

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

November 19, 2013

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

RECEIVED
NOV 20 2013
PUBLIC SERVICE
COMMISSION

**SUBJECT: Filing of Response to Data Request No. 4
Case 2013-00050**

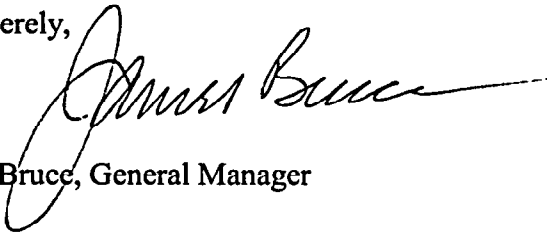
Dear Director Derouen,

Enclosed please find an original and eight copies of our responses to the Commission's fourth data request for the above general rate case filing.

The deadline for this response was November 20, 2013, as set forth in the Commission's order requesting its fourth data request, dated November 1, 2013.

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.

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. 4, 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

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CERTIFICATION

This is to certify that a true and correct copy of the foregoing was delivered on or about the 20th day of November, 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

David T. Wilson II

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

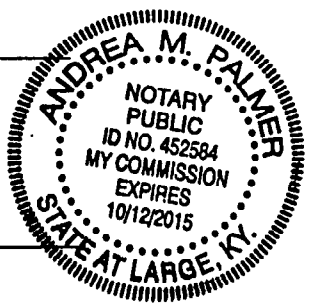
STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 20th day of November, 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. Refer to Hardin District's Responses to the Commission Staff's First Request For Information ("Commission's First Request"), Item 8(a)(2), and to the Commission Staff's Third Request For Information ("Commission's Third Request"), Item 4(b), Exhibit 3, Revised Schedule 16.c.

- a. Provide a copy of the comparison chart referenced in the October 16, 2012 Board of Commissioner's regular meeting minutes.
- b. The Board of Commissioners authorized a 3 percent total wage increase that was to become effective on February 1, 2013, with 1.3 percent being added to all pay grades and 1.7 percent available for performance-based raises. For each employee included in Exhibit 3, Revised Schedule 16.c, pages 7-13, provide the information requested in Table 1.

Table 1				
Employee Position	1.3% Fixed Wage Increase	Performance Based Increase	Total 2013 Hourly Wage Rate	2012 Hourly Rates Exhibit 3; Revised Schedule 16.c
Administration				
Customer Service				
Collection System				

- c. Included in the Revised Schedule 16.c is an allowance for the workers' compensation premium calculated by employee. For each employee listed on the schedules, explain in detail how Hardin District arrived at the allocated workers' compensation premium.
- d. Provide vendor invoices to support Hardin District's workers' compensation premiums for calendar year 2012 and 2013.

ANSWER 1:

- a. The table titled "Local Wage Adjustment Survey" is attached as Exhibit 1.
- b. Exhibit 2, titled Employee 2013 Raises provides the requested information, in table format, for the raises effective February 1, 2013.
- c. Hardin District is required to provide Total Estimated Labor Dollars by workers compensation employee classification code to the Kentucky Employers' Mutual Insurance (KEMI) in June of each year for the coming plan year (July of the current year through June of the following year). KEMI then calculates the estimated annual premium based upon these estimated labor dollars.

Hardin District takes the estimated annual premium and allocates the premium dollars by employee estimated labor, by department. At the end of the KEMI Fiscal Year (June 30) Hardin District is required to provide actual total labor dollars paid to each employee during the last 12 months (July 1 previous year through June 30 current year) for the Worker's Compensation audit.

Once KEMI has determined the surplus/deficit of Worker's Compensation premiums, it will bill/credit Hardin District for the difference. Hardin District will allocate the overage/credit in the same manner – by employee dollars, by department.

Hardin District allocates the Worker's Compensation charges to other funds as part of total labor dollars and benefits as described in Data Request 2, response 1.a through 1.j.

It was determined that the revised Schedules 16a through 16f (Exhibit 3 - submitted in responses to Data Request 3) reflected information on Worker's Compensation that did not include the KEMI reconciliation as described above. As such, Hardin District has prepared another revision to Schedule 16.a through 16f (Exhibit 3) to accompany our response to Data Request 4, which provides actual worker's compensation dollars by employee, reconciled to the KEMI adjustments for the test year, 2012.

- d. Hardin District is supplying the estimated and annual premium invoices from KEMI for 2011, 2012 and the estimated annual premium invoice for 2013 as Exhibit 4. Hardin District will not receive the audited 2013 through 2014 premium invoice until late 2014.

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

Local Wage Adjustment Survey

(By: HCWD1)

	COLA %	MERIT %	TOTAL %	# FTE's	DATE EFF	COMMENT
City of Elwyn	3.0%	--	3.0%	300	Jul-12	Merit is case by case, no set amount approved
City of Radcliff	2.0%	--	2.0%	132	Jul-12	Merit is case by case, no set amount approved
HCWD2	1.8%	4.0%	5.8%	47	Jul-12	COLA is \$0.35/hour for each employee - % shown is HCWD1 equiv
Veolia FK	--	2.5%	2.5%	16	Jul-12	No COLA, all based on performance / merit
Veolia Radcliff	--	2.0%	2.0%	14	Jan-13	No COLA, all based on performance / merit
MCWD	--	--	--	11	Jan-13	Have not approved final amount yet, did start providing family health ins in 2012
Hardin County Gvt	1.0%	1.0%	2.0%	253	Jul-12	No merit / performance increases
Hardin Memorial Health	2.5%	--	2.5%	1,500	Jul-12	Merit is actually step increase based on years experience
Hardin County School Board	1.0%	2.0%	3.0%	2,500	Jul-12	Merit is actually step increase based on years experience
LWC - Non-Union Employees	--	3.0%	3.0%	218	Apr-13	All performance based. Union employees by bargained contract
BLS - CPI	1.7%	--	1.7%			CPI - All Items Urban Consumers - Jul 11 ~ Aug 12 Change
BLS - CPI / South Urban	1.6%	--	1.6%			CPI - All Items Urban Consumers - Jul 11 ~ Aug 12 Change
BLS Emp Cost Index	1.6%	--	1.7%			Jul 10 ~ Jul 12 Change

Average of All Sources
 Median of All Sources
 Lowest (CPI, South Urban)
 Highest (HCWD2)

Staff Recommendation - Use 1/2 way between HCWD2 and median of all or a total of 4% with 1.7% for COLA (added to pay grades) and 2.3% for performance based increases

Rate Case No. 2013-00690		Hardin County Water District No 1		2013 Employee Raises		Effective February 1, 2013	
DIV	TITLE	2012 HRATE	1 3% Fixed Wage Increase	Performance Based Increase	2013 HRATE Revised Schedule 16 c		
ALLOCATED EMPLOYEES							
ADM	Accountant	\$ 21.47	\$ 0.28	\$ 0.39	\$ 22.14		
ADM	Accounting Specialist	\$ 18.02	\$ 0.23	\$ 0.32	\$ 18.57		
ADM	Executive Assistant	\$ 18.15	\$ 0.24	\$ 0.35	\$ 18.74		
ADM	General Manager	\$ 49.68	\$ 0.65	\$ 0.77	\$ 50.10		Contract Awarded by Board of Commissioners
ADM	Finance & Accounting Manager	\$ 31.93	\$ 0.42	\$ 0.54	\$ 32.89		
ADM	PT - Finance & Accounting Intern	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		Hired in 2013 - Intern Program
ADM	PT - Auto Card Drafter	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		Hired in 2013 - Intern Program
ADM	PT - GIS Intern	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		Hired in 2013 - Intern Program
ADM	Operations Manager	\$ 33.54	\$ 0.44	\$ 0.54	\$ 34.51		
ADM	WQ/Messurement Specialist	\$ 28.96	\$ 0.35	\$ 0.45	\$ 29.76		
ADM	Project Coordinator	\$ 21.81	\$ 0.28	\$ 0.28	\$ 22.37		
ADM	Engineering Manager	\$ 32.21	\$ 0.42	\$ 0.58	\$ 33.21		
ADM	Dist. System GIS/Planning Specialist	\$ 24.53	\$ 0.32	\$ 0.52	\$ 25.37		
COMM	Commissioner	\$ 500 per mth	\$ 0.00	\$ 0.00	\$ 500 per mth		
COMM	Commissioner	\$ 516.67 per mth	\$ 0.00	\$ 0.00	\$ 516.67 per mth		
COMM	Commissioner	\$ 500 per mth	\$ 0.00	\$ 0.00	\$ 500 per mth		
COMM	Commissioner	\$ 500 per mth	\$ 0.00	\$ 0.00	\$ 500 per mth		
CS	Customer Service Representative	\$ 15.98	\$ 0.21	\$ 0.23	\$ 16.42		
CS	Customer Service Representative - VACANT	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		Vacant Position - No Actual Dollars Spent
CS	PT - CSR Intern	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		Hired in 2013 - Intern Program
CS	Customer Service Manager	\$ 28.61	\$ 0.37	\$ 0.54	\$ 29.52		
CS	Customer Service Representative	\$ 13.57	\$ 0.18	\$ 0.14	\$ 13.89		
CS	Customer Service Representative	\$ 16.54	\$ 0.22	\$ 0.28	\$ 17.04		
CS	Customer Service Representative	\$ 14.16	\$ 0.18	\$ 0.31	\$ 14.67		
CS	Customer Service Representative - TEMPORARY	\$ 11.50	\$ 0.00	\$ 0.00	\$ 11.50		Temp Position to fill in part of 2012 & 2013
CS	Utility Billing Specialist	\$ 18.82	\$ 0.24	\$ 0.30	\$ 19.36		
DIST	Distribution Operator - III	\$ 17.15	\$ 0.22	\$ 0.23	\$ 17.60		
DIST	Distribution Operator - I or II	\$ 13.97	\$ 0.18	\$ 0.24	\$ 14.39		
DIST	Distribution Operator - I or II	\$ 17.55	\$ 0.23	\$ 0.43	\$ 18.21		
DIST	Distribution Operator - I or II	\$ 16.65	\$ 0.22	\$ 0.20	\$ 17.07		
DIST	Distribution Operator - I or II - Note 1	\$ 13.00	\$ 0.17	\$ 0.26	\$ 13.43		Employee Terminated 03/28/13
DIST	Distribution Operator - I or II - Note 1	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		New Employee Hired 06/03/13
DIST	Distribution Supervisor	\$ 27.52	\$ 0.36	\$ 0.51	\$ 28.39		
LEG	Attorney	\$ 1700 per mth	\$ 0.00	\$ 0.00	\$ 1800 per mth		
Manr	Plant & Control Specialist	\$ 25.45	\$ 0.33	\$ 0.39	\$ 26.17		
Note 1	Replacement Distribution Operator I - II replaced on 06/03/13 at a lower starting labor rate						

2012 Hourly Rate	Hours/Year (1)	2012		2013 Hourly Rate	Raw Year	% Capitalized	Net O&M	Allocation to Radcliff EMU		
		Year Year (1)	Adjustment					% Allocation	\$ Allocation	
Salaries & Wages										
Accountant	\$ 21.47	2,080	\$ 44,912	\$ 1,348	\$ 22.14	\$ 46,260	25.0%	\$ 34,710	33.0%	\$ 12,148
PT Salaries (F&A Admin Interns) (1)	\$ -	350	\$ -	\$ 3,450	\$ 9.80	\$ 3,450	50.0%	\$ 1,713	33.0%	\$ 600
PT Salaries (Auto Cad Drafter) (2)	\$ -	624	\$ -	\$ 15,600	\$ 25.00	\$ 15,600	50.0%	\$ 7,800	30.0%	\$ 2,340
PT Salaries (GIS Interns) (1)	\$ -	405	\$ -	\$ 4,351	\$ 10.75	\$ 4,351	50.0%	\$ 2,176	42.5%	\$ 925
Accounting Specialist	\$ 18.02	2,080	\$ 38,888	\$ 1,167	\$ 16.57	\$ 40,054	25.0%	\$ 30,041	25.0%	\$ 7,510
Project Coordinator	\$ 21.81	2,080	\$ 45,866	\$ 1,377	\$ 22.57	\$ 47,262	33.0%	\$ 31,666	31.0%	\$ 9,816
General Manager	\$ 49.68	2,080	\$ 113,087	\$ 11,905	\$ 60.09	\$ 126,992	30.0%	\$ 96,994	25.0%	\$ 24,996
Finance & Accounting Manager	\$ 31.93	2,080	\$ 66,866	\$ 2,005	\$ 32.89	\$ 68,831	25.0%	\$ 51,636	25.0%	\$ 13,910
Engineering Manager	\$ 32.21	2,080	\$ 67,357	\$ 2,020	\$ 33.21	\$ 69,357	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 18.15	2,080	\$ 38,223	\$ 1,150	\$ 16.74	\$ 39,472	0.0%	\$ 34,472	32.0%	\$ 12,631
Operations Manager	\$ 33.34	2,080	\$ 71,032	\$ 2,131	\$ 34.51	\$ 73,162	50.0%	\$ 36,581	15.0%	\$ 4,487
WQ / Measurement Specialist	\$ 26.46	2,080	\$ 55,222	\$ 1,673	\$ 27.46	\$ 57,496	0.0%	\$ 57,496	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 34.53	2,080	\$ 71,907	\$ 1,542	\$ 25.37	\$ 52,938	50.0%	\$ 26,469	42.5%	\$ 11,249
Overtime										
Accountant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25.0%	\$ -	33.0%	\$ -
PT Salaries (F&A Admin Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	33.0%	\$ -
PT Salaries (Auto Cad Drafter)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	30.0%	\$ -
PT Salaries (GIS Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Accounting Specialist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25.0%	\$ -	25.0%	\$ -
Project Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	33.0%	\$ -	31.0%	\$ -
General Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20.0%	\$ -	25.0%	\$ -
Finance & Accounting Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	15.0%	\$ -	25.0%	\$ -
Engineering Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Operations Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	15.0%	\$ -
WQ / Measurement Specialist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Health										
Accountant	\$ -	\$ 6,304	\$ 231	\$ -	\$ 6,535	\$ 6,535	25.0%	\$ 4,901	35.0%	\$ 1,715
PT Salaries (F&A Admin Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	35.0%	\$ -
PT Salaries (Auto Cad Drafter)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	30.0%	\$ -
PT Salaries (GIS Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Accounting Specialist	\$ -	\$ 4,304	\$ 231	\$ -	\$ 4,535	\$ 4,535	25.0%	\$ 4,901	25.0%	\$ 1,223
Project Coordinator	\$ -	\$ 4,304	\$ 231	\$ -	\$ 4,535	\$ 4,535	33.0%	\$ 4,378	31.0%	\$ 1,337
General Manager	\$ -	\$ 12,723	\$ (312)	\$ -	\$ 12,491	\$ 12,491	28.0%	\$ 9,993	21.0%	\$ 2,498
Finance & Accounting Manager	\$ -	\$ 4,488	\$ -	\$ -	\$ 4,488	\$ 4,488	25.0%	\$ 3,364	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	\$ -	\$ 4,304	\$ 231	\$ -	\$ 4,535	\$ 4,535	50.0%	\$ 3,268	15.0%	\$ 490
WQ / Measurement Specialist	\$ -	\$ 6,304	\$ 231	\$ -	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ -	\$ 6,304	\$ 231	\$ -	\$ 6,535	\$ 6,535	50.0%	\$ 3,268	42.5%	\$ 1,389
W_Comp (7)										
Accountant	\$ -	\$ 72	\$ -	\$ -	\$ 72	\$ 72	25.0%	\$ 54	34.0%	\$ 19
PT Salaries (F&A Admin Interns)	\$ -	\$ -	\$ 6	\$ -	\$ 6	\$ 6	50.0%	\$ 3	35.0%	\$ 1
PT Salaries (Auto Cad Drafter)	\$ -	\$ -	\$ 7	\$ -	\$ 7	\$ 7	50.0%	\$ 4	30.0%	\$ 1
PT Salaries (GIS Interns)	\$ -	\$ -	\$ 7	\$ -	\$ 7	\$ 7	50.0%	\$ 4	42.5%	\$ 1
Accounting Specialist	\$ -	\$ 63	\$ -	\$ -	\$ 63	\$ 63	25.0%	\$ 47	25.0%	\$ 12
Project Coordinator	\$ -	\$ 74	\$ -	\$ -	\$ 74	\$ 74	33.0%	\$ 49	31.0%	\$ 15
General Manager	\$ -	\$ 182	\$ -	\$ -	\$ 182	\$ 182	20.0%	\$ 143	25.0%	\$ 36
Finance & Accounting Manager	\$ -	\$ 107	\$ -	\$ -	\$ 107	\$ 107	25.0%	\$ 81	25.0%	\$ 20
Engineering Manager	\$ -	\$ 306	\$ -	\$ -	\$ 306	\$ 306	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ -	\$ 62	\$ -	\$ -	\$ 62	\$ 62	0.0%	\$ 62	32.0%	\$ 20
Operations Manager	\$ -	\$ 322	\$ -	\$ -	\$ 322	\$ 322	50.0%	\$ 161	15.0%	\$ 34
WQ / Measurement Specialist	\$ -	\$ 980	\$ -	\$ -	\$ 980	\$ 980	0.0%	\$ 980	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ -	\$ 902	\$ -	\$ -	\$ 902	\$ 902	50.0%	\$ 451	42.5%	\$ 192
Dental & Vision										
Accountant	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	25.0%	\$ 279	35.0%	\$ 98
PT Salaries (F&A Admin Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	35.0%	\$ -
PT Salaries (Auto Cad Drafter)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	30.0%	\$ -
PT Salaries (GIS Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Accounting Specialist	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	25.0%	\$ 279	25.0%	\$ 70
Project Coordinator	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	33.0%	\$ 249	31.0%	\$ 77
General Manager	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	20.0%	\$ 294	25.0%	\$ 74
Finance & Accounting Manager	\$ -	\$ 277	\$ 11	\$ -	\$ 288	\$ 288	25.0%	\$ 216	25.0%	\$ 54
Engineering Manager	\$ -	\$ 277	\$ 11	\$ -	\$ 288	\$ 288	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Operations Manager	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	50.0%	\$ 186	15.0%	\$ 38
WQ / Measurement Specialist	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	0.0%	\$ 372	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ -	\$ 361	\$ 11	\$ -	\$ 372	\$ 372	50.0%	\$ 186	42.5%	\$ 79
Lth & LTD										
Accountant	\$ -	\$ 499	\$ 40	\$ -	\$ 579	\$ 579	25.0%	\$ 434	35.0%	\$ 152
PT Salaries (F&A Admin Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	35.0%	\$ -
PT Salaries (Auto Cad Drafter)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	30.0%	\$ -
PT Salaries (GIS Interns)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Accounting Specialist	\$ -	\$ 420	\$ 64	\$ -	\$ 484	\$ 484	25.0%	\$ 363	25.0%	\$ 91
Project Coordinator	\$ -	\$ 509	\$ 73	\$ -	\$ 582	\$ 582	33.0%	\$ 391	31.0%	\$ 121
General Manager	\$ -	\$ 1,000	\$ 114	\$ -	\$ 1,114	\$ 1,114	20.0%	\$ 891	25.0%	\$ 223
Finance & Accounting Manager	\$ -	\$ 744	\$ 114	\$ -	\$ 858	\$ 858	25.0%	\$ 644	25.0%	\$ 161
Engineering Manager	\$ -	\$ 748	\$ 118	\$ -	\$ 866	\$ 866	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ -	\$ 420	\$ 68	\$ -	\$ 488	\$ 488	0.0%	\$ 488	32.0%	\$ 156
Operations Manager	\$ -	\$ 782	\$ 110	\$ -	\$ 892	\$ 892	50.0%	\$ 446	15.0%	\$ 67
WQ / Measurement Specialist	\$ -	\$ 621	\$ 96	\$ -	\$ 717	\$ 717	0.0%	\$ 717	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ -	\$ 572	\$ 241	\$ -	\$ 813	\$ 813	50.0%	\$ 407	42.5%	\$ 173

OASDI												
Accountant	\$	3,437	\$	103	\$	3,540	25.0%	\$	2,655	35.0%	\$	929
PT Salaries (F&A Admin Interns)	\$	-	\$	262	\$	262	50.0%	\$	131	35.0%	\$	46
PT Salaries (Auto Cad Drafters)	\$	-	\$	1,195	\$	1,193	50.0%	\$	597	30.0%	\$	179
PT Salaries (GIS Interns)	\$	-	\$	333	\$	333	50.0%	\$	166	42.5%	\$	71
Accounting Specialist	\$	2,975	\$	89	\$	3,064	25.0%	\$	2,298	25.0%	\$	575
Project Coordinator	\$	3,510	\$	105	\$	3,616	33.0%	\$	2,422	31.0%	\$	751
General Manager	\$	8,451	\$	911	\$	9,362	30.0%	\$	7,650	25.0%	\$	1,912
Finance & Accounting Manager	\$	5,114	\$	153	\$	5,267	25.0%	\$	3,950	25.0%	\$	968
Engineering Manager	\$	5,131	\$	135	\$	5,266	100.0%	\$	-	19.8%	\$	-
Executive Assistant	\$	2,932	\$	88	\$	3,020	0.0%	\$	3,020	32.0%	\$	966
Operations Manager	\$	5,434	\$	163	\$	5,597	50.0%	\$	2,798	15.0%	\$	420
WQ / Measurement Specialist	\$	4,270	\$	128	\$	4,398	0.0%	\$	4,398	0.0%	\$	-
Dist. System GIS/Planning Specialist	\$	3,932	\$	118	\$	4,050	50.0%	\$	2,025	42.5%	\$	861
Pensions												
Accountant	\$	8,653	\$	-	\$	8,653	25.0%	\$	6,490	35.0%	\$	2,272
PT Salaries (F&A Admin Interns)	\$	-	\$	-	\$	-	50.0%	\$	-	55.0%	\$	-
PT Salaries (Auto Cad Drafters)	\$	-	\$	-	\$	-	50.0%	\$	-	30.0%	\$	-
PT Salaries (GIS Interns)	\$	-	\$	-	\$	-	50.0%	\$	-	41.5%	\$	-
Accounting Specialist	\$	7,489	\$	-	\$	7,489	25.0%	\$	5,617	25.0%	\$	1,404
Project Coordinator	\$	8,838	\$	-	\$	8,838	33.0%	\$	5,921	31.0%	\$	1,836
General Manager	\$	21,780	\$	-	\$	21,780	20.0%	\$	17,424	25.0%	\$	4,356
Finance & Accounting Manager	\$	12,874	\$	-	\$	12,874	25.0%	\$	9,655	25.0%	\$	2,414
Engineering Manager	\$	12,968	\$	-	\$	12,968	100.0%	\$	-	19.8%	\$	-
Executive Assistant	\$	7,380	\$	-	\$	7,380	0.0%	\$	7,380	32.0%	\$	2,362
Operations Manager	\$	13,688	\$	-	\$	13,688	50.0%	\$	6,844	15.0%	\$	1,826
WQ / Measurement Specialist	\$	10,750	\$	-	\$	10,750	0.0%	\$	10,750	0.0%	\$	-
Dist. System GIS/Planning Specialist	\$	9,899	\$	-	\$	9,899	50.0%	\$	4,949	42.5%	\$	2,103
Total Administration												
	\$	836,163	\$	55,866	\$	892,029		\$	581,232		\$	139,122
			\$	(3,371)								23.9%
<i>Allocated to Rndiff</i>												

(1) Actual costs incurred in 2013.

(2) Based on 2013 budgeted hours.

(3) Actual dollars per pay roll (includes overtime).

(4) Actual annual hours (includes overtime).

(5) Actual 2013 workman compensation costs including KCMF adjustments.

PLCWD1 - RadeBE Utility
PSC Class
Commissioner

Schedule 14b

	2012 Hourly Rate	Hours, Est. Year	2012		2013 Hourly Rate	Rate Year	% Capitalized	Net O&M	Allocation to RadeBE Utility	
			Test Year (1)	Adjustment					% Allocation	\$ Allocation
Salaries and Wages										
Commissioner (3)	\$ 57.69	104	\$ 6,000	\$ -	\$ 57.69	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 59.62	104	\$ 6,200	\$ -	\$ 59.62	\$ 6,200	0.0%	\$ 6,200	32.0%	\$ 1,984
Commissioner (4)	\$ 57.69	104	\$ 6,000	\$ -	\$ 57.69	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 57.69	104	\$ 6,000	\$ -	\$ 57.69	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Commissioner	\$ 57.69	104	\$ 6,000	\$ -	\$ 57.69	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920
Overhead										
Commissioner (3)			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner (4)			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Health										
Commissioner (3)			\$ 1,680	\$ 4,855	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	32.0%	\$ 2,091
Commissioner			\$ 10,636	\$ -	\$ 10,636	\$ 10,636	0.0%	\$ 10,636	32.0%	\$ 3,404
Commissioner (4)			\$ 1,680	\$ -	\$ 1,680	\$ 1,680	0.0%	\$ 1,680	32.0%	\$ 538
Commissioner			\$ 1,680	\$ -	\$ 1,680	\$ 1,680	0.0%	\$ 1,680	32.0%	\$ 538
Commissioner			\$ 9,143	\$ -	\$ 9,143	\$ 9,143	0.0%	\$ 9,143	32.0%	\$ 2,926
W. Comp (2)										
Commissioner (3)			\$ 10	\$ -	\$ 10	\$ 10	0.0%	\$ 10	32.0%	\$ 3
Commissioner			\$ 10	\$ -	\$ 10	\$ 10	0.0%	\$ 10	32.0%	\$ 3
Commissioner (4)			\$ 10	\$ -	\$ 10	\$ 10	0.0%	\$ 10	32.0%	\$ 3
Commissioner			\$ 10	\$ -	\$ 10	\$ 10	0.0%	\$ 10	32.0%	\$ 3
Commissioner			\$ 10	\$ -	\$ 10	\$ 10	0.0%	\$ 10	32.0%	\$ 3
Dental & Vision										
Commissioner (3)			\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Commissioner			\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Commissioner (4)			\$ 361	\$ (361)	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Commissioner			\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Life & LTD										
Commissioner (3)			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner (4)			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
Commissioner			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -
OASDI										
Commissioner (3)			\$ 277	\$ 182	\$ 459	\$ 459	0.0%	\$ 459	32.0%	\$ 147
Commissioner			\$ 474	\$ -	\$ 474	\$ 474	0.0%	\$ 474	32.0%	\$ 152
Commissioner (4)			\$ 308	\$ 151	\$ 459	\$ 459	0.0%	\$ 459	32.0%	\$ 147
Commissioner			\$ 459	\$ -	\$ 459	\$ 459	0.0%	\$ 459	32.0%	\$ 147
Commissioner			\$ 459	\$ -	\$ 459	\$ 459	0.0%	\$ 459	32.0%	\$ 147
Pension										
Commissioner (3)			\$ 1,155	\$ -	\$ 1,155	\$ 1,155	0.0%	\$ 1,155	32.0%	\$ 370
Commissioner			\$ 1,194	\$ -	\$ 1,194	\$ 1,194	0.0%	\$ 1,194	32.0%	\$ 382
Commissioner (4)			\$ 1,155	\$ -	\$ 1,155	\$ 1,155	0.0%	\$ 1,155	32.0%	\$ 370
Commissioner			\$ 1,155	\$ -	\$ 1,155	\$ 1,155	0.0%	\$ 1,155	32.0%	\$ 370
Commissioner			\$ 1,155	\$ -	\$ 1,155	\$ 1,155	0.0%	\$ 1,155	32.0%	\$ 370
Total Commissioners			\$ 64,665	\$ 4,871	\$ 69,536	\$ 69,536		\$ 69,536		\$ 22,251
										\$ 1,539
										<i>Allocated to RadeBE</i>

(1) Actual dollar per pay roll.
(2) Actual 2012 workman compensation costs including KEMT adjustments.
(3) Personnel costs in 2012 are based on actual costs incurred. Personnel costs in 2013 are based on projected new employee replacement costs. The replacement commissioner elected to receive health insurance. The remaining dollars in 2013 represent Florida District's flexible benefits.
(4) Personnel costs in 2012 are based on actual costs incurred. Personnel costs in 2013 are based on projected new employee replacement costs. The replacement commissioner elected to not receive dental and vision insurance.

	2012 Hourly Rate	Hours per Year (5)	2012		2013 Hourly Rates	Raw Year	% Capitalized	Net O&M	Allocation to Radcliff City	
			Year (4)	Adjustments					% Allocation	\$ Allocation
Salaries and Wages										
Customer Service Representative	\$ 15.98	2,084	\$ 33,915	\$ 1,017	\$ 16.42	\$ 34,933	0.0%	\$ 34,933	47.0%	\$ 16,418
Customer Service Manager	\$ 28.61	2,080	\$ 60,314	\$ 1,809	\$ 29.52	\$ 62,124	0.0%	\$ 62,124	46.0%	\$ 28,577
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	350	\$ -	\$ 3,430	\$ 9.80	\$ 3,430	0.0%	\$ 3,430	47.0%	\$ 1,612
Customer Service Representative (Temp) (3)	\$ 11.50	-	\$ 10,870	\$ (8,950)	\$ 11.30	\$ 1,940	0.0%	\$ 1,940	47.0%	\$ 916
Customer Service Representative	\$ 13.57	1,774	\$ 24,438	\$ 793	\$ 13.99	\$ 25,171	0.0%	\$ 25,171	47.0%	\$ 11,850
Customer Service Representative	\$ 16.34	1,311	\$ 21,960	\$ 659	\$ 17.04	\$ 22,639	0.0%	\$ 22,639	47.0%	\$ 10,640
Customer Service Representative	\$ 14.18	2,090	\$ 29,934	\$ 898	\$ 14.87	\$ 30,832	0.0%	\$ 30,832	47.0%	\$ 14,491
Utility Billing Specialist	\$ 18.82	2,080	\$ 40,320	\$ 1,216	\$ 19.36	\$ 41,735	0.0%	\$ 41,735	46.0%	\$ 19,198
Overtime										
Customer Service Representative	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Manager	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Utility Billing Specialist	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Health										
Customer Service Representative	\$ -	-	\$ 4,488	\$ -	\$ 4,488	\$ 4,488	0.0%	\$ 4,488	47.0%	\$ 2,109
Customer Service Manager	\$ -	-	\$ 6,304	\$ 231	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	46.0%	\$ 3,006
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 6,304	\$ 231	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Customer Service Representative	\$ -	-	\$ 4,488	\$ -	\$ 4,488	\$ 4,488	0.0%	\$ 4,488	47.0%	\$ 2,109
Customer Service Representative	\$ -	-	\$ 6,304	\$ 231	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Utility Billing Specialist	\$ -	-	\$ 6,304	\$ 231	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	46.0%	\$ 3,006
W_Comp (6)										
Customer Service Representative	\$ -	-	\$ 53	\$ -	\$ 53	\$ 53	0.0%	\$ 53	47.0%	\$ 26
Customer Service Manager	\$ -	-	\$ 97	\$ -	\$ 97	\$ 97	0.0%	\$ 97	46.0%	\$ 45
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ 18	\$ (15)	\$ 3	\$ 3	0.0%	\$ 3	47.0%	\$ 1
Customer Service Representative	\$ -	-	\$ 39	\$ -	\$ 39	\$ 39	0.0%	\$ 39	47.0%	\$ 18
Customer Service Representative	\$ -	-	\$ 35	\$ -	\$ 35	\$ 35	0.0%	\$ 35	47.0%	\$ 17
Customer Service Representative	\$ -	-	\$ 48	\$ -	\$ 48	\$ 48	0.0%	\$ 48	47.0%	\$ 23
Utility Billing Specialist	\$ -	-	\$ 65	\$ -	\$ 65	\$ 65	0.0%	\$ 65	46.0%	\$ 30
Dental & Vision										
Customer Service Representative	\$ -	-	\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Customer Service Manager	\$ -	-	\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	46.0%	\$ 171
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Customer Service Representative	\$ -	-	\$ 116	\$ (116)	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Utility Billing Specialist	\$ -	-	\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	46.0%	\$ 171
Life & LTD										
Customer Service Representative	\$ -	-	\$ 373	\$ -	\$ 373	\$ 373	0.0%	\$ 373	47.0%	\$ 175
Customer Service Manager	\$ -	-	\$ 666	\$ -	\$ 666	\$ 666	0.0%	\$ 666	46.0%	\$ 315
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 308	\$ -	\$ 308	\$ 308	0.0%	\$ 308	47.0%	\$ 145
Customer Service Representative	\$ -	-	\$ 386	\$ -	\$ 386	\$ 386	0.0%	\$ 386	47.0%	\$ 180
Customer Service Representative	\$ -	-	\$ 331	\$ -	\$ 331	\$ 331	0.0%	\$ 331	47.0%	\$ 165
Utility Billing Specialist	\$ -	-	\$ 439	\$ -	\$ 439	\$ 439	0.0%	\$ 439	46.0%	\$ 205
OASDI										
Customer Service Representative	\$ -	-	\$ 2,985	\$ 78	\$ 3,063	\$ 3,063	0.0%	\$ 3,063	47.0%	\$ 1,435
Customer Service Manager	\$ -	-	\$ 4,614	\$ 138	\$ 4,752	\$ 4,752	0.0%	\$ 4,752	46.0%	\$ 2,186
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ 42	\$ 42	\$ 42	0.0%	\$ 42	47.0%	\$ 20
Customer Service Representative (Temp) (3)	\$ -	-	\$ 132	\$ (683)	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 1,970	\$ 56	\$ 2,026	\$ 2,026	0.0%	\$ 2,026	47.0%	\$ 955
Customer Service Representative	\$ -	-	\$ 1,481	\$ 50	\$ 1,531	\$ 1,531	0.0%	\$ 1,531	47.0%	\$ 714
Customer Service Representative	\$ -	-	\$ 2,490	\$ 69	\$ 2,559	\$ 2,559	0.0%	\$ 2,559	47.0%	\$ 1,199
Utility Billing Specialist	\$ -	-	\$ 3,100	\$ 83	\$ 3,183	\$ 3,183	0.0%	\$ 3,183	46.0%	\$ 1,469
Pension										
Customer Service Representative	\$ -	-	\$ 6,332	\$ -	\$ 6,332	\$ 6,332	0.0%	\$ 6,332	47.0%	\$ 2,970
Customer Service Manager	\$ -	-	\$ 11,617	\$ -	\$ 11,617	\$ 11,617	0.0%	\$ 11,617	46.0%	\$ 5,344
Customer Service Representative (Vacant) (2)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
CSR Admin/Intern (1)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Temp) (3)	\$ -	-	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative	\$ -	-	\$ 4,719	\$ -	\$ 4,719	\$ 4,719	0.0%	\$ 4,719	47.0%	\$ 2,218
Customer Service Representative	\$ -	-	\$ 4,200	\$ -	\$ 4,200	\$ 4,200	0.0%	\$ 4,200	47.0%	\$ 1,974
Customer Service Representative	\$ -	-	\$ 5,765	\$ -	\$ 5,765	\$ 5,765	0.0%	\$ 5,765	47.0%	\$ 2,710
Utility Billing Specialist	\$ -	-	\$ 7,804	\$ -	\$ 7,804	\$ 7,804	0.0%	\$ 7,804	46.0%	\$ 3,590
Total Customer Service			\$ 316,579	\$ 1,528	\$ 318,107	\$ 318,107		\$ 318,107		\$ 149,166
										46.3%

(1) No costs were incurred for this position in 2012. Actual hourly rate in 2013 is \$9.80.
 (2) No costs were incurred for this position in 2012. This position was not included in the 2013 Budget.
 (3) This position incurred costs in 2012. Costs included in 2013 are based on actual dollars. Additional costs are not expected.
 (4) Actual dollars per pay roll (includes overtime).
 (5) Actual annual hours (includes overtime).
 (6) Actual 2012 workman compensation costs including ERM adjustments.

HCW01 - Radnet Utility
P&C Cost
Collection System

Schedule 164

	2012 Hourly Rate	Hours per Year (2)	2012		2013 Hourly Rate	Raw Year	% Capitalized	Net O&M	Allocation to Radnet Utility	
			Year Year (1)	Adjustments					% Allocation	\$ Allocation
Salaries and Wages										
Distribution Operator - III	\$ 17.15	2,100	\$ 36,011	\$ 1,140	\$ 17.60	\$ 39,151	0.0%	\$ 39,151	47.0%	\$ 18,401
Distribution Operator - I or II	\$ 13.97	2,213	\$ 30,995	\$ 930	\$ 14.30	\$ 31,922	0.0%	\$ 31,922	47.0%	\$ 15,004
Distribution Operator - I or II	\$ 17.55	2,147	\$ 38,418	\$ 1,150	\$ 18.21	\$ 39,777	0.0%	\$ 39,777	47.0%	\$ 18,695
Distribution Operator - I or II	\$ 16.45	3,261	\$ 37,414	\$ 1,134	\$ 17.07	\$ 38,948	0.0%	\$ 38,948	47.0%	\$ 18,305
Distribution Operator - I or II (2)	\$ 13.00	1,918	\$ 23,956	\$ (15)	\$ 11.51	\$ 23,941	0.0%	\$ 23,941	47.0%	\$ 11,252
Distribution Supervisor	\$ 27.52	1,920	\$ 30,370	\$ 1,511	\$ 28.34	\$ 31,881	0.0%	\$ 31,881	1.5%	\$ 778
Overline										
Distribution Operator - III	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Distribution Operator - I or II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Distribution Operator - I or II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Distribution Operator - I or II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Distribution Operator - I or II (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Distribution Supervisor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	1.5%	\$ -
Health										
Distribution Operator - III	\$ 4,304	\$ 231	\$ 4,335	\$ -	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	47.0%	\$ 3,071
Distribution Operator - I or II	\$ 4,304	\$ 231	\$ 4,335	\$ -	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	47.0%	\$ 3,071
Distribution Operator - I or II	\$ 4,304	\$ 231	\$ 4,335	\$ -	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	47.0%	\$ 3,071
Distribution Operator - I or II	\$ 4,304	\$ 231	\$ 4,335	\$ -	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	47.0%	\$ 3,071
Distribution Operator - I or II (2)	\$ 3,254	\$ 1,281	\$ 4,335	\$ 1,281	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	47.0%	\$ 3,071
Distribution Supervisor	\$ 3,254	\$ 1,281	\$ 4,335	\$ 1,281	\$ 4,335	\$ 4,335	0.0%	\$ 4,335	1.5%	\$ 98
W_Comp (1)										
Distribution Operator - III	\$ 667	\$ -	\$ 667	\$ -	\$ 667	\$ 667	0.0%	\$ 667	47.0%	\$ 314
Distribution Operator - I or II	\$ 544	\$ -	\$ 544	\$ -	\$ 544	\$ 544	0.0%	\$ 544	47.0%	\$ 256
Distribution Operator - I or II	\$ 678	\$ -	\$ 678	\$ -	\$ 678	\$ 678	0.0%	\$ 678	47.0%	\$ 319
Distribution Operator - I or II	\$ 664	\$ -	\$ 664	\$ -	\$ 664	\$ 664	0.0%	\$ 664	47.0%	\$ 312
Distribution Operator - I or II (2)	\$ 420	\$ -	\$ 420	\$ -	\$ 420	\$ 420	0.0%	\$ 420	47.0%	\$ 198
Distribution Supervisor	\$ 884	\$ -	\$ 884	\$ -	\$ 884	\$ 884	0.0%	\$ 884	1.5%	\$ 13
Dental & Vision										
Distribution Operator - III	\$ 361	\$ 11	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II	\$ 361	\$ 11	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II	\$ 361	\$ 11	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II	\$ 361	\$ 11	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II (2)	\$ 301	\$ 71	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Supervisor	\$ 301	\$ 71	\$ 372	\$ -	\$ 372	\$ 372	0.0%	\$ 372	1.5%	\$ 6
Life & LTD										
Distribution Operator - III	\$ 401	\$ 38	\$ 439	\$ -	\$ 439	\$ 439	0.0%	\$ 439	47.0%	\$ 214
Distribution Operator - I or II	\$ 313	\$ 62	\$ 371	\$ -	\$ 371	\$ 371	0.0%	\$ 371	47.0%	\$ 176
Distribution Operator - I or II	\$ 408	\$ 66	\$ 473	\$ -	\$ 473	\$ 473	0.0%	\$ 473	47.0%	\$ 223
Distribution Operator - I or II	\$ 367	\$ 79	\$ 446	\$ -	\$ 446	\$ 446	0.0%	\$ 446	47.0%	\$ 210
Distribution Operator - I or II (2)	\$ 256	\$ 44	\$ 300	\$ -	\$ 300	\$ 300	0.0%	\$ 300	47.0%	\$ 141
Distribution Supervisor	\$ 361	\$ 180	\$ 741	\$ -	\$ 741	\$ 741	0.0%	\$ 741	1.5%	\$ 11
OASDI										
Distribution Operator - III	\$ 2,908	\$ 87	\$ 2,995	\$ -	\$ 2,995	\$ 2,995	0.0%	\$ 2,995	47.0%	\$ 1,408
Distribution Operator - I or II	\$ 2,371	\$ 71	\$ 2,442	\$ -	\$ 2,442	\$ 2,442	0.0%	\$ 2,442	47.0%	\$ 1,148
Distribution Operator - I or II	\$ 2,954	\$ 89	\$ 3,043	\$ -	\$ 3,043	\$ 3,043	0.0%	\$ 3,043	47.0%	\$ 1,450
Distribution Operator - I or II	\$ 2,893	\$ 87	\$ 2,980	\$ -	\$ 2,980	\$ 2,980	0.0%	\$ 2,980	47.0%	\$ 1,400
Distribution Operator - I or II (2)	\$ 1,272	\$ 89	\$ 1,831	\$ -	\$ 1,831	\$ 1,831	0.0%	\$ 1,831	47.0%	\$ 861
Distribution Supervisor	\$ 3,354	\$ 116	\$ 3,970	\$ -	\$ 3,970	\$ 3,970	0.0%	\$ 3,970	1.5%	\$ 60
Pension										
Distribution Operator - III	\$ 7,322	\$ -	\$ 7,322	\$ -	\$ 7,322	\$ 7,322	0.0%	\$ 7,322	47.0%	\$ 3,441
Distribution Operator - I or II	\$ 5,971	\$ -	\$ 5,971	\$ -	\$ 5,971	\$ 5,971	0.0%	\$ 5,971	47.0%	\$ 2,806
Distribution Operator - I or II	\$ 7,435	\$ -	\$ 7,435	\$ -	\$ 7,435	\$ 7,435	0.0%	\$ 7,435	47.0%	\$ 3,494
Distribution Operator - I or II	\$ 7,286	\$ -	\$ 7,286	\$ -	\$ 7,286	\$ 7,286	0.0%	\$ 7,286	47.0%	\$ 3,425
Distribution Operator - I or II (2)	\$ 4,425	\$ (24)	\$ 4,601	\$ -	\$ 4,601	\$ 4,601	0.0%	\$ 4,601	47.0%	\$ 2,162
Distribution Supervisor	\$ 9,729	\$ -	\$ 9,729	\$ -	\$ 9,729	\$ 9,729	0.0%	\$ 9,729	1.5%	\$ 146
Total Collection System			\$ 322,325	\$ 11,004		\$ 333,329		\$ 333,329		\$ 122,948
				\$ 4,010						\$ 64
				\$ (7)						\$ -
										\$ 56.0%

(1) Actual 2012 workman compensation costs including KEMF adjustments.
(2) Personnel costs in 2012 are based on actual costs incurred. Personnel costs in 2013 are based on projected new employee replacement costs.

HCW01 - Radcliff Utility
 PAC Case
 Legal

Schedule fee

Salaries and Wages
 Attorney (Professional Services)

Total Legal

2012 Hourly Rate	Hours per Year	2013		2013 Hourly Rate	Rate Year	% Capitalized	Net O&M	Allocation to Radcliff Utility	
		Test Year (1)	Adjustment					% Allocation	\$ Allocation
\$ 25,720	\$ 1,869			\$ 27,589	0.0%	\$ 27,589	50.2%	\$ 8,332	
\$ 25,720	\$ 1,869			\$ 27,589		\$ 27,589		\$ 8,332	
			\$ 564					30.2%	
			Allocated in Radcliff						

ERCWD1 - Redfish Utility
PSC Class
Operative & Maintenance

Schedule 100

	2012 Hourly Rate	Hours per Year (2)	2012		2013 Hourly Rate	Raw Year	% Capitalized	Net O&M	Allocation in Redfish Utility	
			Year Year (1)	Adjustments					% Allocation	\$ Allocation
Salaries and Wages										
Maint. & Control Specialist	\$ 35.45	2276.75	\$ 60,523	\$ 1,816	\$ 36.17	\$ 82,330	0.0%	\$ 82,330	0.0%	\$ -
Overtime										
Maint. & Control Specialist			\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Health										
Maint. & Control Specialist			\$ 6,304	\$ 231	\$ 6,535	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
W_Comp (3)										
Maint. & Control Specialist			\$ 1,062	\$ -	\$ 1,062	\$ 1,062	0.0%	\$ 1,062	0.0%	\$ -
Dental & Vision										
Maint. & Control Specialist			\$ 361	\$ 11	\$ 372	\$ 372	0.0%	\$ 372	0.0%	\$ -
Life & LTD										
Maint. & Control Specialist			\$ 392	\$ -	\$ 392	\$ 392	0.0%	\$ 392	0.0%	\$ -
OASDI										
Maint. & Control Specialist			\$ 4,630	\$ 139	\$ 4,769	\$ 4,769	0.0%	\$ 4,769	0.0%	\$ -
Pension										
Maint. & Control Specialist			\$ 11,462	\$ -	\$ 11,462	\$ 11,462	0.0%	\$ 11,462	0.0%	\$ -
Total Maintenance			\$ 85,134	\$ 2,197	\$ 87,331	\$ 87,331		\$ 87,331		\$ -
				\$ 2,197						0.0%

(1) Actual dollars per pay roll (includes overtime).
(2) Actual annual hours (includes overtime).
(3) Actual 2012 workman compensation costs including KEMF adjustments.

July 1, 2011



000033**
 HARDIN CO WATER DISTRICT #1
 1400 ROGERSVILLE RD
 RADCLIFF KY 40160-9343

INFORMATION PAGES

FOR POLICY NUMBER - 317899
 KEMI 007

1. A. Policyholder:

Hardin Co Water District #1
 1400 Rogersville Rd

Radcliff, KY 40160

B. Agent:

Agency ID: 661
 North Hardin Insurance Agency Inc
 PO Box 790

Radcliff, KY 40159

Federal ID: 616010729

Entity type: Other

2. Policy Period:

Effective:

12:01 AM 07/01/2011

Expires:

12:01 AM 07/01/2012

3. Coverage, Limits and Endorsements:

A. Part One of this policy applies only to the Workers' Compensation Laws of the Commonwealth of Kentucky.

B. Part Two of this policy (Employers' Liability Insurance) is subject to the limits of our liability listed below:

Bodily Injury by Accident	\$1,000,000	each accident
Bodily Injury by Disease	\$1,000,000	policy limit
Bodily Injury by Disease	\$1,000,000	each employee

This policy includes these endorsements:

ENDORSEMENT CODE	ENDORSEMENT DESCRIPTION
KEMI 001 02	Tax Assessment
KEMI 002 03	Schedule of Additional Locations
KEMI 006 02	Premium Due Date Endorsement
KEMI 012 02	Premium Discount Endorsement
KEMI 034 02	Experience Rating for Modification Factor Endorsement
KEMI 036 03	Notification of Change in Ownership Endorsement
KEMI 041	Kentucky Cancellation and NonRenewal Endorsement
KEMI 042 02	Kentucky Part One Workers Compensation Insurance Endorsement
KEMI 044 02	Terrorism Risk Insurance Program reauthorization Act Disclosure Endorsement
KEMI 045	Catastrophe (Other than Certified Acts of Terrorism)Endorsement

4. Classifications

7520-000	Waterworks Operation & Drivers
7580-000	Sewage Disposal Plant Operation & Drivers
8742-000	Salesmen Collectors or Messengers - Outside
8810-000	Clerical Office Employees NOC
8820-000	Attorney - All Employees & Clerical, Messengers, Drivers

CLASS RATING AND MANUAL PREMIUM DETAIL	EXPOSURE	RATE	PREMIUM
Hardin Co Water District #1			
07/01/2011 - 07/01/2012			
7520-000	812,682	2.56	\$20,805.00
8810-000	585,671	.18	\$1,054.00
8820-000	20,356	.19	\$39.00
7580-000	0	3.07	\$.00
8742-000	130,236	.54	\$703.00

Total Manual Premium:
\$22,601.00

PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
07/01/2011 - 07/01/2012	Total Manual Premium		\$22,601.00
	Employers Liability Limits	.040	\$904.00
	Total Subject Premium		\$23,505.00
	Experience Modification Premium	.810	-\$4,466.00
	Total Modified Premium		\$19,039.00

PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
	Schedule Rating Premium	.900	-\$1,904.00
Final Estimate	Total Standard Premium		\$17,135.00
	Premium Discount		-\$1,323.00
	Expense Constant		\$240.00
	Estimated Annual Premium		\$16,052.00
	Kentucky Special Fund Assessment		\$1,043.38
	Total Amount Due		\$17,095.38

Please contact Center for Assistance at 859-425-7800 or 800-640-5364 with any questions.

The INFORMATION PAGES and all the forms and endorsements listed on it and included with it complete this policy. Coverage under this policy is provided by the Company named on the INFORMATION PAGES. In witness whereof we have executed and attested this policy.

Roger D. Pries

HARDIN COUNTY WATER DIST No 1

WORKERS COMP ALLOCATION

07/01/2011 - 06/30/2012

		07/01/11-6/30/12		Totals	
Name	Dept	REG	W/C Cost		
Cecil, John	11	7520	\$38,521.60	\$745.94	
Clark, Phil	11	7520	\$56,256.20	\$1,089.35	
Ellington, Steve	11	7520	\$44,865.60	\$868.78	
Lepping, Melissa	11	7520	\$31,491.20	\$609.80	
McKinley, Michael	11	7520	\$39,312.00	\$761.24	
Thomas, John	11	7520	\$44,470.40	\$861.13	
Underhill, Donald	11	7520	\$41,121.60	\$796.28	
Barnes, Richard	14	7520	\$26,603.20	\$515.15	
Bowman, Tim	14	7520	\$34,299.20	\$664.17	
Davis, Jay	14	7520	\$37,918.40	\$734.26	
Gray, James	14	7520	\$36,025.60	\$697.60	
Howard, Greg	14	7520	\$34,923.20	\$676.26	
Mancik, John	14	7520	\$34,860.80	\$675.05	
Mattingly, Adam	14	7520	\$6,000.00	\$116.18	
McCoy, Jerry	14	7520	\$43,160.00	\$835.76	
McKenzie, Marvin	14	7520	\$30,035.20	\$581.61	
Moseley, Michael	14	7520	\$35,484.80	\$687.13	
Stranahan, Richard	14	7520	\$55,524.04	\$1,075.17	
Walker, Tim	14	7520	\$31,304.00	\$606.17	
Pickerell, Curt	16	7520	\$51,500.80	\$997.27	
Crews, Larry	19	7520	\$6,000.00	\$116.18	
Spalding, Amanda	19	7520	\$53,004.12	\$1,026.38	
Sub-total			\$812,681.96	\$15,736.88	\$15,736.88
Pyles, Brett	19	8742	\$68,232.06	\$278.59	
Pendley, Preston	19	8742	\$62,004.02	\$253.16	
Sub-total			\$130,236.08	\$531.75	\$531.75
Gossett, William	1	8810	\$6,200.04	\$8.44	
Hockman, Ronald	1	8810	\$6,000.00	\$8.17	
Rissel, William	1	8810	\$6,000.00	\$8.17	
Tindall Jr, John	1	8810	\$6,000.00	\$8.17	
Walton, Steven	1	8810	\$6,000.00	\$8.17	
Campbell, Christie	15	8810	\$28,912.00	\$39.36	
Easter, Charlene	15	8810	\$57,500.04	\$78.27	
King, Lynn	15	8810	\$35,672.00	\$48.56	
Thompson, Linda	15	8810	\$38,084.80	\$51.84	

Williams, Charles	15	8810	\$32,739.20		\$44.57		
Wittstock, Susanna	15	8810	\$33,217.60		\$45.22		
Bruce, Jim	19	8810	\$100,787.96		\$137.20		
Clifford, Daniel	19	8810	\$49,332.14		\$67.15		
Morrison, Karen	19	8810	\$36,358.40		\$49.49		
Palmer, Andrea	19	8810	\$35,152.00		\$47.85		
Schmuck, Scott	19	8810	\$64,476.10		\$87.77		
Strange, Stephanie	19	8810	\$43,239.04		\$58.86		
Sub-total			\$585,671.32		\$797.25	\$797.25	
Wilson, David	19	8820	\$20,355.72		\$29.50		
Sub-total			\$20,355.72		\$29.50	\$29.50	
Totals			\$1,548,945.08		\$17,095.38	\$17,095.38	
Commisioners	19	8810	\$41.11				
Pirtle	11	7520	\$5,732.53		\$477.71	10.11.6580500	
Distribution	14	7520	\$7,864.52		\$655.38	10.14.6580500	
Customer Service	15	8810	\$307.82		\$25.65	10.15.6580500	
Maintenance	16	7520	\$997.27		\$83.11	10.16.6580500	
Admin	19	7520	\$1,142.56				
Admin	19	8810	\$448.32		\$182.77	10.19.6580500	
Outside Sales	19	8742	\$531.75				
Lawyer	19	8820	\$29.50				
			\$17,095.38		\$1,424.62		

VN 07-10 3656



250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

July 18, 2012

000354**009**005***ALL FOR AADC 400
HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160-9343

Final Audit Summary

Policy: 317899
Policy Name: Hardin Co Water District #1
Agent: North Hardin Insurance Agency Inc
Policy Period: 07/01/2011 - 07/01/2012 Audit Date: 07/18/2012
Days in Force: 366 Audit Type: Online Audit

CODE	CLASS DESCRIPTION	REMUNERATION	RATE/\$100	PREMIUM
7520	Waterworks Operation & Drivers	\$902,310.00	2.56	\$23,099.00
7580	Sewage Disposal Plant Operation & Drivers	\$0.00	3.07	\$0.00
8742	Salesmen Collectors or Messengers - Outside	\$136,478.00	0.54	\$737.00
8810	Clerical Office Employees NOC	\$610,274.00	0.18	\$1,098.00
8820	Attorney - All Employees & Clerical, Messengers, Drivers	\$20,356.00	0.19	\$39.00

1739.01
551.87
222.66
29.57
1821.51
OK
7/20/12
B72512

Total Manual Premium		\$24,973.00
Employers Liability Limits	4%	\$999.00
Experience Modification Premium 07/01/2011-07/01/2012	.81	-\$4,935.00
Schedule Rating Premium	9	-\$2,104.00
Premium Discount		-\$1,519.00
Expense Constant		\$240.00
Total Premium		\$17,654.00
Kentucky Special Fund Assessment	6.5%	\$1,147.51
Grand Total		\$18,801.51

Cash Applied: -\$17,095.38
Other Credits: \$0
Additional Premium/Return Premium: \$1,706.13

THIS IS NOT A BILL
Any premium adjustment will be invoiced on your next statement.

HARDIN COUNTY WATER DIST No 1
 WORKERS COMP AUDIT
 07/01/2011 - 06/30/2012

Name	7520	07/01-12/31			01/01-6/30			Totals			W/C Cost
		2011			2012			2011-12			
		REG	OT	REG	OT	REG	OT	REG	OT		
Cecil, John		\$21,128.44	\$722.28	\$21,488.19	\$1,184.12	\$42,616.63	\$1,906.40	\$789.16			
Clark, Phil		\$29,851.06		\$29,078.96		\$58,930.02	\$0.00	\$1,044.52			
Ellington, Steve		\$8,520.15				\$8,520.15	\$0.00	\$151.02			
Gray, James		\$19,426.02	\$233.82	\$20,737.17	\$1,150.83	\$40,163.19	\$1,384.65	\$736.43			
Hartman, Melissa		\$16,688.60	\$90.84	\$17,537.51	\$862.07	\$34,226.11	\$952.91	\$623.54			
McKinley, Michael		\$21,509.53	\$311.85	\$22,181.32	\$1,166.13	\$43,690.85	\$1,477.98	\$800.61			
Underhill, Donald		\$21,970.33	\$326.21	\$21,161.56	\$59.32	\$43,131.89	\$385.53	\$771.34			
Barnes, Richard		\$14,934.02	\$796.20	\$14,903.09	\$826.65	\$29,837.11	\$1,622.85	\$557.62			
Bowman, Tim		\$19,147.77	\$964.67	\$18,835.28	\$1,114.89	\$37,983.05	\$2,079.56	\$710.10			
Davis, Jay		\$21,528.80	\$1,558.67	\$21,009.45	\$1,473.42	\$42,538.25	\$3,032.09	\$807.72			
Dennis, Donald				\$9,417.00	\$297.00	\$9,417.00	\$297.00	\$172.18			
Hardcastle, Grady				\$13,736.50	\$1,254.00	\$13,736.50	\$1,254.00	\$265.70			
Mancik, John		\$19,152.97	\$496.52	\$18,523.08	\$348.75	\$37,676.05	\$845.27	\$682.78			
McKenzie, Marvin		\$18,617.78	\$1,505.37	\$18,501.42	\$1,698.57	\$37,119.20	\$3,203.94	\$714.72			
Moseley, Michael		\$18,550.80	\$204.73	\$19,493.39	\$829.19	\$38,044.19	\$1,033.92	\$692.65			
Osborne, Timothy				\$20,386.20		\$20,386.20	\$0.00	\$361.34			
Walker, Tim		\$16,725.67	\$553.12	\$18,031.69	\$927.84	\$34,757.36	\$1,480.96	\$642.32			
Whitworth, Franklin				\$9,942.64	\$230.04	\$9,942.64	\$230.04	\$180.31			
Gunning, David				\$10,513.28	\$494.16	\$10,513.28	\$494.16				
Howard, Greg		\$20,764.76	\$1,750.39	\$20,507.04	\$1,550.73	\$41,271.80	\$3,301.12				
Mattingly, Adam		\$12,170.48	\$349.05	\$13,688.39	\$559.14	\$25,858.87	\$908.19				
McCoy, Jerry		\$23,709.45	\$1,369.51	\$23,487.14	\$1,270.46	\$47,196.59	\$2,639.97				
Sranahan, Richard		\$28,755.96		\$28,821.46		\$57,577.42	\$0.00				
Wood, Todd				\$15,591.86		\$15,591.86	\$0.00				
Pickerell, Curt		\$27,990.56	\$1,374.18	\$28,892.94	\$2,238.83	\$56,883.50	\$3,613.01	\$1,072.29			
Clifford, Daniel		\$25,237.61		\$25,303.86		\$50,541.47	\$0.00	\$895.84			
Crews, Larry		\$6,108.27				\$6,108.27	\$0.00	\$108.27			
Spalding, Amanda		\$27,177.02		\$27,566.53		\$54,743.55	\$0.00	\$970.32			

Sub-total		\$439,666.05	\$12,607.41	\$509,336.95	\$19,536.14	\$949,003.00	\$32,143.55	\$17,390.61	17390.61
Pendley, Preston	8742	\$32,940.89		\$33,276.48		\$66,217.37	\$0.00	\$269.22	
Pyles, Brett	8742	\$35,179.92		\$35,080.51		\$70,260.43	\$0.00	\$285.65	
Sub-total		\$68,120.81	\$0.00	\$68,356.99	\$0.00	\$136,477.80	\$0.00	\$554.87	554.87
Gossett, William	8810	\$3,100.02		\$3,100.02		\$6,200.04	\$0.00		
Hockman, Ronald	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00		
Rissel, William	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00		
Tindall Jr, John	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00		
Walton, Steven	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00		
Bragg, Chelsea	8810	\$11,793.48	\$39.21	\$9,885.56		\$21,679.04	\$39.21	\$29.49	
Campbell, Christie	8810	\$14,993.57	\$105.49	\$14,738.78	\$31.91	\$29,732.35	\$137.40	\$40.15	
Easter, Charlene	8810	\$29,484.39		\$29,503.84		\$58,988.23	\$0.00	\$79.28	
King, Deidre	8810	\$3,402.13	\$6.43			\$3,402.13	\$6.43	\$4.58	
Thompson, Linda	8810	\$19,945.37	\$332.89	\$19,925.46	\$429.83	\$39,870.83	\$762.72	\$54.61	
Williams, Charles	8810	\$17,069.91	\$47.23	\$16,610.97	\$53.21	\$33,680.88	\$100.44	\$15.40	
Wittstock, Susanna	8810	\$17,045.80	\$1.68	\$16,513.44	\$33.25	\$33,559.24	\$34.93	\$45.15	
Bruce, Jim	8810	\$57,306.40		\$55,622.73		\$112,929.13	\$0.00	\$151.78	
Maurmeier, Joshua	8810			\$720.96		\$720.96	\$0.00	\$0.97	
Miller, Charles	8810	\$4,213.46				\$4,213.46	\$0.00	\$5.66	
Morrison, Karen	8810	\$19,322.69	\$434.75	\$19,194.67	\$592.11	\$38,517.36	\$1,026.86	\$53.15	
Palmer, Andrea	8810	\$18,342.34	\$529.64	\$18,992.22	\$293.32	\$37,334.56	\$822.96	\$51.29	
Schmuck, Scott	8810	\$32,892.14		\$32,970.80		\$65,862.94	\$0.00	\$88.52	
Strange, Stephanie	8810	\$22,072.01		\$22,151.37		\$44,223.38	\$0.00	\$59.44	
Thomas, John	8810	\$22,862.70		\$22,570.78		\$45,433.48	\$0.00	\$61.06	
Daugherty, Leslie	8810			\$11,661.39	\$111.39	\$11,661.39	\$111.39		
Sub-total		\$305,846.41	\$1,497.32	\$306,162.99	\$1,545.02	\$612,009.40	\$3,042.34	\$826.66	826.66
Wilson, David	8820	\$10,177.86		\$10,177.86		\$20,355.72	\$0.00	\$29.37	29.37
Sub-total		\$10,177.86	\$0.00	\$10,177.86	\$0.00	\$20,355.72	\$0.00		
Totals		\$823,811.13	\$14,104.73	\$894,034.79	\$21,081.16	\$1,717,845.92	\$35,185.89		\$18,801.51

TS

G/L	Per Allocation	Adjustment
1.02.65800	\$5,732.52	(\$815.90)
1.03.65800	\$7,864.56	(\$2,077.06)
1.04.65800	\$307.80	(\$9.43)
1.05.65800	\$997.32	\$74.97
1.06.65800	\$2,193.24	\$807.94
1.06.65800	\$0.00	\$40.58
1.06.65800	\$0.00	\$29.37
5.03.65800	\$647.80	\$3,655.67 - 647.80
	\$17,743.24	\$1,706.13
	\$18,801.51	647.80 1.00.24201

22514

VN 0803206



250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

INVOICE



000217**

HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160-9343

1.00.16201 3259.56
5.00.16201 955.66

88
6.21.12

Invoice Date	June 18, 2012
Invoice Number	1720574
Policy Number	317899
Current Balance	\$4,115.16
Due Date	UPON RECEIPT

AGENT: NORTH HARDIN INSURANCE AGENCY INC (270)351-4431

Current Transactions

Explanation	Policy Period		Amount
	From	To	
Reverse Premium Installment	07/01/2012	07/01/2013	-\$3,872.00
Reverse Special Fund Assmt Installment	07/01/2012	07/01/2013	-\$243.16
Premium Installment #1	07/01/2012	07/01/2013	\$3,872.00
Special Fund Assessment Installment #1	07/01/2012	07/01/2013	\$243.16
		Current Charges	\$0.00
1.02.65800	388.97	1.07.65800	3.90
1.03.65800	589.16	1.08.65800	2.84
1.04.65800	28.61	5.03.65800	356.80
1.05.65800	82.56	1.00.16201	1359.18
1.06.65800	262.64	5.00.16201	356.80

T/S

Previous Balance	-	Payment Received	+	Current Charge	=	Current Balance
\$4,115.16		\$0.00		\$0.00		\$4,115.16

Quote for Workers Compensation Coverage
317899-- 07/01/2012-07/01/2013

7520-000	Waterworks Operation & Drivers
7580-000	Sewage Disposal Plant Operation & Drivers
8742-000	Salesmen Collectors or Messengers - Outside
8810-000	Clerical Office Employees NOC
8820-000	Attorney - All Employees & Clerical, Messengers, Drivers

CLASS RATING AND MANUAL PREMIUM DETAIL	EXPOSURE	RATE	PREMIUM
Hardin Co Water District #1			
07/01/2012 - 07/01/2013			
7580-000	0	3.07	\$0.00
8820-000	20,356	.22	\$45.00
8742-000	140,785	.6	\$845.00
8810-000	635,067	.2	\$1,270.00
7520-000	1,042,652	2.4	\$25,024.00

Handwritten notes:
 571.00
 640.00
 20.00
 14,900.00

 26,515.00

PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
07/01/2012 - 07/01/2013	Total Manual Premium		\$27,184.00
	Employers Liability Limits	.040	\$1,087.00
	Total Subject Premium		\$28,271.00
	Experience Modification Premium	.820	-\$5,089.00
	Total Modified Premium		\$23,182.00
	Schedule Rating Premium	.900	-\$2,318.00
Final Estimate	Total Standard Premium		\$20,864.00
	Premium Discount		-\$1,729.00
	Expense Constant		\$240.00
	Estimated Annual Premium		\$19,375.00
	Kentucky Special Fund Assessment		\$1,216.75
	Total Amount Due		\$20,591.75

TOTAL ESTIMATED ANNUAL POLICY PREMIUM \$20,591.75

Payment Plan Eligibility: Ten-Payment Plan

Required Initial Installment Premium:

BILLING SCHEDULE BILL DATE	BILLING SCHEDULE BILL AMOUNT
06/01/2012	\$4,115.16
08/01/2012	\$1,832.11

Handwritten calculations:
 1715.98
 2259.50
 1451.16
 5947.27

 4710.66
 2551.66
 380.95

HARDIN COUNTY WATER DIST No 1
 WORKERS COMP ALLOCATION
 07/01/2012 - 06/30/2013

<u>Name</u>	<u>Dept</u>		<u>REG</u>	<u>W/C Cost</u>	
Cecil, John	102	7520	\$39,395.20	\$737.32	
Clark, Phil	102	7520	\$57,761.60	\$1,081.07	
Gray, James	102	7520	\$37,211.20	\$696.45	
Lepping, Melissa	102	7520	\$32,905.60	\$615.86	
McKinley, Michael	102	7520	\$40,185.60	\$752.12	
Underhill, Donald	102	7520	\$41,932.80	\$784.82	
Barnes, Richard	103	7520	\$27,497.60	\$514.65	
Bowman, Tim	103	7520	\$35,172.80	\$658.30	
Davis, Jay	103	7520	\$38,916.80	\$728.37	
Dennis, Donald	103	7520	\$24,960.00	\$467.15	
Hardcastle, Grady	103	7520	\$39,520.00	\$739.66	
Mancik, John	103	7520	\$35,672.00	\$667.64	
McKenzie, Marvin	103	7520	\$30,950.40	\$579.27	
Moseley, Michael	103	7520	\$36,504.00	\$683.21	
Osborne, Tim	103	7520	\$53,019.20	\$992.31	
Walker, Tim	103	7520	\$32,219.20	\$603.02	
Whitworth, Frankli	103	7520	\$23,628.80	\$442.24	
Gunning, David	503	7520	\$23,628.80	\$442.24	
Howard, Greg	503	7520	\$36,025.60	\$674.26	
Mattingly, Adam	503	7520	\$26,582.40	\$497.52	
McCoy, Jerry	503	7520	\$44,137.60	\$826.08	
Stranahan, Richard	503	7520	\$57,304.00	\$1,072.51	
Wood, Todd	503	7520	\$38,251.20	\$715.91	
Pickerell, Curt	105	7520	\$52,936.00	\$990.76	
Clifford, Daniel	106	7520	\$51,022.40	\$954.94	
Spalding, Amanda	106	7520	\$55,452.80	\$1,037.86	
Sub-total			<u>\$1,012,793.60</u>	<u>\$18,955.55</u>	<u>\$18,955.55</u>
Pyles, Brett	106	8742	\$69,763.20	\$326.52	
Pendley, Preston	106	8742	\$66,996.80	\$313.57	
Sub-total			<u>\$136,760.00</u>	<u>\$640.09</u>	<u>\$640.09</u>
Daugherty, Leslie	503	8810	\$34,320.00	\$53.14	
Bragg, Chelsea	104	8810	\$28,225.60	\$43.70	
Campbell, Christie	104	8810	\$29,494.40	\$45.67	
Easter, Charlene	104	8810	\$59,509.80	\$92.15	
McGinty, Denise	104	8810	\$9,200.00	\$14.25	

Thompson, Linda	104	8810	\$39,145.60	\$60.61	
Williams, Charles	104	8810	\$33,238.40	\$51.47	
Wittstock, Susanna	104	8810	\$22,935.47	\$35.51	
Bruce, Jim	106	8810	\$103,334.40	\$160.00	
Morrison, Karen	106	8810	\$37,481.60	\$58.04	
Palmer, Andrea	106	8810	\$37,752.00	\$58.46	
Schmuck, Scott	106	8810	\$66,435.20	\$102.87	
Strange, Stephanie	106	8810	\$44,657.60	\$69.15	
Thomas, John	106	8810	\$45,364.80	\$70.24	
Gossett, William	107	8810	\$6,200.04	\$9.60	
Hockman, Ronald	107	8810	\$6,000.00	\$9.29	
Rissel, William	107	8810	\$6,000.00	\$9.29	
Tindall Jr, John	107	8810	\$6,000.00	\$9.29	
Walton, Steven	107	8810	\$6,000.00	\$9.29	
Sub-total			<u>\$621,294.91</u>	<u>\$962.02</u>	<u>\$962.02</u>
Wilson, David	108	8820	\$20,355.72	\$34.09	
Sub-total			<u>\$20,355.72</u>	<u>\$34.09</u>	<u>\$34.09</u>
Totals			<u>\$1,791,204.23</u>	<u>\$20,591.75</u>	<u>\$20,591.75</u>

Pirtle	102	7520	\$4,667.65	\$388.97	1.02.65800
Distribution	103	7520	\$7,075.89	\$589.66	1.03.65800
Distribution	503	7520	\$4,228.49	\$356.80	5.03.65800
Maintenance	105	7520	\$990.76	\$82.56	1.05.65800
Admin	106	7520	\$1,992.80	\$262.64	1.06.65800
Outside Sales	106	8742	\$640.09		
Distribution	503	7520	\$53.11		
Customer Service	104	8810	\$343.36	\$28.61	1.04.65800
Admin	106	8810	\$518.76		
Commisioners	107	8810	\$46.76	\$3.90	1.07.65800
Lawyer	108	8820	\$34.09	\$2.84	1.08.65800
			\$20,591.75	\$1,715.98	

August 7, 2013

000062
HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160

Final Audit Summary

Policy: 317899
 Policy Name: Hardin Co Water District #1
 Agent: North Hardin Insurance Agency Inc
 Policy Period: 07/01/2012 - 07/01/2013 Audit Date: 08/07/2013
 Days in Force: 365 Audit Type: Online Audit

CODE	CLASS DESCRIPTION	REMUNERATION	RATE/S100	PREMIUM
7520	Waterworks Operation & Drivers	\$1,054,465.00	\$2.40	A \$25,307.00
7580	Sewage Disposal Plant Operation & Drivers	\$0.00	\$3.07	\$0.00
8742	Salesmen Collectors or Messengers - Outside	\$140,293.00	\$0.60	B \$842.00
8810	Clerical Office Employees NOC	\$680,688.00	\$0.20	C \$1,361.00
8820	Attorney - All Employees & Clerical, Messengers, Drivers	\$20,467.00	\$0.22	D \$45.00

19,159.75 = A/E
637.47 = B/E
1030.40 = C/E
34.08 = D/E

20861.70

Total Manual Premium	E	\$27,555.00
Employers Liability Limits	4%	\$1,102.00
Experience Modification Premium 07/01/2012-07/01/2013	.82	-\$5,158.00
Schedule Rating Premium	9	-\$2,350.00
Premium Discount		-\$1,760.00
Expense Constant		\$240.00
Total Premium		\$19,629.00
Kentucky Special Fund Assessment	6.28%	\$1,232.70
Grand Total		\$20,861.70

Cash Applied: -\$20,591.75
 Other Credits: \$.00
 Additional Premium/Return Premium: \$269.95

THIS IS NOT A BILL

Any premium adjustment will be invoiced on your next statement.

HARDIN COUNTY WATER DIST No 1
WORKERS COMP AUDIT
07/01/2012 - 06/30/2013

Name		07/01-12/31		01/01-6/30		Totals		
		2012	OT	2013	OT	2012-13	OT	
	REG	OT	REG	OT	REG	OT		
Cecil, John	7520	\$19,975.00	\$568.20	\$20,911.84	\$159.98	\$40,886.84	\$728.18	\$720.78
Clark, Phil	7520	\$30,634.65		\$29,795.19		\$60,429.84	\$0.00	\$1,046.66
Ellington, Steve	7520			\$154.23		\$154.23	\$0.00	\$2.67
Gray, James	7520	\$18,977.82	\$536.72	\$20,139.18	\$455.46	\$39,117.00	\$992.18	\$694.70
Hartman, Melissa	7520	\$16,514.17	\$688.17	\$17,563.84	\$283.44	\$34,078.01	\$971.61	\$607.07
McKinley, Michael	7520	\$20,500.15	\$724.50	\$21,437.24	\$724.21	\$41,937.39	\$1,448.71	\$751.46
Underhill, Donald	7520	\$21,698.44	\$30.24	\$21,743.28	\$229.95	\$43,441.72	\$260.19	\$756.93
Barnes, Richard	7520	\$14,326.86	\$936.03	\$15,328.28	\$651.41	\$29,655.14	\$1,587.44	\$541.13
Bowman, Tim	7520	\$17,068.38	\$1,001.92	\$17,947.36	\$156.07	\$35,015.74	\$1,157.99	\$626.54
Clark, Jeremy	7520	\$6,341.30	\$64.88	\$18,535.98	\$531.99	\$24,877.28	\$596.87	\$441.22
Davis, Jay	7520	\$18,989.45	\$2,294.34	\$20,552.71	\$458.33	\$39,542.16	\$2,752.67	\$732.56
Dennis, Donald	7520	\$14,426.17	\$2,064.39	\$14,694.60	\$486.14	\$29,120.77	\$2,550.53	\$548.56
Fields, Jeremy	7520			\$1,058.40		\$1,058.40	\$0.00	\$18.33
Hardcastle, Grady	7520	\$8,455.00	\$783.75			\$8,455.00	\$783.75	\$160.02
Maier, Jason	7520			\$920.80		\$920.80	\$0.00	\$15.95
Clark, John	7520	\$18,559.85	\$578.83	\$18,589.55	\$240.99	\$37,149.40	\$819.82	\$657.64
McKenzie, Marvin	7520	\$15,842.30	\$1,685.16	\$16,745.68	\$611.46	\$32,587.98	\$2,296.62	\$604.21
Moseley, Michael	7520	\$17,913.95	\$381.73	\$18,758.88	\$163.40	\$36,672.83	\$545.13	\$644.63
Osborne, Timothy	7520	\$29,991.93		\$29,285.88		\$59,277.81	\$0.00	\$1,026.71
Walker, Tim	7520	\$17,274.52	\$1,579.95	\$19,163.49	\$1,097.35	\$36,438.01	\$2,677.30	\$677.49
Whitworth, Franklin	7520	\$13,580.13	\$203.52	\$8,209.64	\$9.75	\$21,789.77	\$213.27	\$381.10
Gunning, David	7520	\$14,442.21	\$1,318.60	\$14,923.72	\$1,122.35	\$29,365.93	\$2,440.95	\$550.90
Hare, James	7520			\$8,280.24	\$501.19	\$8,280.24	\$501.19	\$152.10
Howard, Greg	7520	\$18,346.33	\$2,523.36	\$20,027.75	\$1,372.20	\$38,374.08	\$3,895.56	\$732.12
Mattingly, Adam	7520	\$13,739.89	\$1,399.44	\$13,758.16	\$322.93	\$27,498.05	\$1,722.37	\$506.11
McCoy, Jerry	7520	\$21,794.66	\$2,435.03	\$23,026.34	\$1,721.25	\$44,821.00	\$4,156.28	\$848.30
Stranahan, Richard	7520	\$29,650.13		\$29,727.70		\$59,377.83	\$0.00	\$1,028.44
Wood, Todd	7520	\$21,828.54		\$22,256.80		\$44,085.34	\$0.00	\$763.57
Pickerell, Curt	7520	\$25,697.67	\$3,693.48	\$27,242.00	\$2,010.33	\$52,939.67	\$5,703.81	\$1,015.72
Clifford, Daniel	7520	\$26,092.65		\$26,158.96		\$52,251.61	\$0.00	\$905.01
Diebel, Trevor	7520			\$1,204.01		\$1,204.01	\$0.00	\$20.85
Spalding, Amanda	7520	\$28,255.01		\$28,340.32		\$56,595.33	\$0.00	\$980.25
Sub-total		\$520,917.16	\$25,492.24	\$546,482.05	\$13,310.18	\$1,067,399.21	\$38,802.42	\$19,159.75
Pendley, Preston	8742	\$34,060.23		\$34,264.57		\$68,324.80	\$0.00	\$310.46
Pyles, Brett	8742	\$35,950.99		\$36,016.91		\$71,967.90	\$0.00	\$323.91
Sub-total		\$70,011.22	\$0.00	\$70,281.48	\$0.00	\$140,292.70	\$0.00	\$637.47
Gossett, William	8810	\$3,100.02		\$3,033.34		\$6,133.36	\$0.00	\$9.67
Hockman, Ronald	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00	\$5.47

...el, William	8810	\$3,000.00		\$1,500.00		\$4,500.00	\$0.00	\$7.10
...all Jr, John	8810	\$3,000.00		\$3,066.68		\$6,066.68	\$0.00	\$9.57
Walton, Steven	8810	\$3,000.00		\$3,000.00		\$6,000.00	\$0.00	\$9.46
Williams, Howard	8810			\$1,500.00		\$1,500.00	\$0.00	\$2.37
Bragg, Chelsea	8810	\$14,537.16	\$15.27	\$14,358.57	\$31.02	\$28,895.73	\$46.29	\$45.64
Campbell, Christie	8810	\$15,147.64	\$15.95	\$15,138.21	\$26.77	\$30,285.85	\$42.72	\$47.83
Easter, Charlene	8810	\$30,810.52		\$30,451.56		\$61,262.08	\$0.00	\$96.61
Powers, Mason	8810			\$1,019.20		\$1,019.20	\$0.00	\$1.61
Thompson, Linda	8810	\$19,750.96	\$413.57	\$20,040.37	\$415.17	\$39,791.33	\$828.74	\$64.06
Williams, Charles	8810	\$17,218.89	\$32.12	\$16,973.54		\$34,192.43	\$32.12	\$53.97
Wittstock, Susanna	8810	\$5,432.93	\$0.00	\$17,169.22	\$63.15	\$22,602.15	\$63.15	\$35.74
Bruce, Jim	8810	\$57,464.65		\$60,412.17		\$117,876.82	\$0.00	\$185.89
Durrett, Stephen	8810			\$525.00		\$525.00	\$0.00	\$0.83
Morrison, Karen	8810	\$19,046.80	\$54.07	\$19,163.22	\$117.77	\$38,210.02	\$171.84	\$60.53
Palmer, Andrea	8810	\$18,786.63	\$250.48	\$16,326.56	\$262.09	\$35,113.19	\$512.57	\$56.18
Schmuck, Scott	8810	\$33,874.96		\$33,945.52		\$67,820.48	\$0.00	\$106.95
Strange, Stephanie	8810	\$22,780.41		\$22,841.90		\$45,622.31	\$0.00	\$71.95
Thomas, John	8810	\$23,315.08		\$23,114.27		\$46,429.35	\$0.00	\$73.22
Vasquez, Ashley	8810			\$1,053.50		\$1,053.50	\$0.00	\$1.66
Daugherty, Leslie	8810	\$18,226.76	\$289.45	\$19,359.20	\$83.48	\$37,585.96	\$372.93	\$59.86
McGinty, Denise	8810	\$10,844.50	\$34.50	\$1,932.00	\$17.25	\$12,776.50	\$51.75	\$20.23
Sub-total		\$322,337.91	\$1,105.41	\$328,924.03	\$1,016.70	\$651,261.94	\$2,122.11	\$1,030.40
Wilson, David	8820	\$10,060.75		\$10,289.39		\$20,350.14	\$0.00	
Sub-total		\$10,060.75	\$0.00	\$10,289.39	\$0.00	\$20,350.14	\$0.00	
Totals		\$923,327.04	\$26,597.65	\$955,976.95	\$14,326.88	\$1,879,303.99	\$40,924.53	\$20,861.70

G/L		Per Allocation	Adjustment
1.02.65800	\$4,667.64	\$4,580.28	(\$87.36)
1.03.65800	\$7,075.91	\$7,076.08	\$0.17
1.04.65800	\$343.32	\$345.46	\$2.14
1.05.65800	\$990.72	\$1,015.72	\$25.00
1.06.65800	\$3,232.56	\$3,100.80	(\$131.76)
1.06.65800	\$0.00	\$47.63	\$47.63
1.06.65800	\$0.00		\$34.08
5.03.65800	\$4,281.60	\$4,661.64	\$380.04
	\$20,591.75	\$20,861.70	\$269.95

VN 0008902



250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

INVOICE

000218
HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160

1.00.16201 3406.79
5.00.16201 1017.12
D 6/12/13

Invoice Date	June 3, 2013
Invoice Number	1811056
Policy Number	317899
Current Balance	\$4,423.91
Due Date	06/26/2013

AGENT: NORTH HARDIN INSURANCE AGENCY INC (270)351-4431

Current Transactions

Explanation		Policy Period		Amount
		From	To	
Premium Installment	#1	07/01/2013	07/01/2014	\$4,162.50
Special Fund Assessment Installment	#1	07/01/2013	07/01/2014	\$261.41
			Current Charges	\$4,423.91

T/S
 1.02.65800 319.06
 1.03.65800 499.43
 1.04.65800 25.01
 1.05.65800 67.67
 1.06.65800 224.43 <.017
 5.03.65800 339.04
 1.00.16201 1135.60 <.017
 5.00.16201 339.04

OK
JSS
6/17/2013

Previous Balance	-	Payment Received	+	Current Charges	=	Current Balance
\$0.00		\$0.00		\$4,423.91		\$4,423.91

Date: June 3, 2013

000218
HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160

RE: Policy# 317899 – Hardin Co Water District #1
Renewal Policy Period: 07/01/2013-07/01/2014

Dear Policyholder:

Kentucky Employers' Mutual Insurance, (KEMI), has partnered with the Kentucky Chamber, effective 7/1/13, to provide a premium discount to Kentucky Chamber members who meet specific qualifications. This discount reduced your annual premium estimate by \$2,108.60.

If you have any questions regarding your quote or the alliance between KEMI and the Kentucky Chamber, please feel free to call me at (859) 425-7800 or visit our website at www.kemi.com.

Sincerely,
Thomas Wong



Kentucky Employers' Mutual Insurance

250 West Main Street, Suite 900 Lexington, KY 40507-1724 859-425-7800 www.kemi.com

June 3, 2013

000218
HARDIN CO WATER DISTRICT #1
1400 ROGERSVILLE RD
RADCLIFF KY 40160

Kentucky Employers Mutual Insurance
250 W Main Street, Suite 900
Lexington, KY 40507
www.kemi.com
859-425-7800 / 800-640-5364

Quote Date: June 3, 2013

Prospective Insured:
Name: Hardin Co Water District #1
Address: 1400 Rogersville Rd
City: Radcliff, KY 40160

Legal Entity: Municipality
FEIN: 616010729

Agency: North Hardin Insurance Agency Inc
Agent Number: 661
Address: PO Box 790
City: Radcliff, KY 40159
Phone: (270)351-4431<>

Renewal Quote for Workers Compensation Coverage
317899- 07/01/2013-07/01/2014

Proposed Effective Date: 07/01/2013 Proposed Expiration Date: 07/01/2014

Employer's Liability Limits: (3.B)	Bodily Injury by Accident	\$1,000,000 each accident
	Bodily Injury by Disease	\$1,000,000 policy limit
	Bodily Injury by Disease	\$1,000,000 each employee

Quote for Workers Compensation Coverage
317899-- 07/01/2013-07/01/2014

7520-000	Waterworks Operation & Drivers
7580-000	Sewage Disposal Plant Operation & Drivers
8742-000	Salesmen Collectors or Messengers - Outside
8810-000	Clerical Office Employees NOC
8820-000	Attorney - All Employees & Clerical, Messengers, Drivers

CLASS RATING AND MANUAL PREMIUM DETAIL	EXPOSURE	RATE	PREMIUM
Hardin Co Water District #1			
07/01/2013 - 07/01/2014			
7520-000	1,042,652	2.4	\$25,024.00
7580-000	0	3.75	\$.00
8810-000	635,067	.2	\$1,270.00
8742-000	140,785	.6	\$845.00
8820-000	20,356	.2	\$41.00

1,838,860⁰⁰

27183.-

PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
07/01/2013 - 07/01/2014	Total Manual Premium		\$27,180.00
	Employers Liability Limits	.011	\$299.00
	Total Subject Premium		\$27,479.00
	Experience Modification Premium	.810	-\$5,221.00
	Total Modified Premium		\$22,258.00
	Schedule Rating Premium	.800	-\$4,452.00
Final Estimate	Total Standard Premium		\$17,806.00
	Premium Discount		-\$1,396.00
	Expense Constant		\$240.00
	Estimated Annual Premium		\$16,650.00
	Kentucky Special Fund Assessment		\$1,045.62
	Total Amount Due		\$17,695.62

TOTAL ESTIMATED ANNUAL POLICY PREMIUM \$17,695.62

Payment Plan Eligibility: Ten-Payment Plan

Required Initial Installment Premium:

BILLING SCHEDULE BILL DATE	BILLING SCHEDULE BILL AMOUNT
06/01/2013	\$4,423.91
08/01/2013	\$1,475.81
09/01/2013	\$1,475.81
10/01/2013	\$1,475.81

BILLING SCHEDULE	BILL DATE	BILLING SCHEDULE	BILL AMOUNT
11/01/2013			\$1,474.05
12/01/2013			\$1,474.05
01/01/2014			\$1,474.05
02/01/2014			\$1,474.05
03/01/2014			\$1,474.05
04/01/2014			\$1,474.03

This renewal quote includes a discount because you are a member of the Kentucky Chamber and meet the qualifications for KEMI's premium discount.

This renewal quotation is based on the information provided by the expiring policy. Any changes in this information unknown at the time of this quotation could change the policy premium. Notify KEMI immediately of any and all changes. If not paid by the renewal date, coverage will expire.

cc: North Hardin Insurance Agency Inc

HARDIN COUNTY WATER DIST No.1									
Worker's Comp									
2013									
Name	Dept	Hourly	Annual	Class					
Cecil, John	2	19.49	\$40,539.20	7520					
Clark, Phil	2	28.46	\$59,196.80	7520					
Gray, James	2	18.54	\$38,563.20	7520					
Hartman, Melissa	2	16.56	\$34,444.80	7520					
McKinley, Michael	2	19.77	\$41,121.60	7520					
Underhill, Donald	2	20.58	\$42,806.40	7520					
Barnes, Richard	3	14.39	\$29,931.20	7520					
Bowman, Tim	3	17.38	\$36,150.40	7520					
Clark, Jeremy	3	17.30	\$35,984.00	7520					
Davis, Clifford Jay	3	19.70	\$40,976.00	7520					
Dennis, Donald	3	13.97	\$29,057.60	7520					
Maier, Jason	3	11.51	\$23,940.80	7520					
Mancik, John	3	17.60	\$36,608.00	7520					
McKenzie, Marvin	3	15.37	\$31,969.60	7520					
Moseley, Michael	3	18.21	\$37,876.80	7520					
Osborne, Tim	3	28.39	\$59,051.20	7520					
Walker, Tim	3	17.07	\$35,505.60	7520					
Pickerell, Curt	5	26.17	\$54,433.60	7520					
Clifford, Daniel	6	25.38	\$52,790.40	7520					
Spalding, Amanda	6	27.46	\$57,116.80	7520					
Gunning, David	5.03	13.87	\$28,849.60	7520					
Hare, James	5.03	12.15	\$25,272.00	7520					
Howard, Greg	5.03	19.03	\$39,582.40	7520					
Mattingly, Adam	5.03	13.20	\$27,456.00	7520					
McCoy, Jerry	5.03	21.73	\$45,198.40	7520					
Stranahan, Richard	5.03	28.44	\$59,155.20	7520					
Wood, Todd	5.03	21.09	\$43,867.20	7520	\$1,087,444.80				
Bragg, Chelsea	4	13.89	\$28,891.20	8810					
Campbell, Christie	4	14.67	\$30,513.60	8810					
Easter, Genia Charlene	4	29.52	\$61,401.60	8810					
Powers, Mason	4	9.80	\$4,704.00	8810					
Thompson, Linda	4	19.36	\$40,268.80	8810					
Williams, Charles	4	16.42	\$34,153.60	8810					
Wittstock, Susanna	4	17.04	\$35,443.20	8810					
Bruce, Jim	6	60.10	\$125,008.00	8810					
Diebel, Trevor	6	10.75	\$5,160.00	8810					
Fields, Jeremy	6	9.80	\$4,704.00	8810					
Morrison, Karen	6	18.57	\$38,625.60	8810					
Palmer, Andrea	6	18.74	\$38,979.20	8810					
Schmuck, Scott	6	32.89	\$68,411.20	8810					
Strange, Stephanie	6	22.14	\$46,051.20	8810					
Thomas, John	6	22.37	\$46,529.60	8810					
Vasquez, Ashley	6	9.80	\$4,704.00	8810					
Daugherty, Leslie	5.03	18.85	\$39,208.00	8810	\$652,756.80				
Pendley, Preston	6	33.21	\$69,076.80	8742					
Pyles, Aaron Brett	6	34.52	\$71,801.60	8742	\$140,878.40				
Total Annual Cost					\$1,881,080.00				

								11 Mo.	1 Mo
Pirtle	102	\$256,672.00	7520	\$2,414.55	1.02.65800		\$201.21		-0.06
Distribution	103	\$397,051.20	7520	\$3,735.12	1.03.65800		\$311.26		
Distribution	503	\$39,208.00	8810	\$2,902.94	5.03.65800		\$241.91		
Distribution	503	\$269,380.80	7520						
Customer Service	104	\$235,376.00	8810	\$2,214.22	1.04.65800		\$184.52		
Maintenance	105	\$54,433.60	7520	\$512.07	1.05.65800		\$42.67		
Admin	106	\$109,907.20	7520	\$5,916.71	1.06.65800		\$493.06		
Outside Sales	106	\$140,878.40	8742						
Admin	106	\$378,172.80	8810						
		\$1,881,080.00		\$17,695.62			\$1,474.64		1474.58

2. Refer to Hardin District's Responses to the Commission's First Request, Item 22, and to the Commissions Third Request, Item 4(b), Exhibit 3, revised Schedule 16.c.
 - a. In Item 22, Hardin District states that two members of its Board of Commissioners and a Distribution Operator I or II were replaced in 2013. Provide a schedule similar to Exhibit 3, Revised Schedule 16.c showing how Hardin District calculates the terminated employee cost of \$65,934 and the new employee cost of \$62,030.
 - b. Has Hardin District included the employee cost differential resulting from the replacement of its three employees in 2013 in Exhibit 3, Revised Schedule 16.c that was provided in its response to item 4(b)?

ANSWER 2:

- a. It was determined the revised Schedule 16c and Schedule 16d (Exhibit 3 – submitted in response to Data Request 3) needed to be revised to reflect the cost differential between the terminated and replacement employees noted in Hardin District's responses to the Commission's First Request, Item 22.

As noted above, Hardin District prepared another revised version of Schedule 16a and Schedule 16d (Exhibit 3, which can be found behind tab 1) reflecting the expected differences in costs for these positions in the Rate Year, 2013.

Specifically, the cost difference for one replacement on the Board of Commission, which is identified with footnote (3) in revised Schedule 16b (Exhibit 3, which can be found behind tab 1), reflects an increase in health care expense since the replacement Board member elected to receive health insurance while the terminated member did not. The cost difference for the other Board of Commission replacement, which is identified with footnote (4) in revised Schedule 16b (Exhibit 3, which can be found behind tab 1), reflects a decrease in dental and vision insurance since the replacement Board member elected not to receive coverage while the terminated employee received those coverages. A full year of OASDI is also reflected for both replacement Board members.

Similarly, the cost differential for the Distribution Operator I / II replaced in 2013 is presented in the revised Schedule 16d (Exhibit 3, which can be

found behind tab 1). The primary differences reflect a lower salary and increased health care costs in the rate year, 2013.

- b. Hardin District did not include the employee cost differential resulting from the replacement of its three employees in 2013 in Exhibit 3, Revised Schedule 16c that was provided in response to item 4b in Data Request 3. Hardin District has submitted an updated version of Revised Schedules 16b and 16d included within Exhibit 3, which can be found behind tab 1.

As noted in Hardin District's response to Question 5a in the Commission's Third Request for Data, the net impact of all personnel adjustments decreased pro forma changes for salaries and benefits by \$555. With the additional adjustments identified above in our response to Question 1c and Question 2a, the revised net impact of all changes increases pro forma adjustments for salaries and benefits from \$19,387 to \$20,263 or by \$876.

	Submitted	Revised	\$ Change
Increase in Wages and Benefits for Collection System Employees	\$ 3,145	\$ 4,059	\$ 914
Increase in Wages and Benefits for Customer Service Employees	4,014	710	(3,305)
Increase in Wages and Benefits for Administrative Employees	12,227	15,495	3,267
Total	\$ 19,387	\$ 20,263	\$ 876

WITNESS: Mr. Bart Kreps, Rate Consultant

3. Refer to Hardin District's responses to Commission's First Request, Item 21(a). According to the employee schedule, the General Manager's hourly wage rate increased from \$49.69 in 2012 to \$60.09 in 2013, an increase of approximately 20.93 percent. The October 16, 2012 Board of Commissioners regular minutes, provided in Hardin District's Response to Item 8(b)(2) of the Commission's First Request, does not reference a 20.93 percent increase in the General Manager's wages.
- a. Provide the minutes of the Hardin District's Board of Commissioners meeting authorizing the General Manager's wage increase in 2013.
 - b. Explain in detail why the General Manager was granted a wage increase of this magnitude.

ANSWER 3:

- a. Minutes for the April 16 and March 19 (2013) where votes were taken at each meeting approving the contract are attached as Exhibit 5.
- b. The discussion for determining the wage increase was held in closed session as a personnel matter. Mr. Bruce was not part of or in the room during these discussions, so a detailed explanation has not been documented.

Over the last 19 years, each time the General Manager's employment contract was expiring, Mr. Bruce was asked to provide the Board with a list of accomplishments since his last evaluation / contract, as well as comparable salary amounts. Prior to the new March 2013 contract, the previous contract and salary had been agreed to in March, 2008. Over that five year period, Mr. Bruce's salary increased by only the "cost of living" or approved overall pay scale increases (applied to all pay grades) and there was no increase provided between contract periods based on a performance evaluation.

The packet of information Mr. Bruce provided to the Board for their discussion at the March 19, 2013 meeting is attached as Exhibit 6.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

Continued

Commissioner Hockman made a motion to accept Basham Constructions' request to withdraw from their contract for the Godman Army Airfield Drainage project without penalty and to award the bid to Bischoff Brothers Excavating for their bid of \$1,067,838.39. Secretary Walton seconded the motion and motion passed.

Commissioner Rissel made a motion to increase the General Manager's annual salary to \$125,000, authorize five weeks of paid vacation per year and not using more than two weeks consecutively and authorize him the right of refusal for option to purchase the 2007 Honda Ridgeline or the vehicle he would be currently using (with a cap of the purchase price to not exceed \$35,000) at 75% of the then Kelly Blue Book trade-in value using the "Good Condition" rating. All other terms of the existing contract shall be incorporated into the new contract which will be effective April 1, 2013 for a period of 5 years. Treasurer Tindall seconded the motion and motion passed.

Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 3:30 PM. Motion was seconded by Treasurer Tindall and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

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

HARDIN COUNTY WATER DISTRICT No.1



Mr. Steve Walton, Secretary

April 16, 2013

Date Approved

Continued

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

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

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

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

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

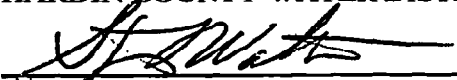
Adjourn: Being no further business before the Board, Commissioner Hockman made a motion to adjourn at 1:55 PM. Motion was seconded by Secretary Walton and motion passed.

(Minutes submitted by Andrea Palmer, Executive Assistant)

APPROVAL OF MINUTES

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

HARDIN COUNTY WATER DISTRICT No.1



Mr. Steve Walton, Secretary

May 21, 2013

Date Approved

HARDIN COUNTY WATER DISTRICT No. 1

Executive Session Information Item

DATE: March 14, 2013

TO: Mr. William Gossett, HCWD1 Chairman
HCWD#1 Board of Commissioners
Mr. David Wilson II, HCWD1 Attorney

ITEM: General Manager's Employment Contract

SUBMITTED BY: Jim Bruce, General Manager

Chairman Gossett & Board;

Per the terms of our latest employment contract, dated March 3, 2008 (enclosed), my current employment contract expired on March 3, 2013. Prior to my current contract being approved in 2008 the Board provided a review of my performance and accomplishments, before extending a new five year contract. The contract also provided annual salary increases, equal to the amount percent afforded to other employees.

With the 2008 contract revision, the Board approved a salary of \$95,000 + other benefits. Over the last five years, using the pay grade shifts approved by the Board, my salary is now \$103,324 (+ 8.7% since 2008), plus benefits. This calculates to an annual change of 1.7% over the same period.

A summary of my total current compensation package costs are in table below;

Item/Cost	Current Cost
Annual Salary (effective 2/1/2012)	\$103,324 / year
Value of Annual Vacation Leave - 4 weeks per year (Not included in total at bottom)	\$7,948 / year
Life Insurance (\$300k term policy. All employees now provided x3 annual salary in term life insurance) and Long Term Disability Policy	\$1,176 / year
Dental / Vision / Insurance	\$372 / year
Flexible Benefit / 401k Deferred Comp (same as other employees)	\$1,680 / year
CERS Pension Contribution (now 19.55% - employee contributes 5%)	\$20,200 / year
Employee + Spouse Health Insurance Costs (reimburse to spouse, JB on HCSB plan, still lower than HCWD1 plan, but may change in 2013 so would switch back to HCWD1 plan if lower)	\$6,918 / year
Worker's Compensation (required by law)	\$165 / year
TOTAL COMPENSATION VALUE >	\$133,835 / year

**GM Employment Contract Discussion
March 19, 2013 - HCWD1 Board of Commissioner Meeting
Executive Session Item**

Continued

The District also provides a vehicle for work and personal use. With the last contract change, the GM is authorized to purchase a new vehicle every three years. In April 2011 purchased a used 2008 Toyota Tundra 4x2 1/2T, 4DR for \$19,998. If new contract has same term for vehicle, would be replaced in April, 2014.

I have included some charts showing changes at HCWD1 since 2007 and since 1990 (total revenue growth) as well as a list of accomplishments we have achieved over the most recent contract period. As you can see on these, over the last five years, our net assets have increased 71% and operating revenues by 50%.

At the beginning of March I will have completed 18 years and five months employment for the Board and District. I still continue to enjoy and appreciate working for this Board and the District, especially with my staff. Some of the challenges and opportunities I believe we have in the future are;

- ✓ Getting permits, easements and approvals to proceed with construction of the new Louisville Water Interconnect project
- ✓ Converting Pirtle Spring WTP to chloramines, within the \$4.5M BRAC grant for the LWC Interconnect Project
- ✓ Filing the Radcliff Sewer rate case with the PSC, and working through the long process of answering future data requests, hearings and responding to any intervenors
- ✓ Updating water and Radcliff sewer tariff through PSC, especially to update ten year old non-recurring water charges and fees (last updated in 2001)
- ✓ Continuing to refine and identify Capital Improvement Plans for each utility, with 5 year pro-forma funding needs and plans to raise capital for these needed projects
- ✓ Funding to replace aging water and sewer assets in Radcliff
- ✓ Finding funding or capital for completing County Water Expansion on remaining 28 roads
- ✓ Finish update and publication of Employee Personnel Handbook with updates and changes approved by Board during 2013 (many sections not updated since 1991)
- ✓ Where needed, continue to adopt and update policies for both Board, employees and District.
- ✓ Develop programs, interns and other activities to promote existing or find new employees to replace the many seasoned, key employees that will be retiring in next five years.
- ✓ Future revenue needs / increases for County Water (not adjusted since 2007), FK Sewer (planned to propose new increase for Oct, 2014) and maybe Radcliff sewer in few years depending on how much PSC approves, and future Veolia fee increases.

The non-salary changes I would like to propose to my current contract language are;

1. Extend new employment contract for another five years, through March 1, 2018
2. Should I choose to retire during this next contract term, during the last 12 months of my employment, provide six weeks of paid leave / vacation, using no more than two weeks consecutively.

GM Employment Contract Discussion
March 19, 2013 - HCWD1 Board of Commissioner Meeting
Executive Session Item

Continued

3. If I retired within contract term, add provision that I would have right of refusal for option to purchase the 2007 Honda Ridgeline, or the vehicle I would be currently using, at 75% of the then Kelly Blue Book trade-in value, using "Good" condition rating
4. All other terms of existing employment contract stay the same

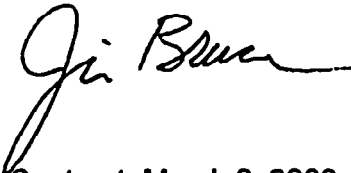
As for any salary change I have provided an attached comparison using several market surveys. These include data from the 2010 AWWA National Salary Survey, the 2012 Kentucky League of Cities Wage & Salary Survey and the latest KRWA Wage and Benefit Survey (2012 data) for General Managers or top executives of water & sewer utilities of similar size, or organizations with similar size budgets and asset management.

The KRWA is the most specific to water districts, but I do not believe is representative of HCWD1's size and scope. See note at bottom of comparison table. As you know, we now have 5 different utility systems, 5 treatment plants, oversee 3 large contract operators and have 2 different Government privatization contracts. I do not know of any other Water District's in Kentucky that have a similar scope of responsibility, and very few have revenues similar to ours.

After reviewing the survey salary ranges, and the increased size and scope of the General Manager's responsibilities, I would say that an annual salary of \$125,000 would be comparable. I would also be open to diverting part of any increase direct into my Kentucky Deferred Compensation account (401/457) instead of a direct salary increase, if that is allowable under tax code.

As you always have in past, I am confident you will give serious consideration to these requests as well as provide a fair and commensurate salary. I look forward to working together providing quality service to our customers and maintaining strong and viable utility services to our retail customers and the U.S. Government. Please feel free to call me if you have any questions, or I would be glad to meet with anyone individually to discuss this proposal.

Thank You!



Encl: Previous Contract, March 3, 2008
Summary of Salary Comparables
Accomplishment list during latest contract period
Charts showing HCWD1 financial changes since 2008

Comparable Salary Data / Surveys

For - Employment Contract Negotiation, Jim Bruce

Comparable / Source	Size Range	Comment	Min	Mid	Max
Boone County Water, GM Current Job Advertisement "General Manager"	24,000 accounts (KRWA lists having 24,300 water and 4,120 WW accounts) \$10.5M Ops Budget 27 FTE's	Minimum salary in ad To get Mid and Max used same range %'s as HCWD1 Pay Plan	\$87,000	\$117,450	\$147,900
Jan 2012 KY League of Cities Wage & Salary Survey Title in survey "City Manager / Administrator"	12 Cities reported with population 20k - 99k	HCWD1 GM has similar duties to City Administrator which includes HR, benefits, investments, working for Board / Council, policy development, budget admin, regulatory compliance and organizational management	\$81,459	\$94,129	\$143,641
KRWA Compensation and Benefits Survey Title in survey "Manager/Superintendent" June 2012	Over 6,000 connections (Only 48% of these have W+S, which is about 7% of all KRWA member systems) (See note at bottom)	2012 survey only had 35% response rate of all KRWA membership (which membership is not mandatory)	\$50,076	\$73,726	\$103,334

Comparable / Source	Size Range	Comment	Min	Mid	Max
AWWA National Water Utility Compensation Survey Title in survey "Top Executive" June, 2010 (To adjust to 2012 used BLS Employment Cost Index from 6/2010 to 12/2012 which added 3.4% to survey amounts)	14 KENTUCKY utilities reporting, any size	KY survey provided Min and Max - Mid calculated from data provided	\$101,731	\$127,124	\$152,516
Median of Survey Amounts >>>>>					
HCWD1 Current GM (Last salary change, Feb 1, 2012)	10,000 water accounts 8,900 sewer accounts + Ft. Knox Water, Sanitary sewer and storm water funds For regulatory reporting, we estimate population served = 35,000 which includes Radcliff, VG, part of Meade County and FK on post population 43 FTE's 2013 Ops Budget = \$13.694M 2013 Cap Budget = \$12.040M	(Jim Bruce HCWD1 GM for 18+ years. Years experience with W&S utilities is 31 years continuous)	\$84,230	\$105,790	\$147,771

NOTE: KRWA membership includes 360 utilities in Kentucky. Of those, only about 125 (35%) submit salary information. There are 54 members (15%) that have 6,000 or more connections. Of those 54, only 26 (7% of total membership, 48% of >6k connections) have both water and sewer systems. Of the 26 with sewer systems, the median number of sewer connections is 5,790. (HCWD1 currently has 10,000 water and 8,900 sewer accounts, plus the 3 Ft. Knox systems).

2008 ~ 2013 Accomplishments (03/08 ~ 03/13):

(By, J. Bruce, Source - Board Minutes)

2008 - March 2013 Items	GM Project / Task	Commission Action
During this 5 year period, Board approves and staff completes design, bidding and construction of 76 capital construction and major equipment procurement valued at over \$22,640,000 with no rate increases or loans or bond sales required to fund these projects		
Had approved and installed new Fixed Asset / Depreciation SQL system to replace spreadsheet based records for same, as recommended by CPA firm	X	X
Negotiated and approved new Franchise Agreement with City of Radcliff for 3% of sanitary sewer revenues		X
Negotiated and approved new sewer service area boundaries between HCWD1 and HCWD2		X
Authorized HDR to complete a study of Radcliff sewer system in Pearman / Wilma neighborhood	X	X
Negotiated and approved partnership agreement with LWC setting forth roles and costs for pursuing Ft. Knox Water System Privatization contract	X	X
Approved 8.75% Ft. Knox Sewer fee amount to present to FK (was approved by FK and implemented)	X	X
Authorized staff to issue Notice to Proceed to the Judy / HDR design-build team for \$5.7 million for the Pirtle Spring WTP Re-construction project	X	X
Authorized staff to issue Notice to Proceed to Jenkins-Essex for a design-build project up to \$160,000 for Ft. Knox WWTP office renovation / expansion	X	X
Authorized staff / attorney to submit interim rate adjustment to water rates of 2.1% to PSC at earliest convenience (later determined PSC would not allow unless submitting full cost of service study / rate case, so did not proceed with a filing)	X	X
Provided orientation and tour for new Board member, Mr. Steve Walton	X	
Held public hearing attended by MHP owners to get their input on proposed tariff changes related to leaking water and sewer pipes inside MHP's		X
Approved amendment to Veolia / FK contract to add annual lateral sewer pipe lining of 3,600 lf at fixed price of \$106,258 / year providing savings compared to recent bids for same work	X	X
Held second public hearing with slide presentation for MHP owners to attend to present problems related to meters inside MHP's		X
Board approves GM proposed new policy on Gifts & Gratuities for employees		X
After January 2009 ice storm, Board approves \$61,000 to install quick connect generator transfer switch at Pirtle Spring WTP. This was compared to Judy Construction proposal to install on-site generator for \$255,600	X	X
After approval in 2009 Budget, GM advertises for, interviews and selects Mr. Scott Schmuck for new position of Finance & Accounting Manager	X	
Board approves resolutions needed to submit claim to FEMA for 2009 Ice Storm added expenses		X
Board authorizes staff to complete a study and analysis of the Airview Sewer System with direct costs NTE \$1,250	X	X
Board approves staff's recommendation for revising Radcliff sewer tariff as needed to re-write Special Discharge Permits and local limits and submit to PSC for approval (was approved by PSC, Standard Register issued first new permit)	X	X
Board approves hiring rate consultant to proceed with Cost of Service Rate Study for Radcliff sewer rates	X	X
Board approves entering into 30% Design-Build contract to finalize maximum price for Service Center expansion, to Willoughby & Sons		X

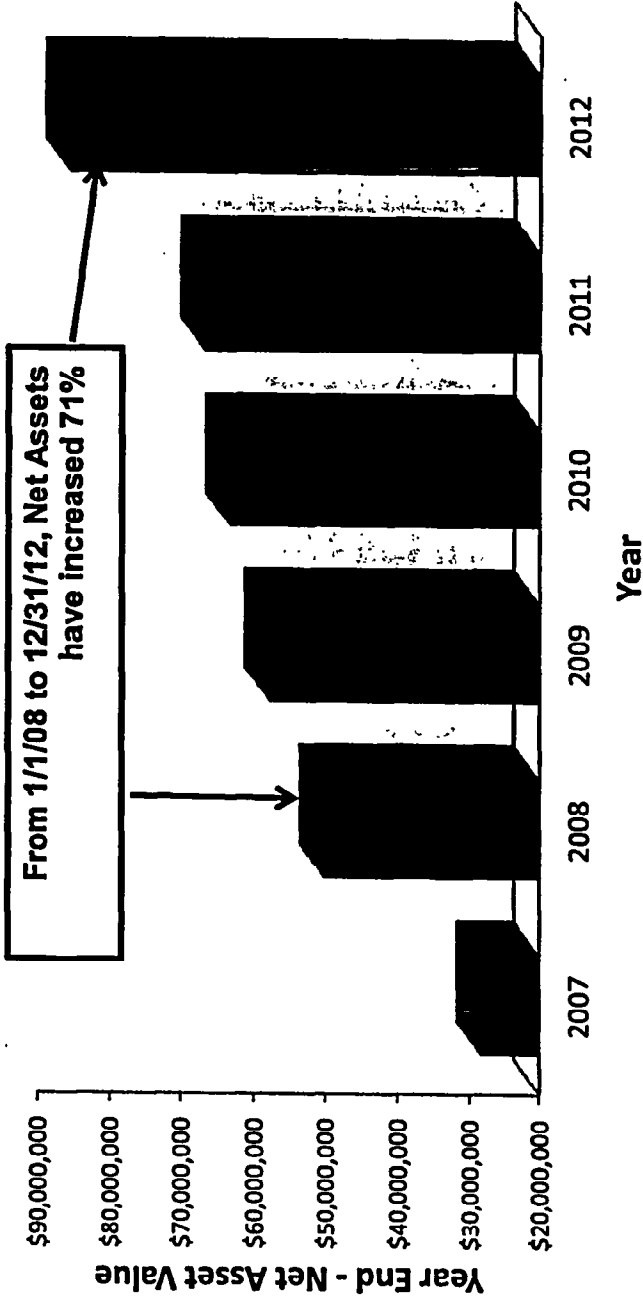
2008 - March 2013 Items	GM Project / Task	Commission Action
Board approves Inter-fund loan policy (No. 415) to allow for temporary loans between funds (First loan of \$250,000 also approved from FK Storm to FK Sanitary Sewer fund for 12 months)		X
Board authorizes staff to spend up to \$8,800 monthly for Ad-hoc Engineering Services with report back to Board in six months		X
Board approves 2.64% fee increase to Veolia for operating the Ft. Knox sewer systems		X
Approves hiring Cannon & Cannon to complete plans and design of 1882/144 Water Transmission Main project		X
Board votes to accept "BRAC" grants from Economic Development Cabinet of \$2.5M for Pirtle WTP reconstruction project and \$3.75M for Radcliff Sewer Improvements		X
Board approves amendment to Veolia / FK Operations agreement that Veolia cannot add new staff or leased equipment without first gaining HCWD1 approval		X
Board approves change to Radcliff local limits for Cadmium and revised tariff to submit to PSC (approved by PSC)		X
Board approves GM recommendation to solicit proposals for HCWD1 Liability insurance	X	X
After major piping leak (9/12/2009) at the Pirtle WTP during the reconstruction project, Board agrees with staff to require 3 rd party inspection and certification of all major building and project components and to notify Judy/HDR of same	X	X
Board votes to accept additional "BRAC" grants from Economic Development Cabinet of \$2.5M for Pirtle WTP reconstruction project, \$1.5M for Radcliff I&I reduction and \$2.250M for Radcliff Sewer Lift Station upgrades		X
Board approves Willoughby & Sons NTE design-build estimate of \$250,000 to complete Service Center Expansion project	X	X
Board consents to proceeding with joint study with HCWD2 to study mixing options and impacts for using chloramine treated water from LWC into both HCWD1 and HCWD2 systems	X	X
After mediation with MHP owner's and their attorney, Board votes to accept terms of settlement and revised tariff submittal to PSC for consideration which would change how MHP's are billed (Agreement and revised tariff later approved by PSC and implemented)	X	X
Board adopts resolution recognizing Ms. Karen Brown's 20 years of service as Accounting Specialist and other previous positions (Karen's vacancy filled by Karen Morrison, who had been already hiring in anticipation of Karen B's retirement)		X
Board approves amendment to Veolia / Radcliff Operations contract to increase fee 2.84%		X
Board approves resolution to accept proposal from Cecilia Bank and FHLB to replace Chase as the provider of a Letter of Credit which provides security and collateral for the 2002 Variable Rate Water Bonds, which fee for LOC was lower than Chase fee	X	X
Board approves \$40,000 study to QK4 Engineering to complete a Lift Station Elimination study for the Radcliff sewer system	X	X
Board approves Joint Resolution J1-2010 to work together with LWC and HCWD2 and share information on further studies on best disinfection methods and sharing information between districts on negotiations with LWC for future purchased water agreement		X
Board adopts new policy (410-7, 9.a.vii) for Board Governance Manual regarding approving construction change orders		X
Board attends Joint Board meeting with HCWD2 Board (March 31, 2010)	X	X
Board adopts new policy on paying for easements for water and sewer construction projects, authorizing GM to negotiate and pay within policy	X	X
Board approves early call / pay-off of 1998 Water Revenue Bond issue		X
Board approves Pirtle Spring WTP Re-Dedication event budget (June 12, 2010). Staff executes the event	X	X
Board approves new web payment fee of \$1.20 to submit to PSC for approval (approved by PSC without change)		X

2008 - March 2013 Items	GM Project / Task	Commission Action
After reviewing three proposals received and scored by staff, Board authorizes changing all HCWD1 commercial banking from Chase to Ceclia Bank	X	X
Board approves \$133,800 for new Financial / Accounting / General Ledger System (Microsoft / Great Plains)	X	X
Board approves staff recommended Surplus / Scrap disposal policy to add to Board Governance Manual (No. 412-1) authorizing GM to dispose of items in accordance with new policy		X
Board approves staff applying for \$4M KY Revolving Loan program to fund new water tank and associated water mains (loan later approved but application process later withdrawn due to timing and funding constraints)		X
After two Board long range planning sessions (9/29 and 10/11 2010) Board approves goals developed by the Board and directs staff to begin implementation of same	X	X
Board approves purchase of iCall Phone System enhancement which will provide outbound calling to customers in emergency event and to remind them of payment deadline before cut off	X	X
After review of four proposals submitted, Board approves staff recommendation to change District's liability insurance provider from North Hardin Insurance to Curneal & Hignite	X	X
Board approves new Utility Services Agreement with Vine Grove to provide water turn off for past due VG sewer customers		X
After cost comparison presentation by staff showing yard repair and mowing costs between contracting or in-house, Board approves contract to Bart's Lawn Service for mowing and yard repairs	X	X
Board authorizes staff to spend up to \$7,000 monthly for continued use of Ad-hoc Engineering Services with report back to Board in six months	X	X
Board approves Veolia / Ft. Knox operations contract fee adjustment of 2.6%		X
Board approved new Vehicle Replacement Policy guidelines		X
After approval in 2011 Budget, GM advertises for, interviews and selects Mr. Preston Pendley, P.E., for new position of Engineering Manager	X	
GM provides review and presentation as requested by Board of the HCWD1 Pay Plan and Evaluation system	X	X
GM provides final accounting of Pirtle WTP Reconstruction Project. Final D/B Construction contract 1% less than contract amount, less than PSC approved for construction contract. Total final all-in project cost is \$6,698,127 with all but \$69,942 (1%) provided by grant funding. Facility wins three awards from industry associations in first two years	X	
Board directs staff to begin using new guidelines to collect past due payments by MHP owner's for leaked water bills	X	X
Board approves 2.3% fee increase to Ft. Knox for the sewer system fee (approved by Govt and PSC)	X	X
Board approves new monthly Engineer Manager's Report to be included as monthly Board monitoring report		X
Board approves 2.84% fee increase for Veolia / Radcliff Operations contract	X	X
After approval in 2011 Budget, GM advertises for, interviews and selects Ms. Amanda Spalding for new position of Water Quality / Measurement Specialist	X	
After approval in 2011 Budget, GM advertises for, interviews and selects Ms. Andrea Palmer for reclassified position of Executive Assistant	X	
Board approves request of \$40,000 for list of laboratory equipment and supplies to outfit the Bacteriological Lab at the Pirtle Spring WTP (Ms. Spalding later has the lab certified for Bac-T tests by the Kentucky Division of Water)	X	X
Board approves GM recommendations for cost saving measures due to a water revenue shortfall due to excessive rainfall during 2011	X	X

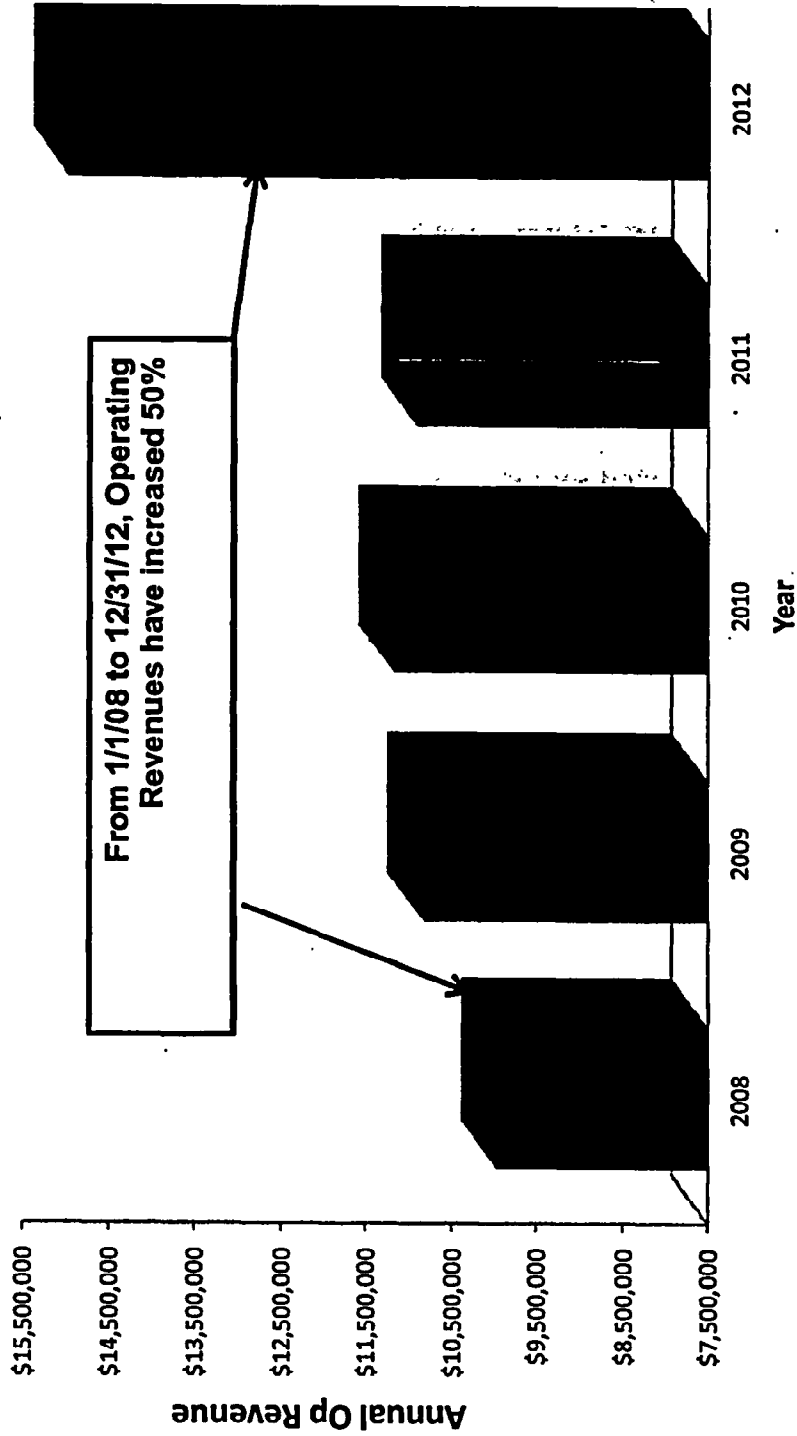
2008 - March 2013 Items	GM Project / Task	Commission Action
Board approves an agreement and fees to present to the City of Vine Grove to provide sewer billing services (Vine Grove never signs the agreement)		X
Board approves an agreement to provide the City of Vine Grove leased equipment and personnel for sludge hauling and treatment (City signs agreement and has used several times)		X
After reviewing bids, Board approves staff recommendation to award Janitorial & Cleaning services to Corvus and terminate existing contract with INTEC	X	X
Board approves modification to Board Governance Policy 200-2, 2.c stating that meetings should be held on a regular basis, from a monthly basis		X
Staff provides overview and slide presentation of the Radcliff sewer system, how it operates, what are current problems, future projects planned to address problems	X	
Board authorizes staff to spend up to \$7,000 monthly for continued use of Ad-hoc Engineering Services with report back to Board in August, 2012, and to also expand use for other service providers to include field data collection, design and construction QA/QC	X	X
Board authorizes staff to submit request to PSC for a Purchased Water Adjustment which would raise water rates about 0.8% (PSC rejects amount calculated by staff and then approves lower amount which increases rates about 0.13% instead)	X	X
After three years of negotiations and three revised proposals, and upon hearing from US Govt / DLA that a contract could be offered by the end of September, the Board authorizes staff to execute the contract which would award HCWD1 a 50 Year, Utility Privatization Contract to own and operate the Ft. Knox Water System with initial contract value of \$253,843,146	X	X
Board revises approval for staff to spend up to \$3,000 for completion of the Airview Sewer System study and estimates	X	X
Board approves new fee structure for HCWD1 to charge for services by its Pirtle Spring WTP Bacteriological Lab	X	X
After GM presents recommended new organizational chart and staffing plan for the new Ft. Knox Water Utility, Board approves the plan authorizing the GM to proceed with advertising and filling seven new positions in time for the planned start up of operations on February 1, 2012	X	X
After Operations Manager presents recommended list of new equipment and vehicles needed the new Ft. Knox Water Utility and Distribution Department, Board approves spending up to \$350,000 to purchase the equipment, using competitive bidding as required, and to authorize the GM to draw on the Cecilia Bank line of credit if needed to make purchases until Government payments begin after start-up	X	X
Board approves proposed agreement with CH2M HILL to provide Technical Services & Engineering for the first year, for services related to start up and operations of the Ft. Knox Water Utility	X	X
Board approves a new Temporary Services Agreement to provide assistance to the City of West Point with a fixed monthly fee and reimbursement of added work and services (Board later approves two extensions)	X	X
After staff receiving competitive proposals, Board authorizes approval of contract to Mac Construction / Heritage Engineering for Design-Build project to build new Radcliff Primary Treatment Building at the WWTP for cost not to exceed \$500,000	X	X
After several months of negotiations and GM & attorney drafting of proposed agreement, Board approves new Contract Operations Agreement with LWC to provide Water Quality, Raw Water System and Treatment Plant Operations for the new Ft. Knox Water System	X	X
Board approves operations contract amendment of 0.85% to Veolia / Radcliff agreement (after GM negotiated lower amount than original)	X	X
GM & staff complete advertising, reviewing, interviewing and selecting all 7 new employees required for Ft. Knox Water System	X	
Board approves authorizing staff to proceed with plans and design to convert Pirtle WTP to chloramine disinfection and bring back final cost estimate when available	X	X
GM reports results of an Employee Satisfaction Survey, which was one of Board's adopted long term goals	X	

2008 - March 2013 Items	GM Project / Task	Commission Action
After 3 years of negotiations and draft versions, GM and attorney present final negotiated water purchase agreement with LWC to provide up to 3.5 mg/d of purchased water for a 40 year term and the current rates to apply. Board approves the final version	X	X
Board changes regular meeting time to 11:30AM, third Tuesday of each month (5/15/2012)		X
Board approves budget for HCWD1 60 th Anniversary / Water Festival event for \$7,000 (staff executes successful event in August, 2012)	X	X
Board approves new Payment Disbursement Policy (401.8.d) adding and changing Board Governance policies and authorizes staff to begin implementation	X	X
After previous meeting with Mayor of City of Radcliff, Board approves increasing Storm Water Billing fee from \$0.11 to \$0.35 per bill immediately with future increases over next five years until reaches \$0.60, or the actual rate at that time	X	X
Staff and consultant present revised rate study for Radcliff sewer. During public comment, Mayor and Council members from City of Radcliff provide comments. Board approves a rate case application to proceed, submitting to PSC a general rate case application at the soonest convenience (8/7/2012)	X	X
After reviewing staff estimates to repair Airview Sewer System, Board votes to stop any further study and notify system owners that HCWD1 is no longer interested in acquiring the system (no direct expenses incurred)	X	X
Board approves staff recommendation, after receiving and scoring four proposals, to hire HDR Engineers to complete design on the LWC Interconnect Project	X	X
Board attends Joint Board Meeting with HCWD2 Board		X
After presentation of numerous options, Board selects final rate design to be included with future rate increase application for Radcliff Sewer	X	X
Board approves 2% fee increase to Veolia for Radcliff Operations Services contract and a fee increase of 1.24% to the base services for Veolia / Fl. Knox sewer operating contract	X	X
After approval in 2013 Budget, GM advertises, interviews and hires James Hare as newest Distribution System Operator for Fl. Knox Water Distribution department	X	
Board approves staff recommendation to change corporate purchasing cards to First Citizens Bank from Bank of America, after comparing features of three different banks / cards	X	X

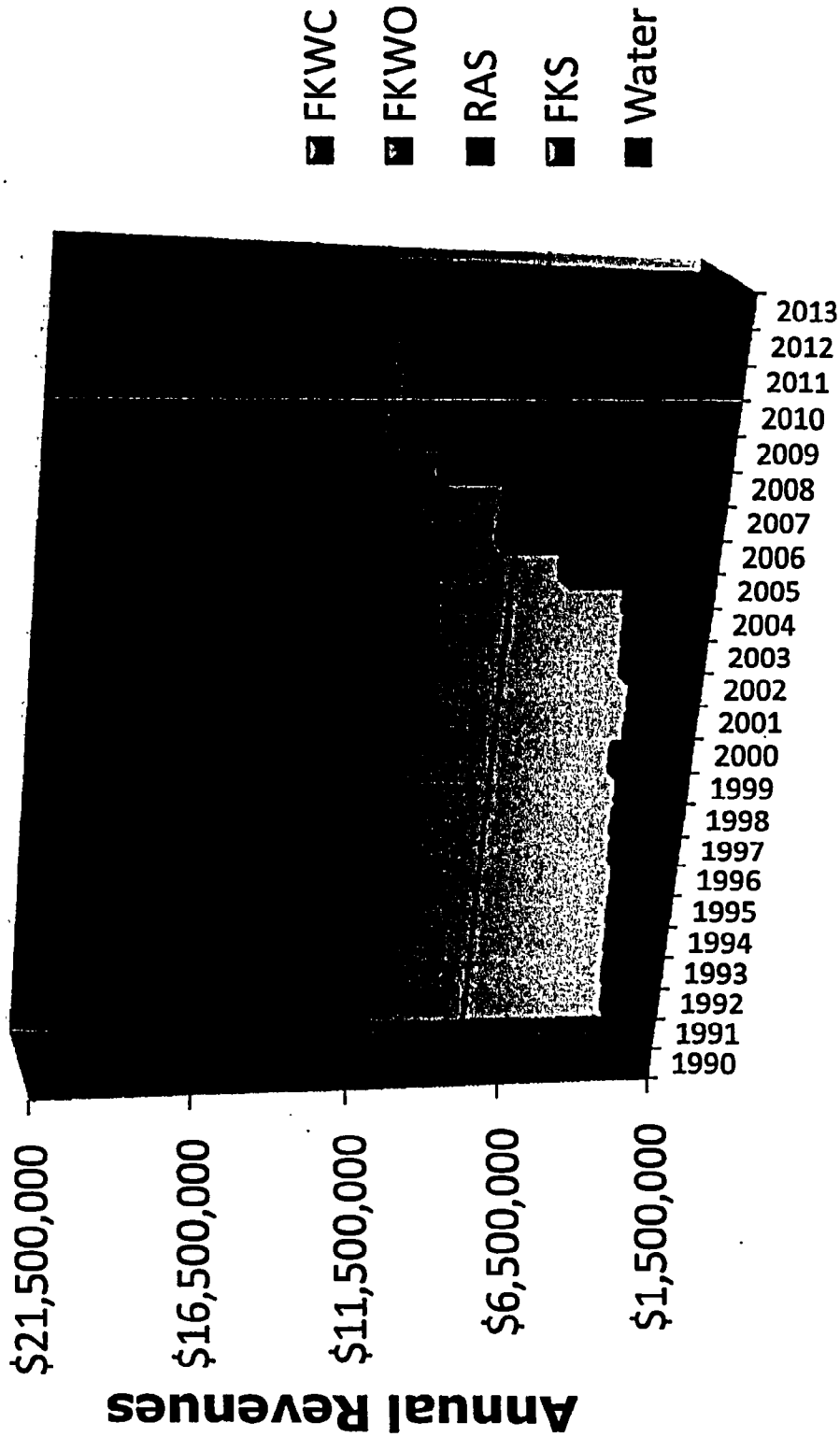
HCWD1 Net Asset Value



Operating Revenue Change 2008 ~ 2012



HCWD1 Revenues 1990~2013....



4. In responding to Item 5(a) of the Commission's Third Request, Hardin District states that "no costs were included for three part-time administrative personnel positions (F&A Admin Intern, Auto Cad Drafter, and GIS Intern) in the test year 2012. However, these positions were included in the 2013 Radcliff Utility Budget and now identified as an adjustment to the test year."
- a. Has Hardin District filled the three part-time positions identified in its response?
 - b. If the response to item 4.a. is yes, provide the date was position was filled.
 - c. If the response to item 4.a. is no, state Hardin District's efforts to fill the position and the anticipated hire date.
 - d. Does Hardin District anticipate a need for these part-time positions in calendar years 2014-2016?

ANSWER 4:

- a. Yes. Please refer to Exhibit 11, response 5.b of data request two.
- b. Please refer to Exhibit 11, response 5.b, pages 79 through 82 of data request two.
- c. Not Applicable
- d. Yes. Over the last several years, the Hardin District's Board has been concerned about the number of employees approaching retirement. In 2010 the Board held two long range planning sessions. As a result of this effort, the Board adopted long range planning goals for the General Manager and staff to work toward and execute (see attached Exhibit 7). Goal 5.c establishes an Intern Program.

This year (2013) the program was developed after numerous meetings with faculty with a local high school and community college. Attached Exhibit 8 is a newspaper article explaining the program and the first interns hired. Recently (October 2013) one of Hardin District's long time employees retired. One of the summer interns (Jeremy Fields) applied and tested for the vacant position of Distribution Operator I/II. He was selected as the best qualified and experienced.

For the foreseeable future, staff will include budgeted funds for interns each budget year. The 2014 Budget has not been completed or approved by the Board, but should be approved before the end of the year at which time Hardin District would know the actual budgeted amount for intern positions for 2014.

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

Long Range Planning Goals

Board of Commissioners - Hardin County Water District No. 1

October, 2010



The Board of Commissioners met on two sessions (September 29 and October 11, 2010) for four hours each. Public notice of these meetings was made to the media as required for special meetings. The first session was with the General Manager and staff Dept Managers / Supervisors. The second session was with the General Manager. All Commissioners attended the sessions.

The purpose of the sessions was to develop long range planning goals, with an outcome of these goals to improve HCWD1 in the next 5 to 10 years, and provide direction for the General Manager and staff as to what direction the Board would like HCWD1 to pursue, and improvements that could be made in the future. The following list of goals were set as a result of these sessions. Staff and the General Manager were directed to adjust internal goals and objectives, budget requests, recommendations and work planning as needed to work toward these goals and to prioritize these goals as needed and practical.

If additional resources are needed, staff is to bring those needs to the Board so the Board can decide whether to provide those resources to accomplish these goals, or to adjust or drop the goals. These goals have been formally adopted by the Board, but are subject to change and revisions in the future as the Board decides;

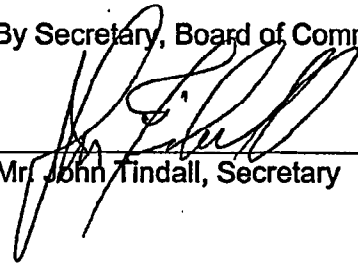
1. Technology Improvements;
 - a. 100% Automated Meter Reading Conversion (Decide whether to continue with drive-by radio or move to fixed based reading)
 - b. Select best practices, water treatment processes for improved water quality
 - c. Select best practices, wastewater treatment processes for meeting future regulation requirements
 - d. Consider and investigate electronic (paperless) billing for customers
2. Quality Customer Service;
 - a. Develop alternative or off-site bill paying options
 - b. Develop succession program for key employees
 - c. Create a broad based future employee supply source (both for internal and outside persons)
 - d. Promote public relations which would highlight water quality, achievements, consumer confidence and improved public image
3. Best Business Practices;
 - a. Develop annual Capital Improvement Programs & planning for all utilities
 - b. Study and evaluation of best way to perform on-going maintenance and replacement of system assets using self-sustaining or in-house methods
 - c. Develop or obtain a second water source to have in place (of good quality, continuous, drought tolerant source / supply)
 - d. Aggressively pursue ways to expand service areas for water and wastewater both for retail and wholesale customers

- e. Actively engage State & Federal delegations or officials to obtain grants for programs and infrastructure
 - f. Become active in trade and industry associations
 - g. Board will develop succession plan for future Board of Commissioners, suggest candidates for appointment with valuable characteristics
4. Financially Sound;
- a. Develop key ratios for Board to adopt that would signal when a change is needed, or rate review, staff changes or additional efficiencies, etc are needed (example; reserve levels, % system reinvestment, % depreciation funding used, months operating reserves, turnover ratios, net operating income)
 - b. Aggressively structure debt & invested reserves to benefit of HCWD1 (so as to maximize net income and minimize expense)
5. Human Resources;
- a. Every three years complete anonymous Employee Attitude Survey for Board to use to evaluate numerous morale, benefits, and general employee attitudes
 - b. Increase training and cross training opportunities for succession of key employees (including developing more employees to support emergency operations / events)
 - c. Develop employee Internship program which will foster;
 - i. Entry level employees
 - ii. Intermediate employees
 - iii. Use of HCWD1 Degree & Training programs
 - iv. Increase awareness of jobs and careers available
 - d. Each three years compare pay grades and benefits to market and recommend adjustments needed to stay competitive with market

CERTIFICATION

I, the undersigned, hereby certify that I am the duly elected Secretary of the Hardin County Water District No. 1 Board of Commissioners; that the foregoing Long Range Planning Goals were adopted by the District's Board of Commissioners at a meeting duly held on 19 Oct 2010; that a quorum was present at said meeting and that the action was approved by a majority of the Board in attendance at that meeting.

By Secretary, Board of Commissioners.



 Mr. John Tindall, Secretary

19 Oct 2010

 Date

HARDIN COUNTY WATER DISTRICT NO. 1

Water District welcomes interns

When Hardin County Water District No. 1 General Manager Jim Bruce looks at his roster of current employees, he sees a wealth of experience. But he also sees a long list of managers and seasoned employees getting closer to retirement. A few years ago the district Board discussed this concern and developed a list of long range goals for Bruce and staff to pursue.

Hardin County Water District No. 1 has set a goal to develop an employee internship program as a way to interest young people to look at working for a water and sewer utility as a career choice. The program also would give interns advanced training and exposure to the various types of jobs available at the district so they might be immediately qualified for future job openings.

For 2013 four intern positions were approved, funded mostly for the summer. These positions include interns for engineering, accounting, customer service and the distribution field crew. A total of 15 candidates were interviewed and the final four chosen were: North Hardin senior Ashley Vasquez, accounting; North Hardin senior Mason Powers, customer service; Breckinridge High School graduate Jeremy Fields, distribution; and Elizabethtown



Summer interns for the Hardin County Water District No. 1 include Ashley Vasquez, Mason Powers, Jeremy Fields and Trevor Diebel.

Community and Technical College sophomore Trevor Diebel, engineering.

The internship program already has one success story. An employee with the distribution field crew worked for the district for several summers during high school and college and has accepted a full-time position with the Fort Knox Water Distribution Field Crew.

For information on the internship program contact Jim Bruce, general manager, Hardin County Water District No. 1 at jbruce@hcwd.com.

5. In an Excel spreadsheet, provide a billing analysis showing actual customer usage for the 2012 test year.

ANSWER 5: Exhibit 9 provides actual bills and customer usage for the 2012 test year. This represents raw data from the billing system which has not been adjusted. Schedule 1 provides monthly bills and Schedule 2 provides monthly consumption. We have also included a billing analysis based on the 2012 data (Schedule 3).

WITNESS: Mr. Bart Kreps, Rate Consultant

Bills	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	12 Month
Usage Block													
0	675	656	643	568	503	546	541	582	488	690	619	678	7,189
1,000	1060	1001	1051	1008	1008	978	949	1077	921	1130	1108	1099	12,390
2,000	1387	1493	1549	1511	1474	1433	1273	1505	1280	1547	1556	1556	17,564
3,000	1444	1448	1597	1466	1479	1365	1335	1540	1359	1552	1520	1601	17,706
4,000	1287	1270	1325	1355	1344	1243	1186	1330	1119	1345	1334	1276	15,414
5,000	940	894	931	994	968	961	962	1088	881	938	972	961	11,490
6,000	654	555	609	653	628	717	681	739	596	624	611	606	7,673
7,000	462	326	367	411	434	451	503	493	396	394	387	372	4,996
8,000	249	193	193	232	268	298	312	335	264	217	237	240	3,038
9,000	148	102	141	144	167	193	235	236	159	158	156	126	1,965
10,000	93	70	75	102	100	136	175	127	101	94	80	93	1,246
11,000	61	51	49	65	64	76	109	108	74	58	58	46	819
12,000	43	32	37	40	48	72	85	70	39	49	40	34	589
13,000	28	30	21	35	41	58	62	49	47	38	28	20	457
14,000	21	18	18	20	37	38	51	55	32	27	24	25	366
15,000	16	15	20	15	17	28	38	41	28	16	27	13	274
25,000	69	70	71	77	101	147	177	149	100	101	82	74	1,218
35,000	31	31	26	25	30	36	57	47	23	31	34	33	404
45,000	22	16	24	18	18	17	29	23	20	23	21	16	247
55,000	16	11	12	17	14	19	15	17	15	11	11	12	170
65,000	5	11	8	8	10	6	12	10	8	8	3	5	94
75,000	7	6	7	9	6	6	7	3	3	10	7	8	79
85,000	5	3	4	3	8	10	4	5	6	4	6	6	64
95,000	4	6	8	2	5	4	5	5	7	5	3	6	60
105,000	4	5	4	8	4	5	5	9	2	3	4	3	56
115,000	4	8	4	3	4	2	6	8	4	4	9	5	61
125,000	4	2	3	4	3	1	0	5	2	3	0	1	28
135,000	2	4	3	1	1	3	2	2	1	1	3	1	24
145,000	2	0	2	1	1	3	1	3	3	2	0	2	20
155,000	0	0	2	3	1	4	1	2	4	3	4	0	24
165,000	1	3	2	0	3	5	2	1	1	2	1	2	23
175,000	2	0	2	2	2	0	1	3	1	2	2	2	19
185,000	2	3	1	2	2	1	4	4	1	3	0	3	26
195,000	3	4	1	1	1	0	2	0	0	1	2	0	15
205,000	0	2	1	0	0	0	0	0	2	1	1	2	9
215,000	0	3	3	3	1	0	0	0	1	2	1	1	15
225,000	2	1	1	0	4	2	2	1	1	1	2	0	17
235,000	1	1	1	1	0	1	1	2	0	0	0	2	10
245,000	0	0	0	2	1	3	1	2	2	1	1	0	13
255,000	0	0	1	0	1	2	0	1	3	0	0	0	8
265,000	1	0	1	1	1	0	2	0	0	0	1	0	7
275,000	1	0	0	0	0	0	2	0	0	0	1	0	4
285,000	0	1	1	1	0	0	0	0	0	1	0	1	5
295,000	0	1	0	1	0	2	0	0	0	1	0	2	7
305,000	1	0	1	1	1	0	0	0	1	1	0	0	6
315,000	0	0	1	0	1	0	0	0	1	0	0	0	3
325,000	0	0	0	0	0	0	0	0	1	0	0	0	1
335,000	0	0	0	0	0	0	0	1	1	0	0	0	2
345,000	0	0	0	0	0	0	0	1	0	0	0	0	1
355,000	0	0	0	0	0	0	0	0	1	0	0	0	1
375,000	0	0	0	0	0	0	1	0	1	0	0	1	3
385,000	1	0	0	0	0	0	0	0	0	0	0	0	1
405,000	0	0	0	1	0	0	0	1	0	0	1	0	3
425,000	0	0	0	0	0	1	0	0	0	0	0	0	1
465,000	0	0	1	0	1	0	0	1	0	0	2	0	5
625,000	2	1	1	3	2	1	5	2	2	2	3	3	27
655,000	1	1	0	0	0	0	0	0	1	0	0	1	4
715,000	0	0	1	0	2	2	0	1	1	2	0	0	9
845,000	1	1	0	0	0	0	2	1	0	0	0	0	5
Total	8,762	8,349	8,824	8,817	8,809	8,876	8,843	9,685	8,003	9,107	8,962	8,938	105,975

From	To	Average Usage	Accounts	Bills	Minimum Charge (1)	Volume Charge for Average Use	Monthly Charge for Average Use	Calculated Revenue From Minimum Charges	Calculate Revenue from Volume Charges for Ave	Calculated Total Revenue
0	0	0	599	7,189	\$ 17.11	\$ -	\$ 17.11	\$ 123,004	\$ -	\$ 123,004
0	999	500	1033	12,390	\$ 17.11	\$ -	\$ 17.11	\$ 211,993	\$ -	\$ 211,993
1,000	1,999	1,500	1464	17,564	\$ 17.11	\$ -	\$ 17.11	\$ 300,520	\$ -	\$ 300,520
2,000	2,999	2,500	1476	17,706	\$ 17.11	\$ 2.79	\$ 19.90	\$ 302,950	\$ 49,400	\$ 352,349
3,000	3,999	3,500	1285	15,414	\$ 17.11	\$ 8.37	\$ 25.48	\$ 263,734	\$ 129,015	\$ 392,749
4,000	4,999	4,500	958	11,490	\$ 17.11	\$ 13.95	\$ 31.06	\$ 196,594	\$ 160,286	\$ 356,879
5,000	5,999	5,500	639	7,673	\$ 17.11	\$ 19.53	\$ 36.64	\$ 131,285	\$ 149,854	\$ 281,139
6,000	6,999	6,500	416	4,996	\$ 17.11	\$ 25.11	\$ 42.22	\$ 85,482	\$ 125,450	\$ 210,931
7,000	7,999	7,500	253	3,038	\$ 17.11	\$ 30.69	\$ 47.80	\$ 51,980	\$ 93,236	\$ 145,216
8,000	8,999	8,500	164	1,965	\$ 17.11	\$ 36.27	\$ 53.38	\$ 33,621	\$ 71,271	\$ 104,892
9,000	9,999	9,500	104	1,246	\$ 17.11	\$ 41.85	\$ 58.96	\$ 21,319	\$ 52,145	\$ 73,464
10,000	10,999	10,500	68	819	\$ 17.11	\$ 47.43	\$ 64.54	\$ 14,013	\$ 38,845	\$ 52,858
11,000	11,999	11,500	49	589	\$ 17.11	\$ 53.01	\$ 70.12	\$ 10,078	\$ 31,223	\$ 41,301
12,000	12,999	12,500	38	457	\$ 17.11	\$ 58.59	\$ 75.70	\$ 7,819	\$ 26,776	\$ 34,595
13,000	13,999	13,500	31	366	\$ 17.11	\$ 64.17	\$ 81.28	\$ 6,262	\$ 23,486	\$ 29,748
14,000	14,999	14,500	23	274	\$ 17.11	\$ 69.75	\$ 86.86	\$ 4,688	\$ 19,112	\$ 23,800
15,000	24,999	20,000	102	1,218	\$ 17.11	\$ 94.89	\$ 112.00	\$ 20,840	\$ 115,576	\$ 136,416
25,000	34,999	30,000	34	404	\$ 17.11	\$ 139.59	\$ 156.70	\$ 6,912	\$ 56,394	\$ 63,307
35,000	44,999	40,000	21	247	\$ 17.11	\$ 184.29	\$ 201.40	\$ 4,226	\$ 45,520	\$ 49,746
45,000	54,999	50,000	14	170	\$ 17.11	\$ 228.99	\$ 246.10	\$ 2,909	\$ 38,928	\$ 41,837
55,000	64,999	60,000	8	94	\$ 17.11	\$ 273.69	\$ 290.80	\$ 1,608	\$ 25,727	\$ 27,335
65,000	74,999	70,000	7	79	\$ 17.11	\$ 318.39	\$ 335.50	\$ 1,332	\$ 25,153	\$ 26,505
75,000	84,999	80,000	5	64	\$ 17.11	\$ 363.09	\$ 380.20	\$ 1,095	\$ 23,238	\$ 24,333
85,000	94,999	90,000	5	60	\$ 17.11	\$ 407.79	\$ 424.90	\$ 1,027	\$ 24,467	\$ 25,494
95,000	104,999	100,000	5	56	\$ 17.11	\$ 452.49	\$ 469.60	\$ 958	\$ 25,339	\$ 26,298
105,000	114,999	110,000	5	61	\$ 17.11	\$ 497.19	\$ 514.30	\$ 1,044	\$ 30,329	\$ 31,372
115,000	124,999	120,000	2	28	\$ 17.11	\$ 541.89	\$ 559.00	\$ 479	\$ 15,173	\$ 15,652
125,000	134,999	130,000	2	24	\$ 17.11	\$ 586.59	\$ 603.70	\$ 411	\$ 14,078	\$ 14,489
135,000	144,999	140,000	2	20	\$ 17.11	\$ 631.29	\$ 648.40	\$ 342	\$ 12,626	\$ 12,968
145,000	154,999	150,000	2	24	\$ 17.11	\$ 675.99	\$ 693.10	\$ 411	\$ 16,224	\$ 16,634
155,000	164,999	160,000	2	23	\$ 17.11	\$ 720.69	\$ 737.80	\$ 394	\$ 16,576	\$ 16,969
165,000	174,999	170,000	2	19	\$ 17.11	\$ 765.39	\$ 782.50	\$ 325	\$ 14,542	\$ 14,868
175,000	184,999	180,000	2	26	\$ 17.11	\$ 810.09	\$ 827.20	\$ 445	\$ 21,062	\$ 21,507
185,000	194,999	190,000	1	15	\$ 17.11	\$ 854.79	\$ 871.90	\$ 257	\$ 12,822	\$ 13,079
195,000	204,999	200,000	1	9	\$ 17.11	\$ 899.49	\$ 916.60	\$ 154	\$ 8,095	\$ 8,249
205,000	214,999	210,000	1	15	\$ 17.11	\$ 944.19	\$ 961.30	\$ 257	\$ 14,163	\$ 14,420
215,000	224,999	220,000	1	17	\$ 17.11	\$ 988.89	\$ 1,006.00	\$ 291	\$ 16,811	\$ 17,102
225,000	234,999	230,000	1	10	\$ 17.11	\$ 1,033.59	\$ 1,050.70	\$ 171	\$ 10,336	\$ 10,507
235,000	244,999	240,000	1	13	\$ 17.11	\$ 1,078.29	\$ 1,095.40	\$ 222	\$ 14,018	\$ 14,240
245,000	254,999	250,000	1	8	\$ 17.11	\$ 1,122.99	\$ 1,140.10	\$ 137	\$ 8,984	\$ 9,121
255,000	264,999	260,000	1	7	\$ 17.11	\$ 1,167.69	\$ 1,184.80	\$ 120	\$ 8,174	\$ 8,294
265,000	274,999	270,000	0	4	\$ 17.11	\$ 1,212.39	\$ 1,229.50	\$ 68	\$ 4,850	\$ 4,918
275,000	284,999	280,000	0	5	\$ 17.11	\$ 1,257.09	\$ 1,274.20	\$ 86	\$ 6,285	\$ 6,371
285,000	294,999	290,000	1	7	\$ 17.11	\$ 1,301.79	\$ 1,318.90	\$ 120	\$ 9,113	\$ 9,232
295,000	304,999	300,000	1	6	\$ 17.11	\$ 1,346.49	\$ 1,363.60	\$ 103	\$ 8,079	\$ 8,182
305,000	314,999	310,000	0	3	\$ 17.11	\$ 1,391.19	\$ 1,408.30	\$ 51	\$ 4,174	\$ 4,225
315,000	324,999	320,000	0	1	\$ 17.11	\$ 1,435.89	\$ 1,453.00	\$ 17	\$ 1,436	\$ 1,453
325,000	334,999	330,000	0	2	\$ 17.11	\$ 1,480.59	\$ 1,497.70	\$ 34	\$ 2,961	\$ 2,995
335,000	344,999	340,000	0	1	\$ 17.11	\$ 1,525.29	\$ 1,542.40	\$ 17	\$ 1,525	\$ 1,542
345,000	354,999	350,000	0	1	\$ 17.11	\$ 1,569.99	\$ 1,587.10	\$ 17	\$ 1,570	\$ 1,587
355,000	374,999	365,000	0	3	\$ 17.11	\$ 1,637.04	\$ 1,654.15	\$ 51	\$ 4,911	\$ 4,962
375,000	384,999	380,000	0	1	\$ 17.11	\$ 1,704.09	\$ 1,721.20	\$ 17	\$ 1,704	\$ 1,721
385,000	404,999	395,000	0	3	\$ 17.11	\$ 1,771.14	\$ 1,788.25	\$ 51	\$ 5,313	\$ 5,365
405,000	424,999	415,000	0	1	\$ 17.11	\$ 1,860.54	\$ 1,877.65	\$ 17	\$ 1,861	\$ 1,878
425,000	464,999	445,000	0	5	\$ 17.11	\$ 1,994.64	\$ 2,011.75	\$ 86	\$ 9,973	\$ 10,059
465,000	624,999	545,000	2	27	\$ 17.11	\$ 2,441.64	\$ 2,458.75	\$ 462	\$ 65,924	\$ 66,386
625,000	654,999	640,000	0	4	\$ 17.11	\$ 2,866.29	\$ 2,883.40	\$ 68	\$ 11,465	\$ 11,534
655,000	714,999	685,000	1	9	\$ 17.11	\$ 3,067.44	\$ 3,084.55	\$ 154	\$ 27,607	\$ 27,761
715,000	844,999	780,000	0	5	\$ 17.11	\$ 3,492.09	\$ 3,509.20	\$ 86	\$ 17,460	\$ 17,546
845,000	900,000	872,500	0	0	\$ 17.11	\$ 3,905.57	\$ 3,922.68	\$ -	\$ -	\$ -

8,831 105,975 \$ 1,813,232 \$ 1,770,664 \$ 3,583,896

Test Year Revenues \$ 3,371,082

Revenues from Billing Analysis
 Base Charge \$ 1,813,232
 Volume Charge 1,770,664
 Total \$ 3,583,895.91

Error in Billing Analysis 6.3%

(1) Includes first 2,000 gallons of flow.

6. Refer to Hardin District's response to the Commission's Third Request, Item 1, Exhibit 1.
- a. Why is it appropriate to make an adjustment aligning customer accounts more closely with actual revenue?
 - b. Why are the customer accounts out of alignment, requiring an adjustment to reflect actual revenues?
 - c. Does Hardin District have the information to determine revenues without having to adjust customer accounts to reflect the actual revenues?
 - d. Why were accounts adjusted from 2011 to align more closely with actual revenues when the test year should be 2012?

ANSWER 6:

- a. As noted in our response to Question 13b in the Commission's First Data Request, prior to filing an application for this rate case the test year was updated multiple times (2009 – 2011) with a bill frequency analysis 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 consistent with revenue reported on the respective financial statements. Since there has been limited fluctuation in demand over the past several years, and since 2011 consumption was very close to the 3-year average (2010 – 2012), it was determined that 2011 was a reasonable representation of billing units for the test year (refer to Application, Exhibit E, Page 89, Wastewater Rate and Cost of Service Study).

It is always important to review the reasonableness of the raw billing data, to increase confidence that projected rates and charges will generate revenue consistent with expectations. In the case of Hardin District, the raw billing data overstates revenue collection due to adjustments (irrigation credits, deduct meters, etc.), delinquencies, and other anomalies that are not removed from the raw data. However, these adjustments are credited to customers which reduces revenue. In our experience, and based on the reasons identified above, it is common for wastewater utility billing systems to overstate accounts and consumption when used to calculate revenue, and the practice of adjusting billing units to reconcile with actual results is typical. Since Hardin District generates a significant portion of its revenue through a minimum charge assessed on

a per customer basis, it is appropriate to adjust customer accounts to align with actual revenue to have confidence in the underlying billing data, as this data drives both rate calculations and revenue in rate model.

- b. It is common for raw customer account data to be slightly out of alignment when compared to the calculated number of accounts based on actual revenue. Typical reasons include, for example, bill frequency reports aggregating inactive accounts or temporary accounts, which are not charged or where a credit is ultimately provided to the customer. As noted in Hardin District's response to the Commission's First Data Request, Question 13b, test year customer accounts were decreased by 1.5% to align more closely with actual revenue from the minimum charge.
- c. Yes. Exhibit 2 provides raw bills and customer usage for the 2012 test year and includes a billing analysis. Assuming average usage per consumption block, 2012 bills (unadjusted) calculate user charge revenue of \$3,583,895.91, which is approximately 6.3% higher than test year revenues of \$3,371,082. If this data was used to set rates, there is a significant risk that unit costs would be set too low, resulting in a revenue shortfall.
- d. Total unadjusted bills in 2011 were 105,740. As noted above in response to Question 6b, test year customer accounts were decreased by 1.5% to align more closely with actual test year revenue, which resulted in adjusted test year bills of 104,159 (rounding to the nearest bill) (see Exhibit 1 in response to the Commission's Third Request for Data). Total unadjusted bills in 2012 were 105,975 (Exhibit 2). If 2012 unadjusted bills and corresponding consumption was used as test year billing units, we would suggest a similar process of adjusting billing units to ensure that calculated revenue aligned with actual revenue to avoid a potential shortfall. In either case, the resulting billing units for the test year submitted with this filing would be very close and consistent with reported revenue. Hardin District believes the billing units submitted with this rate filing provide a reasonable basis for rate setting purposes.

WITNESS: Mr. Bart Kreps, Rate Consultant

7. Provide a copy of the current contract and all amendments between Jim Bruce and Hardin District.

ANSWER 7: The requested contract has been attached as Exhibit 10.

WITNESS: Mr. Jim Bruce, HCWD1 General Manager

EMPLOYMENT CONTRACT

THIS EMPLOYMENT CONTRACT is made on this 1ST day of APRIL,

2013 by and between the **HARDIN COUNTY WATER DISTRICT No. 1, BOARD OF COMMISSIONERS**, (“Employer”) located at 1400 Rogersville Road, Radcliff, Kentucky 40160, and **JAMES S. BRUCE** (“Employee”) of Vine Grove, Kentucky.

WHEREAS:

- A. Employer is engaged in business as a public water purveyor organized pursuant to the provision of Chapter 74 of the Kentucky revised statutes.
- B. Employer desires to retain the services of Employee.
- C. Employee is willing to be employed by Employer;

NOW THEREFORE, the parties agree as follows:

- 1. **EMPLOYMENT:** Employer shall employ the Employee as a General Manager to direct and oversee all operations of the Employer under the general direction and authority of the Employer. Employee accepts and agrees to such employment, subject to the general supervision, advice and direction of the Employer. Employee shall also perform: (i) such other duties are customarily performed by and employee in a similar position, and (ii) such other and unrelated services and duties as may be assigned to Employee from time to time by Employer.
- 2. **RESPONSIBILITIES:** Employee agrees that he will at all times faithfully, industriously, and to the best of his ability, experiences and talents, perform all of the duties that may be required of and from him pursuant to the express and

implicit terms hereto, to the reasonable satisfaction of Employer. Such duties shall be rendered at Radcliff, Kentucky, and at such other place or places as Employer shall in good faith require or as the interest, needs, business or opportunity of Employer shall require.

3. **COMPENSATION OF EMPLOYEE:** As compensation for the services provided by Employee under this Contract, Employer will pay Employee \$125,000.00 gross salary per year effective with first payroll after the execution date of agreement. This amount shall be paid in accordance with the Employer's usual payroll procedures. Employee shall be entitled to an annual pay increase in an amount comparable to pay increases afforded all other employees of the Employer. Said pay increases, if any, will be effective in same month as other employees for duration of this contract.
4. **REIMBURSEMENT FOR EXPENSES:** The Employer will reimburse Employee for the following "out-of-pocket" expenses:
 - a. Pre-approved travel, lodging and conference registration expenses;
 - b. Meals paid for by the Employee while on business of as required for meetings or entertainment if so directed by the Employer;
 - c. Professional dues and expenses up to \$200 per year;
 - d. Cost of pre-approved job related education, if course work is successfully completed, and, if applicable, with a grade of "C" or better.
5. **VACATION:** Upon employment Employee shall be entitled to twenty-five (25) paid vacation days per year, said vacation days shall not accumulate.

6. **LEAVE:** Employee shall be entitled to sick leave and other leave as provided in the Employer's Personal Policy and Procedures Handbook.

7. **HOLIDAYS:** Employee shall be entitled to certain paid days off during the calendar year which are declared holidays by the Employer.

8. **AUTOMOBILE, PHONE AND OTHER MISCELLANEOUS**

EQUIPMENT: The Employer shall provide the Employee with all tools and equipment required to perform the services hereby described which shall include but are not limited to the following:

a. Portable Cellular Telephone including payment for all activation fees and monthly business related charges;

b. Employee shall be entitled to a replacement late model vehicle in 2014 and every three (3) years thereafter so long as he continues to be employed by Employer. The cost of the vehicle shall not exceed \$35,000. Employee shall be authorized to use the vehicle for personal use, provided the Employee agrees to reimburse the Employer for any fuel used for personal trips taken outside Hardin County, Kentucky or a county contiguous to Hardin County, Kentucky. The Employee shall procure at his sole expense additional insurance coverage for liability and property damage while the vehicle is used by Employer or Employee's family for personal use. The Employer shall be responsible for all other operating costs.

c. If Employee retires within the term of the Contract, the Employee shall be entitled to purchase the 2007 Honda Ridgeline presently owned by Employer, assuming said 2007 Honda Ridgeline is owned by Employer at the time of

retirement or, in the alternative, the automobile then being operated by Employee pursuant to this agreement at a price equal to 75% of the then Kelly Blue Book trade-in value using a "good" condition rating.

9. **HEALTH INSURANCE BENEFITS:** Family health insurance shall be provided for Employee at no monthly premium costs to the Employee and shall be for the benefit of the Employee and his family members. The health insurance and retirement benefits provided to Employee shall be the same as provided to the current Hardin County Water District No. 1 employees. Alternatively, in lieu of employer's family health insurance premium, Employee may elect to obtain family health insurance from an alternative source, such as his spouse's employment. The Employee reserves the right at his sole discretion to make the determination as to which health insurance benefit from some other source, the District agrees to reimburse Employee for the cost of said health insurance provided the cost of the alternative health insurance does not exceed the cost a similar policy provided by the Employer. This provision and 9(a) is subject to clause 9(b). As of the date of this Agreement, Employee and his family members receive health insurance benefits through the Hardin County Board of Education.
- a. **Benefit Credit Account:** Employer will provide a monthly payment into a Benefit Credit Account for the benefit of Employee in the amount of \$234 per month. This payment shall comply with all tax regulations of the Internal Revenue Service, Section 125 or other regulations requiring uses of payments which are tax exempt. The Employer will provide a program administrator for all its employees who will administer the program and approve

improvements from the account in accordance with IRS and the Employer's program guidelines. The employee understands that if he does not have proper and acceptable claims for out of pocket health insurance claims, that amount paid into the account shall revert to the Employer.

- b. The Employer shall retain the right to stop any reimbursement payments to the Employee and require the Employee to again enroll with the Employer's group health insurance plan and the Employer will again pay for this benefit directly to the health insurance provider. Likewise, Employer agrees that if Employee's spouse or employer, then the Employer will allow the Employee to again enroll in the Employer's health insurance plan and agree to pay the premiums of both the Employee and his family.
- c. The Employee agrees that if his dependents no longer require health insurance, or by health insurance company policies or law are no longer eligible to receive health insurance, or if he no longer needs to cover his spouse and family, that he will notify the Employer as soon as this change takes affect and that amount paid into the account by the Employer will be reduced accordingly, or the Employer may choose to require enrollment by the Employee to the Employer's plan as provided to other employees of the Employer.

10. OTHER BENEFITS: As of the execution of this Contract, Employee provided various benefits to all of its employees including life insurance in an amount equal to three times the employee's annual income. Employer will provide the same life insurance benefit to employee. Additionally, to the extent Employer

provides additional benefits to all District employees of a type and in a manner not otherwise mentioned within this Employment Contract, then James S. Bruce shall also be entitled to receive the same benefit provided to other employees of Hardin County Water District No. 1.

11. TERM: Employee's employment under this Contract shall be five (5) years commencing on the 1st day of April, 2013 and terminating the 31st day of March, 2018. If the Employer terminates employment of the Employee prior to this term expiring without just cause, the Employer agrees to pay all compensation equal to what would have been paid during the ensuing six months. The Employer agrees to provide the Employee with written notice no less than seven (7) days prior to termination of the contract. If the Employee terminates prior to expiration of the contract, he agrees to provide at least forty-five (45) days notice prior to termination. Notwithstanding any other provision of this Contract, the Employee is guilty of dishonesty, malfeasance or misfeasance in the performance of his duties for the Employer; if the Employee refuses and/or fails, except through illness or other disability, to devote his entire time and attention to the performance of his duties for the Employer under this agreement; if the Employee commits acts or conduct of a nature detrimental to the reputation and integrity of the Employer which reflects upon the integrity and image of the employer. Upon termination for any of the aforementioned reasons, Employer shall have no liability thereafter for salary or any other benefits hereunder. If Employee is terminated from his position with Employer for any reason other than as set out in the preceding paragraph during any term of this Contract, the Employer shall,

nevertheless, be liable to the Employee for six months of salary as of the date of termination. In the even his contract is terminated proper to its expiration by the Employee, the Employee will not be entitled to severance pay, accrued sick leave, salary, health insurance or other benefits, or any compensation from the date of termination.

12. SUCCESSOR IN INTEREST: In the even that the Employer's business and responsibilities are taken over by another agency or enterprise, through an acquisition, privatization, merger, takeover, local or state government action, which results in the elimination of the Employee's position and employment, the Employer agrees to pay the Employee the equivalent of six months current salary and benefits. The payment for this provision shall begin on the day that the Employee's employment has ended, regardless of the termination date of this Contract and shall supercede and render void any other provision regarding termination without just cause. The provision regarding termination for cause shall remain in full force and effect during the 6 month period outlined above.

13. NON-COMPETE CLAUSE: Employee agrees that he will not apply for, or accept employment with, any water system within a 50 mile radius of the main office of the Hardin County Water District #1, prior to March 1, 2018.

RESIDENCY REQUIREMENT: Employee shall reside in the District's service area or in a location wherein the water source provided to the employee is Hardin County Water District No. 1.

14. RETURN OF RECORDS AND EQUIPMENT: Upon termination of this Contract, Employee shall deliver all property (including keys, records, notes,

computer files, data, memos, models, vehicles, computer hardware and software, and equipment) that is in the Employee's possession or under the Employee's control which is Employer's property or related to Employer's business.

15. **ENTIRE CONTRACT:** this Contract contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Contract supercedes any prior written or oral agreements between the parties.
16. **AMENDMENT:** This Contract may be modified or amended, if the amendment is made in writing and is signed by both parties or as amended by reference to policies and procedures of Board as applicable to Employee.
17. **SEVERABILITY:** If any provisions of this Contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
18. **WAIVER OF CONTRACTUAL RIGHT:** The failure of either party to enforce any provision of this Contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Contract.
19. **APPLICABLE LAW:** This Contract shall be governed by the laws of the Commonwealth of Kentucky and venue shall be in Hardin Circuit Court.

Employer:

By: William Gassett

Chairman, Board of Commissioners
Hardin County Water District No.1

Employee:

By: James S. Bruce
James S. Bruce, Employee

8. Provide the most recent vendor invoice for employee vision coverage. If the 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 8: Please see Exhibit 11 for a copy of Hardin District's most recent vision invoice from Baltas Vision. Also attached as Exhibit 12 is a breakdown of rates by class.

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

BALTAS VISION, LLC
 800 CARDINAL DR., STE. 200
 P.O. BOX 2525
 ELIZABETHTOWN, KY 42702

HCWD#1 VISION
 1400 ROGERSVILLE ROAD
 RADCLIFF, KY 40160

BILLING DETAIL REPORT
 TERMS: DUE BY THE 1ST
 Group : BV011-HCWD#1 VISION
 Division : HCWD HCWD#1 EMPLOYEES
 For the Month of : 11/2013

LAST NAME FIRST NAME SS# VISION TOTAL

11/2013 Billing:

BARNES	RICHARD	[REDACTED]	6.95	6.95
BOLMAN	TIM	[REDACTED]	6.95	6.95
BRAGE	CHELSEA	[REDACTED]	6.95	6.95
BRUCE	JAMES	[REDACTED]	13.84	13.84
CAMPBELL	CHRISTIE	[REDACTED]	12.13	12.13
CECIL	JOHN	[REDACTED]	6.95	6.95
CLARK	JEREMY	[REDACTED]	6.95	6.95
CLARK	PHILLIP	[REDACTED]	6.95	6.95
CLIFFORD	DANIEL	[REDACTED]	6.95	6.95
DAUGHERTY	MAE	[REDACTED]	6.95	6.95
DAVIS	CLIFFORD	[REDACTED]	6.95	6.95
DENNIS	DONALD	[REDACTED]	6.95	6.95
EASTER	G. CHARLENE	[REDACTED]	13.84	13.84
GOSSETT	WILLIAM	[REDACTED]	13.84	13.84
GUNNING	DAVID	[REDACTED]	13.84	13.84
HARE	JAMES	[REDACTED]	13.84	13.84
ROCKMAN	RON	[REDACTED]	13.84	13.84
MATER	JASON	[REDACTED]	6.95	6.95
MANKIK	JOHN	[REDACTED]	6.95	6.95
MATTINGLY	ADAM	[REDACTED]	6.95	6.95
MCCOY	JERRY	[REDACTED]	6.95	6.95
MCKENZIE	MARVIN	[REDACTED]	13.84	13.84

ADMINISTRATOR

BALTAS VISION, LLC
 800 CARDINAL DR., STE. 200
 P.O. BOX 2525
 ELIZABETHTOWN, KY 42702

PLAN SPONSOR

HCWD#1 VISION
 1400 ROGERSVILLE ROAD
 RADCLIFF, KY 40160

BILLING DETAIL REPORT
 TERMS: DUE BY THE 1ST
 Group : BV011-HCWD#1 VISION
 Division : HCWD HCWD#1 EMPLOYEES
 For the Month of : 11/2013

LAST	NAME	FIRST	NAME	SS#	VISION	TOTAL
MCKINLEY	MICHAEL				18.40	18.40
MORRISON	KAREN				13.84	13.84
MOSELEY	MICHAEL				6.95	6.95
OSBORNE	TIMOTHY				6.95	6.95
PALMER	ANDREA				6.95	6.95
PICKERELL	CURTIS				13.84	13.84
PYLES	AARON				13.84	13.84
SHELTON	JAMES				6.95	6.95
SPALDING	AWANDA				6.95	6.95
STRAMAHAN	RICHARD				6.95	6.95
STRANGE	STEPHANIE				13.84	13.84
THOMAS	JOHN				18.40	18.40
THOMPSON	LINDA				13.84	13.84
TINDALL, JR.	JOHN				6.95	6.95
UNDERHILL	DONALD				6.95	6.95
WALKER JR	TIMOTHY				6.95	6.95
WILLIAMS	CHARLES				18.40	18.40
WOOD	TODD				6.95	6.95

DIVISION SUMMARY	400.21	400.21
EP00: PARTICIPANT ONLY	166.80	
EP00: PARTICIPANT+SPOUSE	166.08	
EP99: PARTICIPANT+CHILDREN	12.13	
EP99: FULL FAMILY	55.20	



Renewal Confirmation

Group: Hardin Co. Water District #1

Group #: BV011

Type: Group

Renewal Date: 1/1/2013

<u>Rates:</u>	
Employee Only:	\$ 6.95
Employee + Spouse:	\$13.84
Employee + Child(ren):	\$12.13
Employee + Family:	\$18.40

Thank you for selecting BaltasVision, LLC as your vision insurer. We are looking forward to working with you in the upcoming year. This Renewal Confirmation serves to ensure that all parties have the same understanding regarding the benefits and premiums of the specific product that you have chosen.

Your specific plan is attached as Appendix A and serves as a part of this Renewal Confirmation.

Please indicate your agreement and confirmation by signing a copy of this letter where authorized and return to BaltasVision, LLC:

Authorization for Renewal: Hardin Co. Water District #1

I agree that the description of products and services represented in Appendix A agrees with my understanding of the benefits and premiums associated with with the selection I have made and authorize BaltasVision, LLC to proceed with the renewal of policy.

Name: _____

Title: _____ Date: _____

BaltasVision, LLC is a Kentucky based Limited Health Services Organization.

All programs are underwritten by:

BaltasVision, LLC
800 Cardinal Drive, Suite 200
Elizabethtown, Kentucky 42701

Appendix A: Hardin Co. Water District #1 Plan Design – Group

The plan provides for an eye exam and a complete pair of prescription eyeglasses to include standard plastic lenses in single vision, line bifocal, or lined trifocal. Contact lenses are available in lieu of the frame and lens benefit. Benefits are available once every 12 or 24 months depending on the schedule and based on the last date of service.

	BaltasVision Network Providers	Wal-Mart/Sam's Network Providers	Out-of-Network Schedule
Eye Exam <i>Every 12 months</i>	\$10 Copay	\$10 Copay	\$35.00
Materials	\$10 Copay	\$25 Copay	See Plan Document
Frame <i>Every 12 months</i>	\$120 retail frame	\$74 retail frame	Up to \$50 retail
Lenses <i>Every 12 months</i> Single Vision Bifocal Trifocal	Covered by Copay Covered by Copay Covered by Copay	Covered by Copay Covered by Copay Covered by Copay	Up to \$26.00 Up to \$40.00 Up to \$60.00
Contact Lenses (fit, follow-up & materials) <i>Every 12 months</i> - allowance covered.			
Elective	Up to \$120 retail	Up to \$95 retail	Up to \$95 retail
Medically Necessary (Certification required)	Up to \$210 retail	Up to \$175 retail	Up to \$210 retail

Monthly Rates for Plan Coverage – Group

Participation criteria must be followed for all groups. Dependent coverage is optional. Dependents include an employee's spouse and dependent children through age 18 or to age 23 if they are full-time students attending an accredited college, university or technical school.

Group Participation

- \$ 6.95 employee only
- \$13.84 employee plus spouse
- \$12.13 employee plus child(ren)
- \$18.40 employee plus family

Each employee enrolling in plan coverage must agree to remain enrolled during the designated plan period. Those employees who elect not to enroll during the initial plan enrollment period must wait until the next plan enrollment period to enroll. The plan enrollment period shall be the month prior to the beginning of the next plan year. New employees who elect coverage under the plan must enroll within thirty (30) days of their date of employment and shall become eligible for coverage on the first day of the month coinciding with the effective date of the employer's group medical plan.

9. In Case 2003-00224,¹ the Commission found that a District Commissioner position is part-time employment because District Commissioners generally only meet once a month and do not work a 40-hour week. Distinctions between board officials and other part-time employees are contrary to law and, therefore, employee benefits provided to the District Commissioners were disallowed. Explain why this Commission finding is not true for Hardin District.

ANSWER 9: Hardin District would submit the following observations relative to Question No. 9:

The statement that "the Commission found that a District Commissioner position is part-time employment because District Commissioners generally meet only once a month and do not work a 40-hour week" is not a statement set forth in Case 2003-00224. What is found within said case is a one-sentence statement which reads as follows: "Finding that Northern District's Commissioners are part-time employees that are not entitled to receive employee benefits, those benefits were eliminated."

Moreover, Hardin District submits that it is somewhat misleading to merely consider the time spent at the meeting. Ultimately, the Commissioners of Hardin District are fully responsible for the entirety of the operation of Hardin District and its multiple utility companies. In fact, if the only thing a Commissioner did was come to a meeting, then there is no possible way a Hardin District Commissioner is complying with his obligations. To be an effective Commissioner requires substantial preparation, research, thought, analysis, training, and dedication. If done correctly, it is much more than a "part-time" obligation.

Secondly, Question No. 9 states that distinctions between board members and other part-time employees are "contrary to law" and therefore, employee benefits provided to the District Commissioners were disallowed. However, the opinion cites no reference for the proposition that the distinction was "contrary to law." There is case law rendered by the courts of the Commonwealth of Kentucky that has been previously discussed in this action, namely *Caldwell County Fiscal Court v. Paris*, 945 S.W.2d 952 (Ky.App.) 1997. Certainly Commission staff is well

aware of this opinion as an inquiry was set forth in Data Request No. 3, Question No. 8 pertaining to said opinion. *Caldwell* clearly states that "providing health insurance under a group policy covering county officials and employees does not constitute the payment of 'compensation' within the meaning of those terms found in the Kentucky Constitution."

Following this line of thought, Hardin District would assert that it is entitled to recoup from its customers the cost of health insurance benefits provided to its Commissioners, regardless of whether the Commissioners satisfy the Commission's definition of "part-time employees" or not.

Lastly, Hardin District has not historically employed anyone "part time." The District has hired on a temporary or seasonal basis high school and college students which it classifies as "interns" or part-time drafters. It does not employ "part time" employees on a permanent basis.

WITNESS:

Mr. David T. Wilson II, Attorney for HCWD1