refining the Memorandum of Understanding presented by the City of Radcliff, to include additional language that sets the franchise fee percent, defines any and all bond sinking funds, sewer operation funds or other sewer reserves to be transferred to the District, and also authorize staff to retain the district's CPA to perform a financial analysis of financial statements, which analysis should include a review of reasonableness of overall estimated projections, and the effect on the District's current financial position and impact to status of liabilities and other concerns, which analysis should be completed within 45 days and not to exceed a cost of \$5,000, which if more than this amount, would require Board approval, and to notify the City of the action the District plans to take, and that the Board intends to present their final decision to the City within 60 days, and if the decision is to proceed, that the District would anticipate beginning operations as of January 1, 2008. Commissioner Hockman seconded the motion and it was passed

Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 10:13 A.M. Secretary Tindall seconded the motion and it was passed.

(Minutes submitted by Ms. Stephanie Brown)

Hardin County Water District No. 1
Minutes of Regular Meeting of the Board of Commissioners
January 15, 2008

Continued

study, and response of HCSB to the list of features or requests. The motion was seconded by Commissioner Powers and passed.

Sale of Surplus Backhoe: Mr. Bruce informed the Board that sealed bids have been received by the District in order to sell an old backhoe. There were ten bids received ranging from \$6,000 to \$20,805. Treasurer Gossett answered a question from the Board about the reasonableness of the high bid. He answered that, based on his research, the amount was very reasonable and acceptable. Commissioner Hockman made a motion to declare the 2000 John Deere backhoe as surplus and to accept the high bid from Jewell Truck Sales of \$20,805 and to sell the equipment upon the receipt of payment. Treasurer Gossett seconded the motion and it was passed.

Ft. Knox Sewer - HVAC Replacement Bid Award: Mr. Bruce informed the Board that there were seven bids received to replace the existing HVAC system at the Ft. Knox Wastewater Treatment Plant main building, which was outdated and has experienced numerous repairs. Commissioner Powers made a motion to award the bid to the lowest bidder, Dever Enterprises, for \$26,500 for replacement of the HVAC systems at the main building at the wastewater treatment plant at Ft. Knox. The motion was seconded by Commissioner Hockman and passed. Secretary Tindall asked that the staff verify that the disposal of the old boiler HVAC system is in accordance with state and FDA regulations.

Radcliff Sewer Acquisition: Mr. Bruce presented the Board with the final agreement between the City of Radcliff and the District in order to complete the transaction of the District taking over the Radcliff sewer system from the City of Radcliff. There was extensive discussion regarding the key changes between the current Memorandum of Understanding and the final agreement. Legal counsel suggested changing paragraph eight to read in present tense. There was also a consensus from the Board to stop the last paragraph in section C with the words "city limits."

After all other discussion, Secretary Tindall made a motion to approve the final Wastewater System Acquisition Agreement as presented by the Radcliff City attorney, with changes as directed by the Board and legal counsel and authorize the Chairman to sign the agreement to submit to the City Council, and if approved by the City, to authorize the Chairman, staff and legal counsel to proceed and sign all final documents, applications or filings as required to complete and implement the acquisition. Treasurer Gossett seconded the motion and it was passed. Upon consent from the Board, Chairman Rissel asked that Mr. Bruce also advise the City that this would be the final action on this agreement by the Board.

Veolia Water, Radcliff Sewer Operations Agreement: Mr. Bruce informed the Board that a new agreement will need to be negotiated and signed with Veolia Water to operate the Radcliff Wastewater System. The Board was presented with the current agreement between Veolia and the District to operate the Ft. Knox Wastewater System with changes reflecting the Radcliff sewer system. Attorney Wilson said that he would like more time to review the agreement, and

**Hardin County Water District No. 1
Minutes of Regular Meeting of the Board of Commissioners
January 15, 2008**

Continued

offer other changes or suggestions. Secretary Tindall made a motion to table the action on the Veolia agreement until legal counsel can review the agreement and bring back changes to the Board and if it is necessary a special called lunch meeting will be held in order to discuss this topic. Commissioner Powers seconded this motion and it was passed. Commissioner Hockman abstained from the vote due to having a relative who works for Veolia Water.

Offer to Purchase Property - Shipley Road: Mr. Bruce informed the Board that the staff had been approached by Mr. Alvie Martin, who owns the property just north of the Pirtle Springs Water Treatment Plant, offering to sell his 12 acres of property to the District. After discussing whether or not the property would be of benefit to the District, the Board directed Mr. Bruce to inform Mr. Martin that the District is not interested in this property.

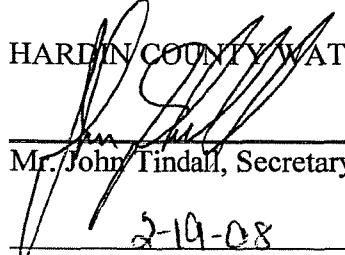
Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 6:55 p.m and the motion was seconded by Secretary Tindall and passed..

(Minutes submitted by Ms. Stephanie Brown)

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

2-19-08

Date Approved

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

February 8, 2008

Chairman Bill Rissel called the meeting to order at 11:03 a.m. with Commissioners Ron Hockman, Les Powers and John Tindall attending. Commissioner William Gossett was out of town but attended the meeting by video teleconference (Required advance public notice of the special meeting and agenda was provided to the media by staff). Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Stephanie Brown, Administrative Assistant and attorney, David Wilson II. Veolia Water North America, South, LLC was represented by; Mr. Rob Nicholas, Vice President; Mr. Jeffrey Greer, Ft. Knox Project Manager and Mr. T.J. Meredith, Kentucky Regional Manager. Lunch was provided for the Board and staff.

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

Veolia Operations Contract - Radcliff Sewer Operations: Mr. Bruce distributed a more recent version of an operations contract with Veolia for the operation of the Radcliff sewer system. Mr. Bruce and Mr. Nicholas went over all the changes that had been made in the contract since the last meeting. There was discussion regarding the amortization of the development and start up costs. Chairman Rissel asked the Board their comments on how the amortization should be handled. There was a consensus from the Board to leave the start up costs as an amortized payout over a 7 ½ year period, only to be paid if the District were to cancel the agreement.

Mr. Nicholas explained the process that will be in place for Veolia to begin operations at the Radcliff Sewer Utility. Mr. Nicholas informed the Board that an implementation schedule is in place, that includes both a person and time for which each task should be completed by. Mr. Nicholas also went over the hiring process for the employees who will operate the Radcliff Sewer System.

Mr. Bruce also informed the Board that the City of Radcliff had completed the bid process for an upcoming sewer project, but the District had asked that the City not award the bid, to which the City agreed. This will allow the District and Veolia to evaluate the need for the project after the District has taken over the system and operations have begun.

After all other questions from the Board were answered, Secretary Tindall made a motion to authorize the Chairman and Secretary to execute an agreement, with the amendments that were covered in the discussion, with Veolia Water, North America, South, LLC, to operate the Radcliff sewer system, pending approval by the Public Service Commission, for an initial term of seventeen years, and for an initial annual fee of \$1,895,664 and notify Veolia to proceed with all needed tasks required to enact the transfer and start-up of operations of the utility system at the earliest possible date. Commissioner Powers seconded the motion and it was passed. Commissioner Hockman, while stating he could support the agreement, abstained from the vote due to having a relative employed by Veolia.

Chairman Rissel stated that the District's intention and hope is that this transfer of the Radcliff Sewer Utility will provide long term benefits to the City, community, the District, citizens of Radcliff, officials, and Veolia. Secretary Tindall asked if an analysis could be done after a few months of operations to determine what funds will be available to complete projects both inside and outside the city limits of Radcliff. Mr. Nicholas stated that with BRAC coming that the capital projects completed would be both inside and outside the city limits. Chairman Rissel also thanked Mr. Bruce, Mr. Pyles, Mr. Nicholas and his staff for their hard work and efforts over the last two years to make this transaction happen.

**Hardin County Water District No. 1
Minutes of Special Meeting of the Board of Commissioners
February 8, 2008**

Continued

Commissioner Hockman also suggested that the District hold a town hall meeting in order to introduce Veolia to the community as well as issue a press release in order to inform the customers of the phone numbers and give them assurance that the customers will not experience much change.

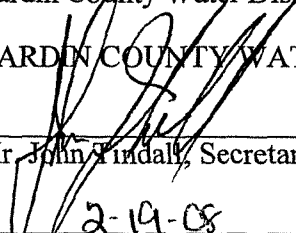
Being no further business before the Board, Secretary Tindall made a motion to adjourn at 11:55 a.m. and it was seconded by Commissioner Hockman and passed.

(Minutes submitted by Ms. Stephanie Brown)

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

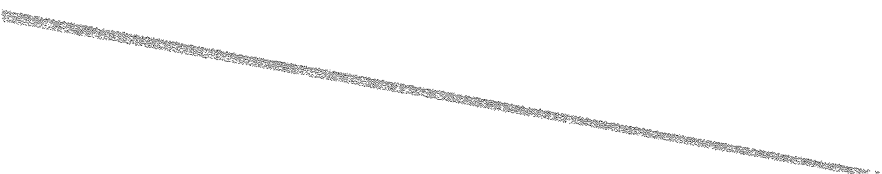
2-19-08

Date Approved

33. Provide all internal memoranda, correspondence, electronic mail messages and other documents in which Hardin District officials analyzed, reviewed, or discussed entering an operations and maintenance contract with Veolia Water North America-South, LLC for the Radcliff wastewater operations was discussed.

ANSWER 33: Exhibit 31 (under separate cover) includes the requested information. This information is also available in a digital file titled "Monthly Electric Bills" on the Compact Disc behind tab 35.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager



33. Provide all internal memoranda, correspondence, electronic mail messages and other documents in which Hardin District officials analyzed, reviewed, or discussed entering an operations and maintenance contract with Veolia Water North America-South, LLC for the Radcliff wastewater operations was discussed.

ANSWER 33: Exhibit 31 (under separate cover) includes the requested information. This information is also available in a digital file titled "Monthly Electric Bills" on the Compact Disc behind tab 35.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager



34. List and describe all actions that Hardin District has taken and the programs that it has implemented since its acquisition of the Radcliff wastewater facilities to improve the quality of service, increase operating efficiencies, and minimize or reduce operating expenses.

ANSWER 34: See attached Exhibit 27 which provides a table of all major improvements completed since 2008 and the impact to quality of service and operating expenses.

Also see responses to questions 28 and 30 which also provide changes, programs and measures which have also been put in place to provide similar benefits.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

Response to Data Request 1, Q34

HCWD1 - Radcliff Sewer Rate Case
PSC Case 2013-00050

Year	Name of Project	Scope	Intended / Resulting Benefits
2008	313 Lift Station Pump Control Valve replace	Replace 3 incorrect, high maintenance pump control valves in Lift Station	Reduce frequent service call. Lift Station, repairs to fix valves which were not designed for sewer Lift Station
2008	Replaced Soft Starts at 313 and Linc Trail Lift Station	Original starters were not rated correctly for the size pump in place	Reduce electrical consumption and overheating of starters
2008	Replace UV Maintenance Building	Built new brick and mortar structure to replace aluminum shed for UV supplies / too Lift Station	Old shed too small to store bulbs, tools Station for UV system, required working outdoors
2008	WWTP Safety Improvements	Add railings, steps, remote grease fittings, signage	Address OSHA deficiencies after safety audit by Veolia regional safety manager
2008	WWTP Storm Drainage Project	Install new storm piping, inlets and MH's through WWTP site	Stop frequent flooding of Equipment Building and entry road after major rain event
2008/09	Lincoln Trail Lift Station Odor Control Rebuilt	Change media, replace controls, clean system, add automated function	Rebuild and rehab non-functional odor control system causing frequent odor complaints
2009	Replace WWTP Fixed Generator	Replace undersized generator, leaking UST	Better reliability at the plant, and no environmental issues
2009	Hensley Lift Station	Installed wet well wash down system	Increases DO and reduces odor. Keeps grease suspended and reduces the need to vac out station.
2009	WWTP Painting Project - Phase I	Paint 1 clarifier, ox ditches 1 & 2, north elevated influent line, other steel items	Remove and stop rust and metal loss occurring
2009	Indiana Trail Lift Station Improvements	Replaced control panel	Replaced outdated electrical with updated more efficient control Lift Station, improve reliability
2010	Wilma / Pearman Phase II	Replace mains, correct flat slope, lower mains near homes	Reduce sewer back-ups, reduce I&I coming from creek x-ing, increase flow rate away from homes
2010	Wilma / Pearman Phase I	CIPP reline mains, replace MH's, re-lay flat sections, seal MH ring/lids	Reduce sewer back-ups, reduce I&I requiring pumping
2010	CIPP Woodland Drive	CIPP sections of Woodland Drive and installed cleanouts	Reduce I&I and installed clean outs for access to main sewer.
2010	Byerly Lift Station Elimination	New gravity main extension allowed demolition of lift station	Reduced energy and maintenance costs
2010	Arlington Woods Lift Station (included elimination of Safari Trail Lift Station and Industrial Park Lift Station)	New gravity main extension (by private developer) allowed demolition of lift station	Reduced energy and maintenance costs by eliminating 2 lift stations
2011	Lift Station Elimination Study	Topographical survey and preliminary engineering to determine if some lift stations could be eliminated	Resulted in moving forward with elimination of Byerly, Elm, and Drug Store, and Lift Station aided in scope for Stovall Lift Station improvements
2011	Purchase 2 portable generators	Added two new portable generators	Allows to operate more lift stations during power outages to avoid SSO's
2011	Elm Street Lift Station elimination	New gravity main extension allowed demolition of lift station	Reduced energy and maintenance costs
2011	Greenview Lift Station Replace	Complete rebuild of lift station, move contributing gravity mains	Add generator, move Lift Station and mains from flood plain reducing I&I and pumping costs
2011	Hillcrest Gravity Main Improvements	Replaced clay pipe in low-lying area	Reduce I&I, pumping costs and future MH replacement costs
2011	Crocus Lift Station Replacement	Replaced a 30-year old lift station	Improve pumping reliability, decrease energy costs, maintenance and future replacements costs
2011	Quiggins Gravity Main Improvements	Replaced clay pipe in low-lying area	Reduce I&I, pumping costs and future MH replacement costs
2012	Evaluation of VFDs for Boone Trace Lift Station and Lincoln Trail Lift Station	Engineer studied 20-year cost-benefit analysis of adding VFD's at two lift stations with largest electrical consumption in the system	Understanding that adding VFDs not recommended according to cost-benefit analysis
2012	North Logsdon Lift Station	New pump purchased for lift station	Replaced pump with more energy efficient pump, improved reliability
2012	Hwy 313 Lift Station	New pump purchased for lift station	Replaced pump with more energy efficient pump, improved reliability
2012	Stovall Lift Station Rebuild	Rebuild lift station, shorten force main by 60%, lower motor HP by 40%	Reduce energy cost, stopped I&I entering wetwell
2012	Lincoln Trail Lift Station Area Main Replace	Replace gravity mains, MH, and re-coat MH upstream of Lift Station	Reduce I&I, pumping costs and future MH replacement costs
2012	North Logsdon Parkway Gravity Main Improvements	Replaced clay pipe with flat slopes and poor structural integrity	Improved hydraulic conditions which reduced customer backups
2012	Woodland Drive Sewer Main	Replaced sewer main and added manholes and cleanout for access to sewer	Reduce I&I and allow more access to main for maintenance.
2012	Replacement of Preliminary Treatment Building	Built new brick and mortar structure to replace aluminum shell for screen and grit	More reliable service through better climate control environment, reduce odor
2012	Audubon main and lateral project	Re-lay mains, correct flat slopes, lower mains near homes	Reduce I&I, pumping costs and reduce customer complaints for backups
2012	Replace WWTP Fixed Generator	Replace undersized generator, leaking UST	Better reliability at the plant, and no environmental issues
2013	Drugstore / Woodcreek Lift Station	Rebuild 30+ year old station, redirect flows to eliminate a lift station	Improve pumping reliability, decrease energy costs, maintenance and future replacements costs
2013	WWTP Painting Project - Phase II	Paint Ox ditch 3, Digesters 1-2-3, valve pit piping, piping in EQ pump stations	Remove and stop rust and metal loss occurring
2013	Boone Trace Lift Station Improvements	Rebuild 30-year old station, reusing existing concrete structure, replace all mechanical and electrical	Improve pumping reliability, decrease energy costs, maintenance and future replacements costs
2013	Happy Valley improvements	Install cleanouts and replace service lines in right of way	Installed cleanouts for access to sewer main and reduce I&I. Reduce customer complaints for backups
2013	Wendover Lift Station	Replace control panel	Replaced electrical control for improved efficiency, better reliability
2013	Quiggins Lift Station	Replacement Pump	Replaced pump with more energy efficient pump