

# Hardin County Water District No. 1

*Serving Radcliff and Hardin County for Over 60 Years*

1400 Rogersville Road  
Radcliff, KY. 40160

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October 11, 2016

Ms. Talina R. Mathews  
Executive Director - Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40620-0615

Case No. 2016-00362

**SUBJECT: Application for Authorization to Issue Securities - Bond Refunding Issue**

Dear Director Mathews,

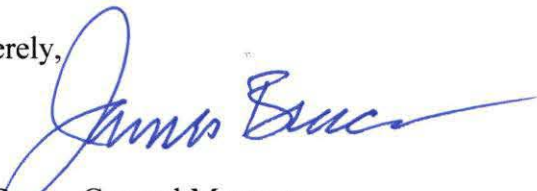
Enclosed please find an original and ten copies of our application requesting to sell bonds in order to refund our existing 2005 Water Refunding Bonds. This application is in accordance with KRS 278.300 and 807 KAR 5:001.

This refunding issue will save almost 9% annually in our debt service payments, compared to the current bonds. We are keeping the payoff term the same.

We also requesting an expedited review and order approving this transaction. We have scheduled the closing of the sale in November, so we are requesting Commission approval on or before **November 18, 2016**. We realize this is a shorter time than KRS 278.300 (2) requires the Commission to respond. However, we believe you and your staff will find this transaction is fairly simple and straightforward and the savings are beneficial to our customers.

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

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

Encl. Application original + 10 Copies

RECEIVED

OCT 12 2016

PUBLIC SERVICE  
COMMISSION

## BEFORE THE PUBLIC SERVICE COMMISSION

OCT 12 2016

PUBLIC SERVICE  
COMMISSION

In the Matter of:

**APPLICATION OF )**  
**HARDIN COUNTY WATER DISTRICT No. 1 )**  
**FOR AUTHORIZATION TO ISSUE SECURITIES )**  
**IN THE APPROXIMATE AMOUNT OF \$4,200,000 )**  
**FOR THE PURPOSE OF REFUNDING ITS SERIES 2005 )**  
**WATER REVENUE REFUNDING BONDS )**  
**PURSUANT TO KRS 278.300 AND 807 KAR 5:001 )**

Case No. 2016- 00362

## APPLICATION

Pursuant to KRS 278.300 and 807 KAR 5:001, Hardin County Water District No. 1 ("Hardin District") applies for an Order from the Public Service Commission ("Commission") authorizing Hardin District's issuance of certain securities in the approximate principal amount of \$4,200,000 for the purpose of refunding certain outstanding water system revenue bonds. In support of its application, Hardin District states:

1. The full name and post office address of Hardin District is:

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

2. Hardin District's electronic mail address is:

[jbruce@hcwd.com](mailto:jbruce@hcwd.com)

3. Hardin District is not a corporation, limited liability company or limited partnership. It has no articles of incorporation or partnership agreements.
4. Hardin District is a water district organized pursuant to KRS Chapter 74 and was created by an Order of the Hardin County Court entered on July 15, 1952 which copy of order has been filed previously with the Commission.
5. Hardin District is engaged in producing, selling and purchasing potable water, and also owns and operates the Ft. Knox sanitary, storm sewer and water utilities as well as owns and operates a sanitary sewer system which serves the City of Radcliff, Kentucky. The District operates and does business in a service area that includes the City of Radcliff ("City") and portions of Hardin, Meade and Breckinridge counties, and the Ft. Knox Army Base cantonment area. Currently Hardin District has 10,044 retail water customers, 8,857 retail sewer customers, four wholesale water customers and has two 50-year Utility Privatization contracts with the U.S Government.
6. Pursuant to KRS 278.380, Hardin District waives any right to service of Commission orders by mail for purposes of this proceeding only. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:



Mr. James Bruce, General Manager  
Electronic Mail: [jbruce@hewd.com](mailto:jbruce@hewd.com)  
Hardin County Water District No. 1  
1400 Rogersville Road  
Radcliff, KY 40160  
Phone: 270-268-4069  
Facsimile: 270-352-3055

7. A description of Hardin District's water system and its property, stated at original cost by accounts, is contained in "Annual Report of Hardin County Water District No. 1 to the Commission for the Year Ending December 31, 2015" ("2015 Annual Report"), a copy of which Hardin District has previously filed with the Commission and which is incorporated by reference into this Application.
8. Hardin District's audited financial statements for the years ended December 31, 2015 and 2014 have previously been filed with the Commission and are incorporated by reference into this Application.
9. Hardin District proposes to issue securities in the aggregate principal amount of \$4,200,000
  - a. Hardin District does not propose to issue any stock.
  - b. It proposes to issue securities, to be designated as Water System Refunding Revenue Bonds, Series 2016 ("2016 Bonds"), in the approximate principal amount of \$4,200,000 for the purpose of currently refunding its Water System Revenue Bonds, Series 2005 in the outstanding principal amount of \$4,380,000. The 2005 Bonds bear interest at a fixed rate of 4.125 percent per annum.
10. The 2016 Bonds will be secured by a pledge of Hardin District's revenues. Based on advice and an opinion by the Hardin District's bond counsel, legal counsel and financial advisor, both Hardin District's County Water and Radcliff Sewer revenues will be pledged as security for the new bonds. Annual debt service payments for the new bonds would only be paid from the County Water fund, except upon the occurrence of a funds shortage, in which case Radcliff sewer funds could also be used. The District will continue to budget and maintain accounting for such each of the two systems. No revenues from any of the Ft. Knox systems will be pledged.
11. The following information is provided regarding the proposed bond sale;
  - a. The estimated Debt Service Schedule for the proposed 2016 Bonds is set forth at **Exhibit 1** of this Application. This exhibit also shows the estimated coupon rate for each maturity and the estimated average coupon rate.
  - b. The proposed 2016 Bonds are expected to bear interest at rates ranging from 2.0 percent to 2.25 percent and will have a term of 9 years. The term for the new bonds will remain the same as the 2005 bonds which are being fully refunded.
  - c. The issuance of the 2016 Bonds will provide Hardin District with the funds necessary: to (a) currently refund the 2005 Bonds, and (b) to pay the fees and expenses incident to the

issuance of the 2016 Bonds.

12. The Sources and Uses of the funds obtained from the issuance of the 2016 Bonds are set forth in **Exhibit 2** to this Application.
13. The proposed refinancing of the 2005 bonds will result in total gross savings of approximately \$398,796 and a net present value savings of approximately \$386,485. These savings are equivalent to 8.82% compared to the current 2005 debt service. These savings are shown in the Gross Debt Service Comparison Schedule set forth at **Exhibit 3** of this Application.
14. The debt service schedules and estimated interest rates for the 2016 Bonds are subject to change because of market conditions. The final terms and details may vary from the present assumptions based upon market conditions and other business judgment factors.
15. The Debt Service Schedule of the 2005 Bonds that are being currently refunded is found at **Exhibit 4** of this Application.
16. No real property will be acquired with proceeds from the sale of the 2016 Bonds.
17. A copy of Hardin District's written notification to the state local debt officer is found at **Exhibit 5** of this Application.
18. Pursuant to 807 KAR 5:001, Section 18(2)(a), the following information is provided:
  - a. Hardin District is not authorized to issue any stock nor has it issued any stock.
  - b. Hardin District has no trust deeds or mortgages.
19. A schedule setting forth all bonds that Hardin District has authorized and issued and that are still outstanding is found at **Exhibit 6** of this Application. The current existing debt of the Hardin District is as follows;
  - a. A KIA Loan was assumed as part of the acquisition of the City of Radcliff Sewer System which occurred in 2008. This assumption of debt and acquisition was approved previously by the Commission (PSC Case No. 2008-00074). As of the end of 2015 the outstanding principal balance of this debt was \$972,273.73 with an annual debt service (P + I) of \$345,981 and a final pay off payment scheduled for December 1, 2018.
  - b. A subordinate debt (non-parity) includes the 2002 Variable Rate Water Revenue bonds (PSC Case No. 2001-00211). These bonds are secured by a Letter of Credit from the Cecilian Bank. As of the end of 2015 the outstanding principal balance of this debt was \$2,070,000 with an annual debt service (P + I) of \$280,761 and a final pay off payment scheduled for September 1, 2022. These bonds are re-marketed weekly so the interest rate changes weekly. An annual Letter of Credit fee is paid to the securing bank as well as a re-marketing fee paid to RBC Capital. Over the last 3 years, the average interest rate, including all fees, has been 1.1%.
  - c. Hardin District also has a \$5 million Line of Credit with Cecilian Bank which can be used as for cash flow during large construction projects. This line is currently being used for the Louisville Interconnect Project (PSC Case No. 2016-00075). The balance

varies monthly but as of the date of this filing the balance was \$856,000. The balance is normally paid off by grant reimbursements and is paid off typically within three to four weeks of taking a draw. The line has an approval period of one year, when any outstanding draws must be paid back before a new line can be approved.

20. Hardin District has no other indebtedness as defined in 807 KAR 5:001, Section 12(1)(g).
21. Hardin District has not issued any stock and has paid no dividends since its creation.
22. A detailed Income Statement and Balance Sheet for Hardin District's operations for the 12-month period ending August 31, 2016 are found at **Exhibit 7** to this Application.
23. The proposed bond issuance will not require Hardin District to seek an adjustment of its rates for water service.
24. Hardin District's proposed issuance of the 2016 Bonds is in the public interest and will strengthen Hardin District's financial condition by producing substantial debt savings and decrease its current annual debt service costs. It is for a lawful objective within Hardin District's corporate purposes, is necessary, appropriate and consistent with Hardin District's proper performance of its service to the public and will not impair Hardin District's ability to perform that service, and is reasonably necessary and appropriate for such purpose.
25. As soon as reasonably possible after the issuance of the 2016 Bonds, Hardin District will file with the Commission for each issuance a statement setting forth its date of issuance, the price paid, the fees incurred in its issuance and its terms and interest rates.
26. The proposed bond sale is scheduled to be October 20, 2016 with a planned Closing Date for the issuance of November 22, 2016.
27. To ensure an orderly closing, Hardin District requires a final decision on this application no later than November 18, 2016.

WHEREFORE, Hardin District requests that the Commission:

1. Place this Application at the head of the Commission's docket as KRS 278.300(2) requires;
2. Complete its review of and issue a final order on the Application without conducting an evidentiary hearing in this matter; and,
3. Authorize the issuance of the 2016 Bonds on or before November 18, 2016 ensure adequate time to effect the Closing for the issuance.

END OF APPLICATION



## VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed application requesting the Commission to approve the issuance of securities in the form of a bond sale and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

HARDIN COUNTY WATER DISTRICT No. 1

By

  
JAMES S. BRUCE, GENERAL MANAGER

## CERTIFICATION OF SERVICE

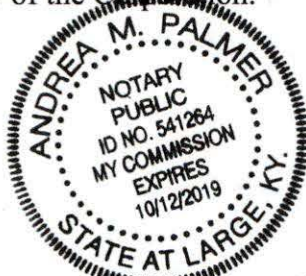
The undersigned, Mr. David T. Wilson II, attorney for the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Ms. Talina R. Mathews, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 on this 11<sup>TH</sup> Day of OCTOBER, 2016

  
Mr. David T. Wilson II, ESQ.

Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY  
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 11<sup>th</sup> day of October, 2016, personally appeared before me, James S. Bruce and David T. Wilson, II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.



  
NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires;

October 12, 2019 CERTIFICATE OF SERVICE

# TABLE OF EXHIBITS

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<b>Exhibit</b>	<b>Title</b>
1	Debt Service Schedule
2	Sources and Uses of Funds
3	Gross Debt Service Comparison Schedule
4	Debt Service Schedule of 2005 Bonds
5	Written Notification to Local Debt Officer
6	Schedule of Outstanding Bonds
7	Income Statement and Balance Sheet

**DEBT SERVICE SCHEDULE**

Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			23,850.06	23,850.06	
09/01/2017	450,000	2.000%	43,363.75	493,363.75	
12/31/2017					517,213.81
03/01/2018			38,863.75	38,863.75	
09/01/2018	440,000	2.000%	38,863.75	478,863.75	
12/31/2018					517,727.50
03/01/2019			34,463.75	34,463.75	
09/01/2019	445,000	2.000%	34,463.75	479,463.75	
12/31/2019					513,927.50
03/01/2020			30,013.75	30,013.75	
09/01/2020	455,000	2.000%	30,013.75	485,013.75	
12/31/2020					515,027.50
03/01/2021			25,463.75	25,463.75	
09/01/2021	465,000	2.000%	25,463.75	490,463.75	
12/31/2021					515,927.50
03/01/2022			20,813.75	20,813.75	
09/01/2022	470,000	2.000%	20,813.75	490,813.75	
12/31/2022					511,627.50
03/01/2023			16,113.75	16,113.75	
09/01/2023	480,000	2.050%	16,113.75	496,113.75	
12/31/2023					512,227.50
03/01/2024			11,193.75	11,193.75	
09/01/2024	490,000	2.250%	11,193.75	501,193.75	
12/31/2024					512,387.50
03/01/2025			5,681.25	5,681.25	
09/01/2025	505,000	2.250%	5,681.25	510,681.25	
12/31/2025					516,362.50
	4,200,000		432,428.81	4,632,428.81	4,632,428.81

**EXHIBIT 1**



**BOND SUMMARY STATISTICS**

Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016

Dated Date	11/22/2016
Delivery Date	11/22/2016
Last Maturity	09/01/2025
Arbitrage Yield	1.723720%
True Interest Cost (TIC)	1.939217%
Net Interest Cost (NIC)	1.951375%
All-In TIC	2.310789%
Average Coupon	2.108380%
Average Life (years)	4.883
Weighted Average Maturity (years)	4.888
Duration of Issue (years)	4.617
Par Amount	4,200,000.00
Bond Proceeds	4,274,201.75
Total Interest	432,428.81
Net Interest	400,227.06
Total Debt Service	4,632,428.81
Maximum Annual Debt Service	517,727.50
Average Annual Debt Service	527,912.12
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	100.766708

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Bond Component	4,200,000.00	101.767	2.108%	4.883	10/10/2021	1,959.20
	4,200,000.00			4.883		1,959.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,200,000.00	4,200,000.00	4,200,000.00
+ Accrued Interest			
+ Premium (Discount)	74,201.75	74,201.75	74,201.75
- Underwriter's Discount	-42,000.00	-42,000.00	
- Cost of Issuance Expense		-71,050.00	
- Other Amounts			
Target Value	4,232,201.75	4,161,151.75	4,274,201.75
Target Date	11/22/2016	11/22/2016	11/22/2016
Yield	1.939217%	2.310789%	1.723720%

**SOURCES AND USES OF FUNDS**Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016

Dated Date	11/22/2016
Delivery Date	11/22/2016

**Sources:**

Bond Proceeds:	
Par Amount	4,200,000.00
Premium	74,201.75
	<u>4,274,201.75</u>
Other Sources of Funds:	
Transfer from Existing DSR	596,131.61
Transfers from Prior Sinking Fund	84,222.92
	<u>680,354.53</u>
	<u>4,954,556.28</u>

**Uses:**

Refunding Escrow Deposits:	
Cash Deposit	4,421,153.75
Other Fund Deposits:	
Deposit to Debt Service Reserve Fund	420,000.00
Cost of Issuance:	
Hilliard Lyons	30,000.00
Dinsmore & Shohl	14,700.00
Legal Expenses	2,500.00
Moody's Rating Fee	12,000.00
Paying Agent Bank	4,500.00
Local Counsel	7,350.00
	<u>71,050.00</u>
Delivery Date Expenses:	
Underwriter's Discount	42,000.00
Other Uses of Funds:	
Additional Proceeds	352.53
	<u>4,954,556.28</u>

**EXHIBIT 2**

**SAVINGS**

Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016

Date	Prior Debt Service	Refunding Debt Service	Savings
12/31/2017	595,675.00	517,213.81	78,461.19
12/31/2018	593,556.26	517,727.50	75,828.76
12/31/2019	590,818.76	513,927.50	76,891.26
12/31/2020	592,462.50	515,027.50	77,435.00
12/31/2021	593,281.26	515,927.50	77,353.76
12/31/2022	588,275.00	511,627.50	76,647.50
12/31/2023	592,650.00	512,227.50	80,422.50
12/31/2024	590,993.76	512,387.50	78,606.26
12/31/2025	593,512.50	516,362.50	77,150.00
	5,331,225.04	4,632,428.81	698,796.23

Savings Summary

Savings PV date	11/22/2016
Savings PV rate	1.723720%
PV of savings from cash flow	646,487.48
Less: Prior funds on hand	-680,354.53
Plus: Refunding funds on hand	420,352.53
Net PV Savings	386,485.48



**SUMMARY OF REFUNDING RESULTS**Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016

Dated Date	11/22/2016
Delivery Date	11/22/2016
Arbitrage yield	1.723720%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	4,200,000.00
True Interest Cost	1.939217%
Net Interest Cost	1.951375%
Average Coupon	2.108380%
Average Life	4.883
Par amount of refunded bonds	4,380,000.00
Average coupon of refunded bonds	4.125000%
Average life of refunded bonds	5.040
PV of prior debt to 11/22/2016 @ 1.723720%	4,920,689.23
Net PV Savings	386,485.48
Percentage savings of refunded bonds	8.823869%
Percentage savings of refunding bonds	9.202035%

**DEBT SERVICE SCHEDULE OF 2005 BONDS**

Hardin County Water District No. 1  
Utility System Refunding Revenue Bonds, Series 2016  
Debt Service of Refunded Series 2005 Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			90,337.50	90,337.50	
09/01/2017	415,000	4.125%	90,337.50	505,337.50	
12/31/2017					595,675.00
03/01/2018			81,778.13	81,778.13	
09/01/2018	430,000	4.125%	81,778.13	511,778.13	
12/31/2018					593,556.26
03/01/2019			72,909.38	72,909.38	
09/01/2019	445,000	4.125%	72,909.38	517,909.38	
12/31/2019					590,818.76
03/01/2020			63,731.25	63,731.25	
09/01/2020	465,000	4.125%	63,731.25	528,731.25	
12/31/2020					592,462.50
03/01/2021			54,140.63	54,140.63	
09/01/2021	485,000	4.125%	54,140.63	539,140.63	
12/31/2021					593,281.26
03/01/2022			44,137.50	44,137.50	
09/01/2022	500,000	4.125%	44,137.50	544,137.50	
12/31/2022					588,275.00
03/01/2023			33,825.00	33,825.00	
09/01/2023	525,000	4.125%	33,825.00	558,825.00	
12/31/2023					592,650.00
03/01/2024			22,996.88	22,996.88	
09/01/2024	545,000	4.125%	22,996.88	567,996.88	
12/31/2024					590,993.76
03/01/2025			11,756.25	11,756.25	
09/01/2025	570,000	4.125%	11,756.25	581,756.25	
12/31/2025					593,512.50
	4,380,000		951,225.04	5,331,225.04	5,331,225.04

**EXHIBIT 4**

Page 1	<b>NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL</b> Form # SLDO-1 Revised 1/1/2011	For DLG staff use only:  File # _____ Received _____
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Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at [www.dlg.ky.gov](http://www.dlg.ky.gov).

√ Type of debt to be issued (must check one):	SLDO Approval Required	Complete Sections
<input type="checkbox"/> Short Term Borrowing – KRS 65.7701 et. seq.	No	A,B,C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 – KRS 65.940 et. seq.	No	A,B,D
<input type="checkbox"/> Lease exceeding \$500,000 – KRS 65.940 et. seq.	Yes (Counties only)	A,B,D
<input type="checkbox"/> General Obligation Bond – KRS Chapter 66	Yes (Counties only)	A,B,E
<input type="checkbox"/> Public Project Rev. Bond – KRS Chapter 58	No	A,B,E
<input type="checkbox"/> Public Project Rev. Bonds w/Lease - KRS 665.310(2)	Yes (Counties only)	A,B,D,E
<input type="checkbox"/> Industrial Revenue Bond – KRS Chapter 103	Yes (All Borrowers)	A,B,F
<input checked="" type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A,B,E

### Section A – Borrower Information

Agency Name: Hardin County Water District No. 1	
Governing Body: Board of Commissioners	
Street Address: 1400 Rogersville Road	
PO Box #	City: Radcliff
County: Hardin	Zip: 40160
Authorized Official: General Manager and Bond Counsel	

### Section B – Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

<b>Principal Amount: \$4,200,000</b>	Date of Issue: <b>11/22/2016</b>
<b>Maturity Date(s): 09/01/2025</b>	<b>Payment Schedule:</b> (must attach schedule)
<b>Term: 9 years</b>	<b>Number of Renewal Periods: N/A</b>
<b>Interest Rate(s): 2.000% -2.250% (estimated)</b>	<b>Type of Interest (fixed or variable): Fixed</b>
<b>Retirement Method: Water Revenue Fund payments</b>	
Lender's Name: To be sold at Advertised, Competitive Sale	
Lender's Address: To be sold at Advertised, Competitive Sale	
Right of Termination: None	
Termination Penalties: None	
Prepayment Provisions: Non-Callable	
Trustee or Paying Agent: The Cecilian Bank	
AOC Funding Percentage: N/A	



# NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL

Form # SLDO-1

Revised 1/1/2011

## Section C – Note (Loan) Information/Documentation

Purpose – Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Pledge of Taxes/Description:

Pledge of Revenue/Description:

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? ☐ Yes ☐ No

If No, explain what steps were taken to ensure adequate competition.

### Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

## Section D – Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

Type of Lease: ☐ General Obligation ☐ Revenue

Is Lease Annually Renewable? ☐ Yes ☐ No

Does Agency seek approval without a hearing? ☐ Yes ☐ No Jurisdiction: ☐ Revenue ☐ Refunding

If yes, please state the name, date and principal amount of original issue(s) being refunded:

### Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease

Page 3	<p align="center"><b>NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL</b></p> <p align="center">Form # SLDO-1 Revised 1/1/2011</p>
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**Section E – Bond Information/Documentation**

Please provide all relevant information. Fields in bold are mandatory.

Describe the purpose of the bond:
Currently refunding the following:
Hardin County Water District No. 1 Revenue Refunding Bonds, Series 2005, dated June 15, 2005.
Bond Counsel: Dinsmore & Shohl LLP
Counsel Address: 50 E Rivercenter Blvd, Suite 1150, Covington, KY 41011
Financial Advisor: J.J.B. Hilliard, W.L. Lyons, LLC
Advisor Address: 500 West Jefferson Street, Suite 1610, Louisville, KY 40202
Bond Series: Hardin County Water District No. 1 Utility System Refunding Revenue Bonds, Series 2016
Call Date: Not Callable
Does this bond refund a prior bond? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please state the name, date and principal amount of original issue(s) being refunded:
\$4,380,000 outstanding principal amount of Waterworks Revenue Refunding Bonds, Series 2005 dated June 15, 2005.

**Required Attachments (If SLDO Approval is Required)**

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

**Additional Required Attachments for KRS Chapter 103 Bonds**

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

\*\*\*\*\*

**By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.**

Name (please print) Jim Bruce	Date: 10/6/2016
Title: General manager	Signature:

**Mail to:**  
**Department for Local Government**  
**Attn: State Local Debt Officer**  
**1024 Capital Center Drive, Suite 340**  
**Frankfort, KY 40601**

Fax to: 502-573-3712

### ESTIMATED DEBT SERVICE SCHEDULE\*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017			25,465.76	25,465.76	
09/01/2017	450,000	2.000%	43,243.75	493,243.75	
12/31/2017					518,709.51
03/01/2018			38,743.75	38,743.75	
09/01/2018	440,000	2.000%	38,743.75	478,743.75	
12/31/2018					517,487.50
03/01/2019			34,343.75	34,343.75	
09/01/2019	445,000	2.000%	34,343.75	479,343.75	
12/31/2019					513,687.50
03/01/2020			29,893.75	29,893.75	
09/01/2020	455,000	2.000%	29,893.75	484,893.75	
12/31/2020					514,787.50
03/01/2021			25,343.75	25,343.75	
09/01/2021	465,000	2.000%	25,343.75	490,343.75	
12/31/2021					515,687.50
03/01/2022			20,693.75	20,693.75	
09/01/2022	470,000	2.000%	20,693.75	490,693.75	
12/31/2022					511,387.50
03/01/2023			15,993.75	15,993.75	
09/01/2023	480,000	2.000%	15,993.75	495,993.75	
12/31/2023					511,987.50
03/01/2024			11,193.75	11,193.75	
09/01/2024	490,000	2.250%	11,193.75	501,193.75	
12/31/2024					512,387.50
03/01/2025			5,681.25	5,681.25	
09/01/2025	505,000	2.250%	5,681.25	510,681.25	
12/31/2025					516,362.50
	4,200,000		432,484.51	4,632,484.51	4,632,484.51

\*Preliminary; Final Schedules determined after advertised, competitive sale of Bonds



# Hardin County Water District No. 1

## Summary of Debt Outstanding as of December 31, 2015

<u>First-Lien Parity Obligations</u>					
<u>Debt Outstanding</u>	<u>Dated</u>	<u>Interest Rate</u>	<u>Last Maturity Date</u>	<u>Original Amount</u>	<u>Balance at December 31, 2015</u>
Waterworks Revenue Refunding Bonds, Series 2005 <sup>(1)</sup>	June 15, 2005	4.125%	September 1, 2025	\$ 6,860,000	\$ 4,780,000
<b>Total First-Lien Parity Obligations</b>				<u>\$ 6,860,000</u>	<u>\$ 4,780,000</u>
<u>Subordinate Obligations</u>					
<u>Debt Outstanding</u>	<u>Dated</u>	<u>Interest Rate</u>	<u>Last Maturity Date</u>	<u>Original Amount</u>	<u>Balance at December 31, 2015</u>
Variable Rate Bonds, Series 2002	April 1, 2002	-- <sup>(2)</sup>	September 1, 2022	\$ 4,510,000	\$ 2,070,000
KIA Wastewater Revolving Loan, Series 1997	October 1, 1997 <sup>(3)</sup>	3.800%	December 1, 2018	\$ 4,809,652	\$ 972,274
<b>Total Subordinate Obligations</b>				<u>\$ 9,319,652</u>	<u>\$ 3,042,274</u>

<sup>(1)</sup> The Series 2005 Bonds are being refunded through the issuance of the Series 2016 Bonds.

<sup>(2)</sup> Interest rate varies based on resetting of adjustable interest rate.

<sup>(3)</sup> Hardin County Water District No. 1 did not assume the loan until they acquired the Radcliff Sewer System in April 2008.

HARDIN COUNTY WATER DISTRICT NO. 1 WATER  
COMPARATIVE BALANCE SHEET  
For the Eight Months Ending Wednesday, August 31, 2016

	2016	2015	Change
<b>ASSETS</b>			
Current Assets			
Cash	\$884,746.88	\$790,522.90	\$94,223.98
Investments - Less than 1 Year to...	795,582.07	787,405.17	8,176.90
Accounts Receivable - Net	1,999,205.16	502,521.26	1,496,683.90
Inventory - Materials & Supplies	283,662.96	207,198.57	76,464.39
Prepaid Expenses	87,749.83	77,669.87	10,079.96
Accrued Interest	1,927.70	1,509.52	418.18
Total Current Assets	4,052,874.60	2,366,827.29	1,686,047.31
Long Term Investments			
Restricted Assets - Reserve Funds	1,854,440.96	1,982,199.21	(127,758.25)
Total Long Term Investments	1,854,440.96	1,982,199.21	(127,758.25)
LWC Interconnect Easement	21,288.45	22,252.41	(963.96)
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	39,503,616.30	38,840,176.35	663,439.95
Equipment & Furniture	4,087,191.22	4,055,530.54	31,660.68
Construction in Progress	3,261,822.02	1,220,441.56	2,041,380.46
Total	47,125,674.76	44,389,193.67	2,736,481.09
Less: Accumulated Depreciation	(16,572,532.33)	(15,551,293.20)	(1,021,239.13)
Total Property, Plant & Equipment	30,553,142.43	28,837,900.47	1,715,241.96
DEFERRED OUTFLOWS			
Resources - Pensions	320,704.00		320,704.00
TOTAL ASSETS	36,802,450.44	33,209,179.38	3,593,271.06
<b>LIABILITIES &amp; NET ASSETS</b>			
Current Liabilities			
Accounts Payable	1,081,181.92	195,348.69	885,833.23
Accrued Expenses	196,977.81	197,224.31	(246.50)
Due To Other Funds	76,485.87	43,259.59	33,226.28
Customers' Deposits	192,666.39	184,495.39	8,171.00
Current Portion of Long Term Debt	400,000.00	525,000.00	(125,000.00)
Line of Credit - Cecilian Bank	583,604.00		583,604.00
Radcliff Collections Payable	163,973.66	153,034.81	10,938.85
State Encheatment - Reserve for...	12,664.09	10,099.13	2,564.96
Deferred Revenue	17,347.50	12,541.50	4,806.00
Total Current Liabilities	2,724,901.24	1,321,003.42	1,403,897.82
Long Term Debt			
Bonds Payable	6,170,000.00	6,850,000.00	(680,000.00)
Less: Unamortized Discount & Ex...	(105,721.14)	(121,269.18)	15,548.04
Total Long Term Debt	6,064,278.86	6,728,730.82	(664,451.96)
Other Liabilities			
Customer Advances for Constructi...	63,241.10	76,165.04	(12,923.94)
Net Pension Liability	1,972,726.00	2,249,889.00	(277,163.00)
Deferred Inflows Resources-Pensi...	2,595.00		2,595.00
Total Liabilities	10,827,742.20	10,375,788.28	451,953.92
Net Assets			
Retained Earnings	8,324,847.95	7,409,552.15	915,295.80
Contributed Capital	15,381,761.64	15,015,998.64	365,763.00
Current Earnings	2,268,098.65	407,840.31	1,860,258.34
Total Net Assets	25,974,708.24	22,833,391.10	3,141,317.14
TOTAL LIABILITIES & NET ASSETS	36,802,450.44	33,209,179.38	3,593,271.06

For Management Purposes Only

## EXHIBIT 7

HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER  
COMPARATIVE BALANCE SHEET  
For the Eight Months Ending Wednesday, August 31, 2016

	2016	2015	Change
<b>ASSETS</b>			
Current Assets			
Cash	\$3,796,431.24	\$2,909,978.49	\$886,452.75
Accounts Receivable - Net	285,825.47	494,305.74	(208,480.27)
Due From Other Funds	167,230.48	103,713.59	63,516.89
Inventory - Materials & Supplies	1,613.30	1,764.00	(150.70)
Prepaid Expenses	50,814.40	48,081.18	2,733.22
Total Current Assets	4,301,914.89	3,557,843.00	744,071.89
Long Term Investments			
Restricted Assets - Reserve Funds	342,014.67	341,606.98	407.69
Total Long Term Investments	342,014.67	341,606.98	407.69
Property, Plant & Equipment			
Property, Plant & Lines	35,906,040.00	35,665,037.56	241,002.44
Equipment & Furniture	1,344,915.55	1,055,834.47	289,081.08
Construction in Progress	2,333,238.22	1,768,781.61	564,456.61
Total	39,584,193.77	38,489,653.64	1,094,540.13
Less: Accumulated Depreciation	(18,148,098.63)	(17,124,677.97)	(1,023,420.66)
Total Property, Plant & Equipment	21,436,095.14	21,364,975.67	71,119.47
Organizational Costs	168,734.66	177,834.98	(9,100.32)
Deferred Rate Case Expense	84,640.38	115,418.70	(30,778.32)
Deferred Outflows of Resources			
Pension	148,048.00		148,048.00
<b>TOTAL ASSETS</b>	<u>26,481,447.74</u>	<u>25,557,679.33</u>	<u>923,768.41</u>
<b>LIABILITIES &amp; NET ASSETS</b>			
Current Liabilities			
Accounts Payable	57,710.06	231,731.21	(174,021.15)
Customer Deposits	173,056.00	161,923.00	11,133.00
Current Portion of Long Term Debt	157,453.27	151,636.35	5,816.92
Accrued Expenses	60,489.62	81,018.17	(20,528.55)
Total Current Liabilities	448,708.95	626,308.73	(177,599.78)
Long Term Debt			
Bonds Payable	660,303.01	972,273.72	(311,970.71)
Total Long Term Debt	660,303.01	972,273.72	(311,970.71)
Other Liabilities			
Net Pension Liability	910,680.00		910,680.00
Deferred Inflow Resources			
Pensions	1,198.00		1,198.00
Total Other Liabilities	911,878.00		911,878.00
Total Liabilities	2,020,889.96	1,598,582.45	422,307.51
Net Assets			
Retained Earnings	(1,115,165.13)	(635,169.45)	(479,995.68)
Contributed Capital	24,900,090.06	24,160,779.95	739,310.11
Current Earnings	675,632.85	433,486.38	242,146.47
Total Net Assets	24,460,557.78	23,959,096.88	501,460.90
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>26,481,447.74</u>	<u>25,557,679.33</u>	<u>923,768.41</u>

For Management Purposes Only



Hardin County Water District No. 1 Water Fund  
Detail Comparative Income Statements  
For the 8 Months Ended Wednesday, August 31, 2016

	August	August Budget	August Previous Year	2016	2016 Budget	2015
<b>OPERATING REVENUE</b>						
Customer Meter Charges	\$59,441.82	\$59,180.88	\$58,992.53	\$474,956.48	\$470,994.48	\$469,495.50
Residential Sales	156,801.93	161,542.02	155,724.29	1,201,548.50	1,244,407.47	1,199,591.72
Commercial Sales	21,287.28	21,595.18	20,697.12	163,066.73	169,046.97	162,016.99
Multi-Family Sales	12,209.28	12,375.45	11,788.40	97,277.40	107,873.36	102,756.24
Sales for Resale - Vine Grove	26,825.20	24,752.25	24,042.80	195,109.00	194,901.43	189,315.20
Sales for Resale - Meade County	32,839.00	41,887.25	38,848.60	266,074.60	325,833.53	302,196.40
Sales for Resale - Hardinsburg						182.80
Sewer Storm Water-Monthly Contract	3,702.60	3,686.77	3,332.00	27,484.85	27,214.72	24,595.90
Bad Debt Recovered	553.72	1,371.93	1,114.71	7,500.15	9,364.48	7,608.77
Penalties, Service Fees and Reimbursements	29,919.30	28,223.80	26,802.64	204,170.69	204,528.75	199,574.24
<b>Total Operating Revenue</b>	<b>343,580.13</b>	<b>354,615.53</b>	<b>341,343.09</b>	<b>2,637,188.40</b>	<b>2,754,165.19</b>	<b>2,657,333.76</b>
<b>OPERATING EXPENSES</b>						
Salaries & Benefits	112,543.09	130,152.15	116,326.76	881,329.45	941,358.86	875,331.65
Purchased Water	178.67	3,938.25	2,734.15	17,226.41	103,759.97	72,035.81
Utilities & Energy Expense	21,824.72	23,800.17	22,425.98	177,949.45	177,409.14	168,583.53
Chemicals	22,046.18	16,188.26	18,657.51	147,643.52	118,575.73	136,662.50
Materials & Supplies	4,347.30	2,555.40	2,316.70	27,235.11	23,260.84	22,058.36
Maintenance & Repairs	7,060.95	14,805.66	16,026.46	54,628.24	55,624.70	60,258.04
Storage Maintenance	280.21	189.61	188.19	2,233.23	1,829.34	1,815.61
Booster Station Expense	23.01	64.71	271.57	1,808.28	1,870.67	7,850.39
Small Tool Expenses	883.70	907.78	678.41	5,492.49	6,438.84	4,586.73
Accounting & Legal Services	1,854.13	1,475.00	936.92	(8,472.86)	11,800.00	11,607.21
Contractual Services	24,351.72	15,222.18	16,263.58	124,938.93	103,050.10	113,045.72
Laboratory Services	1,624.00	156.74	92.50	10,742.25	10,794.84	6,370.50
Lab Supplies	69.23	121.46	117.35	1,508.91	1,558.59	1,505.87
Bac-T Supplies	138.46	244.72	234.71	2,851.80	3,140.15	3,011.74
Utility Regulatory Fees	641.84	631.90	634.56	5,091.05	5,072.44	5,093.78
Fuel & Transportation Expense	4,415.18	10,410.11	11,833.26	30,116.06	51,001.36	40,672.64
Insurance Expense	3,868.00	3,783.33	4,481.75	30,868.96	30,266.64	34,473.17
Workers Comp/Unemployment Expense	1,514.83	1,623.62	1,430.38	11,598.56	12,125.62	11,054.88
Advertising Expense	3,133.90	1,087.55	1,626.58	10,516.17	8,839.67	13,220.98
Bad Debt Expense	3,103.79	3,401.49	3,419.39	26,201.15	28,533.34	28,683.48
Collection Expense	297.16	491.89	401.23	2,534.84	3,402.69	2,775.54
Expense	1,600.10	1,769.03	1,635.86	12,248.59	16,003.19	14,560.20
Subscriptions	174.02	267.24	290.08	3,041.28	3,040.98	3,300.85
& Mailing	214.59	88.87	83.00	2,346.47	3,146.41	2,938.61
Safety Expense	227.69	419.84	460.12	4,923.11	3,603.43	3,949.17
Information Technology Expense	3,988.00	3,869.59	3,846.87	32,104.85	34,911.53	34,706.51
Commission Expense	167.20	240.16	198.93	1,411.26	1,640.56	1,358.93
Travel & Lodging	4,872.20	1,668.65	1,207.28	15,129.44	11,406.13	8,252.40
Certification & Education	596.71	3,721.31	1,872.55	16,063.18	19,061.14	8,519.46
Miscellaneous Expense	1,006.95	459.23	632.42	5,094.14	4,182.04	5,759.26
Customer Deposit Interest Expense	42.34	13.70	14.73	301.25	102.33	110.00
Cash Over & Short	4.24		(0.70)	6.90		(1.19)
Allocated FK Water G&A Expense	(13,872.00)	(13,883.16)	(14,467.66)	(111,054.12)	(111,065.36)	(115,741.36)
<b>TOTAL OPERATING EXPENSES</b>	<b>213,222.11</b>	<b>229,886.44</b>	<b>216,871.42</b>	<b>1,545,658.35</b>	<b>1,685,745.91</b>	<b>1,588,410.97</b>
<b>Operating Income Before Depreciation</b>	<b>130,358.02</b>	<b>124,729.09</b>	<b>124,471.67</b>	<b>1,091,530.05</b>	<b>1,068,419.28</b>	<b>1,068,922.79</b>
<b>Less Depreciation &amp; Amortization</b>	<b>85,470.28</b>	<b>84,542.37</b>	<b>83,805.55</b>	<b>679,071.88</b>	<b>674,460.61</b>	<b>668,595.18</b>
<b>Operating Income</b>	<b>44,887.74</b>	<b>40,186.72</b>	<b>40,666.12</b>	<b>412,458.17</b>	<b>393,958.67</b>	<b>400,327.61</b>
<b>Non-Operating Income(Expense)</b>						
Interest & Dividend Income	1,218.06	665.86	933.86	11,138.52	4,977.58	6,980.98
Interest Expense	(19,231.30)	(18,413.74)	(20,097.64)	(152,441.70)	(148,406.78)	(161,960.72)
Gain/(Loss) on Assets			1,160.63	(11,997.42)		2,023.20
Inter-Departmental Transfer				(128.03)		
<b>Income Before Capital Contributions</b>	<b>26,874.50</b>	<b>22,438.84</b>	<b>22,662.97</b>	<b>259,029.54</b>	<b>250,529.47</b>	<b>247,371.07</b>
<b>Capital Contributions</b>						
Misc Revenue - Grant - LWC	1,318,054.08	197,500.00		1,726,114.37	1,580,000.00	145,023.74
Misc Revenue - Grant - Constantine Rd	215,164.65	73,250.00		249,665.23	586,000.00	
Tap fees	3,546.50	554.21	642.50	33,289.51	13,322.73	15,445.50
<b>Change in Net Assets</b>	<b>1,563,639.7</b>	<b>293,743.05</b>	<b>23,305.47</b>	<b>2,268,098.65</b>	<b>2,429,852.20</b>	<b>407,840.31</b>

Hardin County Water District No. 1 Radcliff Sewer Fund  
Detail Comparative Income Statements  
For the 8 Months Ended Wednesday, August 31, 2016

	August	August Budget	August Previous Year	2016	2016 Budget	2015
<b>OPERATING REVENUE</b>						
Residential Sales	\$249,325.99	\$258,938.58	\$246,516.25	\$1,951,340.29	\$2,038,846.34	\$1,941,034.68
Commercial Sales	42,050.84	40,839.03	38,764.13	334,257.46	339,492.66	322,244.14
Multi-Family Sales	19,741.42	20,225.73	19,080.77	157,516.29	174,864.83	164,965.91
High Strength Surcharge		906.79	714.52	737.54	1,076.34	848.12
Discharge Permit Fees	525.00	41.63		525.00	333.32	
Bad Debt Recovered	660.68	1,227.65	1,024.42	7,800.83	8,993.33	7,504.52
Penalties, Services Fees and Reimbursements	18,709.11	18,368.31	17,744.19	141,795.94	140,337.25	136,319.57
<b>Total Operating Revenues</b>	<b>331,013.04</b>	<b>340,547.72</b>	<b>323,844.28</b>	<b>2,593,973.35</b>	<b>2,703,944.07</b>	<b>2,572,916.94</b>
<b>OPERATING EXPENSES</b>						
Treatment Labor	22,956.49	25,562.28	20,091.39	175,427.85	170,013.44	48,254.13
Collection System Labor	33,155.47	33,083.42	28,238.56	257,275.20	278,083.98	115,529.57
Customer Service Labor	15,692.35	15,305.50	12,597.78	116,064.97	119,426.92	104,812.38
Maintenance Labor	367.78	443.71		2,346.00	2,917.02	
Administration Labor	9,665.53	13,575.44	12,867.01	88,606.12	102,850.61	98,040.40
Professional Services-Accounting	687.49	608.37	569.94	(9,061.76)	4,866.68	3,649.32
Professional Services-Legal	595.57	569.33	603.20	4,772.19	7,881.68	8,350.60
Information Technology Expense	1,063.48	973.86	1,025.80	8,592.32	9,327.75	9,825.22
Management Fee - Veolia						1,109,914.23
Contractual Services	19,550.94	20,814.91	22,955.99	179,272.50	177,927.18	97,588.57
Insurance Expense	2,345.09	2,341.67	3,208.08	18,760.66	18,733.36	20,483.30
Chemicals	(282.20)	2,069.65		11,522.50	15,159.75	
Sludge Removal	3,194.10	8,333.33	6,250.65	56,657.85	66,666.64	12,974.50
Maintenance & Repairs	2,027.79	13,909.22	5,806.69	25,458.42	101,175.81	8,951.89
Small Tool Expense	530.65	362.22	920.40	4,734.98	3,580.82	982.68
Workers Comp/Unemployment Insurance	1,171.71	1,213.31	1,117.10	9,147.58	9,122.42	3,077.86
Transportation Fuel & Repairs	1,574.96	3,183.65	1,173.27	15,982.35	23,703.04	5,610.73
Utility Regulatory Expense	622.61	610.87	587.55	4,770.52	4,756.49	4,574.91
Office Supplies	2,603.99	5,185.23	2,362.12	18,711.64	40,699.33	10,455.96
Utilities	26,828.22	26,559.30	14,987.54	233,013.99	227,237.04	30,340.01
Bad Debt Expense	4,307.52	4,762.39	4,560.10	33,770.25	39,688.81	38,002.93
Agency Collection Expense	270.08	505.72	409.28	2,742.59	3,459.52	2,799.82
Phone Expense	488.36	750.65	524.29	3,875.28	5,274.15	1,588.58
Safety Expense	308.93	501.30	1,147.42	3,691.82	4,302.58	2,850.01
Travel Expense	726.27			933.14	983.04	6,556.76
Lodging	187.50	191.67	187.50	1,500.00	1,533.36	1,500.00
Certification & Training	1,299.23	324.88	321.96	5,327.25	2,531.82	2,509.06
Education & Conferences	661.90	151.29	138.50	4,111.03	1,961.27	1,795.50
Routine Maintenance Service & Uniforms	111.80	898.49	360.86	2,721.41	2,610.43	1,048.43
Miscellaneous Customer Expense	3,947.37	188.90	291.52	6,896.18	2,961.97	1,775.56
Miscellaneous Expense	11.84	75.00		46.82	600.00	13.98
Amortized Rate Case - Raftelis	93.42	248.87	1,009.05	1,812.29	544.62	2,208.17
Customer Deposit Interest Expense	2,564.86	2,566.67	2,564.86	20,518.88	20,533.36	20,518.88
Allocated FK Water G&A Expense	40.24	36.99	12.99	383.44	371.80	130.57
	(6,837.00)	(6,842.50)	(5,630.00)	(54,734.50)	(54,740.00)	(45,040.00)
<b>Total Operating Expenses</b>	<b>152,534.34</b>	<b>179,065.59</b>	<b>141,261.40</b>	<b>1,255,651.76</b>	<b>1,416,746.69</b>	<b>1,731,674.51</b>
<b>Operating Income Before Depreciation</b>	<b>178,478.70</b>	<b>161,482.13</b>	<b>182,582.88</b>	<b>1,338,321.59</b>	<b>1,287,197.38</b>	<b>841,242.43</b>
Less Depreciation & Amortization	96,241.45	93,454.66	94,633.61	756,830.20	748,341.02	757,752.13
<b>Operating Income</b>	<b>82,237.25</b>	<b>68,027.47</b>	<b>87,949.27</b>	<b>581,491.39</b>	<b>538,856.36</b>	<b>83,490.30</b>
<b>Non Operating Income/(Expense)</b>						
Interest & Dividend Income	889.89	803.58	667.61	6,035.92	5,263.05	4,372.52
Gain/(Loss) on Assets			1,029.24	4,415.32		3,520.00
Interest Expense	(3,156.79)	(3,103.19)	(4,106.43)	(27,609.90)	(26,828.56)	(35,512.38)
Inter Departmental Transfer				(64,319.46)		
<b>Income Before Capital Contributions</b>	<b>79,970.35</b>	<b>65,727.86</b>	<b>85,539.69</b>	<b>500,013.27</b>	<b>517,290.85</b>	<b>55,870.44</b>
<b>Capital Contributions</b>						
Misc Revenue - Grant		12,500.00			100,000.00	
Misc Revenue - Grant - Pump Stations		32,083.33	167,447.39	22,005.20	256,666.64	262,173.16
Misc Revenue - Grant - SI	3,560.00	68,458.33	77,189.40	153,614.38	547,666.64	114,542.78
Tap Fees		125.00			1,000.00	900.00
<b>Change in Net Assets</b>	<b>83,530.35</b>	<b>178,894.52</b>	<b>330,176.48</b>	<b>675,632.85</b>	<b>1,422,624.13</b>	<b>433,486.38</b>