

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 17 2014

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

APPLICATION OF HARDIN COUNTY WATER)
HARDIN DISTRICT NO. 1 TO ADJUST ITS RATES)
FOR) SEWER SERVICE)
)

CASE NO. 2013-00050

MOTION TO FILE AN AMENDMENT AS
SUPPLEMENTAL FILING TO PREVIOUS
APPLICATION FOR GENERAL RATE
INCREASE

Comes the Petitioner, Hardin County Water District No. 1 ("Hardin District") and hereby moves the Commission to review, consider and accept the following additional evidence, information and calculations as an amendment to Hardin District's previous application, and previously submitted information, which amendments to applications are provided for in 807 KAR 5:001, Section 3 (5);

- 1) Hardin District's initial application and calculated rate adjustment was based on a 12 month historical test period being the audited period January 1, 2012 through December 31, 2012 ("2012"); and
- 2) 807 KAR 5:001, Section 10.a, clearly anticipates and allows for a historical test period to include adjustments for "known and measurable" changes to the test period; and
- 3) 807 KAR 5:001, Section 10 (5) (a), further anticipates adjustments to a test year and prescribes the method and information required for calculating and describing all adjustments including support for "proposed" changes in price or activity levels; and
- 4) Several material and significant costs for operating this utility change on an annual basis, for a calendar year, and since this case was filed (June 24, 2013) another calendar year has been completed, and several cyclical and annual costs are now known and measurable; and

- 5) With the completion of 2013, certain known costs can now be updated in the revenue requirements including both electric costs as well as repair and maintenance costs which are charged to the "Repair & Maintenance Limit Account". Exhibit 1 is enclosed which shows the 2013 "net" overage of these known and measureable costs to be \$133,859. As described by Hardin District staff at the 16-December conference, the "limit account" amounts embedded into the Veolia contract were amounts estimated in 2005-06 prior to the Hardin District actually owning and operating the utility. The actual amounts for these accounts (electric, repair & maintenance) are the actual costs paid to operate the system since 2008 and are kept separate since they are in addition to Veolia's "base contract" amounts. The term overage is misleading in that one might assume that this is an amount that may or may not occur in a normal year. The amounts requested in the revenue requirements are those amounts to reconcile the difference between the Veolia base limit account (which was an early estimate not based on known, measurable or actual amounts) and the actual amounts required each year for these account categories to operate the system (i.e. electric and repair & maintenance). The adjustment included with this amendment reflects the actual amount required during 2013, which was higher than the amount originally included in the rate year amounts.
- 6) The following cost items are updated with this amendment and the Hardin District has included additional documentation and calculation as evidence or exhibits to support each adjustment:
- a) Increases in Hardin District's employee salaries which are allocated to the Radcliff sewer utility. These increases were approved at the October 15, 2013 Board meeting (see attached Exhibit 2). The Board approved a fixed percentage to all pay ranges plus a maximum percent allowed for performance based pay adjustments. An updated salary spreadsheet exhibit is attached as Exhibit 3 showing the revised salaries and benefits. This exhibit is in a format as described and requested during a conference call

on December 19, 2013 with Hardin District staff, the Hardin District's rate consultant and members of the Commission staff.

- b) Other increases, and decreases, to employee benefits including health insurance, CERS retirement contribution, "Flexible benefit" amounts, and other insurance coverage provided. Attached Exhibit 4 shows the proof of these adjustments including the new amounts. The salary adjustment spreadsheet (Exhibit 3) also includes these new, known and measurable adjustments to the revenue requirements.
- c) The contract operations fee, the single largest operating expense, is subject to adjustment annually pursuant to the contract terms. Veolia Water submitted an increase for the 2014 year, which was approved by the Board at the November 8, 2013 meeting (see attached Exhibit 5). The new fee becomes effective January 1, 2014 and is known and measurable, and will remain in place for 2014. An initial adjustment was included in the original application for the fee adjustment for 2013. Now that 2013 is completed, the new \$51,423 increase for 2014 is also known and should be recovered in the new rates.
- d) The Ft. Knox Water utility pays or reimburses the other utility funds for its share of general and administrative costs. Because amortization of the rate case costs is estimated to begin in June 2014, and other nominal increases budgeted for line accounts in 2014, this credit to the Radcliff sewer fund is increased for 2014, which slightly lowers the revenue requirement. Exhibit 6 shows the 2013 actual amount, and the 2014 amount which will occur as part of the approved 2014 budget. The 2014 Budget was approved by the Board at their December 17, 2013 meeting. This credit amount is a known and fixed amount and will occur in 2014 regardless of actual expenses or revenue to the Ft. Knox Water fund.
- e) Included with the approved 2014 Budget is a list of capital purchases (equipment,

vehicles, tools, etc). This list is attached as Exhibit 7 and shows the amount budgeted for each item during 2014 for the Radcliff sewer fund and the resulting annual depreciation expense for each item. Also included with Exhibit 7 is the minutes of the December 17 Board meeting showing that these items were approved for inclusion in the 2014 Budget. Board policy states that once capital items are approved in the budget staff may purchase those items during that calendar year, subject to items that require competitive sealed bidding and bid award by the Board.

- f) Since the initial filing additional costs have been incurred for the rate case preparation, responding to data requests and updating the record. This recent actual expenses, plus estimated costs to bring the case to completion, have been included in an adjustment. These expenses include both legal and rate case consultant costs as well as labor costs, postage and miscellaneous supplies associated with the filing of data requests and customer notices which were not included in the original application filing. The calculation for this adjustment, totaling \$11,616, is attached as Exhibit 8.
- 7) All of the above adjustments were approved by the Board at their November 19, 2013 meeting. Exhibit 4 provides the evidence of this approval.
- 8) Including all adjustments requested with this amendment bring the total revenue requirements to \$825,502 which would be a 24.5% total increase to the 2012 actual revenues. Exhibit 9 provides an updated calculation summary of the revenue requirements, the test year base revenues and the resulting total percent adjustment.
 - a) Hardin District submits that if the total rate adjustment is approved, this amount calculates to an annual percent increase since the last rate increase (2004) of 2.2% / year. In comparison, the annual change in the Federal Government's Producer Price Index – Utilities index over the same period has been 2.9% / year (see Exhibit 10). During the same period the Federal Government's Consumer Price Index (South –

Urban) has increased 2.5% / year. Using these general inflation indices, Hardin District submits that its required rate adjustment, to recover all cost increases since 2004, is essentially the same or lower as other inflation impacts to the consumer over the same period.

- 9) The impact by monthly dollar amount and percent change for various customers monthly water use is shown on attached Exhibit 11. This exhibit is an update to Schedule 2c which was submitted with the initial filing application (as Exhibit 3, page 163). Depending on the amount of water a customer uses in a month, the range of percent increase will range from 22.1% to 36.9%.
- 10) Hardin District submitted its latest monthly management financial reports at the informal staff conference on December 19, 2013. Exhibit 12 is the report for December 2013, which represents the Radcliff sewer funds financial position (unaudited) for this latest completed year. For 2013, the fund will post an operating loss of approximately \$459,306. The original 2013 approved budget anticipated a loss of \$31,534. The actual 2012 audited income statement posted a loss of \$31,950. Several factors have contributed to this increased operating loss which can be further described by;
 - a) Water sales used for sewer billing for 2013 dropped by 3.6% (\$129,773) compared to the actual 2012 test year amounts. The approved 2013 budget anticipated total revenues of \$3,864,300 where actual (unaudited) 2013 revenues were 11.2% less.
 - b) The number of active sewer customers at the end of 2013 was 8,888. This compares to the 2012 test year amount used in the rate model of 9,004. The 2013 actual amount is a decrease of 1.3%.
 - c) The resulting billed consumption use per customer then has dropped 4.2% since 2012. This can be attributed to continued customer water conservation, lower flow plumbing fixtures and reduced outdoor watering.

d) As presented in previous exhibits (See application Exhibit 3, Figure 5, page 82 of case number 2013-00050) the Radcliff system experiences a significant amount of inflow and infiltration (“I&I”). This high I&I rate means that this added waste water, much of it rain or groundwater, still must be pumped to the treatment facility, where it also must be treated along with actual contributed sanitary sewer waste contributed by the customer. This I&I rate for the 2012 test year was calculated at 42% of billed flows. For 2013, this rate increased to 48% which in turn increased electric costs from 2012 to 2013 by 16%. The high I&I flow also adds to wear and tear for all mechanical pumps and equipment, which must be maintained. However, increasing I&I flows do not result in increased revenues or sales, but does cause increased operating expenses. Exhibit 13 also shows I&I flow changes by year from 2009 through 2013.

e) Exhibit 13 provides comparison to key factors describing water use, customer use, rainfall and un-billed treated water flows. All these factors contribute to the proposed revenue requirements (including the requested adjustments herein) being lower than needed to bridge the gap between cost of service and current, 2013 actual revenues.

11) If Hardin District proposed to request a rate increase to also offset and adjust for decreasing water use and sales revenues (from the 2012 test year amount to the actual 2013 amount), this would add an additional revenue requirement of \$122,274 per year or an additional revenue increase of 3.6%. However, Hardin District is not requesting an adjustment to also recover the actual decreased total revenues from 2012 to 2013.

12) Hardin District does request the full adjusted revenue requirement included herein be approved and included in its application and rate base. Should the Commission deny these adjustments, Hardin District testifies that going forward the Radcliff sewer fund will continue to show operating losses. These losses could negatively affect Hardin District’s future credit rating and borrowing costs, as well as reduce internal cash funding for making system

improvements to reduce I&I and other projects to reduce energy costs, in addition to routine repair and maintenance expenses required for annual operations.

- 13) Should the Commission reduce the rate adjustment so that the revenues do not meet revenues requirements, Hardin District believes it will be forced to prepare another general rate case in one or two years. This added cost will have to be recovered by the customer again, and does not eliminate any future increases, only requires a second rate case in a very short time.

Hardin District proposes that the adjusted revenue requirements and rate increase be approved so that adequate revenues are generated to operate the system and extend the period between rate increases.

Respectfully submitted this 11th day of January, 2014.

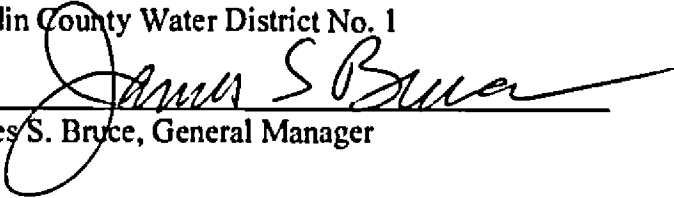
Attorney;
Mr. David T. Wilson, II, Esq.
Skeeters, Bennett, Wilson & Pike
550 West Lincoln Trail Blvd.
Radcliff, KY 40160
W: (270) 351-4404
F: (270) 352-4626
email: david.wilson@sbw-law.com

General Manager;
Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
W: (270) 351-3222
F: (270) 352-3055
email: jbruce@hewd.com

VERIFICATION


The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed Amendment to Application for PSC Case 2013-00050 submitted to the Commission, and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

Hardin County Water District No. 1

By 
James S. Bruce, General Manager


CERTIFICATION OF SERVICE

The undersigned, Mr. David T. Wilson II, the attorney of the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and on Hon. Gregory T. Dutton, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY. 40601-8204 on this 16 Day of JAN, 2014.

By 
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 16th day of January, 2014, 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.


NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; 02-22-2016

Readoff Veeva Fee Comparison 2009-2013
 2013 Updated with December YTD Actual
 Case #2013-00050

	2013			2012			2011			2010			2009		
	Annual	Mthly	Actual	Annual	Mthly	Actual	Annual	Mthly	Actual	Annual	Mthly	Actual	Annual	Mthly	Actual
OBM Fee	\$ 1,677,366.90	\$ 139,780.58	\$ 1,677,366.92	\$ 1,800,318.92	\$ 150,026.57	\$ 1,800,318.92	\$ 1,550,581.00	\$ 129,215.08	\$ 1,550,581.00	\$ 1,496,700.00	\$ 124,725.00	\$ 1,496,700.00	\$ 1,496,700.00	\$ 124,725.00	\$ 1,496,700.00
R&M	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00	\$ 193,200.00	\$ 16,100.00	\$ 193,200.00
Electric	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 190,764.00	\$ 15,897.00	\$ 190,764.00	\$ 15,897.00
Odor Control	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 15,000.00	\$ 1,250.00	\$ 15,000.00	\$ 1,250.00
Total Veeva Fee	\$ 2,056,330.90	\$ 171,110.91	\$ 2,056,330.92	\$ 2,099,286.92	\$ 168,048.91	\$ 2,099,286.92	\$ 1,949,543.89	\$ 162,462.08	\$ 1,949,543.89	\$ 1,885,664.00	\$ 157,972.00	\$ 1,885,664.00	\$ 1,885,664.00	\$ 157,972.00	\$ 1,885,664.00

	Overages		Overages		Overages		Overages		Overages	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
R&M	\$ 25,000.00	\$ 15,142.48	\$ 25,000.00	\$ 25,000.00	\$ 91,079.72	\$ 91,079.72	\$ 97,055.05	\$ 97,055.05	\$ -	\$ -
Electric	\$ 100,000.00	\$ 106,603.99	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 99,983.13	\$ 99,983.13	\$ -	\$ -
Odor Control	\$ -	\$ (7,887.30)	\$ -	\$ (7,887.30)	\$ -	\$ (13,933.89)	\$ -	\$ (13,933.89)	\$ -	\$ -
	\$ 125,000.00	\$ 234,553.17	\$ 125,000.00	\$ 234,553.17	\$ 83,000.00	\$ 184,595.71	\$ 113,274.08	\$ 113,274.08	\$ -	\$ -

Note 1: Based on December 2013 YTD Data supplied by Veeva

Adjust for Non-Typical Items	R&M Overages	Electrical Overages	Odor Control
Veeva Summary @ YTD DEC 2013	\$ 351,312.48	\$ 299,367.99	\$ 7,113.70
Contract Limit	\$ (193,200.00)	\$ (190,764.00)	\$ (15,000.00)
2013 Total Overages	\$ 158,112.48	\$ 108,603.99	\$ (7,887.30)

Calculation of Addtl Dollars to be Included in Revenue Requirements	Electrical Overages	Odor Control
2013 Total Overages	\$ 158,112.48	\$ 108,603.99
Dollars Included in Rev Req	\$ (25,000.00)	\$ (100,000.00)
Add'l Rev Req Needed	\$ 133,112.48	\$ 8,603.99
Net Addtl Rev Req Needed	\$ 133,112.48	\$ 8,603.99

2013 Summary Totals			%
Total Paid Veeva	\$ 2,134,927.89		
R&M	\$ 259,303.95		12.01%
Electric	\$ 260,844.90		12.01%
Odor Control	\$ 1,140.32		0.05%
State Fee	\$ 1,617,634.92		74.93%

Summary All Levers

Account	2010 Budget	2011 Budget	2012 Budget	2013 Budget
31.000.00	28,347,029	28,347,029	28,347,029	28,347,029
41.000.00	11,864,000	11,864,000	11,864,000	11,864,000
61.000.00	28,347,029	28,347,029	28,347,029	28,347,029
81.000.00	11,864,000	11,864,000	11,864,000	11,864,000
91.000.00	28,347,029	28,347,029	28,347,029	28,347,029
92.000.00	11,864,000	11,864,000	11,864,000	11,864,000
93.000.00	28,347,029	28,347,029	28,347,029	28,347,029
94.000.00	11,864,000	11,864,000	11,864,000	11,864,000
95.000.00	28,347,029	28,347,029	28,347,029	28,347,029
96.000.00	11,864,000	11,864,000	11,864,000	11,864,000
97.000.00	28,347,029	28,347,029	28,347,029	28,347,029
98.000.00	11,864,000	11,864,000	11,864,000	11,864,000
99.000.00	28,347,029	28,347,029	28,347,029	28,347,029
Total	283,470,290	283,470,290	283,470,290	283,470,290

Rail,MT & M Budget 2013

Account	2010 Budget	2011 Budget	2012 Budget	2013 Budget
400-43	12,330,000	12,330,000	12,330,000	12,330,000
400-44	17,280,000	17,280,000	17,280,000	17,280,000
400-45	28,347,029	28,347,029	28,347,029	28,347,029
400-46	11,864,000	11,864,000	11,864,000	11,864,000
400-47	28,347,029	28,347,029	28,347,029	28,347,029
400-48	11,864,000	11,864,000	11,864,000	11,864,000
400-49	28,347,029	28,347,029	28,347,029	28,347,029
400-50	11,864,000	11,864,000	11,864,000	11,864,000
400-51	28,347,029	28,347,029	28,347,029	28,347,029
400-52	11,864,000	11,864,000	11,864,000	11,864,000
400-53	28,347,029	28,347,029	28,347,029	28,347,029
Total	283,470,290	283,470,290	283,470,290	283,470,290

Rail,MT Electric Budget 2013

Account	2010 Budget	2011 Budget	2012 Budget	2013 Budget
400-43	24,720,000	24,720,000	24,720,000	24,720,000
400-44	37,280,000	37,280,000	37,280,000	37,280,000
400-45	28,347,029	28,347,029	28,347,029	28,347,029
400-46	11,864,000	11,864,000	11,864,000	11,864,000
400-47	28,347,029	28,347,029	28,347,029	28,347,029
400-48	11,864,000	11,864,000	11,864,000	11,864,000
400-49	28,347,029	28,347,029	28,347,029	28,347,029
400-50	11,864,000	11,864,000	11,864,000	11,864,000
400-51	28,347,029	28,347,029	28,347,029	28,347,029
400-52	11,864,000	11,864,000	11,864,000	11,864,000
400-53	28,347,029	28,347,029	28,347,029	28,347,029
Total	283,470,290	283,470,290	283,470,290	283,470,290

Rail,MT Motor Control Budget 2013

Account	2010 Budget	2011 Budget	2012 Budget	2013 Budget
400-43	7,710,000	7,710,000	7,710,000	7,710,000
400-44	11,864,000	11,864,000	11,864,000	11,864,000
400-45	28,347,029	28,347,029	28,347,029	28,347,029
400-46	11,864,000	11,864,000	11,864,000	11,864,000
400-47	28,347,029	28,347,029	28,347,029	28,347,029
400-48	11,864,000	11,864,000	11,864,000	11,864,000
400-49	28,347,029	28,347,029	28,347,029	28,347,029
400-50	11,864,000	11,864,000	11,864,000	11,864,000
400-51	28,347,029	28,347,029	28,347,029	28,347,029
400-52	11,864,000	11,864,000	11,864,000	11,864,000
400-53	28,347,029	28,347,029	28,347,029	28,347,029
Total	283,470,290	283,470,290	283,470,290	283,470,290

Continued

Proposed Wage Adjustment: Mr. Bruce presented the proposed wage adjustment and offered to answer any questions. There was brief discussion about the District's pay scale in comparison to other local utilities. Commissioner Williams made a motion to authorize staff to use a 3.5% increase for total wage increases, effective February 1, 2014, with 1.75% being added to all pay grades and 1.75% available for performance based raises, and to use these increases to develop the 2014 Budget using these wage changes, with Board's final approval to adjust 2014 wage increases at the time the Budget is approved. Commissioner Shelton seconded the motion and motion passed. Commissioner Williams asked staff for a total compensation detail to be provided in the future and Mr. Schmuck answered that he would provide that with the 2014 Budget review.

Proposed Veolia Fee Increase – Radcliff Sewer Operations and Ft. Knox Sanitary & Storm Sewer Operations: Mr. Bruce presented the fee increases for Ft. Knox and Radcliff Veolia and noted that while Mr. Clure Winfree had been unable to meet before the Board meeting to negotiate the fees, in previous years Veolia has been unable to reduce the increase amount. There was discussion regarding operating the Sewer Systems internally, and Treasurer Tindall made a motion to table Items 6 and 7 (Proposed Veolia Fee Increase – Radcliff Sewer Operations and Ft. Knox Sanitary & Storm Sewer Operations) until Mr. Bruce could negotiate with Mr. Winfree and then discuss this at the special meeting. Secretary Hockman said he would like Mr. Winfree to attend that Board meeting to answer Board questions directly. Commissioner Williams seconded the motion and motion passed.

Annual Christmas Dinner / Awards: There was a discussion regarding the bonus amount and whether or not the bonus should be based on merit. Secretary Hockman noted that the bonus is a gift to the employees. Mr. Bruce provided history on this practice over the last nineteen years. Secretary Hockman made a motion to approve expenditure of \$1,900 for the Annual Christmas & Awards dinner and to authorize a one-time bonus of \$350 to Employees with a pro-rated amount to all Employees that have been at the District for less than one year.

Adjourn: Secretary Hockman made a motion to adjourn at 1:46 PM. Motion was seconded by Commissioner Shelton 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

Ron Hockman
Mr. Ron Hockman, Secretary

11-19-13
Date Approved

CHARTER

President	3,497	6,450	122	7.5%	3,599	243	7.3%
Vice President (PGA, Aclia, Island) (E)	272	4,450	20	8.6%	277	20	8.6%
Vice President (PGA, Aclia, Island) (E)	343	4,200	20	8.3%	363	20	8.4%
PT Director (PGA, Island) (E)	388	4,200	20	8.3%	388	20	8.4%
Accounting Supervisor	3,875	4,300	209	8.7%	3,895	209	8.7%
Personnel Supervisor	3,875	4,200	209	8.7%	3,895	209	8.7%
Director of Maintenance	4,081	4,400	219	8.8%	4,090	219	8.8%
Supervising Accountant	4,211	4,400	229	11.1%	4,230	229	11.1%
Supervising Accountant	3,923	4,300	221	11.4%	3,942	221	11.4%
Operations Manager	3,825	4,200	211	11.4%	3,844	211	11.4%
WG / Maintenance Supervisor	4,270	4,300	221	9.7%	4,290	221	9.7%
WG / Maintenance Supervisor	4,270	4,300	221	9.7%	4,290	221	9.7%
Total CHARTER	46,261	50,211	2,726	5.4%	46,311	2,726	5.4%

Parkville

President	3,685	7,400	54	7.4%	3,739	54	7.4%
Vice President (PGA, Aclia, Island) (E)	-	6,800	-	-	-	-	-
Vice President (PGA, Aclia, Island) (E)	-	6,800	-	-	-	-	-
PT Director (PGA, Island) (E)	-	6,800	-	-	-	-	-
Accounting Supervisor	7,499	9,000	200	8.4%	7,499	200	8.4%
Personnel Supervisor	6,426	6,600	174	7.7%	6,426	174	7.7%
Director of Maintenance	21,706	23,200	594	7.7%	21,706	594	7.7%
Supervising Accountant	11,296	12,300	304	8.8%	11,296	304	8.8%
Supervising Accountant	12,300	12,300	304	8.8%	12,300	304	8.8%
Operations Manager	7,108	7,400	192	6.4%	7,108	192	6.4%
WG / Maintenance Supervisor	13,448	14,400	352	13.4%	13,448	352	13.4%
WG / Maintenance Supervisor	16,198	17,400	402	9.4%	16,198	402	9.4%
Total Parkville	116,231	127,711	1,173	5.7%	116,451	1,173	5.7%

Total Administration: 0 298,944 18,979 6.4% 298,970 18,940 6.4%

Total Allowed to Budget \$ 558

(1) Allowed each board member salary increase in 2011.
 (2) Chairman based on total pay roll cost divided by family size. In some years, the total number of people exceeds 2,000 due to additional payroll costs for Christmas bonuses.
 (3) Represents percentage increase of total cash based wage and health expense as a percentage of total cash based wage and health expense.
 (4) Represents total per year CHSIS program expenses divided by individual employee based on performance percentage of total cash.
 (5) Represents percentage increase of total cash based wage and health expense as a percentage of total cash based wage and health expense.
 (6) Represents the percentage of total payroll expense per year expense allocation (wages & fringe benefits, health, retirement) compared to total wages and benefits.
 (7) Allowed 0.10%, 0.10, & 0.10 increase starting January 1, 2011 for operations managers, CHARTER, and position supervisors.
 (8) 2012 based on year completed by 2011 holiday year.
 (9) The salary budget for 2012 is based on 2011 performance percentages based on total per 2012 allocation figures.
 (10) The salary budget for 2012 is based on 2011 performance percentages based on total per 2012 allocation figures even though the Chairman did not receive income in 2011.
 (11) These positions were added in 2011.

2012 - 2013
2013

1 - 3737

2013-14

2011 Month	2012 Month	2013		2014	
		Total Payout	% of Total Payout	Total Payout	% of Total Payout
Jan	Jan	16,750	18.8%	16,750	17.7%
		16,750	18.8%	16,750	17.7%

2013-14

2013

Date Allowed to Retire

2013

- (1) Annual cash based payout made January 1, 2013.
- (2) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (3) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (4) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (5) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (6) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (7) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.
- (8) Retirement preparation amount of total cash based payout as a percentage of total cash based payout and health expense.

2013

INTERNAL - Budget Salary
FCM - Case
Compendium

	2011 Budget \$M	2012 Budget \$M	2013 \$M	% of Total Payroll of Budget (1)	% of Actual Payroll of Budget (2)	2011 Budget \$M	2012 Budget \$M	2013 \$M	% of Total Payroll of Budget (1)	% of Actual Payroll of Budget (2)	2011 Budget \$M	2012 Budget \$M	2013 \$M	% of Total Payroll of Budget (1)	% of Actual Payroll of Budget (2)
Salaries and Wages															
Commission - 001	\$ 27.62	\$ 32.11	\$ 33.81	8.4%	11.1%	\$ 27.62	\$ 32.11	\$ 33.81	8.4%	11.1%	\$ 27.62	\$ 32.11	\$ 33.81	8.4%	11.1%
Commission - 002	\$ 29.42	\$ 34.31	\$ 36.01	7.4%	10.2%	\$ 29.42	\$ 34.31	\$ 36.01	7.4%	10.2%	\$ 29.42	\$ 34.31	\$ 36.01	7.4%	10.2%
Commission - 20	\$ 27.20	\$ 31.69	\$ 33.39	6.9%	9.7%	\$ 27.20	\$ 31.69	\$ 33.39	6.9%	9.7%	\$ 27.20	\$ 31.69	\$ 33.39	6.9%	9.7%
Commission - 004	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%
Commission - 005	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%	\$ 37.88	\$ 44.38	\$ 46.08	9.7%	13.0%
Total Salary and Wages	\$ 170.00	\$ 196.27	\$ 205.27	36.7%	48.0%	\$ 170.00	\$ 196.27	\$ 205.27	36.7%	48.0%	\$ 170.00	\$ 196.27	\$ 205.27	36.7%	48.0%
Benefits															
Commission - 001	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 002	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 20	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 004	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 005	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Total Benefits	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Health															
Commission - 001	\$ 1,917	\$ 2,208	\$ 2,308	3.5%	4.8%	\$ 1,917	\$ 2,208	\$ 2,308	3.5%	4.8%	\$ 1,917	\$ 2,208	\$ 2,308	3.5%	4.8%
Commission - 002	\$ 3,230	\$ 3,676	\$ 3,826	5.9%	8.3%	\$ 3,230	\$ 3,676	\$ 3,826	5.9%	8.3%	\$ 3,230	\$ 3,676	\$ 3,826	5.9%	8.3%
Commission - 20	\$ 1,713	\$ 1,930	\$ 2,030	2.7%	3.6%	\$ 1,713	\$ 1,930	\$ 2,030	2.7%	3.6%	\$ 1,713	\$ 1,930	\$ 2,030	2.7%	3.6%
Commission - 004	\$ 12,510	\$ 14,303	\$ 14,810	17.7%	24.2%	\$ 12,510	\$ 14,303	\$ 14,810	17.7%	24.2%	\$ 12,510	\$ 14,303	\$ 14,810	17.7%	24.2%
Commission - 005	\$ 26,327	\$ 30,210	\$ 31,110	37.5%	51.2%	\$ 26,327	\$ 30,210	\$ 31,110	37.5%	51.2%	\$ 26,327	\$ 30,210	\$ 31,110	37.5%	51.2%
Total Health	\$ 42,797	\$ 51,327	\$ 53,084	50.1%	69.9%	\$ 42,797	\$ 51,327	\$ 53,084	50.1%	69.9%	\$ 42,797	\$ 51,327	\$ 53,084	50.1%	69.9%
Totals	\$ 212.79	\$ 247.59	\$ 258.35	38.2%	57.9%	\$ 212.79	\$ 247.59	\$ 258.35	38.2%	57.9%	\$ 212.79	\$ 247.59	\$ 258.35	38.2%	57.9%
Cost of Living Allowance															
Commission - 001	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 002	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 20	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 004	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Commission - 005	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Total Cost of Living Allowance	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
Other															
Commission - 001	\$ 375	\$ 420	\$ 435	1.8%	1.7%	\$ 375	\$ 420	\$ 435	1.8%	1.7%	\$ 375	\$ 420	\$ 435	1.8%	1.7%
Commission - 002	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%
Commission - 20	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%
Commission - 004	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%
Commission - 005	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%	\$ 275	\$ 310	\$ 320	1.3%	1.3%
Total Other	\$ 1,500	\$ 1,650	\$ 1,700	7.1%	6.6%	\$ 1,500	\$ 1,650	\$ 1,700	7.1%	6.6%	\$ 1,500	\$ 1,650	\$ 1,700	7.1%	6.6%
Total Compensation	\$ 415.56	\$ 508.46	\$ 521.43	55.9%	84.4%	\$ 415.56	\$ 508.46	\$ 521.43	55.9%	84.4%	\$ 415.56	\$ 508.46	\$ 521.43	55.9%	84.4%

(1) New pay policy math.
 (2) New pay policy math.
 (3) Represents cost of living allowance based on 2012 percentage of total cash benefit expense as a percentage of total cash benefit expense.
 (4) Represents total cost of living allowance based on 2012 percentage of total cash benefit expense as a percentage of total cash benefit expense.
 (5) Represents total cost of living allowance based on 2012 percentage of total cash benefit expense as a percentage of total cash benefit expense.
 (6) Represents total cost of living allowance based on 2012 percentage of total cash benefit expense as a percentage of total cash benefit expense.
 (7) Represents total cost of living allowance based on 2012 percentage of total cash benefit expense as a percentage of total cash benefit expense.

	2011 Month		2012		2013		2014		Rate Allowed to Budget
	Rate	Base	% of Final Step at December 31	Final Step (\$)	% Annual Increase allowed in 2012	Final Step (\$)	2014 Monthly Base	Rate Allowed to Budget	
Salaries and Wages									
Deductions - 100% - Health	17.68	1,602.27	11.24%	24,605	13.23%	17,765	88.68	11,583	17.68%
Deductions - 100% - Life Insurance	64.79	5,893.24	6.37%	9,476	6.37%	11,077	94.85	6,484	13.74%
Deductions - 100% - Disability	17.23	1,571.67	11.41%	24,114	11.71%	26,466	68.75	11,263	17.44%
Deductions - 100% - Pension	15.51	1,408.46	11.62%	24,277	11.74%	26,500	11,200	6,956	17.44%
Deductions - 100% - 17 Weeks	28.39	2,604.64	11.40%	24,184	11.67%	26,481	71.28	11,299	23.77%
Total Salaries and Wages				111,942	11.31%	124,898	22,958	23,999	62.17%
Contractors									
Deductions - 100% - Health	24.88	2,248	12.24%	34,142	12.24%	38,404	12,248	12,248	24.88%
Deductions - 100% - Life Insurance	12.39	1,132	12.64%	34,944	12.64%	39,328	12,390	12,390	24.88%
Deductions - 100% - Disability	17.23	1,571.67	11.41%	24,114	11.71%	26,466	68.75	11,263	17.44%
Deductions - 100% - Pension	15.51	1,408.46	11.62%	24,277	11.74%	26,500	71.28	11,299	23.77%
Deductions - 100% - 17 Weeks	28.39	2,604.64	11.40%	24,184	11.67%	26,481	71.28	11,299	23.77%
Total Contractors				87,956	12.75%	99,032	11,076	11,937	28.74%
Subcontractors									
Deductions - 100% - Health	6.47	597	12.61%	34,142	12.61%	38,404	6,470	6,470	12.61%
Deductions - 100% - Life Insurance	3.24	298	12.64%	34,944	12.64%	39,328	3,240	3,240	12.64%
Deductions - 100% - Disability	6.47	597	11.41%	24,114	11.71%	26,466	6,470	6,470	17.44%
Deductions - 100% - Pension	5.76	528	11.62%	24,277	11.74%	26,500	5,760	5,760	23.77%
Deductions - 100% - 17 Weeks	10.42	957	11.40%	24,184	11.67%	26,481	10,420	10,420	23.77%
Total Subcontractors				33,354	12.59%	37,396	3,354	3,354	28.74%
W. Corp.									
Deductions - 100% - Health	6.47	597	12.61%	34,142	12.61%	38,404	6,470	6,470	12.61%
Deductions - 100% - Life Insurance	3.24	298	12.64%	34,944	12.64%	39,328	3,240	3,240	12.64%
Deductions - 100% - Disability	6.47	597	11.41%	24,114	11.71%	26,466	6,470	6,470	17.44%
Deductions - 100% - Pension	5.76	528	11.62%	24,277	11.74%	26,500	5,760	5,760	23.77%
Deductions - 100% - 17 Weeks	10.42	957	11.40%	24,184	11.67%	26,481	10,420	10,420	23.77%
Total W. Corp.				33,354	12.59%	37,396	3,354	3,354	28.74%
Grand Total				184,650	12.59%	208,622	23,342	24,170	62.17%
LMA & LTD									
Deductions - 100% - Health	6.47	597	12.61%	34,142	12.61%	38,404	6,470	6,470	12.61%
Deductions - 100% - Life Insurance	3.24	298	12.64%	34,944	12.64%	39,328	3,240	3,240	12.64%
Deductions - 100% - Disability	6.47	597	11.41%	24,114	11.71%	26,466	6,470	6,470	17.44%
Deductions - 100% - Pension	5.76	528	11.62%	24,277	11.74%	26,500	5,760	5,760	23.77%
Deductions - 100% - 17 Weeks	10.42	957	11.40%	24,184	11.67%	26,481	10,420	10,420	23.77%
Total LMA & LTD				33,354	12.59%	37,396	3,354	3,354	28.74%
GRANT									
Deductions - 100% - Health	6.47	597	12.61%	34,142	12.61%	38,404	6,470	6,470	12.61%
Deductions - 100% - Life Insurance	3.24	298	12.64%	34,944	12.64%	39,328	3,240	3,240	12.64%
Deductions - 100% - Disability	6.47	597	11.41%	24,114	11.71%	26,466	6,470	6,470	17.44%
Deductions - 100% - Pension	5.76	528	11.62%	24,277	11.74%	26,500	5,760	5,760	23.77%
Deductions - 100% - 17 Weeks	10.42	957	11.40%	24,184	11.67%	26,481	10,420	10,420	23.77%
Total GRANT				33,354	12.59%	37,396	3,354	3,354	28.74%
Personnel									
Deductions - 100% - Health	6.47	597	12.61%	34,142	12.61%	38,404	6,470	6,470	12.61%
Deductions - 100% - Life Insurance	3.24	298	12.64%	34,944	12.64%	39,328	3,240	3,240	12.64%
Deductions - 100% - Disability	6.47	597	11.41%	24,114	11.71%	26,466	6,470	6,470	17.44%
Deductions - 100% - Pension	5.76	528	11.62%	24,277	11.74%	26,500	5,760	5,760	23.77%
Deductions - 100% - 17 Weeks	10.42	957	11.40%	24,184	11.67%	26,481	10,420	10,420	23.77%
Total Personnel				33,354	12.59%	37,396	3,354	3,354	28.74%
Total Civilian System				249,006	12.59%	285,128	31,122	32,170	62.17%

(1) New year salary rates.
 (2) New year base pay (2012) represents amount of total cash-based wage and benefit expense as a percentage of total cash-based wage and benefit expense.
 (3) Base pay (2012) represents amount of total cash-based wage and benefit expense as a percentage of total cash-based wage and benefit expense.
 (4) Expenses related to year (2012) represent expenses related to individual employees based on percentage of total cash-based wage and benefit expense.
 (5) Expenses for year (2012) represent total percentage of total personnel expenses per single employee calculated using January 31 wage, benefits, health, and pension expenses.
 (6) Total base pay (2012) represents total base pay for all employees.
 (7) Represents total percentage of total personnel expenses based on total year (2012) amounts shown.

2012 - 2013
 Proj. Cost
 Type

1,537

Schedule 14c

Station and Region Agency/Departmental Numbered	2012				2013			
	New Hour ID	% of Total Region of Budget ID	Number of Hours ID	Number of Hours ID	2014 Hourly Rate	New Hour ID	New Hour ID	% of Total to Budget
	\$ 27,200	100%	4,200	100%		\$ 27,200	4,200	100%
Total Local	\$ 27,200	0	4,200			\$ 27,200	4,200	

Date entered in Budget: 1/1/13

- (1) New year type.
- (2) New year type.
- (3) Represents the year (2012) projection amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.
- (4) Represents the year (2013) projected amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.
- (5) Represents the year (2014) projected amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.
- (6) Represents the year (2012) projection amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.
- (7) Represents the year (2013) projection amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.
- (8) Represents the year (2014) projection amount of total cost based on approved funding agreement. It is percentage of total with budget type and hourly expense.

Continued

Consent Agenda: Commissioner Williams made a motion to approve the consent agenda. Treasurer Tindall seconded the motion and motion passed. (Approving the Board of Commissioner's resolution 03-2013 which recognizes Mr. John Mancik's twenty four years of service upon his retirement from Hardin County Water District No. 1; Authorizing staff to execute a professional services agreement to The Bruggeman Group to carry out the County Expansion Initiative project and to proceed with the project at the earliest convenience; Authorizing award of contract for Radio Communications Equipment Installation, for the Fort Knox Water Utility, to the apparent low bidder, RCS Communications for \$41,000 and authorizing staff to award a contract for the Wilson Road Storm Sewer Project, for the Fort Knox Wilson Avenue Storm Sewer project to the apparent low bidder, Phillips Brothers Construction for \$98,000).

Radcliff Sewer Rate Study - Proposed Rate Adjustments: Chairman Gossett asked if the Board should discuss the health insurance prior to discussing the adjustment to the Radcliff Sewer Rate and Mr. Bruce explained that Staff is asking the Board to approve the Rate Adjustment regardless of the Health Insurance amount since the adjustment will include additional items as well. Treasurer Tindall made a motion to authorize staff and legal counsel to present the approved adjustments to the current revenue requirements for the Radcliff rate case so that the requested total increase continues to recover 100 percent of the cost of service for the utility, adjusted to present costs and cost increases approved and planned for 2014, and to submit same adjustment to the Public Service Commission for consideration.

Mr. Wilson noted that it appeared the Public Service Commission staff feels that District funded insurance for the Commissioners is inappropriate and that the District may be asked to remove that dollar amount from the rate study. Treasurer Tindall asked if this had been an issue in the past, and Mr. Bruce answered that this arose in the last Rate Case in 2007 and the cost of insurance for Commissioners was removed from the approved rate amounts.

Health Insurance Options - Continued from 15-October & 8-November: Mr. Bruce explained that Lance Little of Paychex Insurance Agency was unable to negotiate a better rate with Anthem and added that their offer was a 5% increase for the 2014 year. Mr. Schmuck noted that Mr. Little had been very responsive to all questions and had done an excellent job so far. Commissioner Shelton stated that he had previously voted against the Aetna Policy, but he had done more research and while he still had reservations, he now had read staff's recommendation was comfortable with supporting the change to the the Aetna Assurant option.

Treasurer Tindall asked if the Board should wait for Secretary Hockman's return to vote again, and there was an agreement that a decision must be made in order to get the policy change made by the required deadline.

Treasurer Tindall made a motion to accept the Aetna policy with the \$73,523 savings and incorporate an increase in the Flex Benefit from \$140 per month to \$172 per month in order to offset additional cost incurred by the employees in comparison to past years. Commissioner Williams seconded the motion and motion passed.

Adjourn: Treasurer Tindall made a motion to adjourn at 12:58 PM. Motion was seconded by Commissioner Shelton 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. Ron Hockman, Secretary

12-17-13
Date Approved

AMENDMENT 6

THIS AMENDMENT (6) modifies the Agreement for the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008, and has been amended five (5) times previously. The Agreement provided for additional amendments under Section 4; however, all other sections and terms of the Agreement not modified herein shall remain in place and unchanged, unless changed by this Amendment.

This Amendment changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 6 is made and entered into this 20TH day of DECEMBER, 2013 and any fee changes shall become effective January 1, 2014.

The following sections numbered in the Agreement are modified, added or changed:

A. Section 6.1 Fees and Compensation: This paragraph is hereby amended to read as follows:

VEOLIA'S compensation under this Agreement beginning January 1, 2014 through December 31, 2014 is \$175,696.18 per month or \$2,108,354.16 for a twelve month period (the Annual Fee). The Maintenance and Repair Limit included in the Annual Fee is \$16,100 per month or \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month or \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 per month or \$15,000 for twelve months.

(END OF AMENDMENT 6 ADDITIONS/CHANGES)

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: *James Bruce*
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC;

By: *John C. Gibson*
Signature, Authorized Person

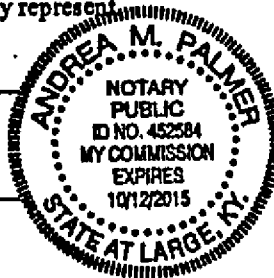
By: John C. Gibson, Senior VP, South
Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 10th day of December, 2013, the above named person, James Bruce, personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

[Signature]
Notary Public, Commonwealth of Kentucky

Andrea M. Palmer
Printed Name



10/12/2015
Date Commission Expires

On this 19 day of December, 2013, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

Deborah L. Dawson
Notary Public, State of Maryland

Deborah L. Dawson
Printed Name

June 26, 2017
Date Commission Expires





Rad

ROGERSVILLE WASTEWATER TREATMENT PLANT

August 2013

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

Dear Jim Bruce:

You will find below a summary of the proposed O&M fee increase for the period of January 1, 2014 to December 31, 2014.

The O&M fee is adjusted 2.5% to reflect cost of living increases for employees and increases in benefit costs, fuel, chemical and vehicle maintenance totaling \$51,423.27 overall annually.

The annual fee agreed upon in the agreement between Hardin County Water District No. 1 and Veolia Water North America - South, LLC will increase from \$2,056,930.90 to \$2,108,354.17 effective January 1, 2014.

	Current Monthly Fee	Current Annual Fee	Proposed 2014 Fee	Difference	Comment
O&M	\$138,163.91	\$2,056,930.90	\$2,108,354.17	\$51,423.27	Salaries, Benefits, vehicle maintenance, chemicals and fuel
R&M	\$16,100	\$193,200	\$193,200 ✓	0	
Odor	\$1,250	\$15,000	\$15,000 ✓	0	
Electrical	\$15,897	\$190,764	\$190,764 ✓	0	
				\$51,423.27	

Total annual increase = 2.5% ✓
 \$4,285.27 monthly increase

Sincerely,

Elvire Winfree,
 Area Manager
 Veolia Water North America - South, LLC

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

November 8, 2013

Chairman William Gossett called the meeting to order at 11:32 A.M. with Commissioners John Tindall, Ron Hockman, Howard Williams, and Jim Shelton in attendance. Staff present included Jim Bruce, General Manager; Brett Pyles, Operations Manager; Scott Schmuck, Finance and Accounting Manager; Andrea Palmer, Executive Assistant; attorneys David Wilson and Dustin Humphrey; Clure Winfree, Veolia Area Manager; Brad Walker, Veolia Radcliff Project Manager; Anthony Link, Veolia Fort Knox Project Manager; and Lance Little, Paychex Health and Benefits Insurance Agent. Lunch was provided for the Board and staff.

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

Proposed Veolia 2014 Fee Increases: Mr. Bruce introduced Mr. Clure Winfree - the Area Manager for Veolia Water, Brad Walker - the Project Manager at the Radcliff Wastewater treatment plant, and Anthony Link - the Project Manager at the Fort Knox Wastewater treatment plant. The Board welcomed them. Mr. Bruce stated that at the previous meeting, the Board requested to have Mr. Winfree present in order to discuss the annual rate increases. Chairman Gossett invited questions. Commissioner Williams asked what percentage of the increase is used towards pay increases and what percentage is used towards operations. Mr. Winfree answered that 3% of the increase at Radcliff is used towards pay increases, but that Fort Knox has a higher increase for wage adjustments because they had planned to promote two employees.

Treasurer Tindall stated that the District struggles with the decision to outsource these services or self-operate them. He noted that the partnership has been good, but the District's ability to raise rates is much more difficult than it is for Veolia to have its fee increases approved by the District. He asked that Veolia help to find cost savings in ways other than rising rates. Mr. Winfree answered that Veolia has uses five hundred thousand kilowatt hours of electricity less than the first year they operated the Radcliff system, however electric costs have not dropped due to several electric rate increases since 2008 and high precipitation years which require more pumping. He added that Veolia has no control over rising transportation cost or chemical cost.

Treasurer Tindall asked if there were any new technologies or innovative ways to operate the plant that might make them more efficient, and Mr. Winfree answered that the Radcliff and Fort Knox plants are both basic plants and there is not much opportunity to use new technology to drastically cut costs. Mr. Bruce noted that in 2012, Veolia had saved \$20,000 annually by changing sludge hauling vendors. He also said Veolia had proposed a new, innovative biological product that might lower sludge hauling and treatment electric costs, but the technology had never been used in Kentucky and may not be approved by the Division of Water.

Commissioner Williams asked Mr. Winfree what Veolia's capital plan for the next three years is. Mr. Winfree answered that under contract with the District, Veolia uses a limit account and anything under \$2,500 is charged to the limit account. Anything over \$2,500 is presented to the District. He noted that the Radcliff Sewer System has more capital and repair and maintenance needs than funding, but that Veolia assists staff to prioritize capital projects each year. He added that progress had been made over the last five years noting that after hours "call-outs" had dropped in half since the District took over the system.

Secretary Hockman stated that he can see a big improvement in service and operations of the Radcliff Sewer Utility. He noted that customer response is quicker, and long standing problems have been addressed and continue to be addressed to find solutions. He also noted that staff's suggestion was to approve the Veolia fee increase, and questioned why this recommendation was not accepted, when others are more readily. Mr. Winfree also added that Veolia operates very close to the limits wherever possible, in order to avoid increasing costs just to have a "cushion" or make things easier for their operators. Commissioner Williams stated that this was all very educational for him and he thanked Mr. Winfree. Chairman Gossett added that as partners, Veolia is doing a good

Continued

job, but that the Board had to carry out its due diligence and question these fee increases, especially since they are such a large part of the Radcliff sewer budget.

Treasurer Tindall made a motion to approve the Veolia Radcliff 2014 fee increase of 2.5% or \$51,423 per year and also to direct staff to include this amount as an adjustment to the 2012 test year, to be included in the requested rate increase for the Radcliff sewer rates as filed with the Public Service Commission and also to approve the Veolia Fort Knox fee increase as requested to become effective October 1, 2014 and to authorize staff to notify the Government that their current fees will remain unchanged for 2014. Commissioner Shelton seconded the motion and motion passed. Secretary Hockman abstained from voting due to a relative that is employed by Veolia. Mr. Winfree, Mr. Walker, and Mr. Link exited the meeting at this time and Board members thanked them all for attending.

Health Insurance Options: Mr. Bruce introduced Lance Little to the Board and each Board member introduced himself to Mr. Little. Commissioner Williams noted that his daughter does work for Paychex, but she does not work in the insurance department and they have never discussed the insurance quotes or business for the District.

Mr. Bruce reviewed that Lance Little is the insurance agent that had compiled the health insurance quotes for the District. He added that since the last meeting, Healthsmart was able to negotiate Anthem to a 5% premium increase as opposed to the original 10%. Commissioner Williams asked if the number of employees affects the premium costs, Mr. Little answered that once a company has more than 50 employees, if they choose not to complete applications, insurance companies may then increase premiums 10-20%, assuming that the larger number of employees will experience a wider range of health problems.

Mr. Little answered several Board questions regarding each of the companies who had provided quotes and informed the Board that as of January 1, 2014, the \$234 benefit credit will no longer be allowed, according to recent changes in laws by the Department of Labor. He explained that with the Health Care Reform, benefit cards must only be in conjunction with a health insurance plan. Mr. Bruce noted that if this remains, the District would incur additional costs, no matter what company was chosen, because then the District would be paying the full premium cost for all employees, instead of being able to put a smaller amount in an HRA for those employees that choose to waive health insurance.

Treasurer Tindall then made a motion to accept Aetna Option 2 and to add an additional \$32 monthly to the employee's benefit card for those that are eligible. Commissioner Williams seconded the motion. After extensive discussion, the motion failed. Commissioner Williams called for the vote by show of hands, and the Chairman noted two for, three against, so the motion did not carry.

Treasurer Tindall then made a motion to accept United Health Care and to add an additional \$32 monthly to the employee's benefit card for those that are eligible. Commissioner Williams seconded the motion.

There was a discussion regarding the individual health insurance plans versus the savings to the District. Commissioner Shelton noted that he would prefer to stay with Anthem because he viewed protecting the employee's current plan and keeping their doctors as more important than the cost savings. Commissioner Shelton also said he did not agree with doctors paying less so Aetna could charge lower premiums. Mr. Little was asked if he could negotiate the amounts paid to the doctors and providers. Mr. Little said he nor any broker sets the payments from the insurance company to the provider, but brokers only negotiate the premiums charge to businesses. He also said that he deals often with Anthem, and he could also attempt to negotiate better rates, if the Board wanted him to.

Treasurer Tindall agreed to withdraw his previous motion and Commissioner Williams also withdrew his second. Treasurer Tindall then made a motion to table the discussion of health insurance for the District until next regular

Budget Year 2014				
Calculation of How Much extra Admin salaries are charged to FK, above Trans Fee labor recovery and FK Dist dept salaries:				
\$ 673,644	Total Salaries Charged to FKW			
-\$54,205	Transition Fee salaries			
-\$ 514,026	FK Distribution Dept total salaries			
\$ 45,572	Same amount included in final FKW proposal for "built in" admin salaries			
Total 4.4% G&A Available from FKW				
\$7,750,492	Total 2013 FKW Revenues-AFTER ISDC ADJUST Per P. P. 10/25/12			
\$341,022	4.4% G&A Charged to FKW, paying other funds G&A			
-\$ 45,572	Same amount included in final FKW proposal for "built in" admin salaries			
\$ 295,450	Net G&A To charge FKW and pay other funds			
Calculation of Allocation FKW G&A to other funds:				
Total Admin Expense	Depr + Debt + CD	Net Admin	Fund %	
\$1,929,180.28	\$1,373,629.40	\$555,550.88	57.38%	WA Adm
\$3,659,873.32	\$3,472,000.00	\$187,873.32	19.40%	RA Adm
\$2,710,234.25	\$2,546,986.25	\$163,248.00	16.86%	FKS Adm
\$431,776.46	\$370,173.50	\$61,602.96	6.36%	FKST Adm
\$8,731,064.31	\$7,762,789.15	\$968,275.16	100.00%	
		\$295,449.66	Total FKW Available to pay G&A other funds - From 2014 Wage - Draft 1 S/S	
		\$169,515.16	WA Adm	
		\$57,325.76	RA Adm	
		\$49,811.84	FKS Adm	
		\$18,796.90	FKST Adm	
		\$295,449.66		

Budget Year 2013			
Calculation of How Much extra Admin salaries are charged to FK, above Trans Fee labor recovery and FK Dist dept salaries:			
\$581,155	Total Salaries Charged to FKW		
-\$47,447	Transition Fee salaries		
-\$446,542	FK Distribution Dept total salaries		
\$45,572	Same amount Included in final FKW proposal for "built in" admin salaries		
Total 4.4% G&A Available from FKW			
\$7,992,595	Total 2013 FKW Revenues-AFTER ISDC ADJUST Per P.P. 10/25/12		
\$351,674	4.4% G&A Charged to FKW, paying other funds G&A		
-\$45,572	Same amount Included in final FKW proposal for "built in" admin salaries		
\$306,102	Net G&A To charge FKW and pay other funds		
Revised ISDC Funding Beginning Oct 31, 2013 - (which is Nov billing)			
\$7,750,492.20			
\$341,021.66	4.4% G&A Charged to FKW, paying other funds G&A		
-\$45,572.00	Same amount Included in final FKW proposal for "built in" admin salaries		
\$295,449.66	Net G&A To charge FKW and pay other funds		
Calculation of Allocation FKW G&A to other funds:			
Total Admin Expense	Depr + Debt + CD	Net Admin	Fund %
\$1,897,812.08	\$1,344,217.76	\$553,594.32	61.01% WA Adm
\$3,443,109.26	\$3,281,056.94	\$162,052.32	17.86% RA Adm
\$2,616,305.84	\$2,469,442.84	\$146,863.00	16.18% FKS Adm
\$369,324.68	\$324,426.68	\$44,898.00	4.95% FKST Adm
\$8,326,551.86	\$7,419,144.22	\$907,407.64	100.00%
		\$306,102.18	Total FKW Available to pay G&A other funds - From 2013 Wage KM S/S
		\$186,748.09	WA Adm
		\$54,666.25	RA Adm
		\$49,542.33	FKS Adm
		\$15,145.76	FKST Adm
		\$306,102.42	
		\$295,449.66	Adjusted Total FKW Available to pay G&A other funds - After Fiscal Cliff Adjust Beginning Oct 2013
		\$180,249.15	WA Adm
		\$52,763.83	RA Adm
		\$47,818.23	FKS Adm
		\$14,618.68	FKST Adm
		\$295,449.88	

Hardin County Water District No.1

2014 Budget - Capital List
Approved by Board 12/17/13

PRNT	DESCRIPTION	UTIL	TYPE	AMOUNT	DEPRICD	LIFETIME	%WAT	%AAD \$	%PR \$	%PR \$W	%PR \$W	Annual \$ WAT	Annual \$	Operating Expenses						
														Annual \$	Annual \$	Annual \$	Annual \$	Annual \$		
1	French Box Extension - Stake Item (FK Sewer)	COAB	NEW	\$3,400	10		0.0%	\$3,400	40.0%	\$1.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
2	Shoreline French Box (Stake Item) - Shared FPC/County Water	COAB	NEW	\$1,406	18		82.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
3	PWTP Raw Water Upgrade (Increase Capacity due to Normal Demand)	WAT	REPL	\$20,600	35		100.0%	\$	5.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
4	PWTP Raw Water Upgrade (Increase Capacity due to Normal Demand)	WAT	REPL	\$1,810	18		100.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
5	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,948	10		83.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
6	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$3,948	18		100.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
7	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$4,000	25		100.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
8	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$4,000	10		0.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
9	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$3,948	18		0.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
10	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$13,000	10		0.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
11	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$2,200	10		83.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
12	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,107	35		100.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
13	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,500	10		83.0%	\$	18.0%	4.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
14	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,800	7		0.0%	\$	8.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
15	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,900	10		3.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
16	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$2,170	18		5.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
17	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,900	10		5.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
18	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$10,500	50		8.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
19	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$10,500	10		0.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
20	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$17,000	10		8.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
21	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$24,000	7		83.0%	\$	18.0%	5.0%	2.0%	\$	\$	\$	\$	\$	\$	\$	\$	
22	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,300	18		8.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
23	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,900	10		3.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
24	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$11,146	10		83.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
25	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$21,900	7		100.0%	\$	8.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
26	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$2,650	15		100.0%	\$	5.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
27	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$7,300	10		53.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
28	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$17,000	8		0.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
29	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$3,900	8		88.0%	\$	28.0%	2.8%	1.0%	\$	\$	\$	\$	\$	\$	\$	\$	
30	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$27,700	8		0.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
31	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$25,900	10		0.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
32	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,900	8		0.0%	\$	5.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
33	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$20,000	10		8.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
34	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$6,900	7		0.0%	\$	0.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
35	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$6,139	10		53.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
36	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,434	15		53.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
37	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$28,300	38		78.0%	\$	29.0%	4.0%	1.0%	\$	\$	\$	\$	\$	\$	\$	\$	
38	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$8,948	18		86.0%	\$	27.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
39	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$15,300	10		8.0%	\$	100.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
40	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,300	8		28.0%	\$	27.0%	17.0%	0.8%	\$	\$	\$	\$	\$	\$	\$	\$	
41	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$11,000	18		28.0%	\$	27.0%	17.0%	0.8%	\$	\$	\$	\$	\$	\$	\$	\$	
42	Raw Water Ready Handoff Unit (Manufacturer Support has ended on 3 of 4 Existing Units)	COAB	REPL	\$1,135	18		83.0%	\$	47.0%	0.0%	0.0%	\$	\$	\$	\$	\$	\$	\$	\$	
TOTAL 2014 Requests >				\$774,486								\$	\$	\$	\$	\$	\$	\$	\$	
TOTAL 2014 Requests <												\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL 2014 Requests >				\$774,486								\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL 2014 Requests <												\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL 2014 Requests >				\$774,486								\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL 2014 Requests <												\$	\$	\$	\$	\$	\$	\$	\$	\$

Continued

Chairman Gossett asked Mr. Bruce when the new insurance cards were due to be delivered. Mr. Bruce answered that staff had been in contact with Lance Little of Paychex and would continue to follow-up to find out when the cards would be delivered. There was discussion regarding the Board and staff's experience to date with Aetna/Assurant Health Insurance and there was a consensus that the Board would discuss the healthcare coverage quarterly.

The Board took a ten minute break at this time.

2014 Capital Items: Upon reconvening, Chairman Gossett asked the Board to direct their attention to the proposed 2014 Capital List provided by staff. There were questions about multiple line items on the list, all of which Mr. Bruce and staff answered. Chairman Gossett confirmed with staff that any items over \$20,000 would be brought to the Board again at a later date. Commissioner Williams made a motion to approve the 2014 Capital List as presented. Motion was seconded by Commissioner Shelton and passed.

There was a brief discussion regarding the monitoring of cash flow available for capital purchases. Mr. Schmuck assured the Board that he and Mr. Pyles monitor cash flow and plan spending accordingly. Mr. Bruce noted that each year, Mr. Pyles develops a monthly plan for all approved capital purchases which is meant to level cash outlay. Treasurer Tindall recommended an amendment to the previous motion. Commissioner Williams amended his previous motion and made a motion to approve the 2014 Capital Items list as presented with a phased acquisition of Capital Items based on need and cash flow. Commissioner Shelton agreed and amended his second. Motion passed.

2014 Preliminary Budget: Chairman Gossett commended Mr. Bruce on a well written summary to which Mr. Bruce commended Mr. Schmuck for preparing the budget. Mr. Bruce informed the Board that there continues to be a decline in customer accounts and overall usage. Treasurer Tindall asked if there were any particular budget items that they would like the Board to address. Secretary Hockman asked if there was any change in the Organizational Chart and Mr. Bruce answered that there was not other than the proposed position for Ft. Knox Water. Treasurer Tindall made a motion to approve the 2014 budget as presented and to submit final budget to Hardin County Fiscal Court and state agencies as required by law. Commissioner Williams seconded the motion and motion passed. Commissioner Shelton congratulated staff on a job well done in developing the budget. The approved 2014 budget amounts are as follows:

ITEM	Water	Ft. Knox Water	Ft. Knox Sanitary Sewer	Ft. Knox Storm Sewer	Radcliff Sewer	Consolidated
Capital Request List	\$354,290	\$22,423	\$31,174	\$4,514	\$162,086	\$774,487
Other Capital Construction / Uses	\$3,282,591	\$4,008,265	\$1,389,661	\$669,275	\$3,201,068	\$12,550,860
Operations Budget	\$3,605,840	\$3,239,957	\$2,660,422	\$412,980	\$4,068,410	\$13,987,609
Total >	\$7,442,721	\$7,270,645	\$4,081,257	\$1,086,769	\$7,431,564	\$27,312,956

Adjourn: Secretary Hockman made a motion to adjourn at 1:37 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. Ron Hockman, Secretary

 Date Approved

Date	Rate	Service	Stanford, Bennett, Wilson & Mills	Service	Labor	Service	Labor - Customer	Service	Supplies	Services	Misc	Services	Yearly Totals
2009													
Jan													
Feb													
March													
April													
May													
June													
July													
August													
Sept													
Oct													
Nov													
Dec													
2009 Total													
2010													
Jan													
Feb													
March													
April													
May													
June													
July													
August													
Sept													
Oct													
Nov													
Dec													
2010 Total													
2011													
Jan													
Feb													
March													
April													
May													
June													
July													
August													
Sept													
Oct													
Nov													
Dec													
2011 Total													
2012													
Jan													
Feb													
March													
April													
May													
June													
July													
August													
Sept													
Oct													
Nov													
Dec													
2012 Total													
2013													
Jan													
Feb													
March													
April													
May													
June													
July													
August													
Sept													
Oct													
Nov													
Dec													
2013 Total													
2013 Total													

H/CWD1 - Radcliff Utility
PSC Case
Revenue Requirements

Schedule 1

Test Year Ended 12/31/12

	2012			Pro forma Adjustments
	Test Year	Adjustments	Rate Year	
Required Income Available for Debt Service (1)	\$ 348,955	-	\$ 348,955	
Plus:				
Operating Expenses	\$ 2,601,032	\$ 304,606	\$ 2,905,638	Operating Expenses
Depreciation/Amortization (rate funded capital)	981,121	172,249	1,153,370	Insurance Services \$ (3,319)
Total Revenue Requirements	\$ 3,931,108	\$ 476,855	\$ 4,407,963	Veolia Contract Operating Costs 264,673
Less:				Salaries and Benefits 12,249
Interest Income	\$ 24,123	\$ -	\$ 24,123	Reduced G&A savings From Fort Knox Water 31,003
Revenue Requirement from Operations	\$ 3,906,984	\$ 476,855	\$ 4,383,839	Subtotal Operating Expense Adjustments \$ 304,606
Less:				Non-Operating Expenses
Other Non-Operating Revenue/Expenses	\$ 87,352	\$ 99,903	\$ 187,255	One-time gain/loss on sale from assets \$ 99,903
Less:				Depreciation/Amortization
Transfer from Reserves for Capital	\$ -	\$ -	\$ -	Amortization of Rate Case (5-year) \$ 31,616
Revenue Requirement from Sewer Sales	\$ 3,819,632	\$ 378,952	\$ 4,198,584	Deduction of Depreciation (8,185)
Revenue From Sewer Sales During Test Year	\$ 3,371,082	\$ -	\$ 3,371,082	Lincoln Trail MI Reduction Project 7,729
Revenue Adjustment for Winter Quarter Billing	\$ -	\$ -	\$ -	Quiggins Gravity System Project 9,318
Net Revenue From Sewer Sales During Test Year	\$ 3,371,082	\$ -	\$ 3,371,082	Boone Trace and Lincoln Trail Lift Station Improvements 8,573
Increase Needed			\$ 825,502	WWTP Primary Treatment Building 15,214
% Increase Needed			24.49%	Watkins LS Project 1,200
Check				Drug Store Lift Station Replacement 9,025
Total Revenue Requirement			\$ 4,407,963	WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of 1 4,600
Less:				Greenview and Cament LS Improvements 1,096
Total Test Year Revenues from Operations			\$ 3,558,337	Greenview and Cament Gravity System Improvements 1,874
Interest Income			\$ 24,123	North Loganon Parkway Gravity System Improvements 5,304
% Increase Needed			\$ 825,502	Stovall LS/FM Improvements 2,964
Revenue Requirement Summary				North Woodland Gravity System Improvements 2,739
Debt Service Requirement			\$ 348,955	John Hardin Force Main Improvements 241
Less: Income Available for Debt Service				WWTP RAS/WAS Improvements 2,972
Adjusted Revenues from Sewer Sales During Test Year			\$ 3,371,082	LS Bypass Improvements 269
Plus: Other Non-Operating Revenues/Expenses			187,255	North Loganon LS Improvements Project 15,841
Plus: Interest Income			24,123	Quiggins and Boone Trace MI Reduction Project 20,000
Less: Operating Expenses			2,905,638	Seminole MI Reduction Project 6,000
Less: Depreciation/Amortization (rate funded capital)			1,153,370	WWTP Oxidation Ditch Improvements 8,000
Plus: Transfer from Reserves			-	Replace 5 Laptops/Workstations 1,748
Income Available for Debt Service			\$ (476,547)	Easement Jetter Machine 1,780
Increase Needed			\$ 825,502	Trimble GeoXH 6000 GPS Receiver 353
% Increase			24.49%	Replace Sludge Belt Press 330
(1) 3-year average debt service.				Service Center Roof Painting & Equip. Bldg. Door Coating 198
				Vertical Edge 700 Phone System 819
				Replace Influent & Effluent Refrigerated Samplers 1,140
				Upgrade Utility Billing System 303
				Chain Cutter Head 350
				Internal Crane for CCTV Van 529
				Ladder/Pipe Racks for Trucks 257
				AutoDesk Infrastructure Design Premium 220
				Alme 8000 Walt Power Inverters for Trucks 343
				Aries Wireless Pole Camera 355
				PT AutoCAD Drafter 78
				Trailer for Bobcat 743
				Smart Board 131
				Replace Carpet in Large Conference Room 18
				Replace Carpet in Lobby 86
				Replace Lobby and Customer Service Area Furniture 178
				2014 Additional Depreciation 16,099
				Subtotal Depreciation/Amortization Adjustments 172,249

Databases, Tables & Calculators by Subject

Change Output Options: From: 2003 To: 2013
 Include graphs More Formatting Options →

Data extracted on: January 16, 2014 (9:36:37 AM)

Producer Price Index Industry Data
 Series Id: PCU221--221--
 Industry: Utilities
 Product: Utilities
 Base Date: 200312

Download .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2003												100.0	
2004	101.7	102.5	101.2	101.8	103.1	106.9	107.1	107.4	105.2	104.3	108.8	108.9	104.9
2005	108.3	107.5	108.7	110.6	111.2	112.2	116.2	119.9	125.5	131.2	130.0	129.6	117.6
2006	131.3	127.0	123.5	121.5	121.0	120.8	122.3	126.2	123.3	116.3	121.4	122.9	123.1
2007	122.0	125.6	124.4	124.5	125.4	129.9	131.6	130.8	129.3	127.2	126.6	127.4	127.0
2008	127.8	129.7	131.1	134.5	137.0	141.7	146.8	145.7	140.8	136.0	133.4	133.1	136.5
2009	133.9	132.9	130.4	128.1	128.0	129.0	130.9	131.8	130.0	128.8	128.9	129.4	130.2
2010	132.2	133.0	132.2	131.0	131.3	134.5	137.1	138.8	136.0	131.8	130.5	132.4	133.4
2011	134.4	135.0	133.2	133.5	134.7	138.8	140.4	141.5	139.2	133.4	131.4	131.4	135.6
2012	130.4	129.4	128.2	127.0	128.4	131.4	134.5	134.7	133.6	131.2	131.7	132.8	131.1
2013	132.3	132.4	132.2	133.3	136.1	137.6	139.4	137.4	138.7(P)	133.2(P)	131.1(P)	135.4(P)	135.1(P)

P: Preliminary. All indexes are subject to revision four months after original publication.

2004 = 104.9
 Dec 13 = 135.4

 $\Delta = +30.5$
 ANNUAL % CHG = 2.9%

Exhibit 10

Databases, Tables & Calculators by Subject

Change Output Options: From: 2003 To: 2013
 Include graphs [More Formatting Options](#)
 Data extracted on: January 16, 2014 (9:16:02 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR03005A0
 Not Seasonally Adjusted
 Area: South urban
 Item: All items
 Base Period: 1982=84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003	175.1	176.4	177.5	177.4	176.8	177.2	177.3	177.9	178.3	178.1	177.5	177.5	177.3	176.7	177.8
2004	178.2	179.1	180.1	180.9	182.0	182.9	182.6	182.6	182.8	183.7	183.7	183.3	181.8	180.5	183.1
2005	183.6	184.7	185.9	187.3	187.3	187.8	188.5	189.4	192.0	192.5	190.7	190.1	198.3	186.1	190.5
2006	191.5	191.8	192.8	194.7	195.5	196.3	197.0	197.1	195.8	194.7	194.3	194.8	194.7	193.8	195.6
2007	195.021	195.950	197.904	199.618	208.804	201.675	201.571	201.041	201.697	202.155	203.437	203.457	200.361	198.495	202.226
2008	204.510	205.060	206.676	208.085	210.006	212.324	213.304	212.387	212.650	210.108	205.559	203.501	208.681	207.777	209.585
2009	204.298	205.343	206.001	206.657	207.265	209.343	208.819	209.000	208.912	209.292	209.738	209.476	207.845	206.483	209.206
2010	210.056	210.020	211.216	211.528	211.423	211.232	210.988	211.308	211.775	212.026	211.996	212.488	211.338	210.913	211.764
2011	213.589	214.735	217.214	218.820	219.820	219.318	219.682	220.471	220.371	219.969	219.961	219.469	218.618	217.249	219.987
2012	220.497	221.802	223.314	224.275	223.356	223.004	222.667	223.919	225.052	224.504	223.404	223.109	223.242	222.708	223.776
2013	223.933	225.874	226.628	226.202	226.299	227.148	227.548	227.837	227.876	227.420	226.811	227.082	226.721	226.012	227.429

2004 = 181.8
 DEC 13 = 227.1

 $\Delta = +45.3$
 ANNUAL % CHG = 2.5%

BCVWD1 - Bulkfill Utility
 PFC Class
 Billing Analysis - Comparison (Board Approved Structure)

From	To	Average Usage	Accounts	Bill	Existing Rates		Proposed Rates		\$ Change	% Change
					Monthly Charge For Average Use	Monthly Charge For Average Use	Monthly Charge For Average Use	Monthly Charge For Average Use		
\$ 0	0	0	788	9,456	\$ 17.11	\$ 20.89	\$ 3.78	22.1%		
1,000	1,999	500	958	11,497	\$ 17.11	\$ 20.89	\$ 3.78	22.1%		
2,000	2,999	2,500	1,406	16,871	\$ 17.11	\$ 20.89	\$ 3.78	22.1%		
3,000	3,999	3,500	1,431	17,172	\$ 19.90	\$ 24.38	\$ 4.48	22.1%		
4,000	4,999	4,500	1,213	14,560	\$ 23.48	\$ 31.11	\$ 8.63	22.1%		
5,000	5,999	5,500	940	11,274	\$ 31.06	\$ 37.93	\$ 6.87	22.1%		
6,000	6,999	6,500	622	7,668	\$ 36.64	\$ 44.74	\$ 8.10	22.1%		
7,000	7,999	7,500	403	4,840	\$ 42.22	\$ 51.55	\$ 9.33	22.1%		
8,000	8,999	8,500	248	2,976	\$ 47.80	\$ 58.37	\$ 10.57	22.1%		
9,000	9,999	9,500	161	1,927	\$ 53.38	\$ 65.18	\$ 11.80	22.1%		
10,000	10,999	10,500	106	1,272	\$ 58.96	\$ 72.00	\$ 13.04	22.1%		
11,000	11,999	11,500	70	834	\$ 64.54	\$ 78.81	\$ 14.27	22.1%		
12,000	12,999	13,500	47	538	\$ 70.12	\$ 85.63	\$ 15.51	22.1%		
13,000	13,999	13,500	36	435	\$ 75.70	\$ 92.44	\$ 16.74	22.1%		
14,000	14,999	14,500	27	318	\$ 81.28	\$ 99.25	\$ 17.97	22.1%		
15,000	15,999	15,000	23	270	\$ 86.86	\$ 106.07	\$ 19.21	22.1%		
16,000	16,999	20,000	91	1,994	\$ 112.00	\$ 140.14	\$ 28.14	25.1%		
23,000	24,999	30,000	30	357	\$ 156.70	\$ 201.47	\$ 44.77	28.6%		
35,000	44,999	40,000	28	244	\$ 201.40	\$ 262.79	\$ 61.39	30.5%		
45,000	64,999	50,000	19	138	\$ 246.10	\$ 324.12	\$ 78.02	31.7%		
55,000	64,999	60,000	8	100	\$ 290.80	\$ 385.43	\$ 94.65	32.5%		
65,000	74,999	70,000	6	75	\$ 335.50	\$ 446.70	\$ 111.28	33.2%		
75,000	84,999	80,000	3	40	\$ 430.20	\$ 508.10	\$ 177.90	33.6%		
85,000	94,999	90,000	3	33	\$ 474.90	\$ 569.43	\$ 194.53	34.0%		
95,000	104,999	100,000	2	27	\$ 469.60	\$ 630.76	\$ 161.16	34.3%		
105,000	114,999	110,000	2	23	\$ 514.30	\$ 692.08	\$ 177.78	34.6%		
115,000	124,999	120,000	2	18	\$ 559.00	\$ 753.41	\$ 194.41	34.8%		
125,000	134,999	130,000	2	12	\$ 603.70	\$ 814.74	\$ 211.04	35.0%		
135,000	144,999	140,000	2	22	\$ 648.40	\$ 876.07	\$ 227.67	35.1%		
146,000	154,999	150,000	2	20	\$ 693.10	\$ 937.39	\$ 244.29	35.2%		
155,000	164,999	160,000	1	12	\$ 737.80	\$ 998.72	\$ 260.92	35.4%		
165,000	174,999	170,000	1	13	\$ 782.50	\$ 1,060.05	\$ 277.55	35.5%		
175,000	184,999	180,000	1	12	\$ 827.20	\$ 1,121.38	\$ 294.18	35.6%		
185,000	194,999	190,000	1	10	\$ 871.90	\$ 1,182.70	\$ 310.80	35.6%		
195,000	204,999	200,000	3	5	\$ 916.60	\$ 1,244.03	\$ 327.43	35.7%		
205,000	214,999	210,000	1	10	\$ 961.30	\$ 1,305.36	\$ 344.06	35.8%		
215,000	224,999	220,000	0	4	\$ 1,006.00	\$ 1,366.68	\$ 360.68	35.9%		
225,000	234,999	230,000	0	5	\$ 1,050.78	\$ 1,428.01	\$ 377.23	36.0%		
235,000	244,999	240,000	0	4	\$ 1,095.48	\$ 1,489.34	\$ 393.84	36.0%		
245,000	254,999	250,000	0	2	\$ 1,140.18	\$ 1,550.67	\$ 410.57	36.1%		
255,000	264,999	260,000	0	2	\$ 1,184.88	\$ 1,611.99	\$ 427.19	36.1%		
265,000	274,999	270,000	0	4	\$ 1,229.58	\$ 1,673.32	\$ 443.82	36.1%		
275,000	284,999	280,000	1	8	\$ 1,274.28	\$ 1,734.65	\$ 460.45	36.1%		
285,000	294,999	290,000	0	3	\$ 1,318.98	\$ 1,795.98	\$ 477.08	36.2%		
295,000	304,999	300,000	0	5	\$ 1,363.68	\$ 1,857.30	\$ 493.70	36.2%		
305,000	314,999	310,000	1	7	\$ 1,408.38	\$ 1,918.63	\$ 510.33	36.2%		
315,000	324,999	320,000	0	7	\$ 1,453.08	\$ 1,979.96	\$ 528.96	36.3%		
325,000	334,999	330,000	1	7	\$ 1,497.78	\$ 2,041.28	\$ 543.58	36.3%		
335,000	344,999	340,000	0	4	\$ 1,542.48	\$ 2,102.61	\$ 560.21	36.3%		
345,000	354,999	350,000	0	3	\$ 1,587.18	\$ 2,163.94	\$ 576.84	36.3%		
355,000	374,999	365,000	0	4	\$ 1,634.15	\$ 2,235.93	\$ 601.78	36.4%		
375,000	384,999	380,000	0	2	\$ 1,721.20	\$ 2,347.92	\$ 626.72	36.4%		
385,000	404,999	395,000	8	3	\$ 1,784.25	\$ 2,439.91	\$ 651.66	36.4%		
405,000	424,999	415,000	8	1	\$ 1,877.65	\$ 2,562.57	\$ 684.92	36.5%		
425,000	444,999	445,000	8	3	\$ 2,011.75	\$ 2,746.55	\$ 734.80	36.5%		
465,000	624,999	545,000	1	13	\$ 2,458.75	\$ 3,399.82	\$ 901.07	36.6%		
625,000	654,999	640,000	0	2	\$ 2,883.40	\$ 3,942.43	\$ 1,059.03	36.7%		
655,000	714,999	685,000	1	1	\$ 3,284.55	\$ 4,218.40	\$ 1,133.85	36.8%		
715,000	844,999	780,000	2	22	\$ 3,589.20	\$ 4,801.01	\$ 1,291.81	36.8%		
845,000	900,000	845,000	0	0	\$ 3,922.68	\$ 5,368.29	\$ 1,445.62	36.9%		

6,680 104,199

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Tuesday, December 31, 2013**

	2013	2012	Change
ASSETS			
Current Assets			
Cash	\$2,579,598.70	\$2,954,024.23	(\$374,425.53)
Accounts Receivable - Net	497,077.54	290,376.76	206,700.78
Due From Other Funds		80,224.61	(80,224.61)
Prepaid Expenses	42,312.56	45,507.63	(3,195.07)
Accrued Interest	0.38	0.37	0.01
Total Current Assets	<u>3,118,989.18</u>	<u>3,370,133.60</u>	<u>(251,144.42)</u>
Long Term Investments			
Restricted Assets - Reserve Funds	340,200.50	338,722.61	1,477.89
Total Long Term Investments	<u>340,200.50</u>	<u>338,722.61</u>	<u>1,477.89</u>
Property, Plant & Equipment			
Property, Plant & Lines	34,533,426.44	33,303,147.27	1,230,279.17
Equipment & Furniture	1,115,022.64	1,138,591.46	(23,568.82)
Construction in Progress	1,602,565.31	1,847,720.37	(245,155.06)
Total	<u>37,251,014.39</u>	<u>36,289,459.10</u>	<u>961,555.29</u>
Less: Accumulated Depreciation	(15,634,941.59)	(14,736,228.31)	(898,713.28)
Total Property, Plant & Equipment	<u>21,616,072.80</u>	<u>21,553,230.79</u>	<u>62,842.01</u>
Organizational Costs	<u>193,002.18</u>	<u>202,102.50</u>	<u>(9,100.32)</u>
TOTAL ASSETS	<u>25,268,264.66</u>	<u>25,464,189.50</u>	<u>(195,924.84)</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	333,089.91	364,752.83	(31,662.92)
Customer Deposits	135,932.00	129,454.00	6,478.00
Current Portion of Long Term Debt	289,345.74	278,656.20	10,689.54
Accrued Expenses	18,746.79	21,350.72	(2,603.93)
Due To Other Funds	47,662.95		47,662.95
Total Current Liabilities	<u>824,777.39</u>	<u>794,213.75</u>	<u>30,563.64</u>
Long Term Debt			
Bonds Payable	1,272,719.05	1,562,064.79	(289,345.74)
Total Long Term Debt	<u>1,272,719.05</u>	<u>1,562,064.79</u>	<u>(289,345.74)</u>
Total Liabilities	<u>2,097,496.44</u>	<u>2,356,278.54</u>	<u>(258,782.10)</u>
Net Assets			
Retained Earnings	108,607.01	297,992.80	(189,385.79)
Contributed Capital	22,999,303.95	22,354,079.88	645,224.07
Current Earnings	62,857.26	455,838.28	(392,981.02)
Total Net Assets	<u>23,170,768.22</u>	<u>23,107,910.96</u>	<u>62,857.26</u>
TOTAL LIABILITIES & NET ASSETS	<u>25,268,264.66</u>	<u>25,464,189.50</u>	<u>(195,924.84)</u>

Hardin County Water District No. 1 Radcliff Sewer Fund
 Detail Comparative Income Statements
 For the 12 Months Ended Tuesday, December 31, 2013

	December	December Budget	December Previous Year	2013	2013 Budget	2012
OPERATING REVENUE						
Residential Sales	\$213,769.75	\$236,091.46	\$215,867.40	\$2,590,833.01	\$2,946,800.00	\$2,694,620.86
Commercial Sales	32,637.78	36,638.30	33,566.50	424,547.51	467,800.00	428,579.04
Multi-Family Sales	17,910.74	22,755.72	20,977.09	225,891.02	268,900.00	247,882.26
High Strength Surcharge	791.14			1,587.24	500.00	746.48
Discharge Permit Fees		48.55	27.78	55.48	1,500.00	858.36
Bad Debt Recovered	304.78	693.73	577.88	7,125.16	8,900.00	7,415.07
Penalties, Services Fees and Reimbursements	17,685.75	14,564.45	14,905.17	183,051.46	169,900.00	175,235.00
Total Operating Revenues	283,099.92	310,792.21	285,941.92	3,433,090.88	3,864,300.00	3,655,337.09
OPERATING EXPENSES						
Collection System Labor	10,435.54	12,714.79	9,180.03	109,456.97	125,984.00	91,059.02
Customer Service Labor	14,461.46	15,354.28	14,410.47	159,159.00	161,269.00	151,356.14
Administration Labor	12,268.28	8,264.78	5,441.21	115,894.36	156,338.00	102,927.12
Professional Services-Accounting	573.34	614.15	614.17	6,560.08	7,370.00	7,370.20
Professional Services-Legal	520.48	488.23	267.14	6,230.24	8,332.00	4,658.90
Information Technology Expense	1,308.98	903.65	1,117.79	15,042.33	11,800.00	14,596.20
Management Fee - Veolia	195,114.74	181,827.58	156,927.08	2,170,338.20	2,181,831.00	2,102,540.03
Contractual Services	7,529.45	8,224.37	7,754.45	95,632.04	100,500.00	94,932.81
Insurance Expense	2,134.49	2,133.33	2,515.85	25,613.88	25,600.00	29,230.95
Transportation Fuel & Repairs	135.31	113.50	116.44	2,095.00	1,800.00	1,849.19
Utility Regulatory Expense	534.91	519.86	513.45	6,290.16	6,200.00	5,812.31
Office Supplies	1,223.06	792.35	787.39	8,460.01	8,100.00	7,838.15
Utilities	1,038.53	839.50	817.99	12,228.24	11,700.00	11,400.24
Bad Debt Expense	5,575.80	6,522.78	7,084.33	44,792.66	38,300.00	41,597.28
Agency Collection Expense	174.37	321.30	288.99	3,794.06	3,300.00	2,968.17
Advertising Expense	151.03			151.03		42.23
Rent Expense	187.50	187.50	187.50	2,625.00	2,250.00	2,250.00
Travel & Lodging	104.22	138.05	133.16	5,906.68	2,800.00	2,700.90
Certification & Training	18.53			1,316.14	1,400.00	1,707.80
Education & Conferences		17.70	10.00	2,021.67	3,100.00	1,750.77
Routine Maintenance Service	73.76	118.42	113.65	1,365.21	1,800.00	1,727.49
Miscellaneous Customer Expense	70.58	2.84	3.29	780.63	700.00	811.89
Miscellaneous Expense		41.67	3,072.32	255.47	500.00	7,415.39
Banker Deposit Interest Expense	10.58	34.66	31.07	237.11	800.00	717.23
Allocated FK Water G&A Expense	(4,397.00)	(4,555.50)	(8,029.90)	(54,190.50)	(54,666.00)	(86,328.90)
Total Operating Expenses	249,247.90	235,819.77	203,367.87	2,742,055.67	2,807,308.00	2,601,031.51
Operating Income Before Depreciation	33,852.02	75,172.44	82,574.05	691,035.21	1,056,992.00	954,305.58
Less Depreciation & Amortization	90,366.10	67,231.60	82,937.48	1,037,187.58	1,031,826.00	981,121.38
Operating Income	(56,514.08)	(12,059.16)	(383.43)	(346,152.37)	25,166.00	(26,815.80)
Non Operating Income/(Expense)						
Interest & Dividend Income	912.08	1,266.43	1,575.28	14,107.89	19,700.00	24,123.38
Gain/(Loss) on Assets	(2,158.55)		(36,454.65)	(51,847.62)		(99,902.69)
Interest Expense	(5,642.88)	(5,793.42)	(6,576.43)	(75,413.42)	(76,400.00)	(86,790.68)
Income Before Capital Contributions	(63,401.51)	(16,566.15)	(41,819.23)	(459,305.52)	(31,534.00)	(189,385.79)
Capital Contributions						
Misc Revenue - Grant						125,518.10
Misc Revenue - Grant - Pump Stations	95,076.16	100,000.00	3,738.74	365,645.96	1,200,000.00	122,936.14
Misc Revenue - Grant - SI		100,000.00	21,985.49	155,766.82	1,200,000.00	391,895.83
Tap Fees		312.50		750.00	3,750.00	3,000.00
Capital Contributions						1,873.20
Change in Net Assets	31,678.65	163,746.35	(16,095.00)	62,857.26	2,372,216.00	455,838.28

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 12 Months Ended Tuesday, December 31, 2013

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$31,676.65	\$62,857.26
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	83,301.76	898,713.28
Accounts Receivable	(87,442.59)	(206,700.78)
Due From/To Other Funds	41,596.73	127,887.56
Prepaid Expense	(3,621.20)	3,195.07
Accrued Interest	(0.12)	(0.01)
Customer Deposits	768.00	6,478.00
Accounts Payable & Accrued Expenses	37,348.38	(34,266.85)
Total Adjustments	71,950.96	795,306.27
Net Cash Provided by Operations	103,627.61	858,163.53
Cash Flows from Investing Activities Used For:		
Investment & Interest		
Construction in Progress	82,018.85	245,155.06
Plant & Lines	(255,608.60)	(1,230,279.17)
Furniture & Equipment	(21,407.46)	38,337.80
Transportation Equipment		(14,768.98)
Net Cash Used in Investing	(194,997.21)	(961,555.29)
Cash Flows From Financing Activities:		
Restricted Funds	(101.10)	(1,477.89)
Bond Payments		(278,656.20)
Organizational Costs	758.36	9,100.32
Net Cash Used in Financing	657.26	(271,033.77)
Net Increase/(Decrease) in Cash	(90,712.34)	(374,425.53)
Summary:		
Cash at End of Period	2,579,598.70	2,579,598.70
Cash at Beginning of Period	2,670,311.04	2,954,024.23
Net Increase/(Decrease) in Cash	(90,712.34)	(374,425.53)

Amendment To Application
 Radcliff Sewer Rate Case - 2013-00050

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>% Chg</u> <u>09 ~ 13</u>	<u>% Chg</u> <u>12 ~ 13</u>
Avg # accounts (12 month)	8,811	9,061	8,974	9,004	8,888	0.9%	-1.3%
Total Billed gallons	466,589	493,353	473,427	489,915	463,350	-0.7%	-5.4%
Monthly Use/Acct	4,413	4,537	4,396	4,534	4,344	-1.6%	-4.2%
Total Treated k/gals	886,285	739,550	980,512	775,353	898,318	1.4%	15.9%
Annual Rainfall	55.37	39.11	70.67	50.74	60.46	9.2%	19.2%
Total Sales Revenues	\$ 3,233,198	\$ 3,383,854	\$ 3,298,297	\$ 3,372,686	\$ 3,242,914	0.3%	-3.8%
I&I Ratio	47.4%	33.3%	51.7%	36.8%	48.4%	2.3%	31.5%
Billed to Treated Ratio	0.53	0.67	0.48	0.63	0.52	-2.0%	-18.4%
Total Revenues	\$ 3,421,435	\$ 3,566,605	\$ 3,483,011	\$ 3,555,336	\$ 3,433,062	0.3%	-3.4%
Total Electric Costs	N/A	\$ 280,747	\$ 291,614	\$ 256,867	\$ 299,368	N/A	16.5%
Total R&M Costs	N/A	\$ 230,255	\$ 292,880	\$ 283,280	\$ 351,342	N/A	24.0%