



**EAST DAVIESS COUNTY WATER ASSOCIATION**

9210 State Route 144 • Knuttsville, Kentucky 42366

October 4, 2013

RECEIVED

OCT - 7 2013

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40601

2013-00366

RE: Water Rate Adjustment Application

Mr. Derouen,

Enclosed is the original application and five copies of an Application for Rate Adjustment to the water rates of the East Daviess County Water Association. To fulfill the requirements of this application, a copy of this application has been mailed to the Attorney General's Office as well as a customer notice placed in the Owensboro Messenger Inquirer newspaper to be ran once a week for three consecutive weeks. Once the customer notice requirement has been accomplished, an affidavit of publication and tear sheet will be mailed to the Public Service Commission.

If you have any questions concerning this application, please feel free to discuss those with me.

Sincerely,

Agnes Johnson  
Office Manger  
Office: 270-281-5187  
Fax: 270-281-5709

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

RECEIVED

OCT 07 2013

PUBLIC SERVICE  
COMMISSION

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

*(Name of Utility)*

9210 STATE ROUTE 144

*(Business Mailing Address Number and Street or P.O. Box)*

KNOTTSTVILLE, KY 42366

*(Business Mailing Address City, State, and Zip)*

270-281-5187

*(Telephone Number)*

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

AGNES JOHNSON, OFFICE MANAGER

*(Name)*

9210 STATE ROUTE 144

*(Address Number and Street or P.O. Box)*

KNOTTSTVILLE, KY 42366

*(Address City, State, Zip)*

270-281-5187

*(Telephone Number)*

agnes@east-daviess.utilitydistrict.com

*(Email Address)*

(For each statement below, the Applicant should check either "YES" or "NO".)

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 3. Applicant's records are kept separate from other commonly owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. <u>2009-00341</u> .  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| f. Applicant is a water association organized pursuant to KRS Chapter 273.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601 8204.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b>   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." <b>(Attach completed "Reasons for Application" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |        |  | YES                                 | NO                                  |
|--------|--|-------------------------------------|-------------------------------------|
| 8.     | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." <b>(Attach completed "Current and Proposed Rates" Attachment.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 9.     | Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2012</u> .  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 10.    | Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." <b>(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)</b> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 11.    | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>104,673.54</u> and total revenues from service rates of \$ <u>1,539,195.54</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. <b>(Attach a completed "Revenue Requirement Calculation" Attachment.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 12.    | As of the <b>date of the filing of this application</b> , Applicant had <u>4450</u> customers.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 13.    | A billing analysis of Applicant's current and proposed rates is attached to this application. <b>(Attach a completed "Billing Analysis" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 14.    | Applicant's depreciation schedule of utility plant in service is attached. <b>(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 15. a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b.     | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c.     | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 16.a. Applicant is not required to file state and federal tax returns.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant is required to file state and federal tax returns.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| c. Applicant's most recent state and federal tax returns are attached to this Application. <b>(Attach a copy of returns.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 17. Approximately <u>\$48,407.00</u> <b>(Insert dollar amount or percentage of total utility plant)</b> of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires complete such form.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed *Kasey Emmick*  
Officer of the Company/Authorized Representative

Title *Manager*

Date *10-3-13*

COMMONWEALTH OF KENTUCKY

COUNTY OF *Daviess*

Before me appeared *Kasey Emmick*, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

*Mary Edge (437458)*  
 Notary Public

My commission expires: *2-21-15*

LIST OF ATTACHMENTS  
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- "Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- "Billing Analysis" Attachment
- Depreciation Schedule
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions ARF Form 3

**BY-LAWS REVISION  
DIRECTOR QUALIFICATIONS  
EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**

At a meeting of the Board of Directors held on October 1, 2012, at 11:50 a.m. CDT, motion was duly made, seconded, and unanimously adopted to amend Article VIII of the By-Laws concerning qualifications of candidates who seek to serve as a member of the Board of Directors. A new section is added to Article VIII and shall read as follows:

**By-Law Changes and Qualifications for Election of New Board Members**

**Board Member Qualifications:**

In addition to what is already listed in our By-Laws:

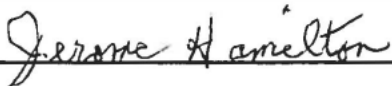
- d. Be a citizen of the United States of America.
- e. Pass a background check.
- f. Pass a drug test.
- g. Be willing to promote and safeguard the Association's interest.
- h. Should not be employed by, or in any way financially interested in a company that does business with the Association.
- i. Should be able to attend regular and special meetings of the Board.

**Board Member Election**

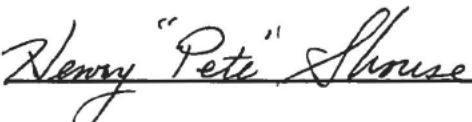
- a. Shall have no less than 150 member signatures.
- b. Must use forms that will be provided and picked up at the EDCW office for the signatures.
- c. Signatures shall be collected from November 1 of preceding Annual Member Meeting to no later than the January monthly meeting.
- d. Signatures must be submitted on or before the January regular Board meeting.
- e. No more than three candidates will be allowed to run for one elected position.
- f. A nominating committee of 3 customer members shall be appointed by the Board of Directors When needed.

Date: October 1, 2012

**EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**

  
\_\_\_\_\_

**JEROME HAMILTON, PRESIDENT**

  
\_\_\_\_\_

**HENRY "PETE" SHOUSE, SECRETARY**

**BY-LAWS REVISION  
DIRECTOR QUALIFICATIONS**

**EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**

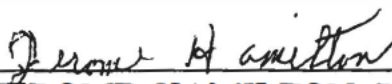
At a meeting of the Board of Directors held on October 12, 2010, at 6:00 p.m. CDT, motion was duly made, seconded, and unanimously adopted to amend Article VIII of the By-Laws concerning qualifications of candidates who seek to serve as a member of the Board of Directors. A new section is added to Article VIII and shall read as follows:

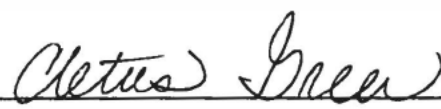
**Qualifications of Directors.** To be eligible to become or remain a member of the Board of Directors of the East Daviess County Water Association, Inc. (the "Association"):

- a. A candidate shall be a member in good standing of the Association;
- b. A candidate shall be at least 21 years of age; and
- c. Neither the candidate nor his or her spouse shall be a current or former employee of the Association (for purposes of this section, an employee is defined as a person who has received an IRS W-2 Form from the Association).

Date: October 12, 2010

**EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**

  
\_\_\_\_\_  
JÉROME HAMILTON, PRESIDENT

  
\_\_\_\_\_  
CLETUS GREER, SECRETARY



## EAST DAVIESS COUNTY WATER ASSOCIATION

### NOTICE OF ADJUSTMENT OF WATER RATES

Notice is hereby given that the East Daviess County Water Association has filed an application with the Public Service Commission of Kentucky seeking approval of revised water rates.

The current and proposed rates are as follows:

	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
<u>5/8" x 3/4" Meter</u>				
First 2,000 gallons (Minimum Bill)	\$13.97	\$14.99	\$1.02	7.3%
Next 4,000 gallons (per 1,000 gallons)	4.66	5.00	.34	7.3
Next 44,000 gallons (per 1,000 gallons)	3.71	3.98	.27	7.3
Over 50,000 gallons (per 1,000 gallons)	3.01	3.23	.22	7.3
<u>3/4" Meter</u>				
First 3,000 gallons (Minimum Bill)	\$18.63	\$19.99	\$1.36	7.3%
Next 3,000 gallons (per 1,000 gallons)	4.66	5.00	.34	7.3
Next 44,000 gallons (per 1,000 gallons)	3.71	3.98	.27	7.3
Over 50,000 gallons (per 1,000 gallons)	3.01	3.23	.22	7.3
<u>1" Meter</u>				
First 6,000 gallons (Minimum Bill)	\$32.61	\$34.99	\$2.38	7.3%
Next 44,000 gallons (per 1,000 gallons)	3.71	3.98	.27	7.3
Over 50,000 gallons (per 1,000 gallons)	3.01	3.23	.22	7.3
<u>1 1/2" Meter</u>				
First 10,000 gallons (Minimum Bill)	\$47.45	\$50.91	\$3.46	7.3%
Next 40,000 gallons (per 1,000 gallons)	3.71	3.98	.27	7.3
Over 50,000 gallons (per 1,000 gallons)	3.01	3.23	.22	7.3
<u>2" Meter</u>				
First 20,000 gallons (Minimum Bill)	\$84.55	\$90.72	\$6.17	7.3%
Next 30,000 gallons (per 1,000 gallons)	3.71	3.98	.27	7.3
Over 50,000 gallons (per 1,000 gallons)	3.01	3.23	.22	7.3
Wholesale Rate (per 1,000 gallons)	\$1.44	\$1.55	\$.11	7.6%
Leak Adjustment Rate (per 1,000 gallons)	\$2.05	\$2.20	\$.15	7.3%

The effect upon the average monthly bill, excluding fees and taxes, will be as follows:

<u>Customer Class</u>	<u>Average Monthly Usage</u>	<u>Monthly \$ Change</u>	<u>% Change</u>
5/8" x 3/4" Meter	4,270 Gallons	\$1.79	7.3%
3/4" Meter	No customers	-----	-----
1" Meter	30,366 Gallons	8.96	7.3
1 1/2" Meter	43,013 Gallons	12.37	7.3
2" Meter	50,159 Gallons	14.30	7.3
Wholesale Rate	552,564 Gallons	60.78	7.6

The rates contained in this notice are the rates proposed by East Daviess County Water Association. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person may, within thirty (30) days after the initial publication or mailing of notice of the proposed rate changes, submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party.

Any person may examine this application at the main offices of East Daviess County Water Association located at 9210 State Route 144, Knottsville, Kentucky 42366.

The application and all documents filed with the Public Service Commission may be viewed and downloaded at the Public Service Commission's website at <http://psc.ky.gov/>.

**REASONS FOR APPLICATION**

**(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)**

East Daviess County Water Association has not filed for a general rate increase in over 10 years. Due to the increase of cost to operate, a rate adjustment is needed.

## CURRENT AND PROPOSED RATES

Sheet 1 of 1

The current and proposed rates are as follows:

	<u>Current</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
<u>5/8" x 3/4" Meter</u>				
First 2,000 gallons (Minimum Bill)	\$13.97	\$14.99	\$1.02	7.3%
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Leak Adjustment Rate (per 1,000 gallons)	\$2.05	\$2.20	\$.15	7.3%

**SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY**

TYE 12/31/20 12

	Test Year	Adjustment	Ref.	Pro Forma
<b><u>Operating Revenues</u></b>				
<b>Sales of Water</b>				
Unmetered Water Sales	0.00			0.00
Metered Water Sales	1,432,842.00			1,432,842.00
Bulk Loading Stations	0.00			0.00
Fire Protection Revenue	1,680.00			1,680.00
Sales for Resale	0.00			0.00
<b>Total Sales of Water</b>	<b>1,434,522.00</b>	<b>0.00</b>		<b>1,434,522.00</b>
<b>Other Water Revenues</b>				
Forfeited Discounts	30,856.00			30,856.00
Miscellaneous Service Revenues	48,407.00			48,407.00
Rents from Water Property	0.00			0.00
Other Water Revenues	1,660.00			1,660.00
<b>Total Other Water Revenues</b>	<b>80,923.00</b>	<b>0.00</b>		<b>80,923.00</b>
<b>Total Operating Revenues</b>	<b>1,515,445.00</b>	<b>0.00</b>		<b>1,515,445.00</b>
<b><u>Operating Expenses</u></b>				
<b>Operation and Maintenance Expenses</b>				
Salaries and Wages Employees	302,851.00			302,851.00
Salaries and Wages Officers	12,750.00			12,750.00
Employee Pensions and Benefits	95,427.00			95,427.00
Purchased Water	392,930.00			392,930.00
Purchased Power	31,509.00			31,509.00
Fuel for Power Production	0.00			0.00
Chemicals	0.00			0.00
Materials and Supplies	41,271.00			41,271.00
Contractual Services	111,724.00			111,724.00
Water Testing	2,942.00			2,942.00
Rents	0.00			0.00
Transportation Expenses	29,762.00			29,762.00
Insurance	22,700.00			22,700.00
Regulatory Commission Expenses	0.00			0.00
Bad Debt Expense	6,192.00			6,192.00

Miscellaneous Expenses	30,540.00		30,540.00
Total Operation and Maintenance Expenses	1,080,598.00	0.00	1,080,598.00
Depreciation Expense	271,655.00		271,655.00
Amortization Expense	81,713.00		81,713.00
Taxes Other Than Income	27,794.00		27,794.00
Income Tax Expense			0.00
<b>Total Operating Expenses</b>	<b>1,461,760.00</b>	<b>0.00</b>	<b>1,461,760.00</b>
<b>Utility Operating Income</b>	<b>53,685.00</b>	<b>0.00</b>	<b>53,685.00</b>

[REDACTED]

**REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD**  
(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$1,350,357.00
Plus: Average Annual Debt Principal and Interest Payments*	237,329.68
Debt Coverage Requirement**	37,160.86
Total Revenue Requirement	<u>1,624,847.54</u>
Less: Other Operating Revenue	-80,923.00
Non-operating Revenue	0.00
Interest Income	-4,729.00
Revenue Required from Rates	<u>1,539,195.54</u>
Less: Revenue from Sales at Present Rates	-1,434,522.00
Required Revenue Increase	<u><u>\$104,673.54</u></u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates 7.3%

\* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

\*\* This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

Test Period From: January through December 2012  
 Billing Analysis - Current Rate

Meter Size	Bills	Gallons Sold	Revenue	
5/8 inch		106640	227,684,913	\$1,339,454.18
1 inch		268	8,138,030	\$32,524.38
1.5 inch		68	5,177,900	\$18,241.06
2 inch		170	8,175,923	\$33,502.26
Wholesale		12	6,286,063	\$9,051.93
<b>Totals</b>			<b>255,462,829</b>	<b>\$1,432,773.81</b>

Meter Size: 5/8 inch

		Bills	Gallons	Rate	Revenue
First	2000	53320	90,657,888	\$13.97	\$744,873.63
Next	4000		92,090,215	\$4.66	\$429,140.40
Next	44000		43,114,770	\$3.71	\$159,955.81
Over	50000		1,822,040	\$3.01	\$5,484.34
<b>Total</b>		<b>53320</b>	<b>227,684,913</b>		<b>\$1,339,454.18</b>

Meter Size: 1 inch

		Bills	Gallons	Rate	Revenue
First	6000	268	1,160,540	\$32.61	\$8,739.48
Next	44000		3,975,220	\$3.71	\$14,748.07
Over	50000		3,002,270	\$3.01	\$9,036.83
<b>Total</b>		<b>268</b>	<b>8,138,030</b>		<b>\$32,524.38</b>

Meter Size: 1.5 inch

		Bills	Gallons	Rate	Revenue
First	10000	68	424,500	\$47.45	\$3,226.60
Next	44000		1,009,600	\$3.71	\$3,745.62
Over	50000		3,743,800	\$3.01	\$11,268.84
<b>Total</b>		<b>68</b>	<b>5,177,900</b>		<b>\$18,241.06</b>

Meter Size: 2 inch

		Bills	Gallons	Rate	Revenue
First	20000	170	2,316,505	\$84.55	\$14,373.50
Next	30000		2,131,300	\$3.71	\$7,907.12
Over	50000		3,728,118	\$3.01	\$11,221.64
<b>Total</b>		<b>170</b>	<b>8,175,923</b>		<b>\$33,502.26</b>



Meter Size: Wholesale

		Bills	Gallons	Rate	Revenue
Over	0	12	6,630,764	\$1.44	\$9,548.30
Total		12	6,630,764		\$9,548.30

Test Period From: January through December 2012  
Proposed Rates

Meter Size	Bills	Gallons Sold	Revenue	
5/8 inch		106640	227,684,913	\$1,434,977.43
1 inch		268	8,138,030	\$34,896.03
1.5 inch		68	5,177,900	\$19,572.56
2 inch		170	8,175,923	\$35,949.79
Wholesale		12	6,286,063	\$10,273.97
<b>Totals</b>			<b>255,462,829</b>	<b>\$1,535,669.78</b>

Meter Size: 5/8 inch

		Bills	Gallons	Rate	Revenue
First	2000	53320	91,216,283	\$14.99	\$799,266.80
Next	4000		92,090,215	\$5.00	\$460,451.07
Next	44000		42,556,375	\$3.98	\$169,374.37
Over	50000		1,822,040	\$3.23	\$5,885.19
<b>Total</b>		<b>53320</b>	<b>227,684,913</b>		<b>\$1,434,977.43</b>

Meter Size: 1 inch

		Bills	Gallons	Rate	Revenue
First	6000	268	1,160,540	\$34.99	\$9,377.32
Next	44000		3,975,220	\$3.98	\$15,821.38
Over	50000		3,002,270	\$3.23	\$9,697.33
<b>Total</b>		<b>268</b>	<b>8,138,030</b>		<b>\$34,896.03</b>

Meter Size: 1.5 inch

		Bills	Gallons	Rate	Revenue
First	10000	68	424,500	\$50.91	\$3,461.88
Next	44000		1,009,600	\$3.98	\$4,018.21
Over	50000		3,743,800	\$3.23	\$12,092.47
<b>Total</b>		<b>68</b>	<b>5,177,900</b>		<b>\$19,572.56</b>

Meter Size: 2 inch

		Bills	Gallons	Rate	Revenue
First	20000	170	2,316,505	\$90.72	\$15,422.40
Next	30000		2,131,300	\$3.98	\$8,485.57
Over	50000		3,728,118	\$3.23	\$12,041.82
<b>Total</b>		<b>170</b>	<b>8,175,923</b>		<b>\$35,949.79</b>

Meter Size: Wholesale

		Bills	Gallons	Rate	Revenue
Over	0	12	6,630,764	\$1.55	\$10,273.97
Total		12	6,630,764		\$10,273.97

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial

01/01/2012 - 12/31/2012

Asset ID	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Communications Equipment</b> * 346												
EDCWA14000421		(2) UHF Portable Ra	3/15/1995	SL / N/A	10.0000	832.00	100.0000	0.00	0.00	832.00	0.00	832.00
EDCWA14000425		Mobile Radio	11/30/2009	SL / N/A	10.0000	4,337.37	100.0000	0.00	0.00	903.62	433.74	1,337.36
EDCWA14000426		Driveway Bell	11/30/2009	SL / N/A	10.0000	185.00	100.0000	0.00	0.00	38.54	18.50	57.04
EDCWA14000427		Telephone System	11/30/2009	SL / N/A	10.0000	4,801.75	100.0000	0.00	0.00	1,000.37	480.18	1,480.55
EDCWA14000428		Motorola Radio Equ	12/1/2011	SL / N/A	10.0000	6,423.07	100.0000	0.00	0.00	53.53	642.31	695.84
EDCWA14000429		UHF Mobile Radio	8/15/2012	SL / N/A	10.0000	904.37	100.0000	0.00	0.00	0.00	37.68	37.68
Subtotal: Communications Equipment						17,483.56		0.00	0.00	2,828.06	1,612.41	4,440.47
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Communications Equipment						17,483.56		0.00	0.00	2,828.06	1,612.41	4,440.47
<b>Equipment - Pumping</b> * 311												
						4600.01						
EDCWA07000105		Pumping Station #2	7/1/1973	SL / N/A	40.0000	16,715.18	100.0000	0.00	0.00	16,088.38	417.88	16,506.26
EDCWA07000324		Pump Station(South	6/30/1989	SL / N/A	50.0000	9,543.05	100.0000	0.00	0.00	4,294.35	190.86	4,485.21
EDCWA07000325		Pump Equipment(SL	6/30/1991	SL / N/A	50.0000	3,389.22	100.0000	0.00	0.00	1,389.49	67.78	1,457.27
EDCWA07000328		Pump Equipment	11/2/1992	SL / N/A	50.0000	776.20	100.0000	0.00	0.00	297.47	15.52	312.99
EDCWA07000327		50 h.p. 3600 rpm, Jc	6/1/1995	SL / N/A	50.0000	7,185.30	100.0000	0.00	0.00	2,383.19	143.71	2,526.90
EDCWA07000328		Electric Pumps (HC)	7/1/1989	SL / N/A	50.0000	53,955.48	100.0000	0.00	0.00	24,279.97	1,079.11	25,359.08
EDCWA07000330		Pump Booster (HC)(l	7/1/1989	SL / N/A	40.0000	5,675.08	100.0000	0.00	0.00	3,769.01	141.88	3,910.89
EDCWA07000331		Booster Pump (HC)(l	12/31/1990	SL / N/A	50.0000	521.27	100.0000	0.00	0.00	219.03	10.43	229.46
EDCWA07000333		900 GPM Booster Ph	6/30/1997	SL / N/A	20.0000	112,185.13	100.0000	0.00	0.00	81,334.27	5,609.26	86,943.53
EDCWA07000334		50 GPM Booster Stz	6/30/1999	SL / N/A	20.0000	66,147.58	100.0000	0.00	0.00	41,617.86	3,307.38	44,925.24
EDCWA07000337		(1) Control & (2) Mot	5/9/2006	SL / N/A	10.0000	5,604.56	100.0000	0.00	0.00	3,175.94	560.46	3,736.40
EDCWA07000338		Computer Controls f	8/8/2006	SL / N/A	10.0000	8,138.10	100.0000	0.00	0.00	4,408.14	813.81	5,221.95
EDCWA07000339		Computer Controls f	5/30/2007	SL / N/A	10.0000	16,069.60	100.0000	0.00	0.00	7,365.23	1,606.96	8,972.19
EDCWA07000340		2 Pumps - Maceo Pt	7/20/2007	SL / N/A	10.0000	30,687.00	100.0000	0.00	0.00	13,553.43	3,068.70	16,622.13
EDCWA7000341		Pump-Pellville Pump	10/1/2010	SL / N/A	10.0000	3,777.80	100.0000	0.00	0.00	472.23	377.78	850.01
EDCWA7000342		2 Pumps(1.5 HP)(Ba	9/15/2012	SL / N/A	20.0000	1,547.60	100.0000	0.00	0.00	0.00	25.79	25.79
Subtotal: Equipment - Pumping						341,918.15		0.00	0.00	204,647.99	17,437.31	222,085.30
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Equipment - Pumping						341,918.15		0.00	0.00	204,647.99	17,437.31	222,085.30
<b>Hydrants</b> * 335												
						4600.01						
EDCWA11000312		Hydrants	6/30/1986	SL / N/A	50.0000	4,000.00	100.0000	0.00	0.00	2,040.00	80.00	2,120.00
EDCWA11000315		Hydrants	6/30/1987	SL / N/A	50.0000	5,250.00	100.0000	0.00	0.00	2,572.50	105.00	2,677.50
EDCWA11000318		Hydrants	6/30/1988	SL / N/A	50.0000	4,500.00	100.0000	0.00	0.00	2,115.00	90.00	2,205.00
EDCWA11000320		Hydrants (5)	6/30/1989	SL / N/A	50.0000	10,500.00	100.0000	0.00	0.00	4,725.00	210.00	4,935.00
EDCWA11000321		Hydrants	6/30/1990	SL / N/A	50.0000	3,489.65	100.0000	0.00	0.00	1,500.49	69.79	1,570.28
EDCWA11000322		Hydrants	6/30/1991	SL / N/A	50.0000	610.00	100.0000	0.00	0.00	250.10	12.20	262.30
EDCWA11000323		Hydrants	6/30/1993	SL / N/A	50.0000	5,282.14	100.0000	0.00	0.00	1,954.34	105.64	2,059.98
EDCWA11000324		Hydrants	6/30/1994	SL / N/A	50.0000	3,000.00	100.0000	0.00	0.00	1,050.00	60.00	1,110.00
EDCWA11000325		Hydrants	4/13/1995	SL / N/A	50.0000	400.00	100.0000	0.00	0.00	134.00	8.00	142.00
EDCWA11000326		Hydrants (HC)	6/30/1991	SL / N/A	50.0000	2,160.00	100.0000	0.00	0.00	885.60	43.20	928.80
EDCWA11000327		Hydrants	6/30/1996	SL / N/A	50.0000	1,500.00	100.0000	0.00	0.00	465.00	30.00	495.00
EDCWA11000328		(21) Fire Hydrants	6/30/1997	SL / N/A	50.0000	41,553.37	100.0000	0.00	0.00	12,050.51	831.07	12,881.58

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial

01/01/2012 - 12/31/2012

Asset ID	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Bus / Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Hydrants</b>												
EDCWA11000329		(3) Hydrants	6/30/1999	SL / N/A	50.0000	4,510.54	100.0000	0.00	0.00	1,135.14	90.21	1,225.35
EDCWA11000330		(2) Hydrants	6/30/2000	SL / N/A	50.0000	3,032.75	100.0000	0.00	0.00	702.64	60.66	763.30
EDCWA11000331		(6) Hydrants	6/30/2003	SL / N/A	50.0000	13,200.00	100.0000	0.00	0.00	2,244.00	264.00	2,508.00
EDCWA11000332		(7) Hydrants	6/30/2004	SL / N/A	50.0000	6,508.69	100.0000	0.00	0.00	976.28	130.17	1,106.45
EDCWA11000333		Hydrants	6/30/2005	SL / N/A	50.0000	2,809.28	100.0000	0.00	0.00	365.24	66.19	421.43
EDCWA11000334		15 New Hydrants on	7/17/2006	SL / N/A	50.0000	37,500.00	100.0000	0.00	0.00	4,062.50	750.00	4,812.50
EDCWA11000335		1 New Hydrant on 1l	7/17/2006	SL / N/A	50.0000	5,000.00	100.0000	0.00	0.00	541.67	100.00	641.67
EDCWA11000336		1 New Hydrant-Yelvi	7/24/2006	SL / N/A	50.0000	2,500.00	100.0000	0.00	0.00	270.83	50.00	320.83
EDCWA11000337		(1) Hydrant	9/1/2008	SL / N/A	50.0000	2,286.47	100.0000	0.00	0.00	152.43	45.73	198.16
EDCWA11000338		21 Hydrants - Small	7/1/2009	SL / N/A	50.0000	42,630.00	100.0000	0.00	0.00	2,131.50	652.60	2,984.10
EDCWA11000339		Installation Charge	7/1/2009	SL / N/A	50.0000	400.00	100.0000	0.00	0.00	20.00	8.00	28.00
EDCWA11000340		27 Hydrants-Gatowo	4/1/2010	SL / N/A	50.0000	75,228.00	100.0000	0.00	0.00	2,632.98	1,504.56	4,137.54
EDCWA11000341		1 Hydrant & Installat	4/15/2011	SL / N/A	50.0000	3,879.70	100.0000	0.00	0.00	55.19	73.59	128.78
EDCWA11000342		1 Hydrant-Boling Ch.	5/15/2011	SL / N/A	50.0000	1,125.00	100.0000	0.00	0.00	15.00	22.50	37.50
EDCWA11000343		1 Hydrant & Installat	9/15/2012	SL / N/A	50.0000	2,475.00	100.0000	0.00	0.00	0.00	16.50	16.50
Subtotal: Hydrants						285,130.59		0.00	0.00	45,047.94	5,669.61	50,717.55
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Hydrants						285,130.59		0.00	0.00	45,047.94	5,669.61	50,717.55
<b>Land - General Plant</b>						4600.01						
EDCWA03000103		Land	4/3/1981	No Calc / N/A	20.0000	1,000.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000104		Land for new Office	4/25/2007	No Calc / N/A	0.0000	40,475.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000105		Office Building - Site	10/1/2008	No Calc / N/A	0.0000	14,037.18	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000106		Zoning Change	3/12/2009	No Calc / N/A	0.0000	805.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000107		Site preparation	9/24/2009	No Calc / N/A	0.0000	5,630.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000108		Site Preparation-Nav	1/30/2010	No Calc / N/A	0.0000	2,050.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA03000109		53 Loads of Fill Dirt(l	2/1/2011	No Calc / N/A	0.0000	3,445.00	100.0000	0.00	0.00	0.00	0.00	0.00
Subtotal: Land - General Plant						67,442.18		0.00	0.00	0.00	0.00	0.00
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Land - General Plant						67,442.18		0.00	0.00	0.00	0.00	0.00
<b>Land - Pumping</b>						4600.01						
EDCWA01000101		Land & Right of Way	7/1/1973	No Calc / N/A	20.0000	4,353.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA01000102		Land	12/18/1995	No Calc / N/A	20.0000	400.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA01000103		Land & Land Rights	7/1/1989	No Calc / N/A	50.0000	3,084.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA01000104		Land & Land Rights	3/5/1996	No Calc / N/A	50.0000	1,154.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA01000105		Pellville Pump Statio	12/14/2010	No Calc / N/A	0.0000	1.00	100.0000	0.00	0.00	0.00	0.00	0.00
Subtotal: Land - Pumping						8,992.00		0.00	0.00	0.00	0.00	0.00
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Land - Pumping						8,992.00		0.00	0.00	0.00	0.00	0.00
<b>Land - Transmission</b>						4600.01						
EDCWA02000102		Land Recording Fee	7/1/1973	No Calc / N/A	20.0000	3,422.88	100.0000	0.00	0.00	0.00	0.00	0.00

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial  
01/01/2012 - 12/31/2012

Asset ID	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Land - Transmission</b> ➔ 320 + 321												
EDCWA02000251		Right of Ways & Rec	12/15/1981	No Calc / N/A	20.0000	5,895.05	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000304		Land & Recording Fr	6/30/1982	No Calc / N/A	20.0000	392.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000307		Easements of Right	6/30/1983	No Calc / N/A	20.0000	280.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000308		Land & Land Rights	6/30/1995	No Calc / N/A	20.0000	3,785.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000309		Land & Land Rights	7/1/1989	No Calc / N/A	50.0000	3,084.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000310		Land & Land Rights	11/11/1996	No Calc / N/A	50.0000	3,072.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000311		Land & Land Rights	6/30/1998	No Calc / N/A	0.0000	2,768.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000312		Tank-site Yelvington	11/10/2002	No Calc / N/A	0.0000	12,000.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000313		Land Improvements	12/31/2005	No Calc / N/A	0.0000	2,162.45	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000314		Land Improvement	12/31/2006	No Calc / N/A	0.0000	6,512.55	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000315		Passway Easement	11/23/2007	No Calc / N/A	0.0000	1,500.00	100.0000	0.00	0.00	0.00	0.00	0.00
EDCWA02000316		Cabot Tank Easeme	2/23/2010	No Calc / N/A	0.0000	1,000.00	100.0000	0.00	0.00	0.00	0.00	0.00
<b>Subtotal: Land - Transmission</b>						<b>45,873.93</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
<b>Net for: Land - Transmission</b>						<b>45,873.93</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Land Improvements - Office</b> ➔ 319												
						4600.01						
EDCWA16000100		Parking Lot and Driv	11/1/2009	SL / N/A	30.0000	27,185.78	100.0000	0.00	0.00	1,963.41	906.19	2,869.60
EDCWA16000101		Septic Tank	11/1/2009	SL / N/A	25.0000	2,650.00	100.0000	0.00	0.00	229.67	108.00	335.67
EDCWA16000102		Parking Lot-Shop	8/1/2010	SL / N/A	30.0000	19,680.37	100.0000	0.00	0.00	929.35	656.01	1,585.36
EDCWA16000103		Paved Parking Lot(C	5/15/2011	SL / N/A	30.0000	3,990.00	100.0000	0.00	0.00	88.67	133.00	221.67
<b>Subtotal: Land Improvements - Office</b>						<b>53,506.15</b>		<b>0.00</b>	<b>0.00</b>	<b>3,211.10</b>	<b>1,801.20</b>	<b>5,012.30</b>
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
<b>Net for: Land Improvements - Office</b>						<b>53,506.15</b>		<b>0.00</b>	<b>0.00</b>	<b>3,211.10</b>	<b>1,801.20</b>	<b>5,012.30</b>
<b>Meters</b> ➔ 331												
						4600.01						
EDCWA10000201	D	Water & Meter Instal	6/30/1980	SL / N/A	50.0000	20,123.91	100.0000	0.00	0.00	12,678.12	201.24	12,879.36
EDCWA10000255		Water Meter & Lines	6/30/1981	SL / N/A	50.0000	38,984.71	100.0000	0.00	0.00	23,778.19	779.62	24,557.81
EDCWA10000311		Water Meters	6/30/1986	SL / N/A	50.0000	22,000.00	100.0000	0.00	0.00	11,220.00	440.00	11,660.00
EDCWA10000314		Water Meters	6/30/1987	SL / N/A	50.0000	46,625.70	100.0000	0.00	0.00	22,846.50	932.51	23,779.01
EDCWA10000322		Water Meters	6/30/1989	SL / N/A	50.0000	22,579.85	100.0000	0.00	0.00	10,161.00	451.60	10,612.60
EDCWA10000335		Water Meters	6/30/1990	SL / N/A	50.0000	52,652.44	100.0000	0.00	0.00	22,640.57	1,053.05	23,693.62
EDCWA10000336		Water Meters	6/30/1991	SL / N/A	50.0000	26,065.77	100.0000	0.00	0.00	10,687.06	521.32	11,208.38
EDCWA10000337		Water Meters	6/30/1992	SL / N/A	50.0000	14,753.48	100.0000	0.00	0.00	5,753.86	295.07	6,048.93
EDCWA10000338		Water Meters	6/30/1993	SL / N/A	50.0000	15,471.00	100.0000	0.00	0.00	5,724.27	309.42	6,033.69
EDCWA10000339		Water Meters	6/30/1994	SL / N/A	50.0000	27,000.00	100.0000	0.00	0.00	9,450.00	540.00	9,990.00
EDCWA10000340		Water Meters	6/30/1995	SL / N/A	50.0000	15,900.00	100.0000	0.00	0.00	5,247.00	318.00	5,565.00
EDCWA10000341		Water Meters (HC)	7/1/1989	SL / N/A	50.0000	74,463.13	100.0000	0.00	0.00	33,508.35	1,489.26	34,997.61
EDCWA10000342		Water Meters (HC)	6/30/1990	SL / N/A	50.0000	1,392.50	100.0000	0.00	0.00	598.78	27.85	626.63
EDCWA10000343		Water Meters (HC)	6/30/1991	SL / N/A	60.0000	2,010.00	100.0000	0.00	0.00	824.10	40.20	864.30
EDCWA10000344		Water Meters (HC)	6/30/1992	SL / N/A	60.0000	2,125.00	100.0000	0.00	0.00	828.75	42.50	871.25
EDCWA10000345		Water Meters (HC)	6/30/1993	SL / N/A	50.0000	1,850.00	100.0000	0.00	0.00	684.50	37.00	721.50
EDCWA10000346		Water Meters (HC)	6/30/1994	SL / N/A	50.0000	600.00	100.0000	0.00	0.00	260.00	16.00	296.00
EDCWA10000347		Water Meters (HC)	6/30/1995	SL / N/A	50.0000	2,583.50	100.0000	0.00	0.00	852.58	51.67	904.23

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial  
01/01/2012 - 12/31/2012

Asset ID	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Bus / Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Meters</b>												
EDCWA10000348		(168) Water Meters	6/30/1996	SL / N/A	50.0000	42,100.00	100.0000	0.00	0.00	13,051.00	842.00	13,893.00
EDCWA10000349		(145) Water Meters	6/30/1997	SL / N/A	50.0000	37,150.00	100.0000	0.00	0.00	10,773.50	743.00	11,516.50
EDCWA10000350		178 Meters	6/30/1998	SL / N/A	50.0000	17,850.00	100.0000	0.00	0.00	4,819.50	357.00	5,176.50
EDCWA10000351		220 Meters	6/30/1999	SL / N/A	20.0000	67,711.75	100.0000	0.00	0.00	42,602.01	3,385.59	45,987.60
EDCWA10000352		144 Meters	6/30/2000	SL / N/A	20.0000	23,136.62	100.0000	0.00	0.00	13,399.95	1,156.83	14,556.78
EDCWA10000353		Water Meters	6/30/2001	SL / N/A	20.0000	15,500.00	100.0000	0.00	0.00	8,202.08	775.00	8,977.08
EDCWA10000354		Water Meters	6/30/2002	MSL/ HY	20.0000	9,125.00	100.0000	0.00	0.00	4,334.38	456.25	4,790.63
EDCWA10000355		Water Meters	6/30/2003	SL / N/A	20.0000	6,425.00	100.0000	0.00	0.00	2,730.63	321.25	3,051.88
EDCWA10000356		(83) Water Meters	6/30/2004	SL / N/A	20.0000	12,450.00	100.0000	0.00	0.00	4,668.75	622.50	5,291.25
EDCWA10000357		(3) Water Meters	8/31/2005	SL / N/A	20.0000	12,750.00	100.0000	0.00	0.00	4,037.50	637.50	4,675.00
EDCWA10000358		492 Meters - Cl Thor	6/12/2006	SL / N/A	20.0000	17,731.68	100.0000	0.00	0.00	4,950.07	886.58	5,836.65
EDCWA10000359		27 Meters & Installat	12/11/2006	SL / N/A	20.0000	4,050.00	100.0000	0.00	0.00	1,029.37	202.50	1,231.87
EDCWA10000360		36 Meters(United Sy	3/31/2007	SL / N/A	20.0000	3,455.48	100.0000	0.00	0.00	820.66	172.77	993.43
EDCWA0000361		1 Meter(United Syst	6/19/2007	SL / N/A	20.0000	197.57	100.0000	0.00	0.00	44.46	9.88	54.34
EDCWA10000362		200 Meters(C.I. Thor	11/17/2007	SL / N/A	20.0000	8,162.00	100.0000	0.00	0.00	1,666.41	408.10	2,074.51
EDCWA10000363		Meters & Meter Inst	6/30/2008	SL / N/A	20.0000	28,240.52	100.0000	0.00	0.00	4,942.11	1,412.03	6,354.14
EDCWA10000364		60 Meters	6/30/2009	SL / N/A	20.0000	21,200.00	100.0000	0.00	0.00	2,650.00	1,060.00	3,710.00
EDCWA10000365		Meter Installation	6/30/2009	SL / N/A	20.0000	4,650.00	100.0000	0.00	0.00	581.25	232.50	813.75
EDCWA10000366		Meter Installation	6/30/2010	SL / N/A	20.0000	5,250.00	100.0000	0.00	0.00	393.75	262.50	656.25
EDCWA10000367		Meter Installation	6/30/2010	SL / N/A	20.0000	7,200.00	100.0000	0.00	0.00	540.00	360.00	900.00
EDCWA10000368		35 Meters	6/15/2010	SL / N/A	20.0000	14,000.00	100.0000	0.00	0.00	1,108.33	700.00	1,808.33
EDCWA10000369		250 Sensus Water Iv	6/30/2011	SL / N/A	20.0000	23,585.00	100.0000	0.00	0.00	589.63	1,179.25	1,768.88
EDCWA10000370		2 Sensus Water Met	6/30/2011	SL / N/A	20.0000	852.90	100.0000	0.00	0.00	21.33	42.65	63.98
EDCWA10000371		Meter Installation(34	6/30/2011	SL / N/A	20.0000	6,800.00	100.0000	0.00	0.00	170.00	340.00	510.00
EDCWA10000372		Conversion Kits(180	6/30/2011	SL / N/A	20.0000	11,828.60	100.0000	0.00	0.00	295.74	591.48	887.22
EDCWA10000373	D	Meters	8/30/1981	SL / N/A	50.0000	33,876.09	100.0000	0.00	0.00	20,667.02	338.80	21,005.82
EDCWA10000374		500 3/4" Sensus Wa	6/30/2012	SL / N/A	40.0000	23,320.00	100.0000	0.00	0.00	0.00	291.50	291.50
EDCWA10000375		1,288 3/4" Sensus V	6/30/2012	SL / N/A	50.0000	81,437.60	100.0000	0.00	0.00	0.00	614.38	614.38
EDCWA10000376		12 3/4" Touch Read	6/30/2012	SL / N/A	50.0000	1,579.32	100.0000	0.00	0.00	0.00	15.80	15.80
EDCWA10000377		2 1" Sensus Water I	6/30/2012	SL / N/A	50.0000	434.88	100.0000	0.00	0.00	0.00	4.35	4.35
EDCWA10000378		Installation Charges	6/30/2012	SL / N/A	50.0000	9,724.02	100.0000	0.00	0.00	0.00	97.24	97.24
Subtotal: Meters						919,156.02		0.00	0.00	326,853.04	28,065.54	352,918.58
Less dispositions and exchanges:						54,000.00		0.00	0.00	33,345.14	0.00	33,885.18
Net for: Meters						865,156.02		0.00	0.00	293,507.90	26,065.54	319,033.40
<b>Miscellaneous</b>						4600.01						
EDCWA15000418		Office Furniture	7/1/1986	SL / N/A	10.0000	1,270.69	100.0000	0.00	0.00	1,270.69	0.00	1,270.69
EDCWA15000419		Secretarial Desk	8/6/1987	SL / N/A	10.0000	625.65	100.0000	0.00	0.00	625.65	0.00	625.65
EDCWA15000421	D	Line Locator	12/12/1991	SL / N/A	10.0000	852.26	100.0000	0.00	0.00	852.28	0.00	852.26
EDCWA15000423	D	Air Compressor	11/25/1991	SL / N/A	10.0000	549.00	100.0000	0.00	0.00	549.00	0.00	549.00
EDCWA15000424		Bench Grinder	11/25/1991	SL / N/A	10.0000	139.95	100.0000	0.00	0.00	139.95	0.00	139.95
EDCWA15000425		Fax Machine	11/25/1991	SL / N/A	10.0000	699.00	100.0000	0.00	0.00	699.00	0.00	699.00
EDCWA15000427	D	Chain Saw	12/12/1991	SL / N/A	10.0000	191.48	100.0000	0.00	0.00	191.48	0.00	191.48
EDCWA15000431		Tools	12/2/1993	SL / N/A	10.0000	441.77	100.0000	0.00	0.00	441.77	0.00	441.77

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial  
 01/01/2012 - 12/31/2012

Asset ID	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus / Inv. %	Sec. 179 / Bonus	Salvage / Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Miscellaneous</b>												
EDCWA15000433		Micro VAX 31000 (H	12/31/1989	SL / N/A	10.0000	10,989.00	100.0000	0.00	0.00	10,989.00	0.00	10,989.00
EDCWA15000434		Generator	4/15/1996	SL / N/A	10.0000	3,000.00	100.0000	0.00	0.00	3,000.00	0.00	3,000.00
EDCWA15000435		Wacker 2" Water Pu	4/15/1996	SL / N/A	10.0000	840.50	100.0000	0.00	0.00	840.50	0.00	840.50
EDCWA15000438	D	Pocket Colorimeter I	6/14/1996	SL / N/A	10.0000	322.70	100.0000	0.00	0.00	322.70	0.00	322.70
EDCWA15000437		(2) Digital FX Pentur	11/27/1996	SL / N/A	5.0000	11,659.00	100.0000	0.00	0.00	11,659.00	0.00	11,659.00
EDCWA15000438		United Systems Soft	12/31/1998	SL / N/A	5.0000	6,760.00	100.0000	0.00	0.00	6,760.00	0.00	6,760.00
EDCWA15000440		Handheld Meter Rea	7/13/2001	SL / N/A	10.0000	1,209.05	100.0000	0.00	0.00	1,209.05	0.00	1,209.05
EDCWA15000441		Pipe Locator	10/17/2001	SL / N/A	10.0000	2,544.00	100.0000	0.00	0.00	2,544.00	0.00	2,544.00
EDCWA15000443		Hyster Forklift(Used)	3/5/2007	SL / N/A	7.0000	2,200.00	100.0000	0.00	0.00	1,519.07	314.29	1,833.36
EDCWA15000444		Line Locator(Ditch V	10/23/2007	MSL / MO	7.0000	5,936.00	100.0000	0.00	0.00	3,498.00	848.00	4,346.00
EDCWA15000445		Kubota Lawn Tracto	6/30/2009	SL / N/A	10.0000	3,496.94	100.0000	0.00	0.00	874.23	349.69	1,223.92
EDCWA15000446		Wacker Generator	2/26/2010	SL / N/A	10.0000	16,854.00	100.0000	0.00	0.00	3,089.90	1,685.40	4,775.30
EDCWA15000447		Lawn Mower	4/6/2010	SL / N/A	5.0000	465.34	100.0000	0.00	0.00	162.87	93.07	255.94
EDCWA15000448		Metal Detector(2)	4/9/2010	SL / N/A	10.0000	1,838.00	100.0000	0.00	0.00	321.65	183.80	505.45
EDCWA15000449		Troy Tiller	4/9/2010	SL / N/A	7.0000	291.66	100.0000	0.00	0.00	72.92	41.67	114.59
EDCWA15000450		Water Pump	9/10/2010	SL / N/A	7.0000	595.26	100.0000	0.00	0.00	113.39	85.04	198.43
EDCWA15000451		Transit	10/11/2010	SL / N/A	7.0000	1,054.70	100.0000	0.00	0.00	189.34	150.67	339.01
EDCWA15000452		Magnum Pro Genera	11/15/2010	SL / N/A	10.0000	22,304.89	100.0000	0.00	0.00	2,602.24	2,230.49	4,832.73
EDCWA15000453		Lawn Mower Trailer(	3/10/2011	SL / N/A	10.0000	556.50	100.0000	0.00	0.00	46.37	55.65	102.02
EDCWA15000454		GPS for Distribution	4/15/2011	SL / N/A	7.0000	8,215.00	100.0000	0.00	0.00	880.18	1,173.57	2,053.75
EDCWA15000455		Wand to read touch	5/1/2011	SL / N/A	7.0000	3,060.22	100.0000	0.00	0.00	291.45	437.17	728.62
EDCWA15000456		Concrete Saw	9/1/2012	SL / N/A	7.0000	901.00	100.0000	0.00	0.00	0.00	42.90	42.90
EDCWA15000457		Locator	9/1/2012	SL / N/A	7.0000	2,700.00	100.0000	0.00	0.00	0.00	128.57	128.57
EDCWA15000458		2 Metal Detectors	10/1/2012	SL / N/A	10.0000	2,175.16	100.0000	0.00	0.00	0.00	54.38	54.38
EDCWA15000459		Pocket Colorimeter	12/15/2012	SL / N/A	10.0000	909.43	100.0000	0.00	0.00	0.00	7.58	7.58
<b>Subtotal: Miscellaneous</b>						<b>115,648.15</b>		<b>0.00</b>	<b>0.00</b>	<b>55,754.66</b>	<b>7,881.94</b>	<b>63,636.60</b>
<b>Less dispositions and exchanges:</b>						<b>1,915.44</b>		<b>0.00</b>	<b>0.00</b>	<b>1,915.44</b>	<b>0.00</b>	<b>1,915.44</b>
<b>Net for: Miscellaneous</b>						<b>113,732.71</b>		<b>0.00</b>	<b>0.00</b>	<b>63,839.22</b>	<b>7,881.94</b>	<b>61,721.16</b>
<b>Office Furniture &amp; Equipment</b>												
						4600.01						
EDCWA12000401		(1) Pella Saddle Chai	10/25/1979	SL / N/A	10.0000	207.80	100.0000	0.00	0.00	207.80	0.00	207.80
EDCWA12000406		Conference Table &	4/18/1980	SL / N/A	10.0000	250.00	100.0000	0.00	0.00	250.00	0.00	250.00
EDCWA12000411		Four Drawer File Cab	2/8/1982	SL / N/A	10.0000	164.00	100.0000	0.00	0.00	164.00	0.00	164.00
EDCWA12000417		Cabinet	2/28/1988	SL / N/A	5.0000	400.00	100.0000	0.00	0.00	400.00	0.00	400.00
EDCWA12000424		File Cabinets	9/30/1988	SL / N/A	5.0000	393.85	100.0000	0.00	0.00	393.85	0.00	393.85
EDCWA12000426		Refrigerator	3/30/1992	SL / N/A	5.0000	699.95	100.0000	0.00	0.00	699.95	0.00	699.95
EDCWA12000427		Chair, Executive Swi	12/11/1992	SL / N/A	5.0000	150.89	100.0000	0.00	0.00	150.89	0.00	150.89
EDCWA12000430		Desk	11/8/1996	SL / N/A	10.0000	1,050.38	100.0000	0.00	0.00	1,050.38	0.00	1,050.38
EDCWA12000431		Chair	3/11/1997	SL / N/A	10.0000	413.37	100.0000	0.00	0.00	413.37	0.00	413.37
EDCWA12000433		Desk & Cabinets	3/5/1997	SL / N/A	10.0000	1,550.00	100.0000	0.00	0.00	1,550.00	0.00	1,550.00
EDCWA12000434		Software	3/18/1998	SL / N/A	5.0000	2,438.95	100.0000	0.00	0.00	2,438.95	0.00	2,438.95
EDCWA12000441		Meter Reading Softw	3/31/2007	SL / N/A	5.0000	15,293.68	100.0000	0.00	0.00	14,529.01	784.67	15,293.68
EDCWA12000442		Server Backup(Unite	5/9/2008	SL / N/A	5.0000	894.99	100.0000	0.00	0.00	656.33	179.00	835.33
EDCWA12000443		Desk and Credenza,	11/30/2009	SL / N/A	10.0000	8,229.00	100.0000	0.00	0.00	1,714.37	622.90	2,537.27



01/01/2012 - 12/31/2012

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

3/5/2013  
 12:57:24PM

Sorted: General - category

Financial

01/01/2012 - 12/31/2012

Asset ID	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Office Furniture &amp; Equipment</b>												
EDCWA12000444		RCA 32" TV	11/30/2009	SL / N/A	5.0000	370.95	100.0000	0.00	0.00	154.56	74.19	228.75
EDCWA12000445		Microwave	11/30/2009	SL / N/A	5.0000	178.08	100.0000	0.00	0.00	74.21	35.62	109.83
EDCWA12000446		Dishwasher	11/30/2009	SL / N/A	5.0000	390.08	100.0000	0.00	0.00	162.54	78.02	240.56
EDCWA12000447		Shelving(Basement)	11/30/2009	SL / N/A	10.0000	304.52	100.0000	0.00	0.00	63.44	30.45	93.89
EDCWA12000448		Office Desk (Frankie)	12/15/2009	SL / N/A	10.0000	1,431.00	100.0000	0.00	0.00	298.12	143.10	441.22
EDCWA12000449		Computer Server	12/31/2009	SL / N/A	5.0000	4,199.44	100.0000	0.00	0.00	1,679.78	839.89	2,519.67
EDCWA12000450		3 Office Chairs	12/15/2009	SL / N/A	10.0000	225.00	100.0000	0.00	0.00	46.87	22.50	69.37
EDCWA12000451		4 HP Computers	12/31/2009	SL / N/A	5.0000	4,515.88	100.0000	0.00	0.00	1,806.36	903.18	2,709.54
EDCWA12000452		Lexmark Printer	12/31/2009	SL / N/A	5.0000	1,465.98	100.0000	0.00	0.00	586.40	293.20	879.60
EDCWA12000453		Refrigerator	2/24/2010	SL / N/A	10.0000	625.35	100.0000	0.00	0.00	114.66	62.54	177.20
EDCWA12000454		Stove	2/24/2010	SL / N/A	10.0000	551.18	100.0000	0.00	0.00	101.05	55.12	156.17
EDCWA12000455		20 Stacking Chairs	3/4/2010	SL / N/A	10.0000	421.25	100.0000	0.00	0.00	77.24	42.13	119.37
EDCWA12000456		Board Table and Ch	3/9/2010	SL / N/A	10.0000	2,300.00	100.0000	0.00	0.00	421.67	230.00	651.67
EDCWA12000457		Ice Maker	6/30/2010	SL / N/A	10.0000	2,963.88	100.0000	0.00	0.00	444.59	296.39	740.98
EDCWA12000458		Sentry Office Safe	1/15/2012	SL / N/A	10.0000	243.79	100.0000	0.00	0.00	0.00	24.38	24.38
EDCWA12000459		8 Four Drawer Filing	8/1/2012	SL / N/A	10.0000	1,388.60	100.0000	0.00	0.00	0.00	57.86	57.86
Subtotal: Office Furniture & Equipment						53,711.82		0.00	0.00	30,650.39	4,955.14	35,605.53
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Office Furniture & Equipment						53,711.82		0.00	0.00	30,650.39	4,955.14	35,605.53
<b>Reservoirs &amp; Stand Pipes</b> * 330						4600.01						
EDCWA08000103		Reservoir(Chestnut)	7/1/1973	SL / N/A	50.0000	45,587.84	100.0000	0.00	0.00	35,102.58	911.76	36,014.32
EDCWA08000152		Reservoir(Roseville)	1/1/1979	SL / N/A	50.0000	62,290.00	100.0000	0.00	0.00	41,111.40	1,245.80	42,357.20
EDCWA08000319		Setup cost for Chesl	6/30/1988	SL / N/A	50.0000	47,881.28	100.0000	0.00	0.00	22,504.30	957.63	23,461.93
EDCWA08000323		Moving cost For Chr	6/30/1989	SL / N/A	50.0000	7,701.65	100.0000	0.00	0.00	3,465.68	154.03	3,619.71
EDCWA08000324		Reservoir (HC)(2)(Bol	7/1/1989	SL / N/A	50.0000	258,815.99	100.0000	0.00	0.00	116,467.20	5,176.32	121,643.52
EDCWA08000325		Reservoir(Knottsville	6/30/1997	SL / N/A	50.0000	584,133.80	100.0000	0.00	0.00	163,598.86	11,282.68	174,881.54
EDCWA08000326		100,000 Storage Tan	6/30/1999	SL / N/A	50.0000	180,779.57	100.0000	0.00	0.00	45,496.17	3,615.59	49,111.76
EDCWA08000327		Water Tower @ Yelvi	7/24/2006	SL / N/A	50.0000	470,955.73	100.0000	0.00	0.00	51,020.18	9,419.11	60,439.29
EDCWA08000328		Valve-Knottsville Tan	9/15/2010	SL / N/A	50.0000	11,162.86	100.0000	0.00	0.00	297.68	223.26	520.94
Subtotal: Reservoirs & Stand Pipes						1,649,308.72		0.00	0.00	479,084.03	32,986.18	512,050.21
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Reservoirs & Stand Pipes						1,649,308.72		0.00	0.00	479,084.03	32,986.18	512,050.21
<b>Structures - General Plant</b> * 319 → * 339						4600.01						
EDCWA06000411		Garage	6/30/1990	SL / N/A	20.0000	9,432.03	100.0000	0.00	0.00	9,432.03	0.00	9,432.03
EDCWA06000412		Garage Improvemen	6/30/1991	SL / N/A	20.0000	2,722.83	100.0000	0.00	0.00	2,722.83	0.00	2,722.83
EDCWA06000415		New Office Building	1/1/2010	SL / N/A	30.0000	249,806.13	100.0000	0.00	0.00	16,653.74	8,326.87	24,980.61
EDCWA06000416		Cabinets for Kitchen	12/15/2011	SL / N/A	30.0000	2,005.88	100.0000	0.00	0.00	5.57	66.86	72.43
EDCWA06000417		Downstairs Bathroom	8/8/2012	SL / N/A	30.0000	2,263.42	100.0000	0.00	0.00	0.00	31.44	31.44
Subtotal: Structures - General Plant						266,230.29		0.00	0.00	28,814.17	8,425.17	37,239.34
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Structures - General Plant						266,230.29		0.00	0.00	28,814.17	8,425.17	37,239.34
						4600.01						

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Sorted: General - category

Financial

01/01/2012 - 12/31/2012

Asset ID	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Acc. Depreciation	Current Depreciation	Total Depreciation
<b>Structures - Pumping</b> 304												
EDCWA04000105		Fence 130' X 6'	1/31/1997	SL/ N/A	20.0000	2,960.00	100.0000	0.00	0.00	2,207.67	148.00	2,355.67
EDCWA04000106		New Pump Station -	12/31/2007	SL/ N/A	39.0000	38,394.38	100.0000	0.00	0.00	3,937.88	984.47	4,922.35
EDCWA04000107		Pelville Pump Static	12/1/2010	SL/ N/A	39.0000	33,837.76	100.0000	0.00	0.00	939.93	867.63	1,807.56
Subtotal: Structures - Pumping						75,192.14		0.00	0.00	7,085.48	2,000.10	9,085.58
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Structures - Pumping						75,192.14		0.00	0.00	7,085.48	2,000.10	9,085.58
<b>Structures - Transmission</b> 322												
						4600.01						
EDCWA05000106		Access Roads	7/1/1973	SL/ N/A	25.0000	5,571.71	100.0000	0.00	0.00	5,571.71	0.00	5,571.71
EDCWA05000107		Fence	6/30/1990	SL/ N/A	25.0000	1,560.00	100.0000	0.00	0.00	1,341.60	62.40	1,404.00
Subtotal: Structures - Transmission						7,131.71		0.00	0.00	6,913.31	62.40	6,975.71
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Structures - Transmission						7,131.71		0.00	0.00	6,913.31	62.40	6,975.71
<b>Transmission &amp; Distribution Mains</b> 331												
						4600.01						
EDCWA09000107		Distribution Mains &	7/1/1974	SL/ N/A	50.0000	517,207.10	100.0000	0.00	0.00	387,905.25	10,344.14	398,249.39
EDCWA09000151		Distribution Mains &	1/1/1979	SL/ N/A	50.0000	1,082,007.72	100.0000	0.00	0.00	714,124.95	21,640.15	735,765.10
EDCWA09000253		Distribution Mains &	12/15/1981	SL/ N/A	50.0000	291,838.03	100.0000	0.00	0.00	175,589.20	5,836.76	181,425.96
EDCWA09000301		Distribution Mains &	4/16/1982	SL/ N/A	50.0000	112,415.16	100.0000	0.00	0.00	66,699.57	2,248.30	68,947.87
EDCWA09000302		Distribution Mains &	10/15/1982	SL/ N/A	50.0000	82,465.10	100.0000	0.00	0.00	48,242.03	1,649.30	49,891.33
EDCWA09000303		Distribution Mains &	1/1/1982	SL/ N/A	50.0000	1,400.00	100.0000	0.00	0.00	840.00	28.00	868.00
EDCWA09000305		Water Mains & Mete	6/30/1982	SL/ N/A	50.0000	54,525.90	100.0000	0.00	0.00	32,170.34	1,090.52	33,260.86
EDCWA09000306		Water Mains & Mete	6/30/1983	SL/ N/A	50.0000	57,407.03	100.0000	0.00	0.00	32,721.99	1,148.14	33,870.13
EDCWA09000308		Water Mains & Mete	6/30/1984	SL/ N/A	50.0000	78,432.64	100.0000	0.00	0.00	43,137.88	1,568.65	44,706.53
EDCWA09000309		Water Mains & Mete	6/30/1985	SL/ N/A	50.0000	70,742.57	100.0000	0.00	0.00	37,493.53	1,414.85	38,908.38
EDCWA09000310		Water Main	6/30/1986	SL/ N/A	50.0000	73,458.56	100.0000	0.00	0.00	37,463.84	1,469.17	38,933.01
EDCWA09000313		Water Main	6/30/1987	SL/ N/A	50.0000	46,625.70	100.0000	0.00	0.00	22,846.50	932.51	23,779.01
EDCWA09000316		Water Main	6/30/1988	SL/ N/A	50.0000	12,375.00	100.0000	0.00	0.00	5,816.25	247.60	6,063.75
EDCWA09000317		Water Meter & Line	6/30/1988	SL/ N/A	50.0000	75,661.90	100.0000	0.00	0.00	35,561.14	1,513.24	37,074.38
EDCWA09000321		Water Main	6/30/1989	SL/ N/A	50.0000	38,078.51	100.0000	0.00	0.00	17,135.33	761.57	17,896.90
EDCWA09000336		Mains	6/30/1990	SL/ N/A	50.0000	41,483.08	100.0000	0.00	0.00	17,837.69	829.66	18,667.35
EDCWA09000337		Mains	6/30/1991	SL/ N/A	50.0000	15,424.28	100.0000	0.00	0.00	6,324.04	308.49	6,632.53
EDCWA09000338		Mains	6/30/1992	SL/ N/A	50.0000	21,281.91	100.0000	0.00	0.00	8,299.98	425.64	8,725.62
EDCWA09000339		Mains	6/30/1993	SL/ N/A	50.0000	27,195.18	100.0000	0.00	0.00	10,062.15	543.90	10,606.05
EDCWA09000340		Mains	6/30/1994	SL/ N/A	50.0000	19,834.99	100.0000	0.00	0.00	6,942.25	396.70	7,338.95
EDCWA09000341		Mains	6/30/1995	SL/ N/A	50.0000	62,842.85	100.0000	0.00	0.00	20,738.19	1,258.86	21,995.05
EDCWA09000342		Mains (HC)	7/1/1989	SL/ N/A	50.0000	630,916.33	100.0000	0.00	0.00	283,912.42	12,618.33	296,530.75
EDCWA09000343		Mains (HC)	6/30/1990	SL/ N/A	50.0000	6,388.80	100.0000	0.00	0.00	2,747.27	127.78	2,875.05
EDCWA09000344		Mains (HC)	6/30/1992	SL/ N/A	50.0000	3,250.00	100.0000	0.00	0.00	1,267.50	65.00	1,332.50
EDCWA09000345		Mains	6/30/1996	SL/ N/A	50.0000	79,212.14	100.0000	0.00	0.00	24,555.72	1,584.24	26,139.96
EDCWA09000346		Water Mains	6/30/1997	SL/ N/A	50.0000	1,188,787.68	100.0000	0.00	0.00	344,748.38	23,775.75	368,524.13
EDCWA09000347		Water Mains	6/30/1998	SL/ N/A	50.0000	108,998.72	100.0000	0.00	0.00	29,429.60	2,179.97	31,609.57
EDCWA09000348		Mains	6/30/1999	SL/ N/A	50.0000	326,813.03	100.0000	0.00	0.00	82,247.94	6,536.28	88,784.20
EDCWA09000349		Water Mains	6/30/2000	SL/ N/A	50.0000	169,918.20	100.0000	0.00	0.00	39,364.34	3,398.38	42,762.70

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**

Financial

01/01/2012 - 12/31/2012

Asset ID	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Transmission &amp; Distribution Mains</b>												
EDCWA09000350		Water Mains	6/30/2001	SL / N/A	50.0000	56,225.17	100.0000	0.00	0.00	11,900.96	1,124.50	13,025.46
EDCWA09000351		Water Mains	6/30/2002	MSL / MM	50.0000	117,078.73	100.0000	0.00	0.00	22,342.51	2,341.57	24,684.08
EDCWA09000352		Water Mains	6/30/2003	SL / N/A	50.0000	22,858.18	100.0000	0.00	0.00	3,885.86	457.16	4,343.02
EDCWA09000353		Water Mains	6/30/2004	SL / N/A	50.0000	33,646.22	100.0000	0.00	0.00	5,046.90	672.92	5,719.82
EDCWA09000354		Water Mains	6/30/2005	SL / N/A	50.0000	29,119.97	100.0000	0.00	0.00	3,785.60	582.40	4,368.00
EDCWA09000355		Various Supplies-We	1/6/2006	SL / N/A	50.0000	999.37	100.0000	0.00	0.00	119.94	19.99	139.93
EDCWA09000356		Various Supplies-We	1/6/2006	SL / N/A	50.0000	929.05	100.0000	0.00	0.00	111.48	16.58	130.06
EDCWA09000357		Various Supplies-Coi	2/4/2006	SL / N/A	50.0000	662.50	100.0000	0.00	0.00	78.40	13.25	91.65
EDCWA09000358		Various Supplies-Ow	2/8/2006	SL / N/A	50.0000	5,890.42	100.0000	0.00	0.00	697.04	117.61	814.65
EDCWA09000359		Various Supplies-Coi	6/5/2006	SL / N/A	50.0000	2,026.21	100.0000	0.00	0.00	226.24	40.52	266.76
EDCWA09000360		Various Supplies-We	6/13/2006	SL / N/A	50.0000	741.42	100.0000	0.00	0.00	82.80	14.83	97.63
EDCWA09000361		Various Supplies-We	6/27/2006	SL / N/A	50.0000	4,506.06	100.0000	0.00	0.00	495.66	90.12	585.78
EDCWA09000362		Various Supplies-Coi	7/13/2006	SL / N/A	50.0000	1,313.81	100.0000	0.00	0.00	144.54	26.28	170.82
EDCWA09000363		10" Main - Hancock	7/17/2006	SL / N/A	50.0000	529,796.17	100.0000	0.00	0.00	57,394.57	10,595.92	67,990.49
EDCWA09000364		Various Supplies-See	10/4/2006	SL / N/A	50.0000	6,940.89	100.0000	0.00	0.00	728.81	138.82	867.63
EDCWA09000365		Various Supplies-We	11/21/2006	SL / N/A	50.0000	1,017.60	100.0000	0.00	0.00	103.45	20.35	123.80
EDCWA09000366		Various Supplies-Coi	12/4/2006	SL / N/A	50.0000	1,540.05	100.0000	0.00	0.00	158.57	30.80	187.37
EDCWA09000367		Various Supplies	1/30/2007	SL / N/A	50.0000	2,198.08	100.0000	0.00	0.00	216.14	43.96	260.10
EDCWA09000368		Various Supplies	2/8/2007	SL / N/A	50.0000	2,027.92	100.0000	0.00	0.00	199.42	40.56	239.98
EDCWA09000369		Various Supplies	3/30/2007	SL / N/A	50.0000	3,544.47	100.0000	0.00	0.00	336.73	70.89	407.62
EDCWA09000370		Various Supplies	5/7/2007	SL / N/A	50.0000	1,332.63	100.0000	0.00	0.00	124.37	26.65	151.02
EDCWA09000371		Various Supplies	6/7/2007	SL / N/A	50.0000	2,943.72	100.0000	0.00	0.00	269.82	58.87	328.69
EDCWA09000372		Various Supplies	6/29/2007	SL / N/A	50.0000	2,521.74	100.0000	0.00	0.00	226.94	50.43	277.37
EDCWA09000373		Various Supplies	10/14/2007	SL / N/A	50.0000	4,399.74	100.0000	0.00	0.00	373.96	87.99	461.95
EDCWA09000374		Gasket Pipe	10/29/2007	SL / N/A	50.0000	5,724.00	100.0000	0.00	0.00	477.00	114.48	591.48
EDCWA09000375		Water Mains	6/30/2008	SL / N/A	50.0000	61,908.97	100.0000	0.00	0.00	4,333.63	1,238.18	5,571.81
EDCWA09000376		Small Mains Project	7/1/2009	SL / N/A	50.0000	417,474.28	100.0000	0.00	0.00	20,873.73	8,349.49	29,223.22
EDCWA09000377		Installation Charges	7/1/2009	SL / N/A	50.0000	42,808.65	100.0000	0.00	0.00	2,140.43	856.17	2,996.60
EDCWA09000378		Various Supplies	7/1/2009	SL / N/A	50.0000	6,607.86	100.0000	0.00	0.00	330.40	132.16	462.56
EDCWA09000379		Gatewood Project	4/1/2010	SL / N/A	50.0000	679,660.54	100.0000	0.00	0.00	23,788.12	13,593.21	37,381.33
EDCWA09000380		Water Main-Windy H	4/30/2011	SL / N/A	50.0000	8,493.00	100.0000	0.00	0.00	113.24	169.86	283.10
EDCWA0900081		Boling Chapel Fire L	5/15/2011	SL / N/A	50.0000	69,589.22	100.0000	0.00	0.00	927.85	1,391.78	2,319.63
EDCWA09000382		Various Supplies	6/30/2011	SL / N/A	50.0000	6,710.58	100.0000	0.00	0.00	67.11	134.21	201.32
EDCWA09000383		Hwy 60 ByPass Ext	8/1/2011	SL / N/A	50.0000	105,940.35	100.0000	0.00	0.00	882.84	2,118.81	3,001.65
EDCWA09000384		Indian Hill Road Wat	10/15/2011	SL / N/A	50.0000	1,200.00	100.0000	0.00	0.00	6.00	24.00	30.00
EDCWA09000385		Iceland Road Servic	4/15/2012	SL / N/A	50.0000	953.40	100.0000	0.00	0.00	0.00	14.30	14.30
EDCWA09000386		Williams Road Exten	5/24/2012	SL / N/A	50.0000	484.12	100.0000	0.00	0.00	0.00	5.65	5.65
EDCWA09000387		Old Letchfield Road	6/6/2012	SL / N/A	50.0000	2,728.32	100.0000	0.00	0.00	0.00	31.83	31.83
EDCWA09000388		Hwy 54 Line Extensi	10/4/2012	SL / N/A	50.0000	1,009.20	100.0000	0.00	0.00	0.00	5.05	5.05
<b>Subtotal: Transmission &amp; Distribution Mains</b>						<b>7,542,540.72</b>		<b>0.00</b>	<b>0.00</b>	<b>2,699,214.33</b>	<b>150,804.09</b>	<b>2,850,018.42</b>
<b>Less dispositions and exchanges:</b>						<b>0.00</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net for: Transmission &amp; Distribution Mains</b>						<b>7,542,540.72</b>		<b>0.00</b>	<b>0.00</b>	<b>2,699,214.33</b>	<b>150,804.09</b>	<b>2,850,018.42</b>

Transportation Equipment

4600.01

61-0739440  
 01/01/2012 - 12/31/2012  
 Sorted: General - category

EAST DAVIESS COUNTY WATER ASSN. [0007040]  
**Depreciation Expense**  
 Financial  
 01/01/2012 - 12/31/2012

3/6/2013  
 12:57:24PM

Asset ID	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
Transportation Equipment		<b>341</b>										
EDCWA13000432		2002 Ford F-250 & L	4/30/2002	MSL / HY	5.0000	31,444.90	100.0000	0.00	0.00	31,444.90	0.00	31,444.90
EDCWA13000435		2007 Ford Ranger P	9/15/2006	SL / N/A	5.0000	15,844.90	100.0000	0.00	0.00	15,844.90	0.00	15,844.90
EDCWA13000436	D	2007 Ford Ranger	1/2/2007	SL / N/A	5.0000	15,844.00	100.0000	0.00	0.00	15,844.00	0.00	15,844.00
EDCWA13000437		2007 Ford Ranger	6/26/2007	SL / N/A	5.0000	16,685.00	100.0000	0.00	0.00	15,016.50	1,668.50	16,685.00
EDCWA13000438		2009 Chevy Colorad	7/21/2009	SL / N/A	5.0000	22,260.00	100.0000	0.00	0.00	10,759.00	4,452.00	15,211.00
EDCWA13000439		2011 Chevy Colorad	6/10/2011	SL / N/A	5.0000	20,809.00	100.0000	0.00	0.00	2,427.72	4,161.80	6,589.52
EDCWA13000440		2012 Chevy Colorad	8/8/2012	SL / N/A	5.0000	20,061.93	100.0000	0.00	0.00	0.00	1,671.83	1,671.83
Subtotal: Transportation Equipment						142,949.73		0.00	0.00	91,337.02	11,954.13	103,291.15
Less dispositions and exchanges:						16,844.00		0.00	0.00	15,844.00	0.00	15,844.00
Net for: Transportation Equipment						127,105.73	4600.01	0.00	0.00	75,493.02	11,954.13	87,447.15
Subtotal:						11,592,215.86		0.00	0.00	3,981,421.52	271,655.22	4,253,076.74
Less dispositions and exchanges:						71,759.44		0.00	0.00	51,104.58	0.00	51,644.62
Grand Totals:						11,520,456.42		0.00	0.00	3,930,316.94	271,655.22	4,201,432.12

7200.01

LOAN# \_\_\_\_\_

**\$1,719,705.00**

Owensboro, Kentucky  
August 6, 2010

**TERM NOTE  
(For Term Loan Agreement)**

**FOR VALUE RECEIVED, the undersigned, EAST DAVIESS COUNTY WATER ASSOCIATION, Inc., a Kentucky non-profit corporation, (the "Borrower"), having a mailing address of 9210 State Route 144, Knottsville, KY 42366, hereby promises to pay, upon the terms and conditions hereafter provided, unto the order of U.S. BANK N.A., with offices at 700 Frederica Street, Owensboro, Kentucky 42301 its successors and assigns (hereafter "Bank"), the principal sum of ONE MILLION SEVEN HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIVE DOLLARS (\$1,719,705.00), (the "Loan").**

**INTEREST** on the unpaid principal balance shall accrue at an annual fixed rate equal to 3.71% per annum.

**PAYMENT** of principal and interest shall commence beginning SEPTEMBER 6, 2010, and the same date of each CONSECUTIVE month thereafter in the amount of \$17,175.14 for a period of one hundred twenty (120) months, plus a final interest payment with the final payment of principal on July 7, 2020, the maturity date.

Interest will be computed for the actual number of days principal is unpaid, using a daily factor obtained by dividing the stated interest rate by 360.

Notwithstanding any provision of this Note to the contrary, upon any default or at any time during the continuation thereof (including failure to pay upon maturity), the Bank may, at its option and subject to applicable law, increase the interest rate on this Note to a rate of 5% per annum plus the interest rate otherwise payable hereunder.

In no event will the interest rate hereunder exceed that permitted by applicable law. If any interest or other charge is finally determined by a court of competent jurisdiction to exceed the maximum permitted by law, and the Bank may credit any excess amount previously collected against the balance due or refund the amount to Borrower.

Subject to applicable law, if any payment is not made on or before its due date, the Bank may collect a delinquency charge of 5.00% of the unpaid amount. Collection of the late payment fee shall not be deemed to be a waiver of the Bank's right to declare default hereunder.

Without affecting the liability of any Borrower, endorser, surety or guarantor, Bank may, without notice, renew or extend the time for payment, accept partial payments, release or impair any collateral security for the payment of this Note, or agree not to sue any party liable on it.

There shall be no prepayments of this Note, provided that Bank may consider requests for its consent with respect to prepayment of this Note, without incurring an obligation to do so, and Borrower acknowledges that in the event that such consent is granted, Borrower shall be required to pay Bank, upon prepayment of all or part of the principal amount before final maturity, a prepayment indemnity ("Prepayment Fee") equal to the greater of zero, or that amount, calculated on any date of prepayment ("Prepayment Date"), which is derived by subtracting: (a) the principal amount of the Note or portion of the Note to be prepaid from (b) the Net Present Value of the Note or portion of the Note to be prepaid on such Prepayment Date; provided, however, that the Prepayment Fee shall not in any event exceed the maximum prepayment fee permitted by applicable law.

"Net Present Value" shall mean the amount which is derived by summing the present values of each prospective payment of principal and interest which, without such full or partial prepayment, could otherwise have been received by Bank over the shorter of the remaining contractual life of the Note or next repricing date if Bank had instead initially invested the Note proceeds at Initial Money Market Rate. The individual discount rate used to present value each prospective payment of interest and/or principal shall be the Money Market Rate at Prepayment for the maturity matching that of each specific payment of principal and/or interest.

"Initial Money Market Rate" shall mean the rate per annum, determined solely by Bank, on the first day of the term of this Note or the most recent repricing date or as mutually agreed upon by Borrower and Bank, as the rate at which Bank would be able to borrow funds in Money Markets for the amount of this Note and with an interest payment frequency and principal repayment schedule equal to this Note and for a term as may be arranged and agreed upon by Borrower and Bank, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. Borrower acknowledges that Bank is under no obligation to actually purchase and/or match funds for the Initial Money Market Rate of this Note.

"Money Market Rate at Prepayment" shall mean that zero-coupon rate, calculated on the Prepayment Date, and determined solely by Bank, as the rate at which Bank would be able to borrow funds in Money Markets for the prepayment amount matching the maturity of a specific prospective Note payment or repricing date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. A separate Money Market Rate at Prepayment will be calculated for each prospective interest and/or principal payment date.

"Money Markets" shall mean one or more wholesale funding markets available to and selected by Bank, including negotiable certificates of deposit, commercial paper, Eurodollar deposits, bank notes, federal funds, interest rate swaps or others.

In calculating the amount of such Prepayment fee, Bank is hereby authorized by Borrower to make such assumptions regarding the source of funding, redeployment of funds and other related matters, as Bank may deem appropriate. If Borrower fails to pay any Prepayment Fee when due, the amount of such Prepayment Fee shall thereafter bear interest until paid at the default rate specified in this Note (computed on the basis of a 360-day year, actual days elapsed). Any prepayment of principal shall be accompanied by a payment of interest accrued to date thereon; and said prepayment shall be applied to the principal installments in the inverse order of their maturities. All prepayments shall be in an amount of at least \$100,000.00, or, if less, the entire remaining principal balance of this Note.

Notwithstanding any other prepayment limitations in this Note, during the 12-month period

beginning August 6, 2010 and during each 12-month period thereafter beginning on the same date of the same month, Borrower may prepay an amount totaling in the aggregate up to 10% of the face principal amount of this Note without paying a prepayment fee. Borrower may not pay any amount in excess of the stated percentage in any said 12-month period without the consent of Bank and without paying the Prepayment Fee described herein. Prepayments within the stated percentage are not subject to the \$100,000.00 minimum prepayment restriction.

Borrower, and endorsers or guarantors hereof and each of them, expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, bringing of suit, and diligence in taking any action to collect amounts called for hereunder and in the handling of security at any time existing in connection therewith; and are and shall be jointly and severally, directly and primarily liable for the payment of all sums owing and to be owing, regardless of and without any notice, diligence, act or omission or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest, or property at any and all times had or existing as security for any amount called for hereunder or under any other instrument executed in connection with the Loan.

**BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LOAN OR ANY AGREEMENT CONTEMPLATED TO BE MADE OR EXECUTED IN CONJUNCTION THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK'S MAKING THE LOAN EVIDENCED HEREBY.**

In the event of any inconsistency in the terms and provisions of this Note or any other document executed relative to this Note as to the rights and remedies of the holder hereof, or in the event of any such inconsistency as between or among any two (2) or more such documents, then in any such event the holder shall have the right at its sole option to elect which of such provisions shall govern.

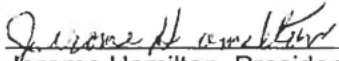
THIS NOTE and the respective rights and liabilities of Borrower and the holder of this Note shall be governed by and shall be construed in accordance with the laws of the Commonwealth of Kentucky. The invalidity or unenforceability of any provision of this Note shall not affect the validity or enforceability of the remaining portions of this Note.

THIS NOTE is a "transferable record" as defined in applicable law relating to electronic transactions. Therefore, the holder of this Note may, on behalf of Borrower, create a microfilm or optical disk or other electronic image of this Note that is an authoritative copy as defined in such law. The holder of this Note may store the authorized copy of such Note in its electronic form and then destroy the paper original as part of the holder's normal business practices. The holder, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

**All documents attached hereto, including any appendices, schedules, riders and exhibits to this Note, are hereby expressly incorporated by reference.**

BORROWER:

**EAST DAVIESS COUNTY WATER ASSOCIATION,  
INC.**

By:   
Jerome Hamilton, President



## TERM LOAN AGREEMENT

THIS LOAN AGREEMENT made and entered into and effective on this the 6<sup>th</sup> day of August, 2010, by and between **EAST DAVIESS COUNTY WATER ASSOCIATION, INC., a Kentucky not-for-profit corporation**, of 9210 State Route 144, Knottsville, Kentucky 42366 (hereinafter referred to as "BORROWER"); and **U.S. Bank, N.A.**, a national banking corporation, of 700 Frederica Street, Owensboro, Kentucky 42301 (hereinafter referred to as "BANK").

WHEREAS, BORROWER desires to receive from BANK a loan for the refinance and consolidation of indebtedness, in the amount of **ONE MILLION SEVEN HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIVE AND 00/100 DOLLARS** (\$1,719,705.00) in the form of one (1) Term Note as deemed necessary by BANK; and,

WHEREAS, BANK is willing to make the above loan and permanent financing under the terms and conditions set forth herein and under the terms and provisions of the Term Note in the amount of **ONE MILLION SEVEN HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIVE AND 00/100 DOLLARS** (\$1,719,705.00) of even date herewith; and pursuant to BANK's approval dated the 22<sup>nd</sup> day of July, 2010, same being incorporated herein by reference (the "Note").

NOW THEREFORE, in consideration of the promises, the mutual covenants herein contained, the extension of credit and any other acts as provided herein, the parties hereto agree as follows:

1. From and after the date of this Loan Agreement, and subject to the terms and conditions herein set forth, and the terms and provisions of the Note and any renewals, amendments, modifications, and extensions thereof, which evidences said indebtedness, BANK agrees to lend to BORROWER, the sum of **ONE MILLION SEVEN HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIVE AND 00/100 DOLLARS** (\$1,719,705.00), together with interest thereon, for the purposes as stated hereinabove.

2. BORROWER shall execute and deliver to BANK its Term Note, having a maturity date of July 7, 2020, in the amount of **ONE MILLION SEVEN HUNDRED NINETEEN THOUSAND SEVEN HUNDRED FIVE AND 00/100 DOLLARS (\$1,719,705.00)**.

3. That in the event payment is received over and above any principal and interest payment as provided in said Note and any renewals, amendments, modifications, and extensions thereof, and provided that all interest is current as of the date of receipt of such payment, all amounts received in excess of said principal and interest payment shall be applied to the principal indebtedness then outstanding.

4. To secure the payment of the Note according to its terms, amendments, modifications, and any extensions or renewals thereof, and the performance of covenants, agreements and undertakings herein provided, BORROWER has previously granted to the BANK the following: (i) a Pledge Agreement from BORROWER, of even date, on property as described in said document, and incorporated herein by reference, and any amendments thereto; (ii) a UCC-1 financing statement; and (iii) any and all other documents as requested by BANK to secure said loan as may be deemed appropriate by BANK.

5. In order to induce BANK to enter into this Loan Agreement and to make the loan as provided for herein, BORROWER represents and warrants to BANK (which representations and warranties shall survive the execution of this Loan Agreement and remain in effect until all indebtedness hereunder is paid in full) that:

A. There is no litigation or proceeding pending against, nor threatening which, if decided adversely to BORROWER, would have a material adverse affect on its financial condition or business.

B. BORROWER has filed all required federal, state and local tax returns as they have become due, and no claims have been assessed and are unpaid with respect to such taxes.

C. BORROWER is in compliance with the laws of the State of Kentucky with its principal office and place of business and that

BORROWER is in good standing with all governmental authorities and is actively engaged in the operation of its business within the terms such documents creating the entity under which it operates and does business. BORROWER agrees to provide BANK copies of corporate resolutions authorizing the transaction contemplated by this Loan Agreement, a Certificate of Good Standing in the Commonwealth of Kentucky, a Certificate of Encumbency, Articles of Incorporation, and any other such documents as requested by BANK.

D. That financial statements and other information heretofore furnished to BANK are true and correct as of the date of the rendition of such statements or furnishing and there has been no substantial change in the financial position of BORROWER or guarantors since the date such statements were last furnished to BANK.

E. That BORROWER has the power and authority to enter into and perform the Note, Pledge and this Loan Agreement and to incur the obligations herein contained, has taken all appropriate action necessary to authorize, and has obtained all necessary consents and approvals for the execution, delivery and performance of the Note, the Pledge and this Loan Agreement, which are valid, binding and enforceable in accordance with their terms, and serve a lawful purpose.

F. Neither the making of the above, nor the performance by BORROWER of its obligations hereunder will violate the documents creating the entity under which it operates and does business, any provision of law, or result in a breach of, or constitute a default under any agreement, indenture, note or other instrument binding upon BORROWER.

G. No representation or warranty contained herein or in any writing furnished to BANK by BORROWER contains any untrue statement of a material fact or omits to state a material fact necessary to make such representation or warranty not misleading.

6. BORROWER covenants and agrees with BANK that it will, until the Note and all indebtedness hereunder, or any extensions, amendments, modifications, or renewals thereof, is paid in full and the terms and provisions of this Loan Agreement and any instrument executed

and delivered in order to consummate the transactions contemplated by this Loan Agreement have been observed and performed:

A. BORROWER will use the proceeds of the loan only for the purpose as specified hereinabove, and will furnish BANK such evidence as it may reasonably require with respect to such use.

B. It will not, without prior written consent of BANK, incur or permit to exist any encumbrance, security interest, pledge or lien against any of its properties, real, personal or intangible, that have been given as security under the terms and provisions of this Loan Agreement and the documents executed contemporaneously herewith. Further, it will not, without the prior written consent of BANK, incur any additional indebtedness or borrow any additional funds from any other lender or private party to finance the operation or maintenance of the business which is the subject matter of this loan.

C. **FINANCIAL REPORTING.** It will establish, keep and maintain an accounting and record keeping system in accordance with generally accepted accounting principles. BORROWER is required to provide CPA-audited financial statements within one hundred eighty (180) days of fiscal year end. It will provide BANK any other financial information as deemed reasonable by BANK to properly monitor the financial condition of BORROWER and the Guarantors during the term of the loan. BORROWER will permit BANK to have full access from time to time, and make copies and extracts from, any and all reports or returns by, or with respect to BORROWER, and all reports of examiners or other information concerning BORROWER contained in the files and records of such authorities at BORROWER's expense and in such manner as BANK deems appropriate.

D. It shall not assume or guarantee the liabilities or obligations of others unless approved by BANK; guarantee, endorse or otherwise become surety for or upon the obligation of others, except by endorsement of instruments for deposit or collection in the ordinary course of business.

E. It will not sell receivables with or without recourse.

F. **FINANCIAL COVENANTS.** Financial terms used herein

which are not specifically defined herein shall have the meanings ascribed to them under generally accepted accounting principles. For any Borrower who does not have a separate fiscal year end for tax reporting purposes, the fiscal year will be deemed to be the calendar year. Beginning immediately, the level of operations of BORROWER, as measured by net profitability, must be at least ninety-five percent (95%) of its annual budgeted target.

Fixed Charge Coverage Ratio as of the end of the fiscal year for the four (4) fiscal quarters then ended shall be at least 1.15:1. "Fixed Charge Coverage Ratio" shall mean (a) EBITDAR minus cash taxes, cash dividends, cash distributions and Maintenance Capital Expenditures divided by (b) the sum of all required principal payments (on short and long term debt and capital leases), interest and rental or lease expense. "EBITDAR" shall mean net income, plus interest expense, plus income tax expense, plus depreciation expense plus amortization expense plus rent or lease expense. "Maintenance Capital Expenditures" shall mean 50% of BORROWER'S depreciation expense for the period specified. "Capital Expenditures" shall mean the aggregate amount of all purchases or acquisitions of fixed assets, including real estate, motor vehicles, equipment, fixtures, leases and any other items that would be capitalized on the books of BORROWER under generally accepted accounting principles. The "Capital Expenditures" will not include expenditures or charges for the usual and customary maintenance, repair, and retooling of any fixed asset or the acquisition of new tooling in the ordinary course of business. Further, if the loan is found not to be in compliance, BORROWER may be required, at the sole discretion of BANK, to pay down on the principal balance a sufficient amount to bring the loan into compliance within 30 days of notification by the BANK.

BORROWER covenants and agrees that from the date hereof and until payment in full of all indebtedness and performance of all obligations under the Agreement, BORROWER shall not, without the prior written consent of BANK create, incur, assume, or suffer to exist any lien upon or with respect to any of BORROWER's properties, or the properties of any Guarantor securing payment of the Note, except (i) liens and security interests in favor of

BANK; (ii) liens for taxes not yet due and payable or otherwise being contested in good faith and for which appropriate reserves are maintained; (iii) other liens imposed by law not yet due and payable, or otherwise being contested in good faith and for which appropriate reserves are maintained; (iv) purchase money security interests on any property hereafter acquired, provided that such lien shall attach only to the property acquired. All negative covenants contained in any Loan Document with regard to the Note are hereby incorporated by reference herein.

- G. It will maintain a satisfactory checking account with BANK.
  
- II. It will keep its insurable properties adequately insured at all times to such extent and against such risks as is customary with operations in the same or similar business and maintain workmen's compensation insurance and such other insurance that may be required by law or as may be required by BANK. In the event BORROWER fails to keep insurance in effect, BANK has the right to purchase insurance and add the amount so advanced to the principal indebtedness owing on account of the loan.
  
- I. If either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) compliance by BANK with any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by BANK or any corporation controlling BANK and BANK determines that the amount of such capital is increased by or based upon the existence of unfunded portions of loan commitments (or similar contingent obligations), then, upon demand by BANK, BORROWER shall immediately pay to BANK, from time to time as specified by BANK, additional amounts sufficient to compensate BANK in light of such circumstances, to the extent that BANK reasonably determines such increase in capital to be allocable to any unfunded portion of the loan. A certificate as to such amounts submitted to BORROWER by BANK, shall, in the absence of manifest error, be conclusive and binding for all purposes.

- J. It will pay all out of pocket expenses of BANK arising in connection with the transaction contemplated by this Loan Agreement, including reasonable attorneys' fees, appraisals, title insurance premiums, and expenses of BANK in closing this loan and in maintaining the loan in good standing.
- K. It will comply with all statutes and government regulations and pay promptly when due all taxes, assessments, governmental charges, claims for labor, supplies, rent and other obligations, which if unpaid, might become a lien against the property of BORROWER.

7. The occurrence of any one or more of the following events shall constitute a default under this Loan Agreement, whereupon the Note and entire indebtedness of BORROWER to BANK will, at the option of BANK, immediately become due and payable without presentment, demand, protest or notice of any kind, including notice of protest, all of which are expressly waived, and BORROWER will pay the reasonable attorneys' fees incurred by BANK in connection with such default or recourse against any collateral held by BANK as security for the indebtedness owed by BORROWER. The following shall constitute events of default:

- A. Non-payment when due whether by acceleration or by otherwise, of the payment of principal or interest on the Note which is the subject of this Loan Agreement and which is executed contemporaneously herewith, including any extensions, modifications, or renewals thereof.
- B. A breach or failure of performance by BORROWER of any provision of the Note, the Pledge, or this Loan Agreement which is not remedied in the time periods pursuant to the terms of the foregoing.
- C. BORROWER: (i) files a petition in bankruptcy or for the approval for a plan of reorganization or arrangement under the bankruptcy code now existing that may be amended or an admission seeking the relief therein provided; (ii) is unable, or admits in writing its inability to pay its debts as they become due; (iii) makes an assignment for the benefit of creditors; (iv) has a receiver appointed, voluntarily or otherwise, for its property; (v) is adjudicated a bankrupt; (vi) suspends business; (vii) permits a judgment in the amount of Fifty Thousand and 00/100 Dollars

(\$50,000.00) or more to be obtained against it, which is not promptly paid or properly appealed and secured pending appeal; (viii) becomes insolvent, however or as otherwise evident; or BANK reasonably believes that it is insecure or that the prospect for payment of the Note has been materially impaired.

D. Default under the terms of the Note, the Pledge, and this Loan Agreement or any other indebtedness secured hereby shall constitute default under any other instrument evidencing a debt of BORROWER owing to BANK or securing or otherwise relating to such debt, and default under any such other instrument shall constitute default hereunder.

8. All payment required to be made by BORROWER pursuant to the provisions of this Loan Agreement including, without limitation, all payments of principal and interest, shall be made by BORROWER at the office of BANK. Payments shall be received by BANK no later than the due date provided in the Note which is the subject of this Loan Agreement.

9. No failure on the part of BANK to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by BANK preclude any other further exercise thereof or the exercise of any other right. The remedies provided herein are cumulative and not exclusive.

10. All representations and warranties made herein shall survive the making of the loan hereunder and the execution and the delivery of the Note, or any extension, modifications, or renewals thereof, in the terms of this Loan Agreement.

11. If any payment to be made hereunder shall become due on a Saturday, Sunday or business holiday, under the laws of the Commonwealth of Kentucky, such payment shall be made on the next business day, and any such extension of time shall be included in computing any interest in respect to such payments.

12. BORROWER shall execute such other instruments and documents and shall give such further assurances as shall be necessary to perform BORROWER's obligation hereunder.



13. This Loan Agreement shall be in all respects governed by and construed in accordance with the laws of the Commonwealth of Kentucky, including all matters of construction, validity and performance.

14. This Loan Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same document.

15. Nothing in this Loan Agreement, whether express or implied, shall be construed to give any party other than BANK or BORROWER any legal or equitable right, remedy or claim under to in respect to this Loan Agreement or any covenant, condition or provision contained herein.

16. This Loan Agreement, including the Note and the Pledge, contain the entire agreement between the parties hereto, and as total integration thereof, and no statements, promises or inducements by any other party, or by any agent of any party hereto, which is not contained in this Loan Agreement shall be valid or binding; no modification, variation or amendment of this Loan Agreement shall be of any force and effect unless such modification, variation or amendment is in writing and has been signed by all of the parties to this Loan Agreement.

17. BORROWER has no right to assign any of its rights or obligations hereunder without the prior written consent of BANK.

18. Time shall be of the essence in the performance of all of BORROWER's obligations under this Loan Agreement, the Note, the Pledge, and other collateral documents related hereto.

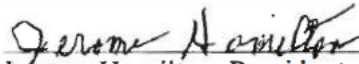
19. If any provision of this Loan Agreement shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this Loan Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

20. This Loan Agreement shall survive the Note aforementioned and shall continue in full force and effect for any extension, modification and/or renewal thereof.


21. This Loan Agreement shall be binding upon BORROWER, BORROWER's successors and assigns, and inure to the benefit of BANK, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed, the day and date first above written.

**EAST DAVIESS COUNTY WATER ASSOCIATION,  
INC., a Kentucky not-for-profit corporation**

By:  \_\_\_\_\_  
Jerome Hamilton, President

**U.S. BANK, N.A.**

By:  \_\_\_\_\_  
Derek Hetherington, Vice President

W-9

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

East Daviess County Water Association, Inc.

Check appropriate box: Individual Sole proprietor, Corporation, Partnership

Address number, street, and apt. or suite no.: 9210 State Route 144, Knottsville, Ky. 42366

Requester's name and address (optional)

Print or type name Specific instructions on page 3

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number field with redacted information

Note: If this account is in more than one name, see the chart on page 4 for guidelines on whose number to use.

Part II Certification

- Under the penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must check box 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply for mortgage interest paid, acquisition, abandonment or secured property, cancellation of debt, contributions to an individual retirement account (IRA), and generally, payments other than interest and dividends. You are not required to sign the Certification, but you must provide the correct TIN. See the instructions on page 4.

Signature of U.S. person: Agnes H. Johnson

Date: 9-15-10

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate tax such as mortgage interest, your own acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien) to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- 1. Notify that the TIN you are giving is correct (or you are waiting for a number to be issued);
- 2. Certify that you are not subject to backup withholding; or
- 3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign-sourced and share effectively connected income.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien.
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States.
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity.

**Lock In Confirmation**

Close Window

Send to Printer

**To:** Derek Hetherington

**Reference #:** C6662

**Shaw Code:**

**From:** krp

**Lock-In Date:** 07/30/2010

The rate on the loan described below has been locked in with the Treasury Department subject to the following parameters:

<b>Customer:</b>	East Daviess County Water Association, LLC		
<b>Funding Amount</b>	1719705	<b>Forward Term (months)</b>	
<b>All-in Rate:</b>	3.71	<b>Closing Date:</b>	08/06/2010
<b>Forward Charge:</b>		<b>PP Rollover:</b>	
<b>MMCOF:</b>	2.94	<b>PP Risk Premium:</b>	0.04
<b>Currency Type:</b>	\$USD		
<b>AccrualBasis:</b>	Act/360	<b>Spread:</b>	0.77
<b>Fixed Term:</b>	120	<b>Processing Code:</b>	
<b>Loan Term:</b>	120	<b>Re-Price Date:</b>	
<b>Amortization Term:</b>	120	<b>Maturity Date:</b>	09/10/2020
<b>Lease Residual(%):</b>		<b>Amortization Type:</b>	Equal Payment (P & I)
<b>Interest Frequency:</b>	Monthly	<b>Partial Prepayment Option:</b>	10
<b>Payment Day in Month:</b>	10	<b>Principal Frequency:</b>	Monthly
<b>Accounting System:</b>	AFS	<b>First Payment Date:</b>	09/10/2010
<b>Officer Initials:</b>	DJH	<b>DSI Lease Number(if known):</b>	
<b>Prepayment Penalty?:</b>	Yes	<b>Cost Center:</b>	50765
<b>Prepayment Type:</b>	Break Funding	<b>Advance Type :</b>	Single
<b>Liquidity Exception:</b>	NO	<b>Confirmation Initials:</b>	DJH
<b>Indemnity Agreement:</b>	Yes		

**Notes:**

Customer is Tax Exempt Non-Profit... All-In Rate of 3.71% is based on 10 year fixed Fully Amortizing cost of funds 2.90% + 2.00% spread with 0.04% Margin for 10% PPPW at the Non-Bank Qualified Tax Exempt Factor of 75.09%. Actual All-In Cost as of 07/30/2010 calculated to 3.7094%.

**\$1,719,705**  
**East Daviess County Water Association**  
**Consolidation of Current Outstanding Debts**  
**Through Traditional Financing with US Bank.**

**Debt Service Schedule for Consolidation Loan**

Date	Principal	APR	Interest	Total P+I	Fiscal total
8/30/2010	\$1,719,705.00	3.71%	5,316.75	17,175.14	-
9/30/2010	\$1,707,846.51	-	5,280.09	17,175.14	-
10/30/2010	\$1,695,951.56	-	5,243.32	17,175.14	-
11/30/2010	\$1,684,019.74	-	5,206.43	17,175.14	-
12/30/2010	\$1,672,051.02	-	5,169.42	17,175.14	85,875.71
1/30/2011	\$1,660,045.30	-	5,132.31	17,175.14	-
2/28/2011	\$1,648,002.47	-	5,095.07	17,175.14	-
3/30/2011	\$1,635,922.40	-	5,057.73	17,175.14	-
4/30/2011	\$1,623,804.98	-	5,020.26	17,175.14	-
5/30/2011	\$1,611,650.10	-	4,982.68	17,175.14	-
6/30/2011	\$1,599,457.65	-	4,944.99	17,175.14	-
7/30/2011	\$1,587,227.49	-	4,907.18	17,175.14	-
8/30/2011	\$1,574,959.53	-	4,869.25	17,175.14	-
9/30/2011	\$1,562,653.64	-	4,831.20	17,175.14	-
10/30/2011	\$1,550,309.70	-	4,793.04	17,175.14	-
11/30/2011	\$1,537,927.60	-	4,754.76	17,175.14	-
12/30/2011	\$1,525,507.21	-	4,716.36	17,175.14	206,101.71
1/30/2012	\$1,513,048.43	-	4,677.84	17,175.14	-
2/29/2012	\$1,500,551.13	-	4,639.20	17,175.14	-
3/30/2012	\$1,488,015.19	-	4,600.45	17,175.14	-
4/30/2012	\$1,475,440.49	-	4,561.57	17,175.14	-
5/30/2012	\$1,462,826.92	-	4,522.57	17,175.14	-
6/30/2012	\$1,450,174.35	-	4,483.46	17,175.14	-
7/30/2012	\$1,437,482.66	-	4,444.22	17,175.14	-
8/30/2012	\$1,424,751.74	-	4,404.86	17,175.14	-
9/30/2012	\$1,411,981.45	-	4,365.38	17,175.14	-
10/30/2012	\$1,399,171.69	-	4,325.77	17,175.14	-
11/30/2012	\$1,386,322.32	-	4,286.05	17,175.14	-
12/30/2012	\$1,373,433.22	-	4,246.20	17,175.14	206,101.71
1/30/2013	\$1,360,504.26	-	4,206.23	17,175.14	-
2/28/2013	\$1,347,535.36	-	4,166.13	17,175.14	-
3/30/2013	\$1,334,526.35	-	4,125.91	17,175.14	-
4/30/2013	\$1,321,477.11	-	4,085.57	17,175.14	-
5/30/2013	\$1,308,387.54	-	4,045.10	17,175.14	-
6/30/2013	\$1,295,257.49	-	4,004.50	17,175.14	-
7/30/2013	\$1,282,088.85	-	3,963.79	17,175.14	-
8/30/2013	\$1,268,875.50	-	3,922.94	17,175.14	-
9/30/2013	\$1,255,623.29	-	3,881.97	17,175.14	-
10/30/2013	\$1,242,330.12	-	3,840.87	17,175.14	-
11/30/2013	\$1,228,995.65	-	3,799.65	17,175.14	-
12/30/2013	\$1,215,620.35	-	3,758.29	17,175.14	206,101.71
1/30/2014	\$1,202,203.50	-	3,716.81	17,175.14	-
2/28/2014	\$1,188,745.17	-	3,675.20	17,175.14	-
3/30/2014	\$1,175,245.23	-	3,633.47	17,175.14	-
4/30/2014	\$1,161,703.56	-	3,591.60	17,175.14	-
5/30/2014	\$1,148,120.01	-	3,549.60	17,175.14	-
6/30/2014	\$1,134,494.48	-	3,507.48	17,175.14	-
7/30/2014	\$1,120,826.81	-	3,465.22	17,175.14	-
8/30/2014	\$1,107,116.89	-	3,422.84	17,175.14	-
9/30/2014	\$1,093,364.59	-	3,380.32	17,175.14	-
10/30/2014	\$1,079,569.76	-	3,337.67	17,175.14	-
11/30/2014	\$1,065,732.29	-	3,294.89	17,175.14	-
12/30/2014	\$1,051,852.04	-	3,251.98	17,175.14	206,101.71
1/30/2015	\$1,037,928.97	-	3,208.93	17,175.14	-
2/28/2015	\$1,023,962.66	-	3,165.75	17,175.14	-
3/30/2015	\$1,009,953.26	-	3,122.44	17,175.14	-
4/30/2015	\$995,900.56	-	3,078.99	17,175.14	-
5/30/2015	\$981,804.41	-	3,035.41	17,175.14	-
6/30/2015	\$967,664.88	-	2,991.70	17,175.14	-
7/30/2015	\$953,481.23	-	2,947.85	17,175.14	-
8/30/2015	\$939,253.94	-	2,903.86	17,175.14	-
9/30/2015	\$924,982.55	-	2,859.74	17,175.14	-
10/30/2015	\$910,667.25	-	2,815.48	17,175.14	-

12/30/2015	\$881,903.53	-	2,726.55	17,175.14	206,101.71
1/30/2016	\$867,464.94	-	2,681.88	17,175.14	-
2/29/2016	\$852,961.68	-	2,637.07	17,175.14	-
3/30/2016	\$838,423.61	-	2,592.13	17,175.14	-
4/30/2016	\$823,840.59	-	2,547.04	17,175.14	-
5/30/2016	\$809,212.49	-	2,501.82	17,175.14	-
6/30/2016	\$794,539.16	-	2,456.45	17,175.14	-
7/30/2016	\$779,820.47	-	2,410.94	17,175.14	-
8/30/2016	\$765,056.27	-	2,365.30	17,175.14	-
9/30/2016	\$750,246.43	-	2,319.51	17,175.14	-
10/30/2016	\$735,360.80	-	2,273.58	17,175.14	-
11/30/2016	\$720,489.24	-	2,227.51	17,175.14	-
12/30/2016	\$705,541.61	-	2,181.30	17,175.14	206,101.71
1/30/2017	\$690,547.76	-	2,134.94	17,175.14	-
2/28/2017	\$675,507.96	-	2,088.44	17,175.14	-
3/30/2017	\$660,420.07	-	2,041.80	17,175.14	-
4/30/2017	\$645,287.52	-	1,995.01	17,175.14	-
5/30/2017	\$630,107.39	-	1,948.08	17,175.14	-
6/30/2017	\$614,880.33	-	1,901.01	17,175.14	-
7/30/2017	\$599,606.20	-	1,853.78	17,175.14	-
8/30/2017	\$584,284.84	-	1,806.41	17,175.14	-
9/30/2017	\$568,916.11	-	1,758.90	17,175.14	-
10/30/2017	\$553,499.86	-	1,711.24	17,175.14	-
11/30/2017	\$538,035.96	-	1,663.43	17,175.14	-
12/30/2017	\$522,524.24	-	1,615.47	17,175.14	206,101.71
1/30/2018	\$506,964.57	-	1,567.37	17,175.14	-
2/28/2018	\$491,356.79	-	1,519.11	17,175.14	-
3/30/2018	\$475,700.76	-	1,470.71	17,175.14	-
4/30/2018	\$459,996.33	-	1,422.16	17,175.14	-
5/30/2018	\$444,243.34	-	1,373.45	17,175.14	-
6/30/2018	\$428,441.65	-	1,324.60	17,175.14	-
7/30/2018	\$412,591.11	-	1,275.59	17,175.14	-
8/30/2018	\$396,691.55	-	1,226.44	17,175.14	-
9/30/2018	\$380,742.85	-	1,177.13	17,175.14	-
10/30/2018	\$364,744.84	-	1,127.67	17,175.14	-
11/30/2018	\$348,697.37	-	1,078.06	17,175.14	-
12/30/2018	\$332,600.28	-	1,028.29	17,175.14	206,101.71
1/30/2019	\$316,453.43	-	978.37	17,175.14	-
2/28/2019	\$300,256.65	-	928.29	17,175.14	-
3/30/2019	\$284,009.80	-	878.06	17,175.14	-
4/30/2019	\$267,712.73	-	827.66	17,175.14	-
5/30/2019	\$251,365.26	-	777.14	17,175.14	-
6/30/2019	\$234,967.26	-	726.44	17,175.14	-
7/30/2019	\$218,518.55	-	675.59	17,175.14	-
8/30/2019	\$202,019.00	-	624.58	17,175.14	-
9/30/2019	\$185,468.43	-	573.41	17,175.14	-
10/30/2019	\$168,866.69	-	522.08	17,175.14	-
11/30/2019	\$152,213.63	-	470.59	17,175.14	-
12/30/2019	\$135,509.08	-	418.95	17,175.14	206,101.71
1/30/2020	\$118,752.89	-	367.14	17,175.14	-
2/29/2020	\$101,944.89	-	315.18	17,175.14	-
3/30/2020	\$85,084.93	-	263.05	17,175.14	-
4/30/2020	\$68,172.84	-	210.77	17,175.14	-
5/30/2020	\$51,208.46	-	158.32	17,175.14	-
6/30/2020	\$34,191.84	-	105.71	17,175.14	-
7/30/2020	\$17,122.21	-	52.94	17,122.21	-
12/31/2020	-	-	-	-	120,226.00
<b>Total</b>	<b>\$1,719,705</b>	<b>-</b>	<b>341,312.12</b>	<b>2,061,017.12</b>	<b>-</b>

New Facility Rate & Terms

Principal Requested	\$1,719,705.00
Annual Percentage Rate	3.71%
Amortization in (Months)	120
Monthly P+I Payments	\$17,175.14
Total Interest Payments	\$341,312.12

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State <b>KENTUCKY</b>			
County <b>DAVIESS</b>			
Case No. <b>20-30-610739440</b>			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

- KIND OF LOAN:  
 ASSOCIATION- ORGANIZATION  
 HOUSING-ORGANIZATION  
 PUBLIC BODY  
 OTHER

Date AUGUST 7, 2006

FOR VALUE RECEIVED, EAST DAVIESS COUNTY WATER ASSOCIATION, INC.  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 320 B

TRAYLOR STREET, PRINCETON, KY 42445, or at such other place as the Government may hereafter designate in

writing, the principal amount of FIVE HUNDRED EIGHTY-FIVE THOUSAND AND NO/100 -----dollars

(\$ 585,000.00 -----), plus interest on the unused principal balance at the rate of FOUR AND THREE-EIGHTH percent

(4.375 -----%) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

- \$ 31,228.00 on AUGUST 7, 2007,
- \$ XX,
- \$ XX,
- \$ 31,228.00 on AUGUST 7, 2008, and
- \$ 31,228.00 thereafter on the 7TH of each AUGUST

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby,

if not sooner paid, shall be due and payable FORTY ( -----40----- ) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.  
(Name of Borrower)

(CORPORATE SEAL)

Jerome Hamilton  
JEROME HAMILTON (Signature of Executive Official)

ATTEST:

PRESIDENT  
(Title of Executive Official)

Cletus Greer  
CLETUS GREER (Signature of Attesting Official)

9210 KY HWY 144  
(Post Office Box No. or Street Address)

SECRETARY  
(Title of Attesting Official)

PHILPOT, KY 42366  
(City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 350,697.36	8/07/2006	(6) \$ 20,456.00	06/04/2007
(2) \$ 62,345.47	8/17/2006	(7) \$	
(3) \$ 12,503.96	11/02/2006	(8) \$	
(3) \$ 26,707.50	01/26/2007	(9) \$	
5) \$ 6,982.50	02/27/2007	(10) \$	
	TOTAL		

AY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA  
\_\_\_\_\_  
(Name of Agency)

BY \_\_\_\_\_



Event	Start Date	Amount	Number	Period	End Date
1 Loan	08/07/2007	467,786.84	1		
2 Loan	12/18/2007	3,638.61	1		
3 Loan	12/31/2007	101,668.60	1		
4 Payment	08/07/2008	31,228.00	38	Annual	08/07/2045
5 Payment	08/07/2046	26,505.73	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Loan	Payment	Interest	Principal	Balance
Loan 08/07/2007	467,786.84				467,786.84
Loan 12/18/2007	3,638.61		7,485.11	7,485.11-	478,910.56
Loan 12/31/2007	101,668.60		746.25	746.25-	581,325.41
2007 Totals	573,094.05	0.00	8,231.36	8,231.36-	
1 08/07/2008		31,228.00	15,499.51	15,728.49	565,596.92
2008 Totals	0.00	31,228.00	15,499.51	15,728.49	
2 08/07/2009		31,228.00	25,247.13	5,980.87	559,616.05
2009 Totals	0.00	31,228.00	25,247.13	5,980.87	
3 08/07/2010		31,228.00	24,980.16	6,247.84	553,368.21
2010 Totals	0.00	31,228.00	24,980.16	6,247.84	
4 08/07/2011		31,228.00	24,701.27	6,526.73	546,841.48
2011 Totals	0.00	31,228.00	24,701.27	6,526.73	
5 08/07/2012		31,228.00	24,409.93	6,818.07	540,023.41
2012 Totals	0.00	31,228.00	24,409.93	6,818.07	
6 08/07/2013		31,228.00	24,105.58	7,122.42	532,900.99
2013 Totals	0.00	31,228.00	24,105.58	7,122.42	
7 08/07/2014		31,228.00	23,787.65	7,440.35	525,460.64
2014 Totals	0.00	31,228.00	23,787.65	7,440.35	

7	08/07/2014		31,228.00	23,787.65	7,440.35	525,460.64
2014	Totals	0.00	31,228.00	23,787.65	7,440.35	
8	08/07/2015		31,228.00	23,455.53	7,772.47	517,688.17
2015	Totals	0.00	31,228.00	23,455.53	7,772.47	

Rural Development Loan #10

Date	Loan	Payment	Interest	Principal	Balance	
9 08/07/2016		31,228.00	23,108.58	8,119.42	509,568.75	
2016	Totals	0.00	31,228.00	23,108.58	8,119.42	
10 08/07/2017		31,228.00	22,746.14	8,481.86	501,086.89	
2017	Totals	0.00	31,228.00	22,746.14	8,481.86	
11 08/07/2018		31,228.00	22,367.53	8,860.47	492,226.42	
2018	Totals	0.00	31,228.00	22,367.53	8,860.47	
12 08/07/2019		31,228.00	21,972.02	9,255.98	482,970.44	
2019	Totals	0.00	31,228.00	21,972.02	9,255.98	
13 08/07/2020		31,228.00	21,558.85	9,669.15	473,301.29	
2020	Totals	0.00	31,228.00	21,558.85	9,669.15	
14 08/07/2021		31,228.00	21,127.24	10,100.76	463,200.53	
2021	Totals	0.00	31,228.00	21,127.24	10,100.76	
15 08/07/2022		31,228.00	20,676.36	10,551.64	452,648.89	
2022	Totals	0.00	31,228.00	20,676.36	10,551.64	
16 08/07/2023		31,228.00	20,205.35	11,022.65	441,626.24	
2023	Totals	0.00	31,228.00	20,205.35	11,022.65	
17 08/07/2024		31,228.00	19,713.32	11,514.68	430,111.56	
2024	Totals	0.00	31,228.00	19,713.32	11,514.68	

**Return of Organization Exempt From Income Tax**

**2012**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2012 calendar year, or tax year beginning and ending

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization: **EAST DAVIESS COUNTY WATER ASSOC. INC.**  
 Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite: **9210 KY 144**  
 City, town, or post office, state, and ZIP code: **PHILPOT, KY 42366**  
 F Name and address of principal officer: **WILLIAM HAYNES 9210 KY 144, PHILPOT, KY 42366**

**D** Employer identification number: [REDACTED]

**E** Telephone number: **270-281-5187**

**G** Gross receipts \$: **1,531,165.**

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**H(c)** Group exemption number

**I** Tax-exempt status:  501(c)(3)  501(c)( 12 ) (insert no.)  4947(a)(1) or  527

**J** Website: **N/A**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation: **1970** **M** State of legal domicile: **KY**

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>PROVIDE A SAFE RELIABLE SOURCE OF WATER TO ITS SERVICE AREA</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>5</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>5</b>
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<b>5</b>	<b>16</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</b>
	<b>7 a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>0.</b>	<b>0.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>1,432,351.</b>	<b>1,434,522.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>-18,911.</b>	<b>-4,395.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>1,499,848.</b>	<b>1,511,050.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>488,418.</b>	<b>436,159.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	<b>0.</b>	<b>0.</b>
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>1,153,111.</b>	<b>1,021,206.</b>	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,641,529.</b>	<b>1,457,365.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>-141,681.</b>	<b>53,685.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>8,627,061.</b>	<b>8,491,713.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>2,163,634.</b>	<b>1,941,869.</b>
		<b>6,463,427.</b>	<b>6,549,844.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
 Signature of officer: **J. WARREN LANHAM, TREASURER**  
 Date: \_\_\_\_\_  
 Type or print name and title

**Paid Preparer Use Only**  
 Print/Type preparer's name: **JOSEPH B. KELLER, JR., CP**  
 Preparer's signature: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Check if self-employed:  PTIN: **P00520374**  
 Firm's name: **ALEXANDER & COMPANY, CPA'S PSC**  
 Firm's EIN: [REDACTED]  
 Firm's address: **2707 BRECKENRIDGE STREET, SUITE 1 OWENSBORO, KY 42303**  
 Phone no.: **(270) 684-3237**

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission: PROVIDE A SAFE RELIABLE SOURCE OF WATER TO ITS SERVICE AREA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 1,269,733. including grants of \$ ) (Revenue \$ 1,511,050.) 4,399 CUSTOMERS WHO ARE MEMBERS OF THE ASSOCIATION RECEIVE WATER SERVICE

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,269,733.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a Did the organization maintain an office, employees, or agents outside of the United States? .....		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		

**Part IV Checklist of Required Schedules** *(continued)*

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?		
	<b>Note.</b> All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, description, sub-questions (1a-16b), and Yes/No columns. Contains various tax compliance questions and numerical responses.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed KY
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[ ] Own website [ ] Another's website [X] Upon request [ ] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
AGNES JOHNSON - 270-281-5187
9210 KY 144, PHILPOT, KY 42366



Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- 1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.
List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation.
List all of the organization's current key employees, if any. See instructions for definition of "key employee."
List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

Table with 6 main columns: (A) Name and Title, (B) Average hours per week, (C) Position, (D) Reportable compensation from the organization, (E) Reportable compensation from related organizations, (F) Estimated amount of other compensation. Rows include: (1) JEROME HAMILTON, PRESIDENT; (2) WILLIAM HAYNES, VICE PRESIDENT; (3) HENRY SHOUSE, SECRETARY; (4) JAMES LANHAM, TREASURER; (5) WAYNE ESTES, COMMISSIONER; (6) CLETUS GREER, BOARD MEMBER; (7) THOMAS BICKETT, BOARD MEMBER; (8) PAUL FULLENWIDER, BOARD MEMBER.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b</b> Sub-total							12,750.	0.	0.	
<b>c</b> Total from continuation sheets to Part VII, Section A							0.	0.	0.	
<b>d</b> Total (add lines 1b and 1c)							12,750.	0.	0.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII** Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f: \$						
	h	<b>Total.</b> Add lines 1a-1f						
Program Service Revenue	2 a	METERED WATER SALES	Business Code 221000	1,434,522.	1,434,522.			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	<b>Total.</b> Add lines 2a-2f		1,434,522.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		4,729.	4,729.			
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
		Less: rental expenses						
		Rental income or (loss)						
	d	Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		Less: cost or other basis and sales expenses		10,991.				
		Gain or (loss)		20,115.				
		Net gain or (loss)		-9,124.	-9,124.	-9,124.		
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		Less: direct expenses	b					
		Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
Less: direct expenses		b						
Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	Less: cost of goods sold	b						
	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a	FEEES AND OTHER MISC.	221000	80,923.	80,923.				
b								
c								
d	All other revenue							
e	<b>Total.</b> Add lines 11a-11d		80,923.					
12	<b>Total revenue.</b> See instructions.		1,511,050.	1,511,050.	0.	0.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	70,803.		70,803.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	244,798.	202,445.	42,353.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	9,103.	6,827.	2,276.	
9 Other employee benefits	86,324.	64,743.	21,581.	
10 Payroll taxes	25,131.	18,848.	6,283.	
11 Fees for services (non-employees):				
a Management				
b Legal	4,165.		4,165.	
c Accounting	20,889.		20,889.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	41,271.	30,953.	10,318.	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	29,762.	29,762.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	76,885.	76,885.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	272,088.	272,088.		
23 Insurance	22,700.	22,700.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>SUPPLIES</b>	392,930.	392,930.		
b <b>REPAIRS AND MAINTENANCE</b>	84,991.	84,991.		
c <b>UTILITIES</b>	39,673.	39,673.		
d <b>MISCELLANEOUS</b>	35,852.	26,888.	8,964.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	1,457,365.	1,269,733.	187,632.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958 720)

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year		
Assets	1	Cash - non-interest-bearing	824,874.	1	810,993.	
	2	Savings and temporary cash investments	110,943.	2	113,801.	
	3	Pledges and grants receivable, net		3		
	4	Accounts receivable, net	141,393.	4	145,700.	
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7	Notes and loans receivable, net		7		
	8	Inventories for sale or use	51,317.	8	81,807.	
	9	Prepaid expenses and deferred charges	16,486.	9	15,931.	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D				
		10a	11,520,456.			
		b	Less: accumulated depreciation	4,201,432.	10c	7,319,024.
	11	Investments - publicly traded securities		11		
	12	Investments - other securities. See Part IV, line 11		12		
	13	Investments - program-related. See Part IV, line 11		13		
	14	Intangible assets		14		
15	Other assets. See Part IV, line 11	8,495.	15	4,457.		
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	<b>8,627,061.</b>	<b>16</b>	<b>8,491,713.</b>		
Liabilities	17	Accounts payable and accrued expenses	82,963.	17	81,242.	
	18	Grants payable		18		
	19	Deferred revenue		19		
	20	Tax-exempt bond liabilities		20		
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23	Secured mortgages and notes payable to unrelated third parties	2,065,731.	23	1,841,787.	
	24	Unsecured notes and loans payable to unrelated third parties		24		
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	14,940.	25	18,840.	
	26	<b>Total liabilities.</b> Add lines 17 through 25	<b>2,163,634.</b>	<b>26</b>	<b>1,941,869.</b>	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		27		
	28	Temporarily restricted net assets		28		
	29	Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds	0.	30	0.	
	31	Paid-in or capital surplus, or land, building, or equipment fund	6,810,289.	31	6,843,021.	
	32	Retained earnings, endowment, accumulated income, or other funds	-346,862.	32	293,177.	
33	<b>Total net assets or fund balances</b>	<b>6,463,427.</b>	<b>33</b>	<b>6,549,844.</b>		
34	<b>Total liabilities and net assets/fund balances</b>	<b>8,627,061.</b>	<b>34</b>	<b>8,491,713.</b>		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,511,050.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,457,365.
3	Revenue less expenses. Subtract line 2 from line 1	3	53,685.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,463,427.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	32,732.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	6,549,844.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2012)

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2012 Open to Public Inspection

Name of the organization

EAST DAVIESS COUNTY WATER ASSOC. INC.

Employer identification number

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes No, 6 Did the organization inform all grantees... Yes No.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form with multiple sections: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution..., 3 Number of conservation easements modified..., 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy..., 6 Staff and volunteer hours..., 7 Amount of expenses..., 8 Does each conservation easement..., 9 In Part XIII, describe how the organization reports...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form with multiple sections: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report..., 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report..., 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts...

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  %
  - b Permanent endowment  %
  - c Temporarily restricted endowment  %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |  | Yes    | No |
|--|--------|----|
| (i) unrelated organizations  | 3a(i)  |    |
| (ii) related organizations   | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b     |    |

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		122,308.		122,308.
b Buildings		348,554.	53,301.	295,253.
c Leasehold Improvements				
d Equipment		653,952.	411,300.	242,652.
e Other		10,395,642.	3,736,831.	6,658,811.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				7,319,024.



**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>OTHER LIABILITIES</b>	<b>18,840.</b>
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII



SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2012

Open to Public  
Inspection

Name of the organization

EAST DAVIESS COUNTY WATER ASSOC. INC.

Employer identification number

FORM 990, PART VI, SECTION A, LINE 6: EACH WATER CUSTOMER IS A MEMBER.

FORM 990, PART VI, SECTION A, LINE 7A: EACH MEMBER IS ENTITLED TO ONE VOTE  
TO ELECT A MEMBER OF THE GOVERNING BODY.

FORM 990, PART VI, SECTION B, LINE 11: A COPY OF THE 990 IS PROVIDED TO  
THE BOARD OF DIRECTORS AND IT IS REVIEWED AT A BOARD MEETING BEFORE IT IS  
MAILED.

FORM 990, PART VI, SECTION C, LINE 19: THE ASSOCIATION MAKES ITS GOVERNING  
DOCUMENTS AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:  
CONTRIBUTED CAPITAL(REIMBURSED LINE COSTS, TAP-ON FEES) 32,732.

PART XII LINE 2

THE ORGANIZATION HAS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR THE  
OVERSIGHT OF THE AUDIT AND SELECTION OF THE INDEPENDENT ACCOUNTANTS.  
THE PROCESS HAS NOT CHANGED FROM LAST YEAR.

## Filing Instructions

<b>Prepared for:</b>  EAST DAVIESS COUNTY WATER ASSOC. INC 9210 KY 144 PHILPOT, KY 42366	<b>Prepared by:</b>  ALEXANDER & COMPANY, CPA'S PSC 2707 BRECKENRIDGE STREET, SUITE 1 OWENSBORO, KY 42303
<p>2012 FORM 990</p> <p><b>ELECTRONIC FILING:</b></p> <p>THIS RETURN HAS QUALIFIED FOR ELECTRONIC FILING. AFTER YOU HAVE REVIEWED THE RETURN FOR COMPLETENESS AND ACCURACY, PLEASE SIGN, DATE AND RETURN FORM 8879-EO TO OUR OFFICE. WE WILL TRANSMIT THE RETURN ELECTRONICALLY TO THE IRS AND NO FURTHER ACTION IS REQUIRED. RETURN FORM 8879-EO TO US BY MAY 15, 2013.</p>	

**IRS e-file Signature Authorization  
for an Exempt Organization**

For calendar year 2012, or fiscal year beginning \_\_\_\_\_, 2012, and ending \_\_\_\_\_, 20\_\_\_\_

**2012**

Department of the Treasury  
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.

Name of exempt organization

Employer identification number

**EAST DAVIESS COUNTY WATER ASSOC. INC.**

Name and title of officer

**J. WARREN LANHAM**

**TREASURER**

**Part I Type of Return and Return Information** (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) .....	1b	<u>1511050</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9) .....	2b	
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22) .....	3b	
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on Investment Income (Form 990-PF, Part VI, line 5) .....	4b	
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c) .....	5b	

**Part II Declaration and Signature Authorization of Officer**

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2012 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **ALEXANDER & COMPANY, P.S.C.** to enter my PIN  but do not enter all zeros

ERO firm name

as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2012 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

**ERO Must Retain This Form - See Instructions  
Do Not Submit This Form To the IRS Unless Requested To Do So**

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between East Daviess County Water Association, Inc. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Kasey Emmick  
(Print Name)

  
(Signed)

General Manager  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Dawson

Subscribed and sworn to before me by Kasey Emmuck  
(Name)

this 3<sup>rd</sup> day of October, 2013.

Mary Edge (437458)  
NOTARY PUBLIC  
State-at-Large