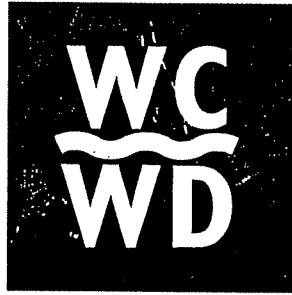


WARREN COUNTY WATER DISTRICT



August 28, 2000

MR KEN MERIDETH  
GENERAL MANAGER  
GREENWOOD SKATE CENTER  
506 THREE SPRINGS ROAD  
BOWLING GREEN KY 42101

RE: Baggett Enterprises

Dear Mr. Merideth:

We are in receipt of your letter concerning the water service. Since August 11, 1989, we have changed the rates within the same structure several times through the years to cover the increased cost of wholesale water, capital improvements and increases in operations and maintenance. All of our water rate changes have been reviewed by the Kentucky Public Service Commission and must be approved by the PSC before implementation. The last rate review and change was approved by the PSC September 15, 1999 as a result of major system improvements needed to meet the current and future water service needs of the Water District customers. We presently have under construction a \$5.6 million dollar improvement project which will be completed later this year that includes a new 2 million gallon elevated tank, over 5 miles of 30 inch water main, two new pumping stations and 3 miles of 10 inch water mains.

In accordance with our water purchase agreement with BGMU, we will be installing 4 miles of 20 inch water main from Greenwood area along I-65 and then along the Natcher Parkway next year at an estimated cost of \$2 million dollars. In addition, we will be reconstructing two pump stations with new higher volume pumps. This will give relief to the BGMU internal piping system and transport the water required for all of Warren County west of I-65 and south of Bowling Green. We are anticipating being able to make these improvements without borrowing any additional funds or changing the rates. If we are able to accomplish the accumulation of cash to meet the capital needs, no rate change will be required. However, we do anticipate BGMU will be increasing our wholesale water rate in the future as a result of a \$12 million dollar expenditure to increasing the capacity of the water treatment plant from 22 million gallons a day to 30 million and the increase will be passed through to the customers of the Water District.

QUALITY ON TAP

951 FAIRVIEW AVENUE SUITE B / PO BOX 10180  
BOWLING GREEN KENTUCKY 42102-4780  
TEL 270.842.0052 FAX 270.842.8360

Page 2  
August 28, 2000

We are aware our water rates are not the lowest rates, but they are based on the total revenue needs of the Water District and we have placed the costs on those customers who benefit from the service provided.

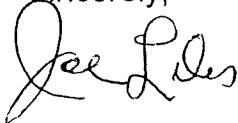
Baggett Enterprises applied for a 4 inch water meter October 29, 1980 and we installed the service as requested. Your Company installed one service line from the meter into the building to apparently serve both your sprinkler needs and other water usage needs. The 4 inch meter was not registering the water use accurately at a low flow rate so in 1990 a small meter was installed to bypass the 4 inch meter where the low water flows would accurately be determined. There was no charge for the installation of the small meter.

We reviewed your billing records and notice that the usage on the 4 inch meter during the past 18 months will run from a 1,000 to 2,000 gallons per month and the usage on the smaller meter will vary from 13,000 to 84,000 gallons per month. These meters are necessary in order to measure the high and low flow usage.

The Water District is created according to Kentucky Revised Statues. The Board Members are appointed by the County Judge Executive and confirmed by the Fiscal Court. The Board of Commissioners normally meet on the 4<sup>th</sup> Tuesday of each month. The records of the Water District are kept and available in accordance with the Kentucky Revised Statues.

We hope this gives you a better understanding of the Water District operations and plans for the future. We are enclosing a copy of the original application for service and recent water usage summary.

Sincerely,



Joe Liles  
General Manager

JL:jh

Enclosures

SERVICE ORDER

Service Readings Information

Service General Information

=====

Customer: 16738 Rt/Acct-Sub: 1310/ 48800- 1  
Service ID: 20211 Name: BAGGETT ENTERPRISES  
Line ID: 15425 Service Address: THREE SPRINGS RD  
Service Type: WWT WC-WATER SERVIC

*1'' Meter*

Service Read Stats

=====

Read Date	Reading	Usage Cmt	Charges	Adjust	Late Chg	Tax Chg
-----------	---------	-----------	---------	--------	----------	---------

=====

07/31/2000	61798	10060	32.21		0.97	
06/30/2000	60792	7240	24.68		0.74	
06/01/2000	60068	7000	24.04		0.72	
05/01/2000	59368	7890	26.43		0.79	
03/31/2000	58579	8490	28.03		0.84	
03/01/2000	57730	14140	41.11		1.23	
01/31/2000	56316	16270	45.75		1.37	
12/29/1999	54689	6320	22.22		0.67	
11/29/1999	54057	8540	28.17		0.85	
10/29/1999	53203	5770	20.74		0.62	
09/30/1999	52626	5210	17.72		0.53	
08/30/1999	52105	6710	21.42		0.64	
07/28/1999	51434	6980	22.09		0.66	
06/29/1999	50736	6190	20.14		1.84	
06/01/1999	50117	7790	24.09		2.21	
04/29/1999	49338	6660	21.30		1.96	
03/31/1999	48672	8950	26.96		2.48	
03/01/1999	47777	7900	24.36		2.24	
02/01/1999	46987	9610	28.59		2.63	
12/30/1998	46026	6560	21.05		1.93	
11/30/1998	45370	8650	26.22		2.41	
10/29/1998	44505	6620	21.20		1.95	
09/30/1998	43843	5930	19.50		1.80	
08/31/1998	43250	7370	23.05		2.11	
07/29/1998	42513	7180	22.30		2.05	

SERVICE ORDER

Service Readings Information

Service General Information

=====

Customer: 17168 Rt/Acct-Sub: 1310/ 45750- 1  
Service ID: 20672 Name: BAGGETT ENTERPRISES  
Line ID: 15855 Service Address: THREE SPRINGS RD  
Service Type: WWT WC-WATER SERVIC

*4" Meter*

Service Read Stats

=====

Read Date	Reading	Usage Cmt	Charges	Adjust	Late Chg	Tax Chg
-----------	---------	-----------	---------	--------	----------	---------

=====

07/31/2000	5710	2000	182.64		5.48	
06/30/2000	5708	1000	182.64		5.48	
06/01/2000	5707	1000	182.64		5.48	
05/01/2000	5706	2000	182.64		5.48	
03/31/2000	5704	2000	182.64		5.48	
03/01/2000	5702	2000	182.64		5.48	
01/31/2000	5700	2000	182.64		5.48	
12/29/1999	5698	1000	182.64		5.48	
11/29/1999	5697	2000	182.64		5.48	
10/29/1999	5695	1000	182.64		5.48	
09/30/1999	5694	1000	168.18		5.05	
08/30/1999	5693	2000	168.18		5.05	
07/28/1999	5691	1000	168.18		5.05	
06/29/1999	5690	1000	168.18		15.44	
06/01/1999	5689	2000	168.18		15.44	
04/29/1999	5687	1000	168.18		15.44	
03/31/1999	5686	2000	168.18		15.44	
03/01/1999	5684	1000	168.18		15.44	
02/01/1999	5683	2000	168.18		15.44	
12/30/1998	5681	0	168.18		15.44	
11/30/1998	5681	2000	168.18		15.44	
10/29/1998	5679	1000	168.18		15.44	
09/30/1998	5678	1000	168.18		15.44	
08/31/1998	5677	1000	168.18		15.44	
07/29/1998	5676	2000	166.18		15.26	

SERVICE ORDER

Service Readings Information

Service General Information

=====

Customer: 17168 Rt/Acct-Sub: 1310/ 45750- 1  
Service ID: 20672 Name: BAGGETT ENTERPRISES  
Line ID: 15855 Service Address: THREE SPRINGS RD  
Service Type: WWT WC-WATER SERVIC

Service Read Stats

=====

Read Date	Reading	Usage Cmt	Charges	Adjust	Late Chg	Tax Chg
07/31/2000	5710	2000	182.64		5.48	
06/30/2000	5708	1000	182.64		5.48	
06/01/2000	5707	1000	182.64		5.48	
05/01/2000	5706	2000	182.64		5.48	
03/31/2000	5704	2000	182.64		5.48	
03/01/2000	5702	2000	182.64		5.48	
01/31/2000	5700	2000	182.64		5.48	
12/29/1999	5698	1000	182.64		5.48	
11/29/1999	5697	2000	182.64		5.48	
10/29/1999	5695	1000	182.64		5.48	
09/30/1999	5694	1000	168.18		5.05	
08/30/1999	5693	2000	168.18		5.05	
07/28/1999	5691	1000	168.18		5.05	
06/29/1999	5690	1000	168.18		15.44	
06/01/1999	5689	2000	168.18		15.44	
04/29/1999	5687	1000	168.18		15.44	
03/31/1999	5686	2000	168.18		15.44	
03/01/1999	5684	1000	168.18		15.44	
02/01/1999	5683	2000	168.18		15.44	
12/30/1998	5681	0	168.18		15.44	
11/30/1998	5681	2000	168.18		15.44	
10/29/1998	5679	1000	168.18		15.44	
09/30/1998	5678	1000	168.18		15.44	
08/31/1998	5677	1000	168.18		15.44	
07/29/1998	5676	2000	166.18		15.26	

CY 33 BR 5 CERT. NO. 014971

NAME Baggett Enterprises  
First Mid Init Last

MAP NO. 1W03-058

ADDRESS P.O. Box 31A  
Pt 2  
(Cottontown, Tenn.) 37048

CONTRIBUTION \$ 1,350.00

The undersigned hereby applies for water service from Warren County Water District and agrees to the following:

1. To pay the deposit and connection charge applicable. Deposit is refundable upon termination of water service and payment of all accounts owed.
2. To purchase water service under rates, policies, rules and regulations fixed by the Board of Commissions and approved by the Kentucky Public Service Commission. Copies of rates, policies, rules and regulations are available for inspection at each office.

This contract made and entered into on this date Oct. 29, 19 80, between Applicant and the Water District.

The Applicant hereby applies for water service from the District upon the following terms:

1. The Applicant will pay to the District the sum established as the non-refundable connect fee, which when accepted by the District, will constitute the installation fee for water service.
2. The fee for a residential 5/8 inch meter is \$250. The meter will be set on the Applicant's property adjacent to, on the same side of the road, and within 5 feet of the existing water line. If Applicant's property is on the opposite side of the road from the existing water line, the service will be run under the road and the meter set on private property adjacent to the highway right of way, provided the distance from the water line to the meter point is not more than 60 feet. Should the distance be more than 60 feet, the Applicant will be required to pay the additional cost of the extension.
3. In consideration of water service to serve the premises of the Applicant, the Applicant agrees to pay for water service at a minimum monthly rate of \$ 49.00 for 1 consecutive months, beginning on the date service becomes available.
4. The Applicant agrees to permit the District to lay, maintain, repair, remove and disconnect a service line and meter, and read meters at a point on Applicant's property to be designated by the District for each meter with right of ingress and egress for these purposes over Applicant's property.
5. The Applicant will install and maintain a service line at his own expense which shall begin at the water meter and extend to the dwelling or other portions of his premises.
6. The Applicant assumes responsibility for any damage to metering equipment in making connection to the meter.
7. Applicants applying for installation of 1-, 1 1/2-, 2-, 3 and 4 inch meters will be subject to this contract and the following installation fee provided the meter is set within five (5) feet of the distribution water line.

1 inch meter 350.00 with vault and by-pass  
 1 1/2 inch meter 500.00 with vault and by-pass  
 2 inch meter 675.00 with vault and by-pass  
 3 inch meter 950.00 with vault and by-pass  
 4 inch meter 1350.00 with vault and by-pass

In the event it is necessary to cross under the road and/or extend the line more than five (5) feet to reach the Applicant's property the Applicant herein agrees to pay for the full expense of extending the line.

Signature: [Signature] Social Security No. [Redacted]

Witness S. B. DEP. \_\_\_\_\_ C/F \_\_\_\_\_

201 241  
1202-491  
 Map No. 1W02-221 Address P.O. Box 31A Pt 2 Cottontown, Tenn. 37048  
014971  
 Name Baggett Enterprises Meter No. 405227 Date Set 12-30-80 Reading 000000  
014971 Date Off 9-9-87 00329 MC  
 Name Baggett Enterprise 48866094 Date Set 9-9-87 000014 MC  
014971 Date Off 6-29-92 024809 MC  
 Name Baggett Enterprise 26894405 Date Set 6-29-92 000013 MC  
 Date Off \_\_\_\_\_  
 Name \_\_\_\_\_ Date Set \_\_\_\_\_  
 Name \_\_\_\_\_ Date Off \_\_\_\_\_  
 Name \_\_\_\_\_ Date Set \_\_\_\_\_  
 Name \_\_\_\_\_ Date Off \_\_\_\_\_  
 Name \_\_\_\_\_ Date Set \_\_\_\_\_  
 Name \_\_\_\_\_ Date Off \_\_\_\_\_  
 Minimum 6110 Expires 1 mo Constant 1000 Sequence No. 000001  
1285-1255-14 367950 367980  
 Remarks: \_\_\_\_\_  
000900

WARREN COUNTY WATER DISTRICT  
PUBLIC RECORDS INSPECTION APPLICATION FORM

NAME: BAGGETT ENT. DBA GREENWOOD SKATE  
CTR.

Address at which I may be contacted: 506 THREE SPRINGS  
RD. BG KY 42104

Telephone number at which I may be contacted: 270 843-3394.

I wish to inspect the following public records: BILLING FOR  
GREENWOOD SKATE CTR FOR PAST 25 YEARS,  
OR AS LONG AS "STANDBY FEES HAVE BEEN  
CHARGED - (DUPLICATE METERS INSTALLED  
please CC TO Amy at PSC. Ken Mendall  
Applicant

\*\*\*\*\*

RECEIPT

The Water District acknowledges actual receipt of the foregoing Application on  
2-17-04 at 10:15 (A.M.)/P.M. by personal delivery to the  
Office of the Manager/Official Custodian.

Regina Coffee  
Signature

\*\*\*\*\*

Warren County Water District

The above records are available for inspection and may be reviewed at  
Warren County  
Water District office on 2-18-04 after at 2:40 A.M./(P.M.)  
(Location) (Date) (Time)

The above records are not available at this time, but may be inspected at  
\_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ A.M./P.M.  
(Location) (Date) (Time)

This delay is due to: \_\_\_\_\_ Active use of requested records  
\_\_\_\_\_ Records are in storage and must be located  
\_\_\_\_\_ Records are not otherwise available  
\_\_\_\_\_ Other \_\_\_\_\_

This application for inspection is denied due to the following reasons:

\_\_\_ The request places an unreasonable burden on the Water District in Producing voluminous public records because \_\_\_\_\_

\_\_\_ The Custodian has reason to believe that repeated requests are intended to disrupt other essential functions of the Water District because \_\_\_\_\_

\_\_\_ The records requested are excluded from disclosure pursuant to \_\_\_\_\_ because \_\_\_\_\_

Warren County Water District

By: Rogina Coffee  
Official Custodian

2.18.04 @ 2:40 A.M. (P.M.)  
Date Time

\*\*\*\*\*REQUEST FOR COPIES\*\*\*\*\*

I hereby request that the above records which are available for inspection be copied/reproduced, and I agree to pay in advance the sum of \$ 3.20.

Randy Mendler  
Applicant

According to the following:

1. Should the applicant desire copies to be used for noncommercial purposes, the applicant shall make application for copies and shall pay \$.10 per page, up to a limit of ten (10) pages for each 8 ½ " X 11" copy of Public Records made at the Water District office and pay actual cost of reproduction performed by an independent copying company designated by the Water District to reproduce copies of more than ten (10) pages or of any sheets larger than 8 ½" X 11".
2. Should the applicant desire copies to be used for commercial purposes, the applicant shall make application for copies and shall pay \$.10 per page, up to a limit of ten (10) pages for each 8 ½ " X 11" copy of Public Records made at the Water District office and pay actual cost of reproduction performed by an independent copying company designated by the Water District plus a surcharge for labor to reproduce copies of more than ten (10) pages or of any sheets larger than 8 ½ " X 11".



RECEIPT

~~A.~~

I have received the above requested records and understand that I may make abstracts or have copies made, but may not remove these public records from this room.

(X) B.

I acknowledge receipt of copies of the requested documents.

This 18 day of February, 20 04.

Ken M...  
Signature of Applicant

- by - Merideth AID

Paid  
3.20  
2.18.04  
BC

SERVICE ORDER

T r a n s a c t i o n   D e t a i l   I n f o r m a t i o n

Customer General Information

```

=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8         City, State Zip: COTTONTOWN ,TN 37048
  
```

Transaction Detail

```

=====
Date          Type Description                Tran Amt Posted      SRC OPR Reference Rate
=====
02/02/2004   WWT Mtr WWT Usage=          11360          148.25 02/11/2004 CC MIK      38127 W64
02/02/2004   TAX Tax on WWT                4.45 02/11/2004 CC MIK      38127 WT4
              STW Non-Mtr WC-SALES TAX          9.16 02/11/2004 CC MIK      0      STW
01/20/2004   PMT PMT-TAX: WC-WATER SERVIC    -4.33 01/20/2004 PP CHR     W1MZ0120 W64
01/20/2004   PMT PMT-SRV: WC-WATER SERVIC  -144.38 01/20/2004 PP CHR     W1MZ0120 W64
01/20/2004   PMT PMT-SRV: WC-SALES TAX     -8.92 01/20/2004 PP CHR     W1MZ0120 STW
12/30/2003   WWT Mtr WWT Usage=          7010          144.38 01/12/2004 CC MIK      38127 W64
12/30/2003   TAX Tax on WWT                4.33 01/12/2004 CC MIK      38127 WT4
              STW Non-Mtr WC-SALES TAX          8.92 01/12/2004 CC MIK      0      STW
12/22/2003   PMT PMT-TAX: WC-WATER SERVIC    -4.43 12/22/2003 PP MAR     W1MP1222 W64
12/22/2003   PMT PMT-SRV: WC-WATER SERVIC  -147.51 12/22/2003 PP MAR     W1MP1222 W64
12/22/2003   PMT PMT-SRV: WC-SALES TAX     -9.12 12/22/2003 PP MAR     W1MP1222 STW
11/13/2003   WWT Mtr WWT Usage=         10530          147.51 12/10/2003 CC MIK      33624 W64
11/13/2003   TAX Tax on WWT                4.43 12/10/2003 CC MIK      33624 WT4
              STW Non-Mtr WC-SALES TAX          9.12 12/10/2003 CC MIK      0      STW
11/17/2003   PMT PMT-TAX: WC-WATER SERVIC    -4.44 11/17/2003 PP DON     W1MH1117 W64
11/17/2003   PMT PMT-SRV: WC-WATER SERVIC  -148.00 11/17/2003 PP DON     W1MH1117 W64
11/17/2003   PMT PMT-SRV: WC-SALES TAX     -9.15 11/17/2003 PP DON     W1MH1117 STW
10/30/2003   WWT Mtr WWT Usage=         11080          148.00 11/10/2003 CC JEF      33624 W64
10/30/2003   TAX Tax on WWT                4.44 11/10/2003 CC JEF      33624 WT4
              STW Non-Mtr WC-SALES TAX          9.15 11/10/2003 CC JEF      0      STW
10/20/2003   PMT PMT-TAX: WC-WATER SERVIC    -4.32 10/20/2003 PP CHR     W1MZ1020 W64
10/20/2003   PMT PMT-SRV: WC-WATER SERVIC  -144.04 10/20/2003 PP CHR     W1MZ1020 W64
10/20/2003   PMT PMT-SRV: WC-SALES TAX     -8.90 10/20/2003 PP CHR     W1MZ1020 STW
10/01/2003   WWT Mtr WWT Usage=          6630          144.04 10/08/2003 CC JEF      33624 W64
10/01/2003   TAX Tax on WWT                4.32 10/08/2003 CC JEF      33624 WT4
              STW Non-Mtr WC-SALES TAX          8.90 10/08/2003 CC JEF      0      STW
09/17/2003   PMT PMT-TAX: WC-WATER SERVIC    -4.41 09/17/2003 PP MAR     W2MP0917 W64
09/17/2003   PMT PMT-SRV: WC-WATER SERVIC  -146.85 09/17/2003 PP MAR     W2MP0917 W64
09/17/2003   PMT PMT-SRV: WC-SALES TAX     -9.08 09/17/2003 PP MAR     W2MP0917 STW
09/02/2003   WWT Mtr WWT Usage=          9790          146.85 09/10/2003 CC MIK      33624 W64
09/02/2003   TAX Tax on WWT                4.41 09/10/2003 CC MIK      33624 WT4
              STW Non-Mtr WC-SALES TAX          9.08 09/10/2003 CC MIK      0      STW
08/21/2003   PMT PMT-TAX: WC-WATER SERVIC    -4.36 08/21/2003 PP DON     W2MH0821 W64
08/21/2003   PMT PMT-SRV: WC-WATER SERVIC  -145.32 08/21/2003 PP DON     W2MH0821 W64
08/21/2003   PMT PMT-SRV: WC-SALES TAX     -8.98 08/21/2003 PP DON     W2MH0821 STW
  
```

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

```

=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
  
```

Transaction Detail Continued

```

=====
Date      Type Description          Tran Amt Posted      SRC OPR Reference Rate
=====
07/31/2003 WWT Mtr WWT Usage=      8070      145.32 08/11/2003 CC MIK      33624 W64
07/31/2003 TAX Tax on WWT              4.36 08/11/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          8.98 08/11/2003 CC MIK      0          STW
07/17/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.41 07/17/2003 PP CHR      W1MZ0717 W64
07/17/2003 PMT PMT-SRV: WC-WATER SERVIC     -146.88 07/17/2003 PP CHR      W1MZ0717 W64
07/17/2003 PMT PMT-SRV: WC-SALES TAX        -9.08 07/17/2003 PP CHR      W1MZ0717 STW
07/01/2003 WWT Mtr WWT Usage=      9820      146.88 07/09/2003 CC MIK      33624 W64
07/01/2003 TAX Tax on WWT              4.41 07/09/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          9.08 07/09/2003 CC MIK      0          STW
06/18/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.38 06/18/2003 PP MAR      W1MP0618 W64
06/18/2003 PMT PMT-SRV: WC-WATER SERVIC     -146.14 06/18/2003 PP MAR      W1MP0618 W64
06/18/2003 PMT PMT-SRV: WC-SALES TAX        -9.03 06/18/2003 PP MAR      W1MP0618 STW
06/02/2003 WWT Mtr WWT Usage=      8990      146.14 06/11/2003 CC MIK      33624 W64
06/02/2003 TAX Tax on WWT              4.38 06/11/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          9.03 06/11/2003 CC MIK      0          STW
05/19/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.39 05/19/2003 PP DON      W2MH0519 W64
05/19/2003 PMT PMT-SRV: WC-WATER SERVIC     -146.22 05/19/2003 PP DON      W2MH0519 W64
05/19/2003 PMT PMT-SRV: WC-SALES TAX        -9.04 05/19/2003 PP DON      W2MH0519 STW
05/01/2003 WWT Mtr WWT Usage=      9080      146.22 05/12/2003 CC MIK      33624 W64
05/01/2003 TAX Tax on WWT              4.39 05/12/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          9.04 05/12/2003 CC MIK      0          STW
04/21/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.42 04/21/2003 PP CHR      W2MZ0421 W64
04/21/2003 PMT PMT-SRV: WC-WATER SERVIC     -147.32 04/21/2003 PP CHR      W2MZ0421 W64
04/21/2003 PMT PMT-SRV: WC-SALES TAX        -9.10 04/21/2003 PP CHR      W2MZ0421 STW
04/01/2003 WWT Mtr WWT Usage=     10310      147.32 04/09/2003 CC MIK      33624 W64
04/01/2003 TAX Tax on WWT              4.42 04/09/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          9.10 04/09/2003 CC MIK      0          STW
03/19/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.44 03/19/2003 PP MAR      W1MP0319 W64
03/19/2003 PMT PMT-SRV: WC-WATER SERVIC     -148.12 03/19/2003 PP MAR      W1MP0319 W64
03/19/2003 PMT PMT-SRV: WC-SALES TAX        -9.15 03/19/2003 PP MAR      W1MP0319 STW
03/03/2003 WWT Mtr WWT Usage=     11210      148.12 03/10/2003 CC MIK      33624 W64
03/03/2003 TAX Tax on WWT              4.44 03/10/2003 CC MIK      33624 WT4
          STW Non-Mtr WC-SALES TAX          9.15 03/10/2003 CC MIK      0          STW
02/17/2003 PMT PMT-TAX: WC-WATER SERVIC      -4.37 02/17/2003 PP DON      W2MH0217 W64
02/17/2003 PMT PMT-SRV: WC-WATER SERVIC     -145.77 02/17/2003 PP DON      W2MH0217 W64
02/17/2003 PMT PMT-SRV: WC-SALES TAX        -9.01 02/17/2003 PP DON      W2MH0217 STW
  
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SERVICE ORDER

T r a n s a c t i o n   D e t a i l   I n f o r m a t i o n  
 C O N T I N U E D

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750      Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8         City, State Zip: COTTONTOWN ,TN 37048
  
```

Transaction Detail Continued

Date	Type	Description	Tran Amt	Posted	SRC	OPR	Reference	Rate
01/31/2003	WWT	Mtr WWT Usage= 8570	145.77	02/10/2003	CC	MIK	33624	W64
01/31/2003	TAX	Tax on WWT	4.37	02/10/2003	CC	MIK	33624	WT4
	STW	Non-Mtr WC-SALES TAX	9.01	02/10/2003	CC	MIK	0	STW
01/15/2003	PMT	PMT-TAX: WC-WATER SERVIC	-4.34	01/15/2003	PP	MAR	W2MP0115	W64
01/15/2003	PMT	PMT-SRV: WC-WATER SERVIC	-144.77	01/15/2003	PP	MAR	W2MP0115	W64
01/15/2003	PMT	PMT-SRV: WC-SALES TAX	-8.95	01/15/2003	PP	MAR	W2MP0115	STW
12/31/2002	WWT	Mtr WWT Usage= 7450	144.77	01/08/2003	CC	MIK	33624	W64
12/31/2002	TAX	Tax on WWT	4.34	01/08/2003	CC	MIK	33624	WT4
	STW	Non-Mtr WC-SALES TAX	8.95	01/08/2003	CC	MIK	0	STW
12/18/2002	PMT	PMT-TAX: WC-WATER SERVIC	-4.40	12/18/2002	PP	ADA	W1MW1218	W64
12/18/2002	PMT	PMT-SRV: WC-WATER SERVIC	-146.68	12/18/2002	PP	ADA	W1MW1218	W64
12/18/2002	PMT	PMT-SRV: WC-SALES TAX	-9.06	12/18/2002	PP	ADA	W1MW1218	STW
12/02/2002	WWT	Mtr WWT Usage= 9600	146.68	12/11/2002	CC	MIK	33624	W64
12/02/2002	TAX	Tax on WWT	4.40	12/11/2002	CC	MIK	33624	WT4
	STW	Non-Mtr WC-SALES TAX	9.06	12/11/2002	CC	MIK	0	STW
11/20/2002	PMT	PMT-TAX: WC-WATER SERVIC	-4.37	11/20/2002	PP	ADA	W1MW1120	W64
11/20/2002	PMT	PMT-SRV: WC-WATER SERVIC	-145.79	11/20/2002	PP	ADA	W1MW1120	W64
11/20/2002	PMT	PMT-SRV: WC-SALES TAX	-9.01	11/20/2002	PP	ADA	W1MW1120	STW
10/30/2002	WWT	Mtr WWT Usage= 8590	145.79	11/12/2002	CC	MIK	33624	W64
10/30/2002	TAX	Tax on WWT	4.37	11/12/2002	CC	MIK	33624	WT4
	STW	Non-Mtr WC-SALES TAX	9.01	11/12/2002	CC	MIK	0	STW
10/21/2002	PMT	PMT-TAX: WC-WATER SERVIC	-4.30	10/21/2002	PP	DON	W1MH1021	W64
10/21/2002	PMT	PMT-SRV: WC-WATER SERVIC	-143.46	10/21/2002	PP	DON	W1MH1021	W64
10/21/2002	PMT	PMT-SRV: WC-SALES TAX	-8.87	10/21/2002	PP	DON	W1MH1021	STW
10/01/2002	WWT	Mtr WWT Usage= 5980	143.46	10/11/2002	CC	JEF	33624	W64
10/01/2002	TAX	Tax on WWT	4.30	10/11/2002	CC	JEF	33624	WT4
	STW	Non-Mtr WC-SALES TAX	8.87	10/11/2002	CC	JEF	0	STW
09/19/2002	PMT	PMT-TAX: WC-WATER SERVIC	-4.32	09/19/2002	PP	DON	W1MH0919	W64
09/19/2002	PMT	PMT-SRV: WC-WATER SERVIC	-143.99	09/19/2002	PP	DON	W1MH0919	W64
09/19/2002	PMT	PMT-SRV: WC-SALES TAX	-8.90	09/19/2002	PP	DON	W1MH0919	STW
09/03/2002	WWT	Mtr WWT Usage= 6570	143.99	09/11/2002	CC	JEF	33624	W64
09/03/2002	TAX	Tax on WWT	4.32	09/11/2002	CC	JEF	33624	WT4
	STW	Non-Mtr WC-SALES TAX	8.90	09/11/2002	CC	JEF	0	STW
08/19/2002	PMT	PMT-TAX: WC-WATER SERVIC	-4.55	08/19/2002	PP	CHR	W1MZ0819	W64
08/19/2002	PMT	PMT-SRV: WC-WATER SERVIC	-151.76	08/19/2002	PP	CHR	W1MZ0819	W64
08/19/2002	PMT	PMT-SRV: WC-SALES TAX	-9.38	08/19/2002	PP	CHR	W1MZ0819	STW

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

=====  
 Number: 17168 Last Name: BAGGETT ENTERPRISES  
 Route: 1310 First Name:  
 Account: 45750 Billing Address: PO BOX 143  
 Sub Account: 1  
 Cycle: 8 City, State Zip: COTTONTOWN ,TN 37048  
 =====

Transaction Detail Continued

Date	Type Description	Tran Amt	Posted	SRC	OPR	Reference	Rate
08/01/2002	WWT Mtr WWT Usage= 15300	151.76	08/12/2002	CC	MIK	33624	W64
08/01/2002	TAX Tax on WWT	4.55	08/12/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.38	08/12/2002	CC	MIK	0	STW
07/16/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.37	07/16/2002	PP	MAR	W3MP0716	W64
07/16/2002	PMT PMT-SRV: WC-WATER SERVIC	-145.68	07/16/2002	PP	MAR	W3MP0716	W64
07/16/2002	PMT PMT-SRV: WC-SALES TAX	-9.00	07/16/2002	PP	MAR	W3MP0716	STW
07/01/2002	WWT Mtr WWT Usage= 8470	145.68	07/10/2002	CC	MIK	33624	W64
07/01/2002	TAX Tax on WWT	4.37	07/10/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.00	07/10/2002	CC	MIK	0	STW
06/20/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.42	06/20/2002	PP	DON	W1MH0620	W64
06/20/2002	PMT PMT-SRV: WC-WATER SERVIC	-147.30	06/20/2002	PP	DON	W1MH0620	W64
06/20/2002	PMT PMT-SRV: WC-SALES TAX	-9.10	06/20/2002	PP	DON	W1MH0620	STW
05/31/2002	WWT Mtr WWT Usage= 10290	147.30	06/10/2002	CC	MIK	33624	W64
05/31/2002	TAX Tax on WWT	4.42	06/10/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.10	06/10/2002	CC	MIK	0	STW
05/15/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.33	05/15/2002	PP	CHR	W2MZ0515	W64
05/15/2002	PMT PMT-SRV: WC-WATER SERVIC	-144.49	05/15/2002	PP	CHR	W2MZ0515	W64
05/15/2002	PMT PMT-SRV: WC-SALES TAX	-8.93	05/15/2002	PP	CHR	W2MZ0515	STW
05/01/2002	WWT Mtr WWT Usage= 7140	144.49	05/08/2002	CC	MIK	33624	W64
05/01/2002	TAX Tax on WWT	4.33	05/08/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	8.93	05/08/2002	CC	MIK	0	STW
04/17/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.43	04/17/2002	PP	MAR	W1MP0417	W64
04/17/2002	PMT PMT-SRV: WC-WATER SERVIC	-147.65	04/17/2002	PP	MAR	W1MP0417	W64
04/17/2002	PMT PMT-SRV: WC-SALES TAX	-9.12	04/17/2002	PP	MAR	W1MP0417	STW
04/01/2002	WWT Mtr WWT Usage= 10680	147.65	04/10/2002	CC	MIK	33624	W64
04/01/2002	TAX Tax on WWT	4.43	04/10/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.12	04/10/2002	CC	MIK	0	STW
03/20/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.42	03/20/2002	PP	DON	W1MH0320	W64
03/20/2002	PMT PMT-SRV: WC-WATER SERVIC	-147.18	03/20/2002	PP	DON	W1MH0320	W64
03/20/2002	PMT PMT-SRV: WC-SALES TAX	-9.10	03/20/2002	PP	DON	W1MH0320	STW
03/01/2002	WWT Mtr WWT Usage= 10160	147.18	03/11/2002	CC	MIK	33624	W64
03/01/2002	TAX Tax on WWT	4.42	03/11/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.10	03/11/2002	CC	MIK	0	STW
02/18/2002	PMT PMT-TAX: WC-WATER SERVIC	-4.38	02/18/2002	PP	MAR	W2MP0218	W64
02/18/2002	PMT PMT-SRV: WC-WATER SERVIC	-146.03	02/18/2002	PP	MAR	W2MP0218	W64
02/18/2002	PMT PMT-SRV: WC-SALES TAX	-9.02	02/18/2002	PP	MAR	W2MP0218	STW

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer-General-Information

=====  
 Number: 17168 Last Name: BAGGETT ENTERPRISES  
 Route: 1310 First Name:  
 Account: 45750 Billing Address: PO BOX 143  
 Sub Account: 1  
 Cycle: 8 City, State Zip: COTTONTOWN ,TN 37048  
 =====

Transaction Detail Continued

Date	Type Description	Tran Amt	Posted	SRC	OPR	Reference	Rate
01/31/2002	WWT Mtr WWT Usage= 8870	146.03	02/11/2002	CC	MIK	33624	W64
01/31/2002	TAX Tax on WWT	4.38	02/11/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	9.02	02/11/2002	CC	MIK	0	STW
01/17/2002	PMT PMT-TAX: WC-WATER SERVIC	-5.48	01/17/2002	PP	MAR	W1MP0117	W16
01/17/2002	PMT PMT-SRV: WC-WATER SERVIC	-182.64	01/17/2002	PP	MAR	W1MP0117	W16
01/17/2002	PMT PMT-SRV: WC-SALES TAX	-11.29	01/17/2002	PP	MAR	W1MP0117	STW
12/31/2001	WWT Mtr WWT Usage= 9920	182.64	01/09/2002	CC	MIK	33624	W16
12/31/2001	TAX Tax on WWT	5.48	01/09/2002	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	01/09/2002	CC	MIK	0	STW
12/19/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	12/19/2001	PP	DON	W1MH1219	W16
12/19/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	12/19/2001	PP	DON	W1MH1219	W16
12/19/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	12/19/2001	PP	DON	W1MH1219	STW
11/30/2001	WWT Mtr WWT Usage= 8930	182.64	12/10/2001	CC	MIK	33624	W16
11/30/2001	TAX Tax on WWT	5.48	12/10/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	12/10/2001	CC	MIK	0	STW
11/15/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	11/15/2001	PP	CHR	W2MZ1115	W16
11/15/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	11/15/2001	PP	CHR	W2MZ1115	W16
11/15/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	11/15/2001	PP	CHR	W2MZ1115	STW
10/30/2001	WWT Mtr WWT Usage= 7010	182.64	11/07/2001	CC	MIK	33624	W16
10/30/2001	TAX Tax on WWT	5.48	11/07/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	11/07/2001	CC	MIK	0	STW
10/18/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	10/19/2001	PP	MAR	W1MP1018	W16
10/18/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	10/19/2001	PP	MAR	W1MP1018	W16
10/18/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	10/19/2001	PP	MAR	W1MP1018	STW
10/01/2001	WWT Mtr WWT Usage= 6120	182.64	10/10/2001	CC	JEF	33624	W16
10/01/2001	TAX Tax on WWT	5.48	10/10/2001	CC	JEF	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	10/10/2001	CC	JEF	0	STW
09/17/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	09/17/2001	PP	DON	W1MH0917	W16
09/17/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	09/17/2001	PP	DON	W1MH0917	W16
09/17/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	09/17/2001	PP	DON	W1MH0917	STW
08/30/2001	WWT Mtr WWT Usage= 3000	182.64	09/12/2001	CC	MIK	33624	W16
08/30/2001	TAX Tax on WWT	5.48	09/12/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	09/12/2001	CC	MIK	0	STW
08/17/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	08/17/2001	PP	CHR	W1MZ0817	W16
08/17/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	08/17/2001	PP	CHR	W1MZ0817	W16
08/17/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	08/17/2001	PP	CHR	W1MZ0817	STW

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
=====
  
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Transaction Detail Continued

Date	Type Description	Tran Amt	Posted	SRC	OPR	Reference	Rate
07/31/2001	WWT Mtr WWT Usage= 9880	182.64	08/08/2001	CC	MIK	33624	W16
07/31/2001	TAX Tax on WWT	5.48	08/08/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	08/08/2001	CC	MIK	0	STW
07/18/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	07/18/2001	PP	MIE	W2MP0718	W16
07/18/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	07/18/2001	PP	MIE	W2MP0718	W16
07/18/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	07/18/2001	PP	MIE	W2MP0718	STW
06/29/2001	WWT Mtr WWT Usage= 9450	182.64	07/11/2001	CC	MIK	33624	W16
06/29/2001	TAX Tax on WWT	5.48	07/11/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	07/11/2001	CC	MIK	0	STW
06/19/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	06/19/2001	PP	DON	W2MH0619	W16
06/19/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	06/19/2001	PP	DON	W2MH0619	W16
06/19/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	06/19/2001	PP	DON	W2MH0619	STW
05/30/2001	WWT Mtr WWT Usage= 10050	182.64	06/11/2001	CC	MIK	33624	W16
05/30/2001	TAX Tax on WWT	5.48	06/11/2001	CC	MIK	33624	WT4
	STW Non-Mtr WC-SALES TAX	11.29	06/11/2001	CC	MIK	0	STW
05/16/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	05/16/2001	PP	CHR	W1MZ0516	W16
05/16/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	05/16/2001	PP	CHR	W1MZ0516	W16
05/16/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	05/16/2001	PP	CHR	W1MZ0516	STW
04/06/2001	WWT Mtr WWT Usage= 10570	182.64	05/09/2001	CC	MIK	15855	W16
04/06/2001	TAX Tax on WWT	5.48	05/09/2001	CC	MIK	15855	WT4
	STW Non-Mtr WC-SALES TAX	11.29	05/09/2001	CC	MIK	0	STW
04/18/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	04/18/2001	PP	MAR	W2MP0418	W16
04/18/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	04/18/2001	PP	MAR	W2MP0418	W16
04/18/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	04/18/2001	PP	MAR	W2MP0418	STW
03/30/2001	WWT Mtr WWT Usage= 13150	182.64	04/11/2001	CC	JEF	15855	W16
03/30/2001	TAX Tax on WWT	5.48	04/11/2001	CC	JEF	15855	WT4
	STW Non-Mtr WC-SALES TAX	11.29	04/11/2001	CC	JEF	0	STW
03/22/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	03/22/2001	PP	DON	W2MH0322	W16
03/22/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	03/22/2001	PP	DON	W2MH0322	W16
03/22/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	03/22/2001	PP	DON	W2MH0322	STW
03/01/2001	WWT Mtr WWT Usage= 12880	182.64	03/12/2001	CC	MIK	15855	W16
03/01/2001	TAX Tax on WWT	5.48	03/12/2001	CC	MIK	15855	WT4
	STW Non-Mtr WC-SALES TAX	11.29	03/12/2001	CC	MIK	0	STW
02/23/2001	PMT PMT-TAX: WC-WATER SERVIC	-5.48	02/23/2001	PP	CHR	W1MZ0223	W16
02/23/2001	PMT PMT-SRV: WC-WATER SERVIC	-182.64	02/23/2001	PP	CHR	W1MZ0223	W16
02/23/2001	PMT PMT-SRV: WC-SALES TAX	-11.29	02/23/2001	PP	CHR	W1MZ0223	STW

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
=====
  
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Transaction Detail Continued

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=====
Date      Type Description              Tran Amt Posted      SRC OPR Reference Rate
=====
01/31/2001 WWT Mtr WWT Usage=      11040      182.64 02/12/2001 CC MIK      15855 W16
01/31/2001 TAX Tax on WWT              5.48 02/12/2001 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 02/12/2001 CC MIK      0      STW
01/18/2001 PMT PMT-TAX: WC-WATER SERVIC      -5.48 01/18/2001 PP DON      W2MH0118 W16
01/18/2001 PMT PMT-SRV: WC-WATER SERVIC     -182.64 01/18/2001 PP DON      W2MH0118 W16
01/18/2001 PMT PMT-SRV: WC-SALES TAX      -11.29 01/18/2001 PP DON      W2MH0118 STW
01/02/2001 WWT Mtr WWT Usage=      10600     182.64 01/10/2001 CC MIK      15855 W16
01/02/2001 TAX Tax on WWT              5.48 01/10/2001 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 01/10/2001 CC MIK      0      STW
12/18/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 12/18/2000 PP LOR      W3MS1218 W16
12/18/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 12/18/2000 PP LOR      W3MS1218 W16
12/18/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 12/18/2000 PP LOR      W3MS1218 STW
11/30/2000 WWT Mtr WWT Usage=      11290     182.64 12/08/2000 CC MIK      15855 W16
11/30/2000 TAX Tax on WWT              5.48 12/08/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 12/08/2000 CC MIK      0      STW
11/17/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 11/17/2000 PP LOR      W1MS1117 W16
11/17/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 11/17/2000 PP LOR      W1MS1117 W16
11/17/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 11/17/2000 PP LOR      W1MS1117 STW
10/31/2000 WWT Mtr WWT Usage=       9890     182.64 11/08/2000 CC MIK      15855 W16
10/31/2000 TAX Tax on WWT              5.48 11/08/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 11/08/2000 CC MIK      0      STW
10/18/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 10/18/2000 PP MAR      W2MP1018 W16
10/18/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 10/18/2000 PP MAR      W2MP1018 W16
10/18/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 10/18/2000 PP MAR      W2MP1018 STW
09/29/2000 WWT Mtr WWT Usage=       1000     182.64 10/11/2000 CC MIK      15855 W16
09/29/2000 TAX Tax on WWT              5.48 10/11/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 10/11/2000 CC MIK      0      STW
09/21/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 09/21/2000 PP CHR      W2MZ0921 W16
09/21/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 09/21/2000 PP CHR      W2MZ0921 W16
09/21/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 09/21/2000 PP CHR      W2MZ0921 STW
08/31/2000 WWT Mtr WWT Usage=       2000     182.64 09/11/2000 CC MIK      15855 W16
08/31/2000 TAX Tax on WWT              5.48 09/11/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 09/11/2000 CC MIK      0      STW
08/15/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 08/15/2000 PP CHR      W1MZ0815 W16
08/15/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 08/15/2000 PP CHR      W1MZ0815 W16
08/15/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 08/15/2000 PP CHR      W1MZ0815 STW
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SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8         City, State Zip: COTTONTOWN ,TN 37048
  
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Transaction Detail Continued

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=====
Date      Type Description              Tran Amt Posted      SRC OPR Reference Rate
=====
07/31/2000 WWT Mtr WWT Usage=      2000      182.64 08/09/2000 CC MIK      15855 W16
07/31/2000 TAX Tax on WWT              5.48 08/09/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 08/09/2000 CC MIK      0          STW
07/20/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 07/20/2000 PP CHR      W2MZ0720 W16
07/20/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 07/20/2000 PP CHR      W2MZ0720 W16
07/20/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 07/20/2000 PP CHR      W2MZ0720 STW
06/30/2000 WWT Mtr WWT Usage=      1000      182.64 07/12/2000 CC MIK      15855 W16
06/30/2000 TAX Tax on WWT              5.48 07/12/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 07/12/2000 CC MIK      0          STW
06/21/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 06/21/2000 PP MAR      W1MP0621 W16
06/21/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 06/21/2000 PP MAR      W1MP0621 W16
06/21/2000 PMT PMT-SRV: WC-SALES TAX      -14.29 06/21/2000 PP MAR      W1MP0621 STW
06/01/2000 WWT Mtr WWT Usage=      1000      182.64 06/12/2000 CC MIK      15855 W16
06/01/2000 TAX Tax on WWT              5.48 06/12/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 06/12/2000 CC MIK      0          STW
05/18/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 05/18/2000 PP MAR      W2MP0518 W16
05/18/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 05/18/2000 PP MAR      W2MP0518 W16
05/18/2000 PMT PMT-SRV: WC-SALES TAX      -8.29 05/18/2000 PP MAR      W2MP0518 STW
05/01/2000 WWT Mtr WWT Usage=      2000      182.64 05/10/2000 CC MIK      15855 W16
05/01/2000 TAX Tax on WWT              5.48 05/10/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 05/10/2000 CC MIK      0          STW
04/20/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 04/20/2000 PP REG      W2MG0420 W16
04/20/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 04/20/2000 PP REG      W2MG0420 W16
04/20/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 04/20/2000 PP REG      W2MG0420 STW
03/31/2000 WWT Mtr WWT Usage=      2000      182.64 04/12/2000 CC MIK      15855 W16
03/31/2000 TAX Tax on WWT              5.48 04/12/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 04/12/2000 CC MIK      0          STW
03/22/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 03/22/2000 PP LOR      W2MS0322 W16
03/22/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 03/22/2000 PP LOR      W2MS0322 W16
03/22/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 03/22/2000 PP LOR      W2MS0322 STW
03/01/2000 WWT Mtr WWT Usage=      2000      182.64 03/08/2000 CC MIK      15855 W16
03/01/2000 TAX Tax on WWT              5.48 03/08/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 03/08/2000 CC MIK      0          STW
02/23/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 02/23/2000 PP CHR      W1MZ0223 W16
02/23/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 02/23/2000 PP CHR      W1MZ0223 W16
02/23/2000 PMT PMT-SRV: WC-SALES TAX      -11.29 02/23/2000 PP CHR      W1MZ0223 STW
  
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SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
  
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Transaction Detail Continued

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=====
Date      Type Description          Tran Amt Posted      SRC OPR Reference Rate
=====
01/31/2000 WWT Mtr WWT Usage=      2000      182.64 02/09/2000 CC MIK      15855 W16
01/31/2000 TAX Tax on WWT              5.48 02/09/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 02/09/2000 CC MIK      0          STW
01/20/2000 PMT PMT-TAX: WC-WATER SERVIC      -5.48 01/20/2000 PP LOR      W1MS0120 W16
01/20/2000 PMT PMT-SRV: WC-WATER SERVIC     -182.64 01/20/2000 PP LOR      W1MS0120 W16
01/20/2000 PMT PMT-SRV: WC-SALES TAX       -11.29 01/20/2000 PP LOR      W1MS0120 STW
12/29/1999 WWT Mtr WWT Usage=      1000      182.64 01/12/2000 CC MIK      15855 W16
12/29/1999 TAX Tax on WWT              5.48 01/12/2000 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 01/12/2000 CC MIK      0          STW
12/16/1999 PMT PMT-TAX: WC-WATER SERVIC      -5.48 12/17/1999 PP LOR      W1MS1216 W16
12/16/1999 PMT PMT-SRV: WC-WATER SERVIC     -182.64 12/17/1999 PP LOR      W1MS1216 W16
12/16/1999 PMT PMT-SRV: WC-SALES TAX       -11.29 12/17/1999 PP LOR      W1MS1216 STW
11/29/1999 WWT Mtr WWT Usage=      2000      182.64 12/08/1999 CC MIK      15855 W16
11/29/1999 TAX Tax on WWT              5.48 12/08/1999 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 12/08/1999 CC MIK      0          STW
11/17/1999 PMT PMT-TAX: WC-WATER SERVIC      -5.48 11/17/1999 PP LOR      W3MS1117 W16
11/17/1999 PMT PMT-SRV: WC-WATER SERVIC     -182.64 11/17/1999 PP LOR      W3MS1117 W16
11/17/1999 PMT PMT-SRV: WC-SALES TAX       -11.29 11/17/1999 PP LOR      W3MS1117 STW
10/29/1999 WWT Mtr WWT Usage=      1000      182.64 11/10/1999 CC MIK      15855 W16
10/29/1999 TAX Tax on WWT              5.48 11/10/1999 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      11.29 11/10/1999 CC MIK      0          STW
10/19/1999 PMT PMT-TAX: WC-WATER SERVIC      -5.05 10/19/1999 PP LOR      W5MS1019 W16
10/19/1999 PMT PMT-SRV: WC-WATER SERVIC     -168.18 10/19/1999 PP LOR      W5MS1019 W16
10/19/1999 PMT PMT-SRV: WC-SALES TAX       -10.39 10/19/1999 PP LOR      W5MS1019 STW
09/30/1999 WWT Mtr WWT Usage=      1000      168.18 10/12/1999 CC MIK      15855 W16
09/30/1999 TAX Tax on WWT              5.05 10/12/1999 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      10.39 10/12/1999 CC MIK      0          STW
09/15/1999 PMT PMT-TAX: WC-WATER SERVIC      -5.05 09/15/1999 PP CHR      W2MZ0915 W16
09/15/1999 PMT PMT-SRV: WC-WATER SERVIC     -168.18 09/15/1999 PP CHR      W2MZ0915 W16
09/15/1999 PMT PMT-SRV: WC-SALES TAX       -10.39 09/15/1999 PP CHR      W2MZ0915 STW
08/30/1999 WWT Mtr WWT Usage=      2000      168.18 09/08/1999 CC MIK      15855 W16
08/30/1999 TAX Tax on WWT              5.05 09/08/1999 CC MIK      15855 WT4
           STW Non-Mtr WC-SALES TAX      10.39 09/08/1999 CC MIK      0          STW
08/23/1999 PMT PMT-TAX: WC-WATER SERVIC      -5.05 08/23/1999 PP CHR      W2MZ0823 W16
08/23/1999 PMT PMT-SRV: WC-WATER SERVIC     -168.18 08/23/1999 PP CHR      W2MZ0823 W16
08/23/1999 PMT PMT-SRV: WC-SALES TAX       -10.39 08/23/1999 PP CHR      W2MZ0823 STW
  
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SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer-General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
  
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Transaction Detail Continued

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=====
Date      Type Description      Tran Amt Posted      SRC OPR Reference Rate
=====
07/28/1999 WWT Mtr WWT Usage=      1000      168.18 08/11/1999 CC MIK      15855 W16
07/28/1999 TAX Tax on WWT      5.05 08/11/1999 CC MIK      15855 WT4
          STW Non-Mtr WC-SALES TAX      10.39 08/11/1999 CC MIK      0 STW
07/21/1999 P PAYMENT      -200.44 07/21/1999 CNV CNI      8739 PAY
06/29/1999 R WARREN CO. WATER-COMM.      168.18 06/29/1999 CNV CNI      8293 370
06/29/1999 RT WARREN CO. WATER-COMM.      15.44 06/29/1999 CNV CNI      8293 370
06/23/1999 P PAYMENT      -183.62 06/23/1999 CNV CNI      7547 PAY
06/22/1999 O PENALTY      16.82 06/22/1999 LC CNI      0 PEN
06/01/1999 R WARREN CO. WATER-COMM.      168.18 06/01/1999 CNV CNI      7000 370
06/01/1999 RT WARREN CO. WATER-COMM.      15.44 06/01/1999 CNV CNI      7000 370
05/19/1999 P PAYMENT      -183.62 05/19/1999 CNV CNI      6060 PAY
04/29/1999 R WARREN CO. WATER-COMM.      168.18 04/29/1999 CNV CNI      5679 370
04/29/1999 RT WARREN CO. WATER-COMM.      15.44 04/29/1999 CNV CNI      5679 370
04/15/1999 P PAYMENT      -183.62 04/15/1999 CNV CNI      4605 PAY
03/31/1999 R WARREN CO. WATER-COMM.      168.18 03/31/1999 CNV CNI      4354 370
03/31/1999 RT WARREN CO. WATER-COMM.      15.44 03/31/1999 CNV CNI      4354 370
03/15/1999 P PAYMENT      -183.62 03/15/1999 CNV CNI      3175 PAY
03/01/1999 R WARREN CO. WATER-COMM.      168.18 03/01/1999 CNV CNI      2966 370
03/01/1999 RT WARREN CO. WATER-COMM.      15.44 03/01/1999 CNV CNI      2966 370
02/18/1999 P PAYMENT      -183.62 02/18/1999 CNV CNI      1944 PAY
02/01/1999 R WARREN CO. WATER-COMM.      168.18 02/01/1999 CNV CNI      1488 370
02/01/1999 RT WARREN CO. WATER-COMM.      15.44 02/01/1999 CNV CNI      1488 370
01/19/1999 P PAYMENT      -183.62 01/19/1999 CNV CNI      307 PAY
12/30/1998 R WARREN CO. WATER-COMM.      168.18 12/30/1998 CNV CNI      9798 370
12/30/1998 RT WARREN CO. WATER-COMM.      15.44 12/30/1998 CNV CNI      9798 370
12/16/1998 P PAYMENT      -169.18 12/16/1998 CNV CNI      8865 PAY
11/30/1998 R WARREN CO. WATER-COMM.      168.18 11/30/1998 CNV CNI      8610 370
11/30/1998 RT WARREN CO. WATER-COMM.      15.44 11/30/1998 CNV CNI      8610 370
11/04/1998 P PAYMENT      -198.06 11/04/1998 CNV CNI      6826 PAY
10/29/1998 R WARREN CO. WATER-COMM.      168.18 10/29/1998 CNV CNI      7174 370
10/29/1998 RT WARREN CO. WATER-COMM.      15.44 10/29/1998 CNV CNI      7174 370
10/21/1998 P PAYMENT      -200.44 10/21/1998 CNV CNI      6173 PAY
09/30/1998 R WARREN CO. WATER-COMM.      168.18 09/30/1998 CNV CNI      5721 370
09/30/1998 RT WARREN CO. WATER-COMM.      15.44 09/30/1998 CNV CNI      5721 370
09/28/1998 P PAYMENT      -183.62 09/28/1998 CNV CNI      5098 PAY
09/22/1998 O PENALTY      16.82 09/22/1998 LC CNI      0 PEN
  
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SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      17168      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     45750     Billing Address: PO BOX 143
Sub Account: 1
Cycle:       8        City, State Zip: COTTONTOWN ,TN 37048
  
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Transaction Detail Continued

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=====
Date      Type Description      Tran Amt Posted      SRC OPR Reference Rate
=====
08/31/1998 R  WARREN CO. WATER-COMM.    168.18 08/31/1998 CNV CNI 4203 370
08/31/1998 RT WARREN CO. WATER-COMM.    15.44 08/31/1998 CNV CNI 4203 370
08/19/1998 P  PAYMENT                   -181.44 08/19/1998 CNV CNI 3170 PAY
07/29/1998 R  WARREN CO. WATER-COMM.    166.18 07/29/1998 CNV CNI 2714 370
07/29/1998 RT WARREN CO. WATER-COMM.    15.26 07/29/1998 CNV CNI 2714 370
07/15/1998 P  PAYMENT                   -181.44 07/15/1998 CNV CNI 1484 PAY
06/29/1998 R  WARREN CO. WATER-COMM.    166.18 06/29/1998 CNV CNI 1300 370
06/29/1998 RT WARREN CO. WATER-COMM.    15.26 06/29/1998 CNV CNI 1300 370
06/15/1998 P  PAYMENT                   -181.44 06/15/1998 CNV CNI 199 PAY
06/01/1998 R  WARREN CO. WATER-COMM.    166.18 06/01/1998 CNV CNI 9787 370
06/01/1998 RT WARREN CO. WATER-COMM.    15.26 06/01/1998 CNV CNI 9787 370
05/18/1998 P  PAYMENT                   -198.06 05/18/1998 CNV CNI 8790 PAY
04/29/1998 R  WARREN CO. WATER-COMM.    166.18 04/29/1998 CNV CNI 8493 370
04/29/1998 RT WARREN CO. WATER-COMM.    15.26 04/29/1998 CNV CNI 8493 370
04/24/1998 P  PAYMENT                   -181.44 04/24/1998 CNV CNI 7711 PAY
04/21/1998 O  PENALTY                    16.62 04/21/1998 LC CNI 0 PEN
03/31/1998 R  WARREN CO. WATER-COMM.    166.18 03/31/1998 CNV CNI 7046 370
03/31/1998 RT WARREN CO. WATER-COMM.    15.26 03/31/1998 CNV CNI 7046 370
03/20/1998 P  PAYMENT                   -181.44 03/20/1998 CNV CNI 6152 PAY
03/09/1998 R  METER CHANGE              0.00 03/09/1998 CNV CNI 7046 370
03/02/1998 R  WARREN CO. WATER-COMM.    166.18 03/02/1998 CNV CNI 5674 370
03/02/1998 RT WARREN CO. WATER-COMM.    15.26 03/02/1998 CNV CNI 5674 370
02/23/1998 P  PAYMENT                   -181.44 02/23/1998 CNV CNI 4875 PAY
02/02/1998 R  WARREN CO. WATER-COMM.    166.18 02/02/1998 CNV CNI 4253 370
02/02/1998 RT WARREN CO. WATER-COMM.    15.26 02/02/1998 CNV CNI 4253 370
01/22/1998 P  PAYMENT                   -181.44 01/22/1998 CNV CNI 3199 PAY
12/30/1997 R  WARREN CO. WATER-COMM.    166.18 12/30/1997 CNV CNI 2609 370
12/30/1997 RT WARREN CO. WATER-COMM.    15.26 12/30/1997 CNV CNI 2609 370
  
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SERVICE ORDER

Transaction Detail Information

Customer General Information

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=====
Number:      16738      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     48800     Billing Address: 2508 HIGHWAY 25
Sub Account: 1
Cycle:       98       City, State Zip: COTTONTOWN ,TN 37048-5027
  
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Transaction Detail

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=====
Date      Type Description      Tran Amt Posted      SRC OPR Reference Rate
=====
10/18/2000 PMT PMT-TAX: WC-WATER SERVIC      -0.66 10/18/2000 PP MAR W2MP1018 W12
10/18/2000 PMT PMT-SRV: WC-WATER SERVIC     -22.03 10/18/2000 PP MAR W2MP1018 W12
10/18/2000 PMT PMT-SRV: WC-SALES TAX       -1.36 10/18/2000 PP MAR W2MP1018 STW
09/29/2000 WWT Mtr WWT Usage=          6250      22.03 10/11/2000 CC MIK 15425 W12
09/29/2000 TAX Tax on WWT              0.66 10/11/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.36 10/11/2000 CC MIK 0 STW
09/21/2000 PMT PMT-TAX: WC-WATER SERVIC     -0.76 09/21/2000 PP CHR W2MZ0921 W12
09/21/2000 PMT PMT-SRV: WC-WATER SERVIC    -25.33 09/21/2000 PP CHR W2MZ0921 W12
09/21/2000 PMT PMT-SRV: WC-SALES TAX       -1.57 09/21/2000 PP CHR W2MZ0921 STW
08/31/2000 WWT Mtr WWT Usage=          7480      25.33 09/11/2000 CC MIK 15425 W12
08/31/2000 TAX Tax on WWT              0.76 09/11/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.57 09/11/2000 CC MIK 0 STW
08/15/2000 PMT PMT-TAX: WC-WATER SERVIC     -0.97 08/15/2000 PP CHR W1MZ0815 W12
08/15/2000 PMT PMT-SRV: WC-WATER SERVIC    -32.21 08/15/2000 PP CHR W1MZ0815 W12
08/15/2000 PMT PMT-SRV: WC-SALES TAX       -1.99 08/15/2000 PP CHR W1MZ0815 STW
07/31/2000 WWT Mtr WWT Usage=         10060      32.21 08/09/2000 CC MIK 15425 W12
07/31/2000 TAX Tax on WWT              0.97 08/09/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.99 08/09/2000 CC MIK 0 STW
07/20/2000 PMT PMT-TAX: WC-WATER SERVIC     -0.74 07/20/2000 PP CHR W2MZ0720 W12
07/20/2000 PMT PMT-SRV: WC-WATER SERVIC    -24.68 07/20/2000 PP CHR W2MZ0720 W12
07/20/2000 PMT PMT-SRV: WC-SALES TAX       -1.53 07/20/2000 PP CHR W2MZ0720 STW
06/30/2000 WWT Mtr WWT Usage=          7240      24.68 07/12/2000 CC MIK 15425 W12
06/30/2000 TAX Tax on WWT              0.74 07/12/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.53 07/12/2000 CC MIK 0 STW
06/21/2000 PMT PMT-TAX: WC-WATER SERVIC     -0.72 06/21/2000 PP MAR W1MP0621 W12
06/21/2000 PMT PMT-SRV: WC-WATER SERVIC    -24.04 06/21/2000 PP MAR W1MP0621 W12
06/21/2000 PMT PMT-SRV: WC-SALES TAX       -1.49 06/21/2000 PP MAR W1MP0621 STW
06/01/2000 WWT Mtr WWT Usage=          7000      24.04 06/12/2000 CC MIK 15425 W12
06/01/2000 TAX Tax on WWT              0.72 06/12/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.49 06/12/2000 CC MIK 0 STW
05/18/2000 PMT PMT-TAX: WC-WATER SERVIC     -0.79 05/18/2000 PP MAR W2MP0518 W12
05/18/2000 PMT PMT-SRV: WC-WATER SERVIC    -26.43 05/18/2000 PP MAR W2MP0518 W12
05/18/2000 PMT PMT-SRV: WC-SALES TAX       -1.63 05/18/2000 PP MAR W2MP0518 STW
05/01/2000 WWT Mtr WWT Usage=          7890      26.43 05/10/2000 CC MIK 15425 W12
05/01/2000 TAX Tax on WWT              0.79 05/10/2000 CC MIK 15425 WT4
           STW Non-Mtr WC-SALES TAX       1.63 05/10/2000 CC MIK 0 STW
  
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SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

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=====
Number:      16738      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     48800     Billing Address: 2508 HIGHWAY 25
Sub Account: 1
Cycle:       98       City, State Zip: COTTONTOWN ,TN 37048-5027
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Transaction Detail Continued

Date	Type Description	Tran Amt	Posted	SRC	OPR	Reference	Rate
04/20/2000	PMT PMT-TAX: WC-WATER SERVIC	-0.84	04/20/2000	PP	REG	W2MG0420	W12
04/20/2000	PMT PMT-SRV: WC-WATER SERVIC	-28.03	04/20/2000	PP	REG	W2MG0420	W12
04/20/2000	PMT PMT-SRV: WC-SALES TAX	-1.73	04/20/2000	PP	REG	W2MG0420	STW
03/31/2000	WWT Mtr WWT Usage= 8490	28.03	04/12/2000	CC	MIK	15425	W12
03/31/2000	TAX Tax on WWT	0.84	04/12/2000	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	1.73	04/12/2000	CC	MIK	0	STW
03/22/2000	PMT PMT-TAX: WC-WATER SERVIC	-1.23	03/22/2000	PP	LOR	W2MS0322	W12
03/22/2000	PMT PMT-SRV: WC-WATER SERVIC	-41.11	03/22/2000	PP	LOR	W2MS0322	W12
03/22/2000	PMT PMT-SRV: WC-SALES TAX	-2.54	03/22/2000	PP	LOR	W2MS0322	STW
03/01/2000	WWT Mtr WWT Usage= 14140	41.11	03/08/2000	CC	MIK	15425	W12
03/01/2000	TAX Tax on WWT	1.23	03/08/2000	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	2.54	03/08/2000	CC	MIK	0	STW
02/23/2000	PMT PMT-TAX: WC-WATER SERVIC	-1.37	02/23/2000	PP	CHR	W1MZ0223	W12
02/23/2000	PMT PMT-SRV: WC-WATER SERVIC	-45.75	02/23/2000	PP	CHR	W1MZ0223	W12
02/23/2000	PMT PMT-SRV: WC-SALES TAX	-2.83	02/23/2000	PP	CHR	W1MZ0223	STW
01/31/2000	WWT Mtr WWT Usage= 16270	45.75	02/09/2000	CC	MIK	15425	W12
01/31/2000	TAX Tax on WWT	1.37	02/09/2000	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	2.83	02/09/2000	CC	MIK	0	STW
01/20/2000	PMT PMT-TAX: WC-WATER SERVIC	-0.67	01/20/2000	PP	LOR	W1MS0120	W12
01/20/2000	PMT PMT-SRV: WC-WATER SERVIC	-22.22	01/20/2000	PP	LOR	W1MS0120	W12
01/20/2000	PMT PMT-SRV: WC-SALES TAX	-1.37	01/20/2000	PP	LOR	W1MS0120	STW
12/29/1999	WWT Mtr WWT Usage= 6320	22.22	01/12/2000	CC	MIK	15425	W12
12/29/1999	TAX Tax on WWT	0.67	01/12/2000	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	1.37	01/12/2000	CC	MIK	0	STW
12/16/1999	PMT PMT-TAX: WC-WATER SERVIC	-0.85	12/17/1999	PP	LOR	W1MS1216	W12
12/16/1999	PMT PMT-SRV: WC-WATER SERVIC	-28.17	12/17/1999	PP	LOR	W1MS1216	W12
12/16/1999	PMT PMT-SRV: WC-SALES TAX	-1.74	12/17/1999	PP	LOR	W1MS1216	STW
11/29/1999	WWT Mtr WWT Usage= 8540	28.17	12/08/1999	CC	MIK	15425	W12
11/29/1999	TAX Tax on WWT	0.85	12/08/1999	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	1.74	12/08/1999	CC	MIK	0	STW
11/17/1999	PMT PMT-TAX: WC-WATER SERVIC	-0.62	11/17/1999	PP	LOR	W3MS1117	W12
11/17/1999	PMT PMT-SRV: WC-WATER SERVIC	-20.74	11/17/1999	PP	LOR	W3MS1117	W12
11/17/1999	PMT PMT-SRV: WC-SALES TAX	-1.28	11/17/1999	PP	LOR	W3MS1117	STW
10/29/1999	WWT Mtr WWT Usage= 5770	20.74	11/10/1999	CC	MIK	15425	W12
10/29/1999	TAX Tax on WWT	0.62	11/10/1999	CC	MIK	15425	WT4
	STW Non-Mtr WC-SALES TAX	1.28	11/10/1999	CC	MIK	0	STW

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

```

=====
Number:      16738      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     48800     Billing Address: 2508 HIGHWAY 25
Sub Account: 1
Cycle:       98       City, State Zip: COTTONTOWN ,TN 37048-5027
=====
  
```

Transaction Detail Continued

```

=====
Date      Type Description      Tran Amt Posted      SRC OPR Reference Rate
=====
10/19/1999 PMT PMT-TAX: WC-WATER SERVIC      -0.53 10/19/1999 PP LOR W5MS1019 W12
10/19/1999 PMT PMT-SRV: WC-WATER SERVIC     -17.72 10/19/1999 PP LOR W5MS1019 W12
10/19/1999 PMT PMT-SRV: WC-SALES TAX        -1.09 10/19/1999 PP LOR W5MS1019 STW
09/30/1999 WWT Mtr WWT Usage=      5210      17.72 10/12/1999 CC MIK      15425 W12
09/30/1999 TAX Tax on WWT              0.53 10/12/1999 CC MIK      15425 WT4
           STW Non-Mtr WC-SALES TAX        1.09 10/12/1999 CC MIK      0 STW
09/15/1999 PMT PMT-TAX: WC-WATER SERVIC     -0.64 09/15/1999 PP CHR W2MZ0915 W12
09/15/1999 PMT PMT-SRV: WC-WATER SERVIC    -21.42 09/15/1999 PP CHR W2MZ0915 W12
09/15/1999 PMT PMT-SRV: WC-SALES TAX        -1.32 09/15/1999 PP CHR W2MZ0915 STW
08/30/1999 WWT Mtr WWT Usage=      6710      21.42 09/08/1999 CC MIK      15425 W12
08/30/1999 TAX Tax on WWT              0.64 09/08/1999 CC MIK      15425 WT4
           STW Non-Mtr WC-SALES TAX        1.32 09/08/1999 CC MIK      0 STW
08/23/1999 PMT PMT-TAX: WC-WATER SERVIC     -0.66 08/23/1999 PP CHR W2MZ0823 W12
08/23/1999 PMT PMT-SRV: WC-WATER SERVIC    -22.09 08/23/1999 PP CHR W2MZ0823 W12
08/23/1999 PMT PMT-SRV: WC-SALES TAX        -1.36 08/23/1999 PP CHR W2MZ0823 STW
07/28/1999 WWT Mtr WWT Usage=      6980      22.09 08/11/1999 CC MIK      15425 W12
07/28/1999 TAX Tax on WWT              0.66 08/11/1999 CC MIK      15425 WT4
           STW Non-Mtr WC-SALES TAX        1.36 08/11/1999 CC MIK      0 STW
07/28/1999 P PAYMENT                    -26.40 07/28/1999 CNV CNI 9085 PAY
07/23/1999 O PENALTY                      2.01 07/23/1999 LC CNI 0 PEN
06/29/1999 R WARREN CO. WATER-COMM.        20.14 06/29/1999 CNV CNI 8293 370
06/29/1999 RT WARREN CO. WATER-COMM.        1.84 06/29/1999 CNV CNI 8293 370
06/23/1999 P PAYMENT                    -26.30 06/23/1999 CNV CNI 7547 PAY
06/22/1999 O PENALTY                      2.41 06/22/1999 LC CNI 0 PEN
06/01/1999 R WARREN CO. WATER-COMM.        24.09 06/01/1999 CNV CNI 7000 370
06/01/1999 RT WARREN CO. WATER-COMM.        2.21 06/01/1999 CNV CNI 7000 370
05/19/1999 P PAYMENT                    -25.96 05/19/1999 CNV CNI 6060 PAY
04/29/1999 R WARREN CO. WATER-COMM.        21.30 04/29/1999 CNV CNI 5679 370
04/29/1999 RT WARREN CO. WATER-COMM.        1.96 04/29/1999 CNV CNI 5679 370
04/21/1999 P PAYMENT                    -29.44 04/21/1999 CNV CNI 4909 PAY
04/20/1999 O PENALTY                      2.70 04/20/1999 LC CNI 0 PEN
03/31/1999 R WARREN CO. WATER-COMM.        26.96 03/31/1999 CNV CNI 4354 370
03/31/1999 RT WARREN CO. WATER-COMM.        2.48 03/31/1999 CNV CNI 4354 370
03/15/1999 P PAYMENT                    -26.60 03/15/1999 CNV CNI 3175 PAY
03/01/1999 R WARREN CO. WATER-COMM.        24.36 03/01/1999 CNV CNI 2966 370
03/01/1999 RT WARREN CO. WATER-COMM.        2.24 03/01/1999 CNV CNI 2966 370
=====
  
```

SERVICE ORDER

Transaction Detail Information  
 CONTINUED

Customer General Information

```

=====
Number:      16738      Last Name:      BAGGETT ENTERPRISES
Route:       1310      First Name:
Account:     48800     Billing Address: 2508 HIGHWAY 25
Sub Account: 1
Cycle:       98       City, State Zip: COTTONTOWN ,TN 37048-5027
=====
  
```

Transaction Detail Continued

```

=====
Date      Type Description      Tran Amt Posted      SRC OPR Reference Rate
=====
02/18/1999 P    PAYMENT                -31.22 02/18/1999 CNV CNI 1944    PAY
02/01/1999 R    WARREN CO. WATER-COMM.  28.59 02/01/1999 CNV CNI 1488    370
02/01/1999 RT   WARREN CO. WATER-COMM.   2.63 02/01/1999 CNV CNI 1488    370
01/19/1999 P    PAYMENT                -22.98 01/19/1999 CNV CNI 307     PAY
12/30/1998 R    WARREN CO. WATER-COMM.  21.05 12/30/1998 CNV CNI 9798    370
12/30/1998 RT   WARREN CO. WATER-COMM.   1.93 12/30/1998 CNV CNI 9798    370
12/16/1998 P    PAYMENT                -28.63 12/16/1998 CNV CNI 8865    PAY
11/30/1998 R    WARREN CO. WATER-COMM.  26.22 11/30/1998 CNV CNI 8610    370
11/30/1998 RT   WARREN CO. WATER-COMM.   2.41 11/30/1998 CNV CNI 8610    370
11/18/1998 P    PAYMENT                -23.15 11/18/1998 CNV CNI 7532    PAY
10/29/1998 R    WARREN CO. WATER-COMM.  21.20 10/29/1998 CNV CNI 7174    370
10/29/1998 RT   WARREN CO. WATER-COMM.   1.95 10/29/1998 CNV CNI 7174    370
10/21/1998 P    PAYMENT                -23.61 10/21/1998 CNV CNI 6173    PAY
09/30/1998 R    WARREN CO. WATER-COMM.  19.50 09/30/1998 CNV CNI 5721    370
09/30/1998 RT   WARREN CO. WATER-COMM.   1.80 09/30/1998 CNV CNI 5721    370
09/28/1998 P    PAYMENT                -25.16 09/28/1998 CNV CNI 5098    PAY
09/22/1998 O    PENALTY                 2.31 09/22/1998 LC  CNI 0      PEN
08/31/1998 R    WARREN CO. WATER-COMM.  23.05 08/31/1998 CNV CNI 4203    370
08/31/1998 RT   WARREN CO. WATER-COMM.   2.11 08/31/1998 CNV CNI 4203    370
08/19/1998 P    PAYMENT                -24.35 08/19/1998 CNV CNI 3170    PAY
07/29/1998 R    WARREN CO. WATER-COMM.  22.30 07/29/1998 CNV CNI 2714    370
07/29/1998 RT   WARREN CO. WATER-COMM.   2.05 07/29/1998 CNV CNI 2714    370
07/15/1998 P    PAYMENT                -22.39 07/15/1998 CNV CNI 1484    PAY
06/29/1998 R    WARREN CO. WATER-COMM.  20.50 06/29/1998 CNV CNI 1300    370
06/29/1998 RT   WARREN CO. WATER-COMM.   1.89 06/29/1998 CNV CNI 1300    370
06/15/1998 P    PAYMENT                -26.42 06/15/1998 CNV CNI 199     PAY
06/01/1998 R    WARREN CO. WATER-COMM.  24.19 06/01/1998 CNV CNI 9787    370
06/01/1998 RT   WARREN CO. WATER-COMM.   2.23 06/01/1998 CNV CNI 9787    370
05/18/1998 P    PAYMENT                -63.98 05/18/1998 CNV CNI 8790    PAY
04/29/1998 R    WARREN CO. WATER-COMM.  53.50 04/29/1998 CNV CNI 8493    370
04/29/1998 RT   WARREN CO. WATER-COMM.   4.92 04/29/1998 CNV CNI 8493    370
04/24/1998 P    PAYMENT                -60.72 04/24/1998 CNV CNI 7711    PAY
04/21/1998 O    PENALTY                 5.56 04/21/1998 LC  CNI 0      PEN
03/31/1998 R    WARREN CO. WATER-COMM.  55.61 03/31/1998 CNV CNI 7046    370
03/31/1998 RT   WARREN CO. WATER-COMM.   5.11 03/31/1998 CNV CNI 7046    370
03/20/1998 P    PAYMENT                -28.27 03/20/1998 CNV CNI 6152    PAY
=====
  
```



SERVICE ORDER

Transaction Detail Information  
CONTINUED

Customer General Information

=====  
Number: 16738 Last Name: BAGGETT ENTERPRISES  
Route: 1310 First Name:  
Account: 48800 Billing Address: 2508 HIGHWAY 25  
Sub Account: 1  
Cycle: 98 City, State Zip: COTTONTOWN ,TN 37048-5027

Transaction Detail Continued

=====  
Date Type Description Tran Amt Posted SRC OPR Reference Rate  
=====  
03/02/1998 R WARREN CO. WATER-COMM. 25.89 03/02/1998 CNV CNI 5674 370  
03/02/1998 RT WARREN CO. WATER-COMM. 2.38 03/02/1998 CNV CNI 5674 370  
02/23/1998 P PAYMENT -32.53 02/23/1998 CNV CNI 4875 PAY  
02/02/1998 R WARREN CO. WATER-COMM. 29.80 02/02/1998 CNV CNI 4253 370  
02/02/1998 RT WARREN CO. WATER-COMM. 2.73 02/02/1998 CNV CNI 4253 370  
01/22/1998 P PAYMENT -21.56 01/22/1998 CNV CNI 3199 PAY  
12/30/1997 R WARREN CO. WATER-COMM. 19.75 12/30/1997 CNV CNI 2609 370  
12/30/1997 RT WARREN CO. WATER-COMM. 1.81 12/30/1997 CNV CNI 2609 370



# WARREN COUNTY WATER DISTRICT



TO: Baggett Enterprises

FROM: Alan Vilines  
Assistant General Manager

DATE: May 11, 2005

SUBJECT: Private Fire Protection Service

The Kentucky Public Service Commission (PSC) recently reached a decision in the case involving customers of the Water District that have service connections used solely for private fire protection. In their Order the PSC established separate rates to be used for this type of service. The Water District now has two rate schedules: 1) private fire protection rates which will be used for connections where the only purpose is to supply a customer's fire protection facilities and 2) regular general service rates which apply to all other customers.

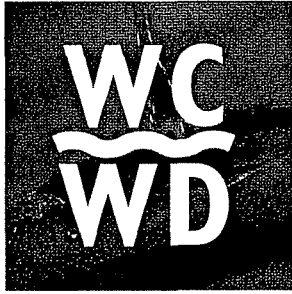
Because your water connection provides domestic/commercial service combined with your private fire protection service, the regular general service rate applies. Depending on the water usage on each customer's account, the monthly bill may or may not differ from what it has been under previous rates.

Based on our review of your consumption history it appears you have a lower volume of water usage relative to meter size and therefore, there is an increase in your bill.

If you have any questions about the PSC Order, your bill, or if we can be of assistance in any way, please call me at 270-842-0052, ext. 550.

AHV:jh





# WARREN COUNTY WATER DISTRICT



*Ken Merideth*

Joe Liles, General Manager  
File Memo

*Joe Liles*

On August 8, 2003 at 2:30 p.m. a meeting was held with Ken Merideth at 506 Three Springs Road, Bowling Green, Kentucky. The time to meet was set by mutual agreement a few days in advance.

Present were Joe Liles and Jeff Peebles with Warren County Water District and Ken Merideth and Mr. Vincent representing Baggett Enterprises, AKA Greenwood Skate Center. Water Service at this location was initially installed in Baggett Enterprise, Cottontown, TN. and it is still in that name with a Bowling Green service address.

Mr. Merideth reviewed the business operations which is a real nice skating rink that caters to the youth. His activity with the youth helping to transport children in need to the Shriner's Hospital was of great concern to him.

Mr Merideth also advised that the business is not required by local or state requirements to have a private fire sprinkler system but they should have one to protect those using the facilities in case of fire.

We went out to the point that Baaggett Enterprises connects to the Water District's lines and Mr. Liles reviewed the metering set up and changes that have been made since water service was first connected in October 1980.

1. Baggett Enterprises applied for a 4 inch water meter October 29, 1980 with a monthly charge of \$49.60. In accordance with the application, a 4" meter with vault and by-pass was to be installed.
2. Baggett Enterprises ran their own private 4 inch water line from the meter to their building a distance of several hundred feet. This service line is used by Baggett to provide not only the water usage for the rest rooms including several toilet facilities, kitchen sink and drinking water but also the fire protection within the building. Baggett installed a "combined service line" for their water line running into the building to be used for domestic use and fire protection.
3. In May of 1990 the Water District's "unaccounted for water" team determined

that most of the water usage by Baggett was not registering on the 4 inch water meter. A 4 inch meter will not measure flow accurately below 10 gallons per minute.

4. June 6, 1990 a 1 inch meter was installed to measure the low water flows Baggett uses. The 1 inch meter was installed in the by-pass line around the 4 inch meter on the customers side of the 4 inch check valve. Low flows go through the small meter until the flow reaches a point the pressure starts to fall, then the 4 inch check valve opens and allows higher flow rates to come through the 4 inch meter. Mr. Merideth seemed to think we were billing the business twice through the two meters but it was explained how the metering configuration worked and although there is two meters the usage on the meters are combined and billed as if there was only one meter. The billing records for the past two years reflect water is used each month through each meter.

4 inch meter - varies monthly from 7,000 to 1,000 gallons  
1 inch meter - varies monthly from 13,300 to 1,120 gallons

If only the 4 inch meter was used from 13,300 to 1,120 gallons of water per month would not have been measured. Without the 4 inch meter in place from 7,000 to 1,000 gallons per month would not have been measured.

The entire lot on which the business is located has been paved for parking from the building to the street which Mr. Merideth advised makes it impractical to install a separate 1 inch service line.

Mr. Merideth questioned why the Water District's rates were higher than Bowling Green Municipal Utilities. It was explained that the larger geographic area served by the Water District with fewer customers per mile required the rates to be higher.

It was agreed to wait on the PSC decision in the case.

Attachment: Baggett Enterprise Application for Water Service  
Water District PSC approved Policy on Billing (2 meters)

CY 33 BR 5 CERT. NO. 014971

NAME Baggett Enterprises  
First Mid Init Last

MAP NO. 1W02-058 ADDRESS P.O. Box 31A  
Pt 2

CONTRIBUTION \$ 1,350.00 32 (Pattonville, Tenn.) 37048

The undersigned hereby applies for water service from Warren County Water District and agrees to the following:

1. To pay the deposit and connection charge applicable. Deposit is refundable upon termination of water service and payment of all accounts owed.
2. To purchase water service under rates, policies, rules and regulations fixed by the Board of Commissions and approved by the Kentucky Public Service Commission. Copies of rates, policies, rules and regulations are available for inspection at each office.

This contract made and entered into on this date Oct. 29, 19 80, between Applicant and the Water District.

The Applicant hereby applies for water service from the District upon the following terms:

1. The Applicant will pay to the District the sum established as the non-refundable connect fee, which when accepted by the District, will constitute the installation fee for water service.
2. The fee for a residential 5/8 inch meter is \$250. The meter will be set on the Applicant's property adjacent to, on the same side of the road, and within 5 feet of the existing water line. If Applicant's property is on the opposite side of the road from the existing water line, the service will be run under the road and the meter set on private property adjacent to the highway right of way, provided the distance from the water line to the meter point is not more than 60 feet. Should the distance be more than 60 feet, the Applicant will be required to pay the additional cost of the extension.
3. In consideration of water service to serve the premises of the Applicant, the Applicant agrees to pay for water service at a minimum monthly rate of \$ 44.00 for 1 consecutive months, beginning on the date service becomes available.
4. The Applicant agrees to permit the District to lay, maintain, repair, remove and disconnect a service line and meter, and read meters at a point on Applicant's property to be designated by the District for each meter with right of ingress and egress for these purposes over Applicant's property.
5. The Applicant will install and maintain a service line at his own expense which shall begin at the water meter and extend to the dwelling or other portions of his premises.
6. The Applicant assumes responsibility for any damage to metering equipment in making connection to the meter.
7. Applicants applying for installation of 1-, 1 1/2-, 2-, 3 and 4 inch meters will be subject to this contract and the following installation fee provided the meter is set within five (5) feet of the distribution water line.

1 inch meter 350.00 with vault and by-pass	3 inch meter 950.00 with vault and by-pass
1 1/2 inch meter 500.00 with vault and by-pass	4 inch meter 1350.00 with vault and by-pass
2 inch meter 675.00 with vault and by-pass	

In the event it is necessary to cross under the road and/or extend the line more than five (5) feet to reach the Applicant's property the Applicant herein agrees to pay for the full expense of extending the line.

Signature: [Signature] Social Security No. [Redacted]

Witness S. B. DEP. \_\_\_\_\_ C/F \_\_\_\_\_

WARREN COUNTY WATER DISTRICT  
Name of Issuing Corporation

FOR EMERGENCY SERVICE

P.S.C. Ky. No. \_\_\_\_\_

1 Sheet of 1

Canceling P.S.C. Ky. No. \_\_\_\_\_

\_\_\_\_\_ Sheet No. \_\_\_\_\_

CLASSIFICATION OF SERVICE

Metering for Billing

1. Billing for each installed meter shall be based on the volume of water used through the meter.
2. When two meters are required by the District to measure the high and low flows for one connection, the bill shall be based on the combined volume of water used through both meters with the minimum bill and bill computation based on the largest meter.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

NOV 04 2000

PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY Stephan B. Bell  
SECRETARY OF THE COMMISSION

DATE OF ISSUE 9 26 2000  
Month Day Year

DATE OF EFFECTIVE \_\_\_\_\_  
Month Day Year

ISSUED BY [Signature] Chairman  
R. Harvey Johnston, III Title

PO Box 10180, Bowling Green, KY 42102  
Address

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_  
dated \_\_\_\_\_

# MEETING w/ SKATE WORLD OWNER @ THREE SPRINGS ROAD.

- 1- MET @ RINK 2:30, FRIDAY, AUGUST 8TH.
- 2- WALKED OUT THROUGH PARKING LOT TO METER PIT ALONG THREE SPRINGS
- 3- JOB DESCRIBED ~~THE~~ METER SET UP:
  - M<sup>1</sup> INITIALLY INSTALLED BUT FOUND NOT TO MEASURE LOWER FLOWS OF WATER.
  - A 2<sup>nd</sup> METER WAS INSTALLED TO MEASURE THE LOWER FLOWS
  - OTHER CUSTOMERS / BUSINESSES WITH STREET METERS THAT DID NOT MATCH SUPPLIER FLOWS WERE FIXED WITH SIMILAR METER SIMILAR TO SETTING RINK
  - 1 SERVICE LINE SAVES THE BUSINESS.
  - CUSTOMER QUESTIONED WHETHER TWO METERS WERE NECESSARY, MAYBE ONLY ONE METER COULD MEASURE HIS CURRENT USAGE.
  - JOB STATED THAT IN ORDER TO BE SERVICED BY ONE METER AND STILL HAVE FIRM PROTECTION, A SEPARATE SERVICE LINE WOULD BE REQUIRED FOR THE 2<sup>nd</sup> METER.
  - CUSTOMER ASKED WHY HIS METERS WERE SET UP THIS WAY - MAYBE A LARGER METER THAN NECESSARY WAS INSTALLED.
  - JOB STATED THAT ANOTHER INDIVIDUAL



APPLICANT FOR THE METER AND THAT THE METER APPLICATION IS STILL IN HIS NAME.

- JOE ALSO STATED THAT IN REVIEWING THE CUSTOMER'S <sup>PAST</sup> DAILY USAGE THERE HAVE BEEN DAYS EACH MONTH WHEN USAGE REACHES AROUND 7,000 GALS. OTHER DAYS USAGE IS AROUND 1,000 - 2,000 GALS DAY. JOE MENTIONED THAT HE DID NOT HAVE AN EXPLANATION FOR THE HIGH USAGE DAYS.
- ~~OWNER SAID THAT HE WOULD GET INTO THE SPARKER SYSTEM OFF AND ONLY USE 2"~~
- OWNER ASKED IF HE COULD PURCHASE METER ~~AND METER~~ ~~USED~~ ~~IN~~ HIS PARKING LOT CLOSE TO THE BUILDING AND INSTALL A SERVICE LINE FROM THAT METER TO HIS BUILDING.
- JOE INDICATED THAT SET UP WOULD REQUIRE THE DISTRICT TO MAINTAIN A SERVICE LINE FROM THE MAIN THROUGH THE CUSTOMER'S PARKING LOT.
- OWNER INDICATED THAT IT MAY BE CHEAPER FOR THEM TO RUN A LINE TO BGMU'S MAIN LINE.
- OWNER INQUIRED WHY OUR RATES ARE MORE THAN BGMU'S, JOE STATED THAT THE GEOGRAPHICAL AREAS ARE DIFFERENT IN THE COUNTY COMPARED TO THE CITY.

JEFF REPPES

- 32B AGREED THAT WOULD HAVE BEEN BETTER THAN 32A.
- 32A STARTS THAT INITIAL FEE WOULD BE \$140 (BUT DUE TO INFLATION OVER YEARS, THE FEE HAS INCREASED WITH INFLATION).
- CUSTOMER STARTS THAT UTILITIES HAVE MONOPOLIES SIMILAR TO AIRLINES IN THE 1800S AND THAT THEY CAN CHANGE WHAT THEY WANT.
- 32A STARTS THAT THE WATER DISTRICT HAS BEEN REGULATED BY THE PSC FOR THE LAST 20 YEARS.
- 32A RECOMMENDED TO CUSTOMER THAT HE SHOULD WAIT UNTIL PSC RULING BEFORE MAKE ANY CHANGES TO HIS CURRENT SERVICE.
- CUSTOMER STARTS THAT HE AND ELIMINATE HIS SPINNIER SERVICE, BUT AS A PUBLIC FACILITY HE FEELS CUSTOMERS EXPECT THE PROTECTION AND THAT HE FEELS MORE OR LESS OBLIGATED TO PROVIDE IT.
- CUSTOMER AGREES THAT ALL HE CAN DO AT THIS POINT IS TO WAIT ON THE PSC RULING AND TAKE IT FROM THERE.



# Welcome guest

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### Tax Year 2004

#### Owner

Name BAGGETT JOHN C ET AL  
 Address 2508 HIGHWAY 25  
 COTTONTOWN, TN 37048-5027

Taxing District J (County)  
 Taxing Subdistrict (none)

Account # B0285602

#### Property # 02

[Detail Specs](#)

[Pictures](#)

[Tax Year 2003](#)

Location 506 THREE SPGS RD

Map Code 053A-03 -014

Fair Cash Value \$320,000

Exemption Flag (none)

Exemption Type (none)

Exemption Amt

Ag Exemption

Taxable Amt \$320,000

Tax Exempt Flag (Taxable)

Tax Exempt Code (none)

Taxing District E (Commercial Annex)

Taxing Subdistrict (none)

Building Land Code

Year Code CN (1982 New Increased by 50%)

Deed Book # 490

Deed Page # 141

Reason Code

Deed Doc Type

Deed Exec Date

Acres 2

Fire Prot Acres

Trailer Flag

Previous Year Code N (New Increased by 50%)

Previous Action Date

Previous Action Amt

Last Sale Date

Last Sale Amt

#### Last 5 Tax Bill Assessments for this Map Code

Year	2002	2001	2000	1999	1998
FCV	\$320,000	\$320,000	\$320,000	\$320,000	\$320,000

**Aged Disabled**  
**Ag Exempt**  
**Taxable**

\$320,000   \$320,000   \$320,000   \$320,000   \$320,000



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## Inq1

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### Tax Year 2003

#### Owner

Name BAGGETT JOHN C ET AL

Taxing District J (County)

Address 2508 HIGHWAY 25

Taxing Subdistrict (none)

COTTONTOWN, TN 37048-5027

Account # B0285602

#### Property # 02

Location 506 THREE SPGS RD

Map Code 053A-03 -014

Fair Cash Value \$320,000

Exemption Flag (none)

Exemption Type (none)

Exemption Amt

Ag Exemption

Taxable Amt \$320,000

Tax Exempt T Flag (Taxable)

Tax Exempt Code (none)

Taxing E (Commercial District Annex)

Taxing Subdistrict (none)

Building Land Code

Year Code CN (1982 New Increased by 50%)

Deed Book # 490

Deed Page # 141

Reason Code

Deed Doc Type

Deed Exec Date

Acres 2

Fire Prot Acres

Trailer Flag

Previous Year Code N (New Increased by 50%)

Previous Action Date

Previous Action Amt

Last Sale Date

Last Sale Amt

**Alan Vilines**

---

**From:** Wuetcher, Jerry (PSC) [JWuetcher@ky.gov]  
**Sent:** Monday, August 01, 2005 12:22 PM  
**To:** 'alanv@warrenwater.com'  
**Subject:** Case No. 2005-00313  
**Attachments:** 200500313\_29.pdf

Attached is a copy of the Order that the PSC issued on 29 July 2005. If you have questions, please contact me.

Sincerely,

Gerald E. Wuetcher  
Assistant General Counsel  
Public Service Commission of Kentucky  
(502) 564-3940, Extension 259  
gerald.wuetcher@ky.gov  
<<200500313\_29.pdf>>



**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, May 23, 2000, at 5:15 p.m. at the Water District Office at 951 Fairview Avenue, Suite B in Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, and Gary Force. Also present were David Cole - Attorney, and Joe Liles - Manager.
- ANNUAL AUDIT** Jerry Shelton and Greg Pfahl reviewed the Annual Audit for the period ending December 31, 1999.
- MINUTES APPROVED** Mr. Jonnson made a motion to approve the minutes of the meeting of April 25, 2000. Mr. Force seconded the motion and all voted "aye".
- OPERATING REPORTS** The Operating Reports for the period ending April 2000 were reviewed.
- GERRY BROWN'S LETTER** Bowling Green Fire Chief Gerry Brown and Assistant Fire Chiefs Oscar Cherry and Richard Storey reviewed Gerry Brown's letter to the Board dated April 26, 2000.
- MR. LILES REPORT** Mr. Liles reported on the following:
1. The office facilities are proceeding approximately one week behind schedule due to the inability to obtain the roof trusses. The specifications for bidding the office furniture is being prepared by Kelley Design Studios with employees Theresa Cross and Paula Sadler. Specifications will set forth the manufacturers standards, or equal quality of furniture with the layout and design as being prepared by Kelley.
  2. The 30" water line and pump station have been placed into service on a temporary basis until the elevated storage tank is completed in the fall. Impellers have been changed out in the new pumping station to allow the pumps to operate at a lower suction pressure during the interim period. The pump station being constructed at the Water Treatment Plant will be placed in service in conjunction with the new elevated storage tank.
  3. Gregory Piping who is relocating the water main on Scottsville Road should be completed by June 15.



4. The work in Butler County on the raw water intake and high service pumps is continuing and is anticipated that the Department of Local Government in Frankfort will authorize proceeding with the work funded through the Community Development Block Grant for the 8 mile water line expansion project in Butler County by May 25.
5. The Deweese Construction Company who is working on the water system improvements and extensions to the Industrial Park in Simpson County is nearing completion.

**TRI-MODAL  
TRANSPARK**

Mr. Liles reported that Dan Cherry had offered to come and present to the Board the plans for the Kentucky Tri-Modal Transpark should additional information be needed.

**LOST TIME  
ACCIDENTS**

Mr. Liles reported that Dwight Bobbett, Repairman, stepped from a truck and twisted some muscles which has resulted in a lost time accident beginning on May 2.

**GENERAL  
OPERATIONS**

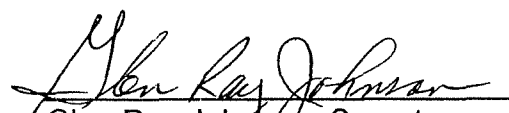
Mr. Liles reported on the following in relation to the general operations.

1. Customer Service Training for employees is schedule for June 14.
2. A summary of the 10 largest water customers in 1999 were distributed along with the sales and customer increases for the period 1989 through 1999.
3. Mr. Liles reported that several companies had contacted him in relation to the possibility of billing sanitation services for Warren County. It was the consensus of the Board that unless the Water District could increase its revenue as a result of handling the billing that the District should not pursue this service. The average water bill will result in doubling the current billing. Mr. Liles reported that the cost of billing and collecting should be a minimum of \$1.00 per billable item per month and \$1.00 set up cost to cover expenses.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, June 27, 2000, at 5:15 p.m. at the Water District Office at 951 Fairview Avenue, Suite B in Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer, and Gary Force. Also present were David Cole - Attorney, and Joe Liles - Manager.

**MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of May 23, 2000. Mr. Honaker seconded the motion and all voted "aye".

**OPERATING REPORTS** The Operating Reports for the period ending May 2000 and a rough draft of the 2001 budget were reviewed. It is noted that although the Water System was operating with a net income of approximately \$1.2 million dollars in 1999 and will continue to have above average net income for the year 2000 which is a direct result of the rate increase required to be implemented in order to issue the bonds in September of 1999. The expenditures associated with the work being performed with the bond proceeds will not be reflected on the Operating Reports until the work is completed and in operation with a full year beginning in 2001. The normal coverage factor as required by the Bond Ordinance will be close to the minimum in 2001 which is necessary in order to issue future bonds.

**BGMU-WCWD JOINT PLANNING AND FINANCE COMMITTEE** Mr. Johnston reported on the BGMU-WCWD Joint Planning and Finance Committee meeting held June 19 at BGMU Offices. The construction work increasing the capacity of the Water Treatment Plant from 22 million to 30 million gallons per day is proceeding on schedule. Future raw water supply plan is being discussed and a special study is being implemented to plan for alternatives for raw water supply as the flows in the Barren River are depleted to the allowed minimum that can be withdrawn as required by the Department of Natural Resources and Environmental Protection.

**MR. LILES REPORT** Mr. Liles reported on the following:

1. Sunbelt Construction Company has reported that they are on schedule with the completion of the office facilities by the end of August.

2. Bids were reviewed for the data and communication wiring. Mr. Johnson made a motion to accept the low bid. Mr. Honaker seconded the motion and all voted "aye".
3. The water storage tank construction is proceeding slightly ahead of schedule. Operation Pride and Western Kentucky University representatives have contacted the Water District in relation to the design painting for the new water tank. It is the consensus of the Board that the Water District name and logo be the only design painting on the new water storage tank in order to promote the identity of the Water District.
4. Mr. Liles reported on the bids received for Radio Communication Systems. Mr. Honaker made a motion to approve the award of the bids to the low bidder. Mr. Johnson seconded the motion and all voted "aye".
5. The development of sewers in the Elrod Road area of the Water Districts service area was reviewed. The existing sewer, as paid for by the developer of Hidden River Subdivision, will be at capacity when the Hidden River Development is fully developed along with the Springfield Development. In order to meet the future sewer needs in the area, there is a real need for the construction of the Natcher Parkway interceptor as jointly planned by BGMU and Warren County Water District. The construction of the interceptor is being held up due to inadequate revenues from BGMU and Warren County Water District to adequately finance the project. Mr. Liles advised that he would like to implement additional efforts to try and find a way to finance the interceptor.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts for collection dated June 2000 (includes all accounts from July of 99 through May 2000). Motion was seconded by Mr. Johnson and all voted "aye".

**LOST TIME  
ACCIDENTS**

Mr. Liles reported that no additional lost time accidents have occurred.

**GENERAL  
OPERATIONS**

Mr. Liles reported on the following pertaining to general operations.

1. Employee Customer Service Training was held June 14 with half of the employees being provided the training in the morning and the other half in the afternoon. The criteria for the education provided focused primarily on three issues (1) Attitude, (2) Communication, and (3) Problem Solving. Approximately one third

of the employees have been hired since December of 1998 and most all are dealing directly with Customer Service relating to billing and collecting.

2. The annual Water Quality Report has been mailed out with the June bills. The report is required in accordance with the Federal Safe Drinking Water Act and is an opportunity to let all the water users know how good the water is that the Water District provides.
3. The reconciliation of the cash balances to the general ledger as reflected in the Audit Report has been brought up to date and will continue to be done on a monthly basis.
4. The Water District's resolution adopted several years ago regarding open records requests was briefly reviewed as it relates to customer information.

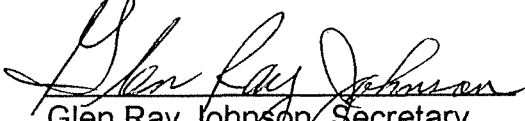
**MR. LILES TO  
WRITE LETTER**

Mr. Johnson made a motion for Mr. Liles to write Gerald Brown, Fire Chief, City of Bowling Green, on behalf of the Board of Commissioners in response to several letters that have been written to the Board or to Board Members and in response to his meeting with the Board. Mr. Brown should be advised as follows: The Commission has very carefully reviewed the present policy as it relates to water service and charges for private fire protection. It is important to keep in mind that the large area and number of residential customers, which are the responsibility of the Commission compared with the relatively small number of commercial customers. The Board certainly understands the importance of providing private fire protection where it is needed. In the Boards view, our present policy fairly accomplishes this purpose. This being true, the Commission finds no need to change and reaffirms its commitment to maintain the current policy and rates. Mr. Honaker seconded the motion and all voted "aye".

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, August 22, 2000, at 5:15 p.m. at the Water District Office at 951 Fairview Avenue, Suite B in Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, and Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney, and Joe Liles - Manager.
- MINUTES APPROVED** Mr. Honaker made a motion to approve the minutes of the meeting of July 25, 2000. Mr. Johnson seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending July 2000 were reviewed.
- JOINT OPERATING COMMITTEE** Mr. Honaker reported that the Warren, Butler, and Simpson County Water Systems Joint Operating Committee met in Franklin, Kentucky on August 2, 2000. Mr. Robbins representing Butler County was unable to attend. Mr. Joe Richards attended the meeting and reported that Simpson County Water District was happy with the joint operation relationships. Mr. Richards advised that there was no truth in the rumor being spread by Warren Rural Electric employees to Warren County Water District employees that Simpson County Water District was unhappy with the relationship and anticipated terminating the Joint Operating Contract at some point in the future.
- ATTORNEY'S REPORT** Mr. Cole reported on a conference he has had with the Manager relating to personnel matters. Mr. Cole also reported on his conversation with County Judge Executive Mike Buchanon in relation to complaints being instigated by Chief Garry Brown relating to sprinkler connections. He advised that he has reviewed a draft of a letter the Manager has prepared in response to Chief Brown's August 22 letter and it is consistent with the prior Board Policy. In addition, Mr. Cole reported on his discussions and preparation of a draft agreement relating to billing services for Southern Recycling.
- LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts dated August 2000 for collection. Mr. Honaker seconded the motion and all voted "aye".

**MR. LILES  
REPORT**

Mr. Liles reported on the status of major projects under way as follows:

1. Sunbelt Construction Company continues to report that they will complete the office facility on schedule by the end of August.
2. Upon recommendation of the Manager, Mr. Honaker made a motion to authorize the purchase of a standby generator to the low bidder, Cummings Cumberland, Inc. Mr. Johnson seconded the motion and all voted "aye".
3. Mr. Liles recommended and Mr. Honaker made a motion to authorize the grading and resurfacing of the Warehouse lot to the low bidder, Scotty's Contracting. Mr. Johnson seconded the motion and all voted "aye".
4. The construction of the water storage tank on Lovers Lane is continuing. All the steel has been welded into place and painting is now underway. It is anticipated the complete project will be finished in 4 to 6 weeks. The color of the paint for the tank and the lettering was reviewed. It was the consensus of the Board to paint the tank a light blue with the lettering as arranged and recommended by Diane Howerton and Kelley Koppinger which included the Water District's logo and name.
5. Mr. Johnson made a motion to authorize a loan resolution, loan agreement and interim financing note with Kentucky Rural Water Finance Corporation in relation to the interim financing on Project 16 which is now under construction. Mr. Honaker seconded the motion and all voted "aye".
6. A copy of the July Daily Cash Report Summary was reviewed and discussed.

**LOST TIME  
ACCIDENTS**

Mr. Liles reported that there has not been any accidents. However, an employee of the subcontractor who is painting the Lovers Lane Water Storage Tank had an employee fall 10 to 12 feet off of some sandblasting equipment and was slightly injured earlier in the week.

**GENERAL  
OPERATIONS**

Mr. Liles reported on the following pertaining to general operations:

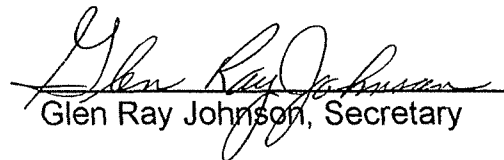
1. A letter has been drafted and reviewed by Mr. Cole to be mailed in response to Gerry Brown's July 31 letter.

2. The Long Term Disability Insurance has been approved by Dwight Bobbett. Mr. Cole reviewed with the Board the terms as set forth in the insurance company's letter to Mr. Bobbett in relation to his disability.
3. Mr. Liles reported on various personnel matters which included the replacement of 3 employees and the addition of 2 employees in the meter testing and change out program.
4. Mr. Force made a motion to authorize the Manager to work with the Attorney in drafting and executing an agreement with Southern Recycling to do the billing and collecting for the County's recycling program. Mr. Honaker seconded the motion and all voted "aye".
5. Mr. Johnston made a motion to authorize the Manager to advertise for bids and accept the low bidder for the Relocation and construction work necessary for the new Highway 231 Project which costs will be reimbursed to the Water District by the Kentucky Department of Highways. Mr. Johnson seconded the motion and all voted "aye".

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, January 23, 2001, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, and Henry Honaker - Treasurer. Also present were David Cole - Attorney and Joe Liles - Manager.
- MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of December 19, 2000. Mr. Honaker seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending December 2000 were reviewed.
- LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated January 2001 for collection. Mr. Johnson seconded the motion and all voted "aye".
- BANKING SERVICE PROPOSALS** Proposals for banking services were reviewed for Firststar, Farmers Bank, Area Bank, National City Bank and Integra. Mr. Honaker made a motion to authorize a resolution designating Area Bank as the Bank to handle the Water Systems banking services. Mr. Johnson seconded the motion and all voted "aye".
- PUBLIC SERVICE COMMISSION** The Public Service Commissions order in Case Number 20000385 relating to requests for information pertaining to providing water for fire services was reviewed and discussed along with an article pertaining to fire sprinkler standby fees as provided by the Bowling Green Fire Department.
- JOINT OPERATING COMMITTEE MEETING** The Butler, Simpson and Warren Joint Operating Committee Meeting is scheduled for February 7, 2001 at the Warren County Water District's office in Bowling Green. Mr. Liles mentioned that there was an effort on a state wide basis that has been implemented by Governor Patton to encourage the consolidation and mergers of water systems across the Commonwealth. At some point in time this may be subject that should be discussed as a possibility with the Joint Operating Committee.



**ANNUAL AUDIT**

Mr. Liles reported that the annual audit being performed by Shelton & Associates was proceeding on schedule and if completed as anticipated the report will be presented to the Board at the March Board Meeting.

**LOST TIME ACCIDENTS**

Mr. Liles reported that there have been no lost time accidents.

**METCALFE COUNTY**

Metcalfe County Judge Executive, Don Butler, contacted Mr. Liles in relation to the possibility of the Warren County Water District agreeing to assist Metcalfe County in a Joint Operating relationship as performed in Butler and Simpson Counties. It was the consensus of the Board that due to the geographic location of Metcalfe County relating to the other jointly operated water systems, Metcalfe County should probably seek another alternative.

**SUNBELT CONSTRUCTION**

Mr. Liles reported that Sunbelt Construction has not completed the punch list items designated to be completed by the Architect. No further payment will be made to Sunbelt until all items are complete.

**WATER MAIN EXTENSION I-65**

Scott & Ritter Construction Company is preparing to proceed with the 20" water main extension along I-65 and is anticipated that construction will begin prior to the end of January.

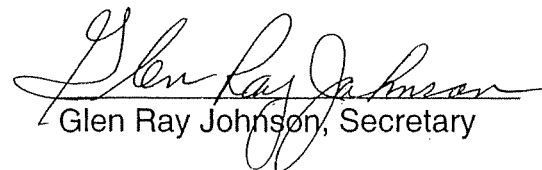
**SMITHS GROVE WATER SYSTEM IMPROVEMENTS**

Mr. Honaker made a motion to authorize the Manager to award the bids for water system improvements in the City of Smiths Grove to Gadcon, who is the low bidder, and to enter into an agreement with Stanley Rice and others in regards to the payment of the cost of the water line extension which exceeds \$60,000 to be paid for by Stanley Rice and others. It is anticipated that they may be reimbursed by Warren Fiscal Court after July 1, 2001. The agreement is to be prepared and reviewed by the Water District Attorney setting forth the conditions under which the work is to be performed. Mr. Johnson seconded the motion and all voted "aye".

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, February 27, 2001, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney and Joe Liles - General Manager.
- MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of January 23, 2001. Mr. Force seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending January 2001 were reviewed.
- JOINT UTILITY COMMITTEE MEETING** Mr. Honaker made a report regarding the meeting on February 7, 2001 of the Joint Utility Committee of Butler, Simpson and Warren County Water Districts. The minutes of the meeting, Comparative Operating Reports of Butler, Simpson and Warren County Water Districts along with the reimbursement due from Warren RECC in regards to the termination of the Joint SCADA Agreement were reviewed and discussed.
- BGMU/WCWD JOINT MEETING** Mr. Johnston reported that he would plan on attending the BGMU/WCWD Joint Planning, Engineering and Finance Committee meeting scheduled to be held at the Warren County Water District Office on March 19, 2001.
- ATTORNEY'S REPORT** Mr. Cole reported on the status of a customer's pending Bankruptcy relating to the payment of the water service and also reported on Mr. Liles effort to settle with Mascorp in the repairs of a railroad spur on their property which was damaged as a result of repairs to the Water District's sewer main.
- LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated February 2001 for collection. Mr. Force seconded the motion and all voted "aye".
- SALE OF SURPLUS PROPERTY** Mr. Force made a motion to authorize the Manager to proceed with the sale of surplus property with proper public notice and public auction. Mr. Johnson seconded the motion and all voted "aye".

**REPLACEMENT  
OF EQUIPMENT**

Mr. Johnson made a motion to authorize the replacement of the following equipment:

1. Truck 50 - 1995 Ford F250 - 141,000 miles
2. Truck 51 - 1995 Ford Ranger - 143,000 miles
3. Truck 52 - 1996 Ford F150 - 176,000 miles
4. Truck 58 - 1996 Ford Ranger - 93,000 miles
5. Replace a 2 pin backhoe trailer

Mr. Force seconded the motion and all voted "aye".

**CHAMBER OF  
COMMERCE**

Mr. Honaker made a motion to increase the scheduled investment to the Bowling Green Area Chamber of Commerce to the Bronze Star level which is to be utilized for economic development efforts. Mr. Johnson seconded the motion and all voted "aye".

**MR. LILES  
REPORT**

Mr. Liles reported on the following:

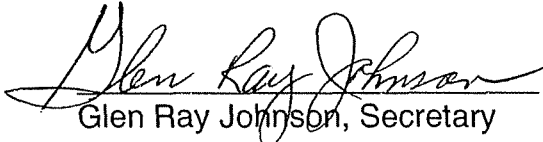
1. The Water District's response to PSC Administrative Case 385 has been completed. In addition, the response of the Attorney General was discussed.
2. The low bidder for the Smiths Grove Water Improvement Project was Gadcon of Owensboro, Kentucky. Work is expected to begin within the next few days.
3. Mr. Liles updated the Board on equipment that is jointly owned by the Butler, Simpson and Warren County Water Districts with Warren RECC and efforts to recover Butler, Simpson and Warren's investment all in accordance with the contractual agreement with Warren RECC.
4. The construction progress on the second phase of the 20" water main is proceeding on schedule. All of the water line installation should be completed within the next 30 days which includes the area between Greenwood along I-65, crossing I-65 near Three Springs Baptist Church and extending to Three Springs Road.
5. It is anticipated that sufficient net income from water system operations will be accrued during the next six months to allow proceeding with the third phase of the construction of a 20" water main along Three Springs Road to the Natcher Parkway and a portion of the line along Natcher Parkway which when completed will tie in at the intersection with Hwy. 31W South.

6. The Public Service Commission performed our annual inspection on January 18 and in accordance with the January 24 letter from the Public Service Commission, no deficiencies were found during the inspection and the Water District is operating in a professional and reasonable manner. The Public Service Commission representatives plan to attend the March Board meeting to make a formal presentation to the Board.
7. Terry Pierce, City Council Member at Smiths Grove, has requested the Water District consider transferring a portion of the property where the Water Treatment Plant at Smiths Grove was located to the City to be utilized for construction of the new City Hall. It was the consensus of the Board that Mr. Cole research the legal requirements.
8. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, March 27, 2001, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney and Joe Liles - General Manager.

Mike Newton and Kim Chandler with the Public Service Commission appeared before the Board for a presentation of a Certificate of Commendation by the Kentucky Public Service Commission for a responsible operation of the water utility as demonstrated by the January 18, 2001 inspection.

Mr. Honaker agreed to attend an employee meeting and present the Public Service Commission Award to all employees.

**MINUTES  
APPROVED**

Mr. Force made a motion to approve the minutes of the meeting of February 27, 2001. Mr. Johnson seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending February 2001 were reviewed.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated March 2001 for collection. Mr. Force seconded the motion and all voted "aye".

**ATTORNEY'S  
REPORT**

Mr. Cole reported on the recent informal conference before the Public Service Commission regarding PSC Case 385.

**TABULATION OF  
BIDS**

The tabulation of bids received for the Hwy 231 South Relocation for Section 3 was reviewed.

**MR. LILES  
REPORT**

Mr. Liles reported on the following:

1. Norris Suggs requested the Commissions consideration in establishing a leak adjustment policy for allowing the customer some adjustment of the water bill when leaks occur in the customer service line. Mr. Liles advised that during the month of January the water Meter Readers identified 203 customer service line leaks wherein the customer was notified. At the present time the Water District maintains all water mains up to the meter location. The

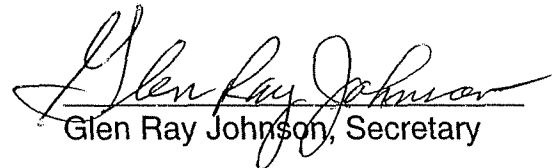
customer is responsible for the installation of his service line from the meter to the point of use. It was the consensus of the Board that the present policy should continue.

2. No loss time accidents have occurred.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, May 22, 2001, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney and Joe Liles - General Manager.
- MINUTES APPROVED** Mr. Scott made a motion to approve the minutes of the meeting of April 24, 2001. Mr. Force seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending April 2001 were reviewed.
- ATTORNEY'S REPORT** Mr. Cole reported on the status of the collection of a bill from Tyrone Tackett in relation to the development of a subdivision. He also reported on the collection of a bill from Nationwide Housing who has claimed bankruptcy. Mr. Cole gave update in regards to the investigation of the Public Service Commission into the charges for service to sprinkler systems.
- LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated May 2001 for collection. Mr. Johnson seconded the motion and all voted "aye".
- MR. LILES REPORT** Mr. Liles reported on the following:
1. The \$2 million dollar loan from Rural Development is scheduled to be closed at 10:00 a.m. on May 24 with the electronic transfer of funds to take place on May 25.
  2. The Bowling Green Fire Department is in the process of preparing for an ISO inspection and has requested assistance from the Water District in flowing approximately 415 hydrants that are located on the Water District's water mains within the Bowling Green Fire Departments service area. The work is taking place daily and is anticipated to be completed within the next two weeks.
  3. Gadcon, Inc. of Owensboro, Kentucky is proceeding on schedule with the water system improvements in the Smiths Grove area. These improvements are brought about as a result of funding

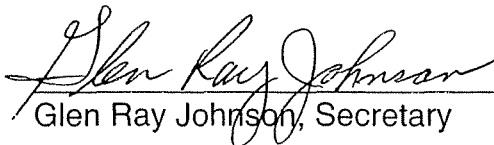
through Warren Fiscal Court to improve the fire flows in an area to be developed with apartment complexes.

4. Mr. Liles met with the Corp of Engineers, along with Edmonson, Ohio, and Butler County Judges and Representatives from Senator McConnell, Congressman Lewis and Whitfield's office last week in relation to the Corp of Engineers proposal to dispose of the dam at Rochester. This could have a devastating effect upon the future water supply for Butler, Edmonson and Ohio counties who all have water systems that withdraw from the pool created as a result of the Rochester Dam. The Corp of Engineers is proposing to make improvements to the dam to stabilize the structure and transfer the ownership of the dam to Butler, Edmonson and Ohio counties if they are willing to accept responsibility for the dams in the future. If the three counties do not accept ownership of the dams they will be offered for sale through the normal property disposal process utilized by the Corp of Engineers.
5. The water system improvements underway in Butler County will be completed in July and will serve all but 15 families who have indicated an interest in water supply.
6. The Simpson County Industrial Authority is proposing a new industrial park at the intersection of Highway 100 and I-65. It is anticipated that an Economic Development Grant will be obtained to construct a new elevated storage tank to serve the industrial park and surrounding area.
7. The Consumer Confidence Report which is required by the Environmental Protection Agency will be mailed out for Butler, Simpson, and Warren County Water Districts with the June bill.
8. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, January 22, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present was Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of November 27 and December 18, 2001. Mr. Force seconded the motion and all voted "aye."

**REVISED RATE STRUCTURE** Mr. Honaker made a motion to ratify the filing of the revised rate structure in accordance with the Public Service Commission Order of December 7, 2001 involving water service provided for private fire protection as issued in a tariff to be filed with the Public Service Commission on December 19, 2001. Mr. Johnson seconded the motion and all voted "aye".

**OPERATING REPORTS** The Operating Report for the period ending December 31, 2001 was reviewed.

**JOINT MEETING** Mr. Johnston reported on the Joint Meeting with BGMU on December 17, 2001. A summary of current items pending to be worked out with BGMU was distributed with the agenda and all the items were discussed at the Joint Meeting.

Mr. Liles advised he had discussed Item number 4 related to transport and disposal of sewage from proposed parkway interceptor and it has not been addressed by BGMU as of January 17.

Mr. Liles also advised according to Mike Gardner on January 22, plans and specifications for the BGMU Water Treatment Plant expansion has been approved by the Division of Water and advertisement for construction bids will begin very shortly.

**LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts dated January 2002 for collection. Mr. Honaker seconded the motion and all voted "aye".

**WRITE OFF SUMMARY** A copy of the 2001 Write Off Summary was reviewed.

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The Natcher Parkway Water Project is approximately 52% complete within 43% of the time allotted for the completion. All work is being completed satisfactorily so far with all pipelines passing the required hydrostatic pressure testing.
2. BGMU is still reviewing the District's request to allow an additional sewer connection on 31-W South of Bowling Green to dispose of waste water collected from the proposed Parkway Interceptor extending to the new County Park on Highway 231 South. Additional follow-up will be made with the Staff at BGMU and contacts will be made with others to encourage BGMU to allow the Water District to proceed.
3. Problems are being experienced in collecting from developers the cost associated with water and sewer line extensions involving work performed by the District for the developers. The biggest expenses are the collection of Engineering Inspection costs. It was the consensus of the Board that a revised agreement should be prepared which required those who are having the water and sewer line extended to make advanced payment to the District or post a bond or other suitable means to insure the District is able to collect for all the work performed by the District.
4. Mr. Johnson made a motion to authorize a Resolution to open an account at Green River Bank, Morgantown, Kentucky for investment of consumer deposits. Mr. Force seconded the motion and all voted "aye".
5. A copy of the EEO Report for 2001 was distributed and reviewed. In addition, a summary of the new hires for 2001, transfers and promotions, and terminations were reviewed.

The Affirmative Action Program was analyzed and evaluated for the period ending December 31, 2001 in accordance with Operating Policy No. 111.

6. Mr. Honaker made a motion to authorize the following equipment replacements and additions: 1990 - 2 ½ ton truck - 175,000 miles, 1987 Pan Trailer, 1996 Ford Ranger - 135,000 miles, 1996 Chevy C15 - 150,000 miles, and 2 new Chevy S10's or equal.
7. Mr. Johnson made a motion to authorize a Resolution approving

the Grant Assistance Agreement with the Kentucky Infrastructure Authority in the amount of \$202,465.00 along with a statement of agreement to utilize Kentucky Uniform System of Accounts and Cost Base rates for June 30, 2004. Mr. Honaker seconded the motion and all voted "aye".

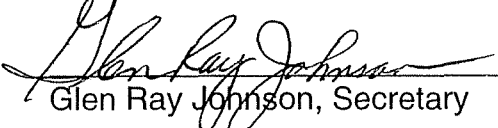
**MEETING - FIRE  
CHIEFS**

Mr. Johnson reported on a meeting he attended involving all the Fire Chiefs in Warren County.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, March 26, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer. Also present was Joe Liles - General Manager, Jerry Shelton and Jennifer Archie with Shelton and Associates.
- ANNUAL AUDIT** Mr. Shelton presented the Annual Audit for the period ending December 31, 2001. Mr. Honaker made a motion to accept the Audit as presented. Mr. Johnson seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending January and February 2002 were reviewed.
- JOINT MEETING** A draft copy of the minutes of the BGMU/WCWD Joint Engineering Planning and Finance Committee meeting of March 18, 2002 was reviewed.
- LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated February and March 2002 for collection. Mr. Johnson seconded the motion and all voted "aye."
- NATCHER PARKWAY SEWER LINE** Mr. Liles reported that BGMU has now verbally concurred in the Water District's plans for the Natcher Parkway sewer line to serve the southern part of the County. BGMU has requested that the plans be admitted to change the point of connection to BGMU's system for treatment of sewage from 31-W South to a point near Pioneer Drive and Dishman Lane. Mr. Honaker made a motion to authorize the Manager to file an application with the State Clearing House for the planned project. Mr. Johnson seconded the motion and all voted "aye".
- REVISED WATER AND SEWER LINE EXTENSION AGREEMENT** Mr. Johnson made a motion to authorize the utilization of a revised Water and Sewer Line Extension agreement as presented. Mr. Honaker seconded the motion and all voted "aye".
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. The Natcher Parkway Water Project is proceeding on schedule. It

is anticipated that all work will be completed in May as planned.

2. The Public Service Commission made its annual inspection of the Water District Facilities on January 22 and found no deficiencies. This is the second year in a row that no deficiencies have been observed.
3. A copy of the Public Service Commission Order of February 12 concerning their investigation into Warren County Water District's water rates for services with private fire protection was distributed along with the March 1 response to the questions.
4. The Butler County Water System was recently awarded in a Management Conference in Bowling Green "Best Tasting Water Award for 2002". The contest included samples of water from other water systems from across the State of Kentucky.
5. No lost time accidents have occurred.

**TUITION AID FOR  
EMPLOYEE**

Mr. Honaker made a motion to authorize the payment of tuition for employee Carl Owens to attend the Bowling Green Technical School class, "Computer Fundamentals," all in accordance with the standard policy of the District. Mr. Johnson seconded the motion and all voted "aye".

**GENERAL  
MANAGERS  
ANNUAL  
PERFORMANCE  
EVALUATION**

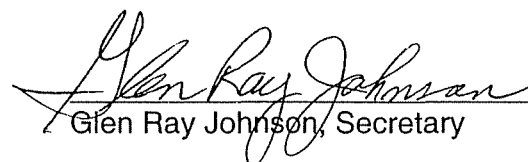
Mr. Liles was excused from the meeting while the Board of Commissioners reviewed the General Manager's Annual Performance Evaluation.

Mr. Honaker made a motion to authorize the Chairman and Secretary to execute a Payroll Status Change retroactive to January 1, 2002 and in the future the General Manager is to place the Annual Performance Review on the December Board of Commissioners Meeting Agenda for action in December each year. Mr. Johnson seconded the motion and all voted "aye".

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, April 23, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present was David Cole - Attorney, and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of March 26, 2002. Mr. Johnson seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending March 2002 were reviewed.

**LIST OF  
ACCOUNTS**

Mr. Scott made a motion to transfer the list of accounts dated April 2002 for collection. Mr. Honaker seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The Water District has submitted an application to the State Clearinghouse for the review and approval of the Natcher Parkway sewer interceptor. A letter from BGMU concerning the proposal of the Water District to construct the Natcher Parkway interceptor was reviewed.
2. The Property Liability and Workman's Compensation insurance carrier, Kentucky Association of Counties, has advised that the premiums most likely will increase during the next policy period. Steps are being taken to take bids on the coverages.
3. The Joint Utility Committee of Butler, Simpson and Warren County Water District's is scheduled to be held and a Board Member that has anything that needs to be discussed should advise Mr. Honaker.
4. A copy of the Public Service Commission's Order dated April 15, 2002 concerning their investigation of the rate schedule for services with private fire protection was reviewed.
5. A copy of the letter from Bill Davis concerning the merger of his Law

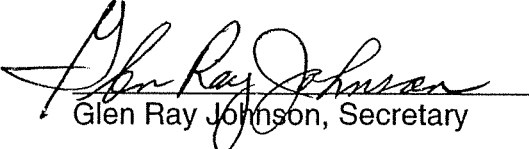
Firm with the Firm of Ogden, Newell and Welch was reviewed.

6. The construction of the Natcher Parkway Water Project is nearing completion.
7. No lost time accidents have occurred.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, May 28, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present was David Cole - Attorney, and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of April 23, 2002. Mr. Johnson seconded the motion and all voted "aye."

**JOINT  
OPERATING  
COMMITTEE  
MEETING**

Mr. Honaker reported on the Joint Operating Committee meeting of Butler, Simpson and Warren County Water District's held on May 14, 2002 at the Simpson County Water District Office in Franklin, Ky. All Water Systems seem very happy with the joint operating arrangement. The agreement between the three water systems expires in 2004 and it was suggested that each Board review the agreement and a revised agreement be entered into one year in advance of the expiration time.

**OPERATING  
REPORTS**

The Operating Reports for the period ending April 2002 were reviewed.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated May 2002 for collection. Mr. Force seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. Information in relation to the water needs by ITA for the Industrial Park development has been received. Mr. Vilines is now preparing a plan and cost estimate for providing the required water and sewer service. It is anticipated that this can be completed within the next few days.
2. Insurance bids will be received by all three water systems on June 4. Tommy Adams is serving as a consultant to assist in the evaluation of the bids when they are received.
3. A letter from the City of Bowling Green in relation to the relocation of water lines on Cave Mill Road was reviewed. The City has requested the Water District to pay the cost of relocating the lines. Mr. Cole will review the statutes to determine the Water District's



obligations.

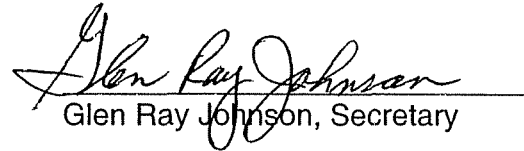
4. Mr. Force made a motion to declare the Richardsville Water Treatment Plant as surplus property and authorized the Manager to dispose of the property as soon as possible in order to relieve potential liability. Mr. Johnson seconded the motion and all voted "aye."
5. A Joint Committee Meeting of BGMU/WCWD Joint Committee will be held June 17 at BGMU.
6. The State Clearinghouse has not responded to the Water District's application for clearance on the Natcher Parkway Sewer Interceptor South of Bowling Green. It is hopeful that some type of financing can be put together for the project by the fall of 2002. A copy of the Chamber of Commerce's Annual Work Plan pertaining to strategic areas for infrastructure was also reviewed which indicated an interest in the solution for funding and implementation of the William Natcher Sewer Interceptor project by the end of the year 2002.
7. Mr. Cole has obtained an extension of time from the Public Service Commission concerning the information request dating back to 1980 in their investigation of the Commodity Component in the Fire Protection Rates. The PSC has extended the time for providing information to June 5, 2002.
8. General Operations:
  - A. Information has been received that the development of Tyrone Tackett's may be foreclosed on by a local bank. It was suggested that Mr. Cole take appropriate steps to protect the Water District's interest in an outstanding bill owed by Mr. Tackett concerning the development.
  - B. Bristol Pipe Manufacturing Company, which has supplied pipe for a water main installation, has experienced manufacturing problems with pipe delivered and installed which required the replacement of the pipe. Based on the engineer's recommendations, no further Bristol Pipe will be allowed in the Water System.
9. The General Manager suggested that service awards be presented to the Board Members of all three Water Systems just as the awards are presented to their employees.

10. No lost time accidents have occurred.

**ADJOURN**

There being no further business, Mr. Force made a motion to adjourn. Mr. Johnson seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, June 25, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney, Alan Vilines - Engineer, and Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Force made a motion to approve the minutes of the meeting of May 28, 2002. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending May 2002 were reviewed.

**BGMU/WCWD COMMITTEE MEETING** Mr. Liles reported that the BGMU/WCWD Joint Engineering, Planning and Finance Committee met at BGMU on June 17. BGMU requested that the Water District consider paying half the cost of a sewer master plan. The staffs are scheduled to meet in the near future to discuss the scope of the work and the possibility of a jointly shared study.

**NRECA CASH OR BENEFIT PLAN RESOLUTION** Mr. Cole reported on his review of the resolution amending the NRECA Cash or Benefit Plan and recommended approval. Mr. Honaker made a motion to approve the Resolution amending the NRECA Cash or Benefit Plan. Mr. Force seconded the motion and all voted "aye."

**LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated June 2002 for collection. Mr. Force seconded the motion and all voted "aye."

**GENERAL MANAGER'S REPORT** The General Manager reported on the following:

1. Engineering work is under way to develop plans to serve the needs of the ITA-Industrial Park North of Bowling Green. Mr. Vilines reviewed the progress of plans to provide water and sewer service.
2. A letter from Tommy Adams, Insurance Consultant, was distributed. Mr. Adams recommends in his letter the acceptance of the proposal by Center of Insurance (Kentucky Association of Counties) proposal for providing insurance. Mr. Liles also recommends the Kentucky Association of Counties. It is noted that only two proposals were received for insurance and the Board expressed

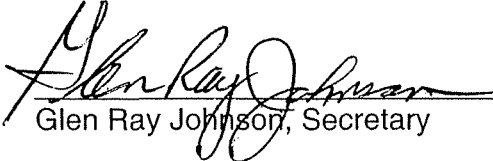
concern about the inability to obtain terrorism coverage at reasonable rates. Mr. Force made a motion to obtain the insurance in accordance with the Consultant and Manager's recommendation. Mr. Johnson seconded the motion and all voted "aye."

3. The response to the Public Service Commission in regards to the investigation of Rates for Services with Fire Protection was reviewed by Mr. Liles and Mr. Cole.
4. General Operations:
  - A. Warren Fiscal Court has approved funding for a water line extension along the Homer Murray Road for a distance of 2,260 feet and a six-inch water line for fire protection, 100 feet along the Bristow Road which also included two fire hydrants.
  - B. Powertel/Kentucky, Inc. is interested in leasing space on the Lovers Lane Tank for cell service. Mr. Johnson made a motion to authorize a resolution wherein the General Manager is authorized to execute an agreement with Powertel/Kentucky for installation of cellular telephone antennas and other equipment to be installed on the Lovers Lane Water Tank. Mr. Force seconded the motion and all voted "aye"
  - C. Mr. Honaker made a motion to authorize improvements and repairs to be made to the existing Kelly Vance pumping station. Mr. Force seconded the motion and all voted "aye."
9. No lost time accidents have occurred.

**ADJOURN**

There being no further business, Mr. Force made a motion to adjourn. Mr. Johnson seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

Plan No. 525  
E.I.N. 61-0866161

**RESOLUTION OF THE BOARD OF DIRECTORS  
AMENDING THE  
NRECA CASH OR BENEFITS PLAN**

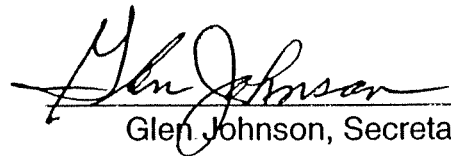
**WHEREAS**, Warren County Water District is an Employer participating in the NRECA Cash or Benefits Plan, and

**WHEREAS**, the Internal Revenue Service has issued new regulations that require amendments to the NRECA Cash or Benefits Plan, and the Employer desires to adopt the amendments effective January 1, 2001.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby approves the amendments in the form attached hereto.

**Signature of the Secretary**

I Glen Johnson, certify that I am the Secretary of the Warren County Water District Board of Directors. I further certify that the above is a true Excerpt from the minutes of a board meeting of this Board of Directors on the 25<sup>th</sup> day of June, 2002, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

  
Glen Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, July 23, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: Harvey Johnston - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were Hamp Moore - Attorney, Alan Vilines - Engineer, and Joe Liles - General Manager.
- MINUTES APPROVED** Mr. Honaker made a motion to approve the minutes of the meeting of June 25, 2002. Mr. Johnson seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending June 2002 were reviewed.
- ATTORNEY'S REPORT** Mr. Moore reported that Mr. Cole had been working with Mr. Liles in regards to the responses to the Public Service Commission Orders requesting information pertaining to their investigation into the rate schedule for services with private fire protection.
- LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts for July 2002 for collection. Mr. Force seconded the motion and all voted "aye."
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. A meeting was held with the Staff of BGMU on July 10 to discuss a sewer system master plan. BGMU has estimated the master plan would probably cost between \$85,000 and \$100,000. BGMU visualizes a master plan that would not only include the BGMU System but the Warren County Water District's system. The development of the plan in this manner was not the intention of the Water District Staff. In the 1996 Joint Rate Study as recommended to the Joint Engineering, Planning and Finance Committee, the Water District would have six connection points for sewage to be discharged into the BGMU System and projected flow discharge volumes were included. The proposed connection points have not changed and the Water District is continuing to follow its July 1990 Wastewater Facility Study and Capital Improvement Plan as funds become available. Operation, maintenance and debt service expenses associated with these connection points have been included in the sewer rates paid by the Water District to BGMU

since 1996. However, BGMU has contended that there is not capacity sufficient in BGMU's system to accommodate BGMU's future projected sewer flows and the Water District's sewer flows at all connection points previously agreed upon.

It is the consensus of the Warren County Water District Board that the Water District does not need to update its sewer Capital Improvement Plan at this time. There is an agreement for the use of BGMU's sewer system at 6 points and at this time the only planning that needs to be performed is on BGMU's sewer system with the Water District providing flow information to BGMU and BGMU's Engineers in implementing a plan.

2. The Water System Capital Improvement Plan construction phase scheduled for 2001 for the Oakland, Smiths Grove, and Hays areas needs to be implemented in the near future in order to be able to continue to provide adequate flows and pressure for the customers of the areas. The estimated cost of the work is approximately \$900,000. Then the next phase of the Capital Improvement Plan which will need to be implemented is in 2005 and will include the Cemetery Road Transmission Line which is estimated to cost \$1.7 million dollars.
3. An update on the engineering work underway to develop plans to serve the needs of ITA-Industrial Park north of Bowling Green was discussed. Jim Vance with ITA is meeting with the Water District's Staff next week to update the Water District on progress made of developing plans for the Industrial Park and the plans being developed by the Water District will be reviewed.
4. Congress has enacted legislation requiring every water system within the United States to do a Vulnerability Assessment. The time table for the completion of the assessment depends upon the size of the Water System. The Warren County System will be required to complete its assessment by December 31, 2003. The American Water Works Association and the National Rural Water Association are working on templates that Water Systems may use to do the assessment. Once an assessment is completed, six months later the system will have to come up with an emergency response plan to address the vulnerability.
5. The Public Service Commission has issued an Order requesting additional information pertaining to their investigation into the Fire Service Rates of the District. A hearing was held today in Frankfort

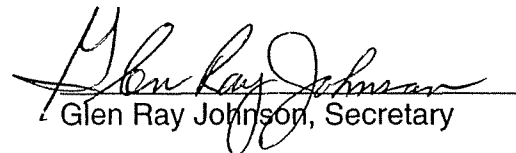
by the Public Service Commission concerning their proposed regulations relating to rates for fire protection. Damon Talley, Attorney for Kentucky Rural Water Association, attended the hearing representing all rural water systems.

6. The Kentucky Rural Water Associations Annual Meeting is scheduled for August 27 through August 28, 2002 at Fort Mitchell, Kentucky. Mr. Johnson made a motion to authorize Mr. Liles as the voting Delegate. Mr. Force seconded the motion and all voted "aye."
7. General Operations:
  - A. PSC made a sewer system inspection - no deficiencies were noted.
  - B. The Oakland Lift Station is going to need a considerable amount of maintenance due to the corrosion that has taken place in the station. The low sewage flows in the station result in very little turn over of the wastewater in the force main and wet wells, thus resulting in the sewage developing gases which causes the corrosion.
  - C. It is proposed that the District proceed with the construction of a portion of the planned Parkway Interceptor from Dishman Lane along the Natcher Parkway to the existing Springfield Lift Station. The wastewater presently being pumped from the Springfield Lift Station through Elrod Road force main would be diverted to the new Parkway Interceptor. It was the consensus of the Board to temporarily delay implementation of the project.
8. No lost time accidents have occurred.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, September 24, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: Harvey Johnston - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer. Also present were Hamp Moore - Attorney, and Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Scott made a motion to approve the minutes of the meeting of August 27, 2002. Mr. Johnson seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending August 2002 were reviewed.

**BGMU/WCWD JOINT COMMITTEE MEETING** Mr. Johnston and Mr. Scott reported on the BGMU/WCWD Joint Planning, Engineering and Finance Committee meeting held at the Warren County Water District office on September 16.

Mr. Liles advised that since the meeting, BGMU has agreed to the Water Treatment Plant cost allocations for the planned expansion.

**SEWER MASTER PLAN** It was the consensus of the Board that Warren County Water District participate in the planning process related to a sewer master plan so that the District may have input into the plan. The data and information already assembled by the District can be used. This should be covered by the scope of work now being developed for use by a consultant to be selected. A proposed scope of work is being drafted by BGMU.

**LIST OF ACCOUNTS** Mr. Scott made a motion to transfer the list of accounts for September 2002 for collection. Mr. Honaker seconded the motion and all voted "aye."

"Mr. Liles suggested the possibility of pursuing further collection efforts by a Collection Agency after the Water District attempts to collect the uncollectible accounts. It was the consensus of the Board to pursue further collections internally possibly with a letter from the Attorney."

**GENERAL MANAGER'S REPORT** The General Manager reported on the following:

1. Central Pipe and Excavating Company has completed the water line relocation work along Cave Mill Road. The only portion of the

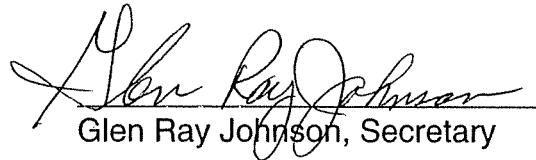
project remaining to be completed is final cleanup work.

2. In relation to the Sewer System Master Plan for BGMU/WCWD, BGMU is presently preparing a scope of project to be reviewed and agreed upon prior to beginning the Engineering selection process.
3. Mr. Cherry has advised that the Capital Improvements required for the ITA Industrial Park are put on hold until such time as the bond funds are freed up from pending litigation. The ITA is planning on continuing to purchase property for the first phase as originally planned.
4. The Public Service Commission's investigation into the Fire Service Rates is still pending. An order is anticipated in the next 30 days.
5. There have been no lost time accidents.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, October 22, 2002, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney, and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Scott made a motion to approve the minutes of the meeting of September 24, 2002. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending September 2002 were reviewed.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts for October 2002 for collection. Mr. Honaker seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The current carrier of the employee health insurance plan has advised that the rates for 2003 will increase between 38 and 40% with the current coverage continued. Alternatives for decreasing the coverage resulting in lower premiums were reviewed. In addition, additional bids are being solicited for an alternative carrier. Mr. Honaker made a motion to authorize the General Manager to obtain proposals for health insurance and obtain the coverage as close as possible to the existing coverage without a substantial increase in rates. Mr. Johnson seconded the motion and all voted "aye."
2. A letter from the City of Bowling Green concerning billing and collecting for storm water service within the City was reviewed. Further study and evaluation will be required.
3. A letter from the Bowling Green Fire Department dated October 17, 2002 was reviewed.
4. Mr. Force made a motion to authorize the General Manager, Chairman, Secretary and Treasurer to proceed with the re-financing

the 1996 Bonds through the Kentucky Rural Water Finance Corporation Flexible Term Loan Program provided the interest rates on the new Bonds will result in substantial savings to the Water District. Mr. Honaker seconded the motion and all voted "aye."

5. The elevated water tank at the intersection of Carter Road and Pleasant Hill Road is scheduled for inspection and if repairs are needed, the tank will be disassembled. A new 500,000 gallon elevated tank was placed into service adjacent to the existing tank a few years ago with the plan to eventually remove the smaller, older tank when repairs were needed.
6. The reconstruction of the wet well at the Oakland sewer lift station is presently being rebuilt along with the pumps and motors and some of the piping. Work should be completed in the next 30 days.
7. The existing long distance carriers for the Water District's in Butler, Simpson and Warren County is being replaced with Bell South long distance service which will result in a savings to Warren County of approximately \$4,374 over a 36 month period. The savings to Butler, Simpson and Warren County combined will result in a \$13,041 savings over the three years.
8. There have been no lost time accidents.


**DECEMBER  
MEETING**

Since the December meeting falls on Christmas Eve, it is the consensus of the Board to reschedule the meeting to 5:15 p.m., Monday, December the 16, 2002.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, February 25, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, and Henry Honaker - Treasurer. Also present were Hamp Moore - Attorney and Joe Liles - General Manager.
- MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of January 28, 2003. Mr. Honaker seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending January 2003 were reviewed.
- LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts for February 2003 for collection. Mr. Honaker seconded the motion and all voted "aye."
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. A brief report was given in regards to the damage caused by a barge to WCWD's 16" water main crossing Barren River. The barge was being utilized by Building Crafts in the construction expansion of BGMU's Water Treatment Plant. It is anticipated that the line will be placed back into service by February 28.
  2. The Loan Application for funding Project 17 - Water System Improvements has been filed with Rural Development. Discussions have been held with Ken Sloan, State Director of Rural Development (RD) and Vernon Brown concerning approval of the application. It is anticipated that funds will be available in order to allow construction to begin before the end of 2003. In accordance with recommendations of the Manager, Mr. Honaker made a motion to approve the local Counsel Agreement with Cole, Moore and Baker and a Bond Counsel Agreement with Harper, Ferguson and Davis to do the legal work pertaining to the loan from RD. Mr. Johnson seconded the motion and all voted "aye." In addition the proposed water rate change was also discussed and compared to other water systems in the area.
  3. Based upon the General Managers recommendation, Mr. Honaker made a motion to proceed with the first phase of the Parkway

Sewer Interceptor Project. Mr. Johnson seconded the motion and all voted "aye."

4. It is anticipated that the PSC will probably be issuing a Staff Report in regards to the Fire Protection Case in the near future.
5. Mr. Johnson made a motion to authorize the execution of a Joint Operating Agreement between Butler, Simpson and Warren County Water Systems which is attached hereto and made a part of the minutes. Mr. Honaker seconded the motion and all voted "aye."
6. Mr. Honaker made a motion to authorize execution of a Signature Card for the establishment of a new account at Bank One for the investment of funds. Mr. Johnson seconded the motion and all voted "aye."
7. The Public Service Commission performed its annual periodic facility inspection on February 10 and no deficiencies were found during the inspection.
8. Warren County Water District received the award for the Third Best Tasting Water in Kentucky at a recent competition of water systems across the State of Kentucky held in Bowling Green at the Kentucky Rural Water Associations Annual Management Conference. Butler County received the award for the Number One Best Tasting Water in Kentucky.
9. According to Margaret Grissom, the South Central Industrial Park expansion is still planned and a final decision will be made in the next few days as to when to proceed.
10. The Kentucky Rural Water Finance Corporation is planning on taking bids on March 11 for the refinancing of bonds for various water systems across the State and Warren County's 1995 Bond Issue is included. Interest rates at the present time are anticipated to be in the 4% range.
11. Based on the Manager's recommendation, Mr. Honaker made a motion to authorize the construction of a tie-in to BGMU's water main on its water treatment plant property and extending a 24" water main around the high service pump station utilized by Warren County Water District out of the way of the planned water treatment plant expansion project now under way. Mr. Johnson seconded the motion and all voted "aye." This water main would be utilized for a new river crossing to be constructed in the future to provide service

to the area north of Barren River.

12. There have been no lost time accidents.

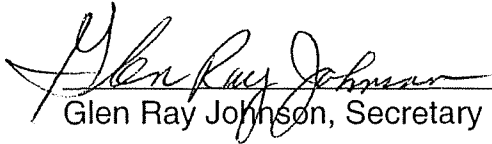
**MANAGER'S  
PERFORMANCE**

Mr. Johnson suggested postponing the Manager's Performance Evaluation until all members of the Board could provide input.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, April 22, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Gary Force. Also present were David Cole - Attorney and Joe Liles - General Manager.

**ANNUAL AUDIT** Jennifer Archie, CPA and Cathy Armour auditors with Shelton, Heller & Associates presented the Annual Audit for the period ending December 31, 2002. Ms. Archie advised that they did not have any suggestions for improvements as they performed this years audit and all the recommendations for the previous years audit have been implemented. All cash receipts have proper checks and balance procedures in place and the cash is well managed. Mr. Scott made a motion to accept the audit as presented. Mr. Force seconded the motion and all voted "aye."

**MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of February 25, 2003. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending February and March 2003 were reviewed. Mr. Scott made a motion to accept the reports. Mr. Johnson seconded the motion and all voted "aye."

**JOINT BGMU/WCWD BOARD COMMITTEE MEETING** Mr. Johnston reported on the joint BGMU/WCWD Board Committee meeting held March 17, 2003 at BGMU's office. The joint committee approved and recommended approval by the respective Boards a Memorandum of Agreement dated March 17 concerning the purchase of water by the Warren County Water District from BGMU extending through an additional 41 years. In addition, a joint request for a proposal from Consulting Engineers to prepare a joint sewer master plan. Other miscellaneous items were discussed reflecting that the two utilities were working together.

Mr. Liles reported that in accordance with a Memorandum of Agreement dated August 21, 1998 between BGMU and Warren County Water District after WCWD completed its off loading from the BGMU south pressure zone to Cemetery Road connection WCWD will transfer ownership of the 5700 foot of 20" Cave Mill Road water transmission line to BGMU. Mr. Liles wrote a letter April 2, 2003 advising BGMU since the



work is now complete, WCWD transfers ownership of the water transmission line parallel to Cave Mill Road to Bowling Green Municipal Utilities. Mr. Strickler, Attorney for BGMU, has written Hamp Moore a letter seeking release of liens from Bond holders transfer of easements and bill of sale for the water transmission line. Mr. Liles discussed with Mike Gardner that BGMU had transferred property to the Water District on prior occasions with similar agreements without releases of liens and bills of sales. Mr. Cole suggested that a hold harmless letter be given to BGMU concerning the transfer.

**PSC FIRE  
PROTECTION  
CASE**

Mr. Cole reported that Hamp Moore was working on the PSC Fire Protection case with Mr. Liles.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated March and April 2003 for collection. Mr. Force seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. Plans are continuing on the expansion of the South Central Kentucky Industrial Park. A verbal agreement was reached this past week with Mike Murphy representing the Industrial Foundation, Mayor Sandy Jones and Chuck Coates representing the City of Bowling Green concerning the financing of a sewer system to serve the planned Industrial Park expansion. The sewer layout plans also fit into the City's planned community development project for Russellville Road which was annexed into the City several years ago. A sewer development plan was prepared for the City by the Water District to serve the area. It is now planned that the Water District would secure the financing for the construction of the water and sewer facilities to serve the South Industrial Park expansions and the City would guarantee the debt service for the portion of sewer that parallel the community development project of the City. The balance of the debt service cost for the project would be guaranteed by the South Central Kentucky Industrial Park Authority backed with an Irrevocable Letter of Credit. Plans and specifications are now being prepared. Bids will need to be received and financing arrangements finalized. The Kentucky Rural Water Finance Corporation presently has financing available at 4.45%. Mr. Force made a motion to authorize the General Manager to proceed with the plans as outlined. Mr. Scott seconded the motion and all voted "aye."
2. The refinancing of the 1996 Bonds has been completed. The final

interest rate was 4.62%.

3. The application for USDA Rural Development Loan Funds is in progress. It appears that the funding commitment will be made in the next couple of months and construction could be under way by later summer or early fall.
4. Based on a recommendation of the Joint BGMU/WCWD Board Committee, Mr. Honaker made a motion to authorize a resolution of the Board of Commissioners of Warren County Water District approving a Memorandum of Agreement dated March 17, 2003 which is attached hereto and made a part of the minutes. Mr. Scott seconded the motion and all voted "aye."
5. BGMU/WCWD are now jointly soliciting requests for proposals from consulting engineers to prepare a joint sewer master plan. It is anticipated that a recommendation of the engineer to do the plan will be made at the next regular meeting.
6. The City of Bowling Green is having a community meeting with the residents of Lindcliff Meadows concerning a recent fire. Lindcliff Meadows was annexed into the City several years ago and does not meet the 600 gpm fire flow requirements by City Ordinance. Three notifications by the Water District over the years to City officials reminding them of the lack of water flow to meet City Ordinance were received by the City with no action. The City is now considering paying the Water District to install the required improvements and has requested the Water District to prepare a cost estimate and attempt to obtain the right of way easements.
7. Based on inspection of the condition of the Pleasant Hill Carter Road tank and the cost to repair and paint the facilities, it has been determined that the removal of the old existing tank would be the most efficient manner to serve the area. A new tank was constructed a few years ago with a capacity of 500,000 gallons.
8. An update on the current situation concerning the PSC's Fire Protection Case.
9. The Butler, Simpson and Warren County Water Districts joint operating agreement has been approved by all three water systems which extends the time through February 17, 2009.
10. The 2003 Kentucky General Assembly approved approximately one and one half million dollars in grant funds to Warren County

Water District to make various system improvements. A meeting was held with the area legislators and County Judge Mike Buchanon wherein it was specifically agreed what facilities would be constructed with the funds. A summary of the work is included in the 2003 General Assembly Funding preliminary project estimate dated March 27, 2003 as distributed to the Board Members.

11. Based on the new medical insurance plan effective January 1, 2003 Operating Policy No. 109, paragraph I would need to be revised with the following word, "medical, prescription drug and dental insurance coverage is available to employees and dependent family members the 1<sup>st</sup> of the month following 30 days of employment." Mr. Scott made a motion to approve the recommended change. Mr. Force seconded the motion and all voted "aye."
12. BGMU exceeded the allowable maximum contaminant levels for turbidity in accordance with the Safe Drinking Water Act on January 29, 2003. The Kentucky Division of Water requires that when the treatment plant exceeds the maximum contaminant levels that notices to the users must be made to all customers being served. An insert is being included with the April billings.
13. There have been no lost time accidents.

**GENERAL  
MANAGER'S  
ANNUAL  
PERFORMANCE  
EVALUATION**

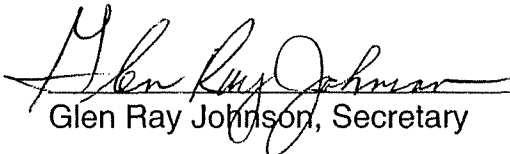
Mr. Liles was excused from the meeting while the Board of Commissioners reviewed the General Manager's Annual Performance Evaluation.

Mr. Honaker made a motion to authorize the Chairman to execute a Payroll Status Change retroactive to January 1, 2003. Mr. Johnson seconded the motion and all voted "aye."

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**Resolution of the Board of Commissioners of  
Warren County Water District and Bowling  
Green Municipal Utilities Board of Directors  
separately adopted by each utility board.**

WHEREAS, an Agreed Order issued by the Commonwealth of Kentucky before the Public Service Commission set forth an Order in Case No. 95-044 that Bowling Green Municipal Utilities (BGMU) and Warren County Water District (WCWD) jointly create the "Joint Engineering, Planning, and Finance Committee" (Committee) to oversee the development and implementation of long range plans for the development and expansion of water and sewer service from BGMU to WCWD, to include the necessary capital improvement needs for such service, and;

WHEREAS, all future capital improvements of BGMU that result from the need for increased service by BGMU to WCWD and all future capital improvements of WCWD which have a direct impact on BGMU's service to WCWD shall be reviewed by the Committee in an effort to provide the customers of both utilities the best service at the least cost, and;

WHEREAS, the Committee shall recommend allocations of costs of future capital improvements of BGMU in accordance with the Public Service Commission's Agreed Order, and;

WHEREAS, future capital improvements needed for increased service by BGMU to WCWD shall only be made after the methods and time for payment of such capital improvements are recommended by the Committee and approved by the respective governing bodies of BGMU and WCWD, and;

WHEREAS, the Committee has met and recommends to the respective governing bodies of BGMU and WCWD to approve a Memorandum of Agreement dated March 17, 2003, relating to the length of time WCWD will purchase water from BGMU and BGMU will supply water to WCWD, and the pledge of the agreement to the United States of America.

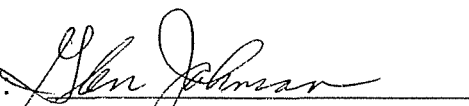
NOW, THEREFORE, BE IT RESOLVED by WCWD that the Memorandum of Agreement dated March 17, 2003 as recommended by the Joint Engineering, Planning and Finance Committee of BGMU and WCWD is approved by Warren County Water District.

Adopted this 22<sup>nd</sup> day of April, 2003



R. Harvey Johnston, III  
Chairman  
Warren County Water District

ATTEST:



Glen Johnson  
Secretary

MEMORANDUM OF AGREEMENT

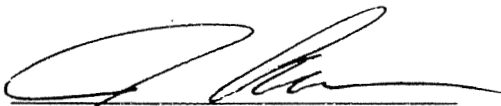
March 17, 2003

1. Warren County Water District (WCWD) will continue to purchase its water supply needs from Bowling Green Municipal Utilities (BGMU) for the next 41 years.
2. BGMU will continue to supply the water supply needs to Warren County Water District for the next 41 years.
3. By the year 2025 or as may be needed and agreed to by BGMU and WCWD, projections and plans for future water supply will be jointly developed and agreed to by BGMU and WCWD. If WCWD has additional needs above the projections included in the August 31, 1998 Memorandum of Agreement, the necessary facilities will be agreed upon and constructed in accordance with the Public Service Commission's Agreed Order dated February 27, 1996.
4. The parties hereto agree that the Purchaser may pledge this water purchase contract to the United States of America as security for a loan or loans made or to be made to the Purchaser by the United States of America or any instrumentality thereof.

Agreed to by mutual agreement of the parties on March 17, 2003, subject to the approval of the respective Boards of Directors.

Joint Engineering, Planning and Finance Committee

BOWLING GREEN  
MUNICIPAL UTILITIES

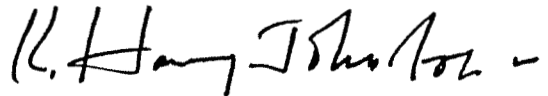


Jody Allen

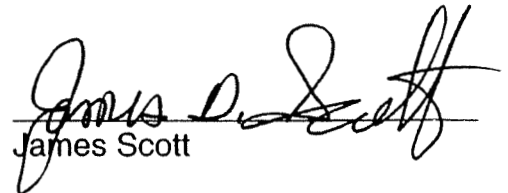


Dan Hall

WARREN COUNTY  
WATER DISTRICT



Harvey Johnston



James Scott

**RESOLUTION OF  
THE BOARD OF COMMISSIONERS OF  
WARREN COUNTY WATER DISTRICT AND  
THE BOARD OF DIRECTORS OF  
BOWLING GREEN MUNICIPAL UTILITIES  
SEPARATELY ADOPTED BY EACH UTILITY BOARD**

WHEREAS, an Agreed Order issued by the Commonwealth of Kentucky before the Public Service Commission set forth an Order in Case No. 95-044 that Bowling Green Municipal Utilities (BGMU) and Warren County Water District (WCWD) jointly create the "Joint Engineering, Planning, and Finance Committee" (Committee) to oversee the development and implementation of long range plans for the development and expansion of water and sewer service from BGMU to WCWD, to include the necessary capital improvement needs for such service, and;

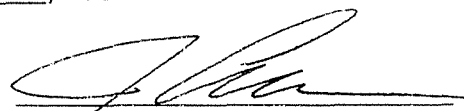
WHEREAS, all future capital improvements of BGMU that result from the need for increased service by BGMU to WCWD and all future capital improvements of WCWD which have a direct impact on the service of BGMU to WCWD shall be reviewed by the Committee in an effort to provide the customers of both utilities the best service at the least cost, and;

WHEREAS, future capital improvements needed for increased service by BGMU to WCWD shall only be made after the methods and time for payment of such capital improvements are recommended by the Committee and approved by the respective governing bodies of BGMU and WCWD, and;

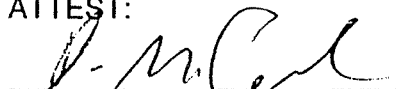
WHEREAS, the Committee has met and recommends to the respective governing bodies of BGMU and WCWD to approve a Memorandum of Agreement dated March 17, 2003, relating to the length of time WCWD will purchase water from BGMU and BGMU will supply water to WCWD, and the pledge of the agreement to the United States of America.

NOW, THEREFORE, BE IT RESOLVED by BGMU that the Memorandum of Agreement dated March 17, 2003 as recommended by the Joint Engineering, Planning and Finance Committee of BGMU and WCWD is approved by the Bowling Green Municipal Utilities Board of Directors.

Adopted this 14th day of April, 2003

  
Chairman of the Board

ATTEST:

  
Secretary of the Board

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, May 27, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were David Cole - Attorney and Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Honaker made a motion to approve the minutes of the meeting of April 22, 2003. Mr. Johnson seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending April 2003 were reviewed. Mr. Johnson made a motion to accept the reports. Mr. Honaker seconded the motion and all voted "aye."

**JOINT UTILITY COMMITTEE MEETING** Mr. Honaker reported on the Butler, Simpson and Warren County Joint Utility Committee Meeting held in Morgantown, Kentucky on May 6, 2003. All members of the Committee gave a brief report on the operation of their Water System and all were very pleased with the joint operating arrangements. At the meeting Mr. Liles presented a memorandum reflecting the Allocations of Cost Sharing for 2003.

**PSC FIRE PROTECTION CASE & OTHER LEGAL MATTERS** Mr. Cole reported that the Public Service Commission's informal conference has been rescheduled to July 30.

The funds owed by Tyrone Tackett in relation to the development of a subdivision have been filed as a claim with the Circuit Court in the foreclosure sale of the property by Republic Bank.

**LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts for May 2003 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL MANAGER'S REPORT** The General Manager reported on the following:

1. In a meeting with Jim Vance and the ITA Engineers, it was learned that ITA plans on receiving bids for the construction of the first phase of the Industrial Park north of Bowling Green in October of 2003. In addition, the Water District will need to receive bids on the work to make improvements to transport the water to ITA and return the wastewater to the wastewater treatment plant. The cost of this work will be paid by the ITA.

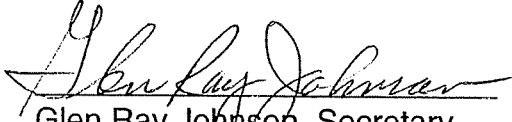
2. Expansion of the water and sewer facilities to serve the next phase of the South Central Kentucky Industrial Park is under way. Easements and design work are progressing and it is anticipated that the project will be bid in late June.
3. A preliminary summary of proposals received in relation to performance of a BGMU/WCWD joint Wastewater Master Plan was reviewed along with BGMU/WCWD's joint Wastewater Master Plan request for proposal. Management of BGMU and WCWD have jointly agreed to recommend to their respective Boards the acceptance of a proposal by Quest Engineers, Inc. to perform the joint Wastewater Master Plan. Mr. Johnson made a motion to authorize the General Manager to execute the agreement with Quest Engineers to perform the joint Wastewater Master Plan upon the review and approval of the contractual agreement by the Water District Attorneys. Mr. Honaker seconded the motion and all voted "aye."
4. The concept of lock box service/processing mail payments was reviewed and discussed.
5. Mr. Honaker made a motion to authorize the filing of a tariff requesting the Public Service Commissions approval for changing the connect fees to install water service connections above 1" at actual cost. Mr. Taylor seconded the motion and all voted "aye."
6. The status of various projects were reviewed.
  - A. Parkway Interceptor - Bids to be received prior to the next Board Meeting.
  - B. Lindcliff Meadows - Awaiting the City's authorization to proceed with water system improvements in the development to meet the City's fire protection ordinance.
  - C. General Assembly Funding - Obtaining easements and preparing the plans and specifications.
7. General Operations  
A 1996 Truck hit by another vehicle - the other parties insurance company has totaled the truck and the Board has already authorized the replacement of the vehicle in the year 2003.
8. No lost time accidents.

**ADJOURN**

Mr. Johnson made a motion to adjourn. Mr. Honaker seconded the motion and all voted "aye."



Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, August 26, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Joe Liles - General Manager and Hamp Moore, Attorney.

**MINUTES  
APPROVED**

Mr. Scott made a motion to approve the minutes of the meeting of July 22, 2003. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending July 2003 were reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore reported on the recent informal conference at the Public Service Commission concerning the PSC's investigation into the rates charged customers utilizing private fire protection systems.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated August 2003 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The construction of the Parkway Sewer Interceptor is proceeding as planned. Hubert Excavating of Salvisa, Kentucky who is performing the work is doing very well at this point of the construction.
2. The location for a future tank site near Three Springs Road and the Natcher Parkway was discussed.
3. The Cemetery Road Water Improvement Project easements have all been obtained except one. The project will be ready for receiving construction bids soon.
4. Construction bids received for the South Industrial Park were reviewed. Mr. Johnson made a motion to authorize the following:
  - A. An Agreement with the City of Bowling Green, Bowling Green Area Economic Development Authority and Warren

County Water District.

- B. Resolution approving and authorizing and Assistance Agreement with the Kentucky Rural Water Finance Corporation for the purpose of financing the construction of the project, Public Service Commission Application and the award of the contract to the low bidder at the appropriate time.

Mr. Scott seconded the motion and all voted "aye."

In addition, an alternative for proceeding with the construction was discussed.

- 5. The payment of damages by Building Crafts, Inc. has not been received. The insurance company for Building Crafts is offering to pay 40% of the cost of the damages and efforts are now under way to collect the amount due.
- 6. Preliminary results of the Customer Service Survey were reviewed and discussed.
- 7. An update on the status of the ITA Transpark Development was discussed. Mr. Honaker made a motion to proceed with the construction of whatever facilities are necessary to provide water and sewer service to the ITA Transpark Development and the filing of an A-95 which is the first step in seeking any State or Federal Funding for the project. Mr. Scott seconded the motion and all voted "aye." In Addition, Mr. Liles is to write a letter to the Mayor, County Judge and ITA informing them of the Water District's decision.

A letter from Bowling Green Municipal Utilities dated July 9, 2003 to Jim Vance, ITA, was reviewed and discussed along with BGMU's proposed cost for constructing water and wastewater facilities to serve the ITA. A comparison of the cost between the Water District and BGMU was also reviewed.

- 8. The lead and copper samples required to be collected once every three years has been collected for 2003 and all samples indicate the Water District's lead and copper content are well below the maximum contaminant level.
- 9. The BGMU/WCWD Joint Engineering, Planning and Finance Committee Meeting is scheduled for September 15 at 1:15 p.m.

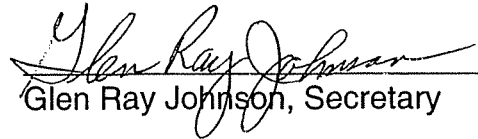
at the Water District Office.

10. No lost time accidents.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, September 23, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Joe Liles - General Manager and Hamp Moore, Attorney.
- MINUTES APPROVED** Mr. Honaker made a motion to approve the minutes of the meeting of August 26, 2003. Mr. Taylor seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending August 2003 were reviewed.
- BGMU/WCWD JOINT ENGINEERING, PLANNING AND FINANCE COMMITTEE MEETING** Mr. Liles reported on the BGMU/WCWD Joint Engineering, Planning and Finance Committee Meeting held September 15, 2003 at the Warren County Water District Office. The Committee has approved a Memorandum of Agreement dated September 15, 2003 and recommends the approval by the Boards of BGMU and Warren County Water District. Mr. Honaker made a motion to authorize a Resolution approving the Memorandum of Agreement as recommended by the Joint Committee dated September 15, 2003. Mr. Taylor seconded the motion and all voted "aye."
- ATTORNEY'S REPORT** Mr. Moore reported on the current status of the Public Service Commission's investigation into the Private Fire Protection charges by Warren County Water District. The status of the case has not changed since the August meeting.
- LIST OF ACCOUNTS** Mr. Taylor made a motion to transfer the list of accounts dated September 2003 for collection. Mr. Honaker seconded the motion and all voted "aye."
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. The Parkway Interceptor and the South Industrial Park Water and Sewer Project are both proceeding on schedule with satisfactory performance by both contractors through this time.
  2. A meeting was held with Linda Cooper with Rural Development earlier today concerning the Cemetery Road Water Transmission Line Project and loan. Once the plans and

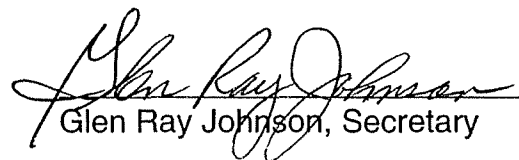
specifications are completed and reviewed by the Division of Water, hopefully within the next 30 to 45 days, the project will be ready to advertise for construction bids.

3. Work has started on obtaining the easements for the construction of the north area Water and Sewer Improvement Project. The design work is under way but the key to the project is obtaining the right of ways through the shortest way possible to U.S. 68/80.
4. Negotiations are underway with two property owners for a new elevated tank site in the Three Springs Road area. It is the consensus of the Board to go ahead and obtain an option on the sites as they become available.
5. Efforts to collect the damage caused by Building Crafts barge in February of 2003 have not been successful to date.
6. An update on the Customer Service Survey was presented. A detailed report will be presented at the next meeting of the Board.
7. The Joint Sewer Plan between WCWD and BGMU being performed by Quest Engineers is underway. A joint meeting with the staffs of both utilities and the engineer are being held on the 3<sup>rd</sup> Wednesday of each month. The Engineers are presently collecting data related to the growth of Bowling Green and Warren County and other information concerning existing flow and the capacity of the sewer system along with the wastewater treatment plant.
8. No lost time accidents.

**ADJOURN**

Mr. Taylor made a motion to adjourn. Mr. Honaker seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, October 23, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Joe Liles - General Manager and Hamp Moore, Attorney.
- MINUTES APPROVED** Mr. Scott made a motion to approve the minutes of the meeting of September 23, 2003. Mr. Johnson seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending September 2003 were reviewed.
- ATTORNEY'S REPORT** Mr. Moore reported on the status of the Public Service investigation into the fire service charges.
- Mr. Moore agreed to pursue the collection of the amount due from Building Crafts for damages caused in February 2003 to the pipeline crossing Barren River.
- LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated October 2003 for collection. Mr. Johnson seconded the motion and all voted "aye."
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. The construction of the Parkway Sewer Project is near completion. All the pipeline work has been installed. Testing is now taking place of the pipes installed along with tie-ins to the existing system. The work in the South Industrial Park is proceeding on schedule.
  2. The Cemetery Road Water Improvement Project plans are near completion and will be submitted to the Division of Water within the next few days. Advertisement for construction bids should be able to begin in late November.
  3. Easements for the North Area Water and Sewer Improvement Project are being obtained. There are 29 easements to be

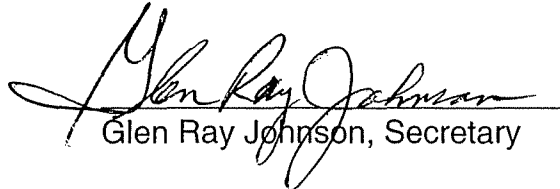
secured and so far 5 have been signed. A meeting is planned tomorrow with ITA Representatives concerning the status of industrial prospects for the Industrial Park.

4. The Boyce and Hammett Hill Tanks will be taken out of service in early November for a couple of days to re-inspect and do any other repair work necessary. The tanks were damaged by vandals a few years ago with gun shot holes in the bottoms of the elevated tanks.
5. The loan closing documents which were previously authorized were not received today as anticipated to be executed.
6. A final summary of the Customer Service Survey response was reviewed. 4,470 surveys were returned which gave a 22.1% return rate. A summary of miscellaneous suggestions or comments are now being grouped and will be reviewed when completed.
7. No lost time accidents have occurred during the month of September. In accordance with the standard Operating Policy, as a result of no lost time accidents occurring for the year ending September 30, 2003, the employees are awarded a Safety Holiday the day after Thanksgiving.
8. The list of water and waste water projects that were submitted to the Barren River Area Development District Management Council dated September 25, 2003 was reviewed. The 2004 Kentucky General Assembly may use these priorities in allocating State Grant Funds.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, December 23, 2003, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore, Attorney and Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of November 25, 2003. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending November 2003 were reviewed.

**BGMU/WCWD JOINT ENGINEERING, PLANNING AND FINANCE COMMITTEE MEETING** Mr. Johnston reported that the BGMU/WCWD Joint Engineering, Planning and Finance Committee met on December 15, 2003. Three connection points which have been requested by the Water District to BGMU for the disposal of wastewater are pending further review by BGMU. The connections for the north sewer expansion, Cemetery Road and Lovers Lane sewer project, and a connection on Scottsville Road to the Drakes Creek area. All of the connections are pending further review by BGMU in order to determine the available capacity in BGMU's system.

**ATTORNEY'S REPORT** Mr. Moore reported that in relation to the claims for repairs from Building Crafts for the damage caused to the pipeline crossing Barren River, he had contacted Travelers Insurance Company's Attorney whom reported he had just received the case file and was reviewing the case.

In addition, the Public Service Commission review of the fire protection rates is still pending.

**LIST OF ACCOUNTS** Mr. Honaker made a motion to transfer the list of accounts dated December 2003 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL MANAGER'S REPORT** The General Manager reported on the following:

1. An evaluation of the Directors/Employees Award Dinner was reviewed and it was the consensus of the Board that planning for

the 2004 dinner should remain in the same format as used in the past.

2. The status of the property acquisition for a future tank located along Three Springs Road was discussed.
3. Water System Improvements being funded through a State Grant committed in the spring of 2003 is presently being advertised for construction bids. The bids will be opened on January 14 and it is anticipated the construction should be able to begin in February of 2004.
5. The annual 2003 EEO, Achievement of Affirmative Action, New Hires, Transfers and Promotions, and Termination Report was presented and reviewed with the Board.
6. A Cost Saving Proposal as prepared by Hilliard Lyons for refinancing the 1995B Bonds was reviewed. Mr. Honaker made a motion to authorize the execution of an agreement for Financial Advisory Services, Water and Sewer Revenue Bonds with Hilliard Lyons. Mr. Taylor seconded the motion and all vote "aye."

In anticipation of the refinancing the 1995B Bonds, the next meeting is planned for December 20.

7. As a result of a accident involving a 1999 utility vehicle which is anticipated to be totaled by the insurance company, Mr. Johnson made a motion to authorize the replacement of that vehicle with a new 2004 model. Mr. Honaker seconded the motion and all voted "aye."
8. A proposal from Gary Ransdell, the President of Western Kentucky University concerning the placement of 3 logos on the Lovers Lane water storage tank was reviewed. An artistic sketch reflecting the colors and the position of the logos on the tank is to be obtained from Western for further consideration. In addition, the General Manager is to draft a proposed policy related to the placement of Warren County Water District's name on all water towers and other information.
9. There have been no lost time accidents.

**GENERAL  
MANAGER'S**

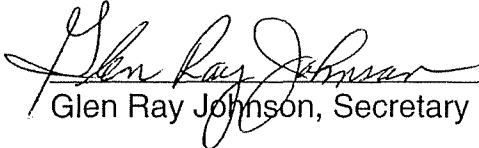
The General Manager's Annual Performance Evaluation was performed.

**PERFORMANCE  
EVALUATION**

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, January 20, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, Jim Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Greg Phillips with Hilliard Lyons, Hamp Moore - Attorney, Alan Vilines - Engineer and Joe Liles - General Manager.

**REFUNDING OF BONDS** Mr. Johnston called the meeting to order and at his request, Mr. Greg Phillips with Hilliard Lyons reviewed the requirements for the refunding of the 1995B Bonds and also reviewed the bids received for the sale of the Bonds received earlier today.

Mr. Scott made a motion to authorize a Bond Resolution refunding Revenue Bond Series 1995B, authorize the sale and issuance of the District's Water Revenue Bond Series 2004A. Mr. Honaker seconded the motion and all voted "aye."

Mr. Scott made a motion to authorize a Resolution of the Commission relating to the sale and the issuance of Warren County Water District's Water Refunding Revenue Bond Series 2004A. Mr. Honaker seconded the motion and all voted "aye."

**MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of December 23, 2003. Mr. Scott seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending December 2003 were reviewed.

**ATTORNEY'S REPORT** Mr. Moore reported on the status of the collection of the amount due from Building Crafts. Mr. Moore also updated the Board in relation to the Public Service Commission case concerning the rates for private fire protection.

Mr. Scott made a motion to authorize Mr. Moore to take whatever action is necessary to collect the amount due from Building Crafts. Mr. Honaker seconded the motion and all voted "aye."

**LIST OF  
ACCOUNTS**

Mr. Taylor made a motion to transfer the list of accounts dated January 2004 for collection. Mr. Honaker seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

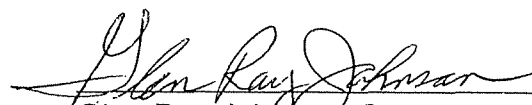
The General Manager reported on the following:

1. The Bid Tabulations for construction contracts 1, 2 and 3 for Project 18 was reviewed. As a result of the bids, and additional \$95,000 will be required to construct the project as bid. Mr. Taylor made a motion to authorize the award of the contracts to the low bidders and the District's contribution of \$95,000 to supplement the \$1.5 million dollar grant received from the State of Kentucky for financing the project. Mr. Scott seconded the motion and all voted "aye."
2. An update was given on the progress made towards obtaining new sewer connection points on BGMU's Sewer System to serve the Tri-Modal Park, Cemetery Road area and Scottsville Road area. It is anticipated that all the connection points will be obtained but it is taking BGMU some time to come to a final conclusion.
3. During the year 2003, 691 new services were installed which resulted in 11.3% increase over new meters for 2002. In addition, automatic bank draft participation was increased from 13.5% to 15% of the customers billed.
5. The preparation of a policy relating to painting Warren County Water District's name and other information on the water storage tanks is being delayed until Western Kentucky University finishes the preparation of the artistic drawing related to the Lovers Lane Tank.
6. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, February 24, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore - Attorney, Alan Vilines - Engineer, Joe Liles - General Manager. Present for a portion of the meeting was Jennifer Archie and Jerry Shelton with Shelton & Associates.

**SHELTON &  
ASSOCIATES**

Mr. Johnston recognized Mr. Shelton. Mr. Shelton presented an overview of the new auditing standards and advised he is required to interview Board Members in regards to potential fraud within the organization. Mr. Shelton also advised that any Board Member with any information concerning potential fraud should advise him of their knowledge at this meeting or contact him at a later time.

**MINUTES  
APPROVED**

Mr. Johnson made a motion to approve the minutes of the meeting of January 20, 2004. Mr. Taylor seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending January 2004 were reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore reported that he had filed a claim against Building Crafts and its insurance carrier, Traveler's Insurance Company, related to the river crossing pipe damaged in February 2003. In addition, the PSC Case involving the Fire Protection Rates is still being reviewed by the Public Service Commission.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated February 2004 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The construction contracts for Project 18 have been awarded. A ground breaking will be scheduled in early April allowing the Water District to give recognition to those responsible for obtaining the grant funds for the project.
2. The Agreement with BGMU in relation to allowing additional sewer connections for the North Warren Sewer Improvement

Project along with Cemetery Road and Scottsville Road Sewer Improvement Projects will be reviewed at the Joint Board Committee meeting with BGMU in March. The staff of BGMU have indicated they will recommend approval of the Agreements to the Joint Committee.

3. In recent meetings with Kentucky Transpark representatives, they have advised of the availability of a \$2 million dollar grant through the Environmental Protection Agency for the Transpark water and sewer improvements. Transpark representatives are working on redirecting the funding from the Transpark to Warren County Water District which could be used for some future improvement project related to the Transpark. Initial indications are that the conditions associated with the grant could require up to three years to comply with all the regulations and therefore, would not be readily available for the initial construction required to meet the present water and wastewater needs of Magna.
4. Easements required for the North Warren Water and Sewer Improvement Project was reviewed. Mr. Honaker made a motion to authorize Mr. Moore to take whatever legal steps are required in order to secure the right of way for the construction work. Mr. Johnson seconded the motion and all voted "aye."
5. Meetings have been held with the General Assembly Representatives from Warren County in regards to possible funding for the North Warren County Water and Sewer Improvement Project. It is anticipated that some decision will be made in late March or early April regarding the potential available grant funds for the project.
6. The City of Bowling Green is anticipated to authorize the Water District to proceed with the improvements required to provide improved fire flow availability in the Lind-Cliff Meadows area.
7. An option has been fully executed regarding the future tank site to be located near the Natcher Parkway and Three Springs Road.
8. A meeting is scheduled with the Kentucky Public Service Commission Staff regarding the Water District's request to deviate from the current meter testing program. Meters that are being removed from service after 14 years are found to be in

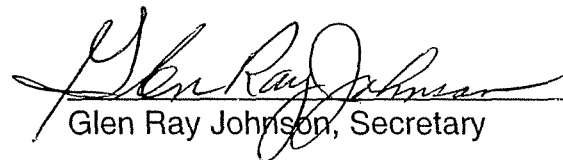
compliance with requirements for accuracy. The Water District is requesting the Public Service Commission to allow the District to do a Sample Testing Program to determine the additional length of time that meters can be left in service without the meters losing the accuracy standards.

9. Bids will be received in mid March for the removal of the 100,000 gallon elevated tank adjacent to Carter Road. Upon removal of the tank this will allow the District to dispose of the surplus property surrounding the 500,000 gallon elevated storage tank on Carter Road. There is approximately 10 acres that can be disposed of.
10. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, April 27, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

- QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Alan Vilines - Engineer, Hamp Moore - Attorney and Joe Liles - General Manager.
- MINUTES APPROVED** Mr. Johnson made a motion to approve the minutes of the meeting of March 23, 2004. Mr. Taylor seconded the motion and all voted "aye."
- OPERATING REPORTS** The Operating Reports for the period ending March 2004 were reviewed.
- ATTORNEY'S REPORT** Mr. Moore reported on the status of the PSC's investigation into the private fire protection rates of the District along with the status of the collection from Building Crafts, Inc. for damages caused to the water main crossing Barren River.
- LIST OF ACCOUNTS** Mr. Scott made a motion to transfer the list of accounts dated April 2004 for collection. Mr. Honaker seconded the motion and all voted "aye."
- RESOLUTION OF THE BOARD OF COMMISSIONERS** Mr. Johnson made a motion to authorize a Resolution of the Board of Commissioners (attached hereto and made a part of the minutes) in relation to the Water District's name being painted on all storage tanks located in visible locations. Mr. Scott seconded the motion and all voted "aye."
- GENERAL MANAGER'S REPORT** The General Manager reported on the following:
1. Construction Contracts 1, 2 and 3 on Project 18 are proceeding on schedule. The tank at Ben Leo has been erected and is anticipated that painting will begin in the next couple of weeks.
  2. The water storage tank at Carter Road and Pleasant Hill Road has been removed. In accordance with the suggestion of the Board, proposals from auction companies will be obtained for auctioning off the surplus land.
  3. Water main construction being financed by the City of Bowling

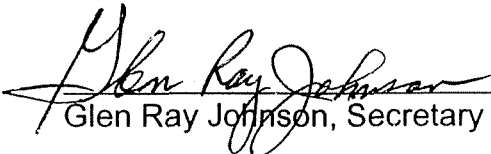
Green to improve fire protection in the Lind Cliff Meadows Subdivision is nearing completion. All the pipeline work has been completed. Testing and chlorination of the line is in progress.

4. The State Grant funds included in the 2004 - 2005 State Budget is pending the General Assembly and Governor's approval.
5. A verbal agreement has been reached with Dr. Avery, Houchen's Industries, Ewing Ford Place, and Beechtree Development in cost sharing with the Water District the construction of sewer service into the general area of Cemetery Road and Lovers Lane. Plans and specifications are now being prepared and an agreement between the parties will need to be entered into.
6. A status update was presented in regards to securing the easements for the north area water and sewer improvements.
7. The general insurance policy will expire June 30, 2004 and in accordance with previous discussions, proposals for insurance will be solicited. Mr. Scott made a motion to authorize the engagement of Tommy Adams as consultant regarding preparation of specifications and recommendations for insurance. Mr. Taylor seconded the motion and all voted "aye."
8. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**RESOLUTION OF BOARD OF COMMISSIONERS  
WARREN COUNTY WATER DISTRICT**

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Warren County Water District as follows:

The Warren County Water District name shall be painted on all water storage tanks that are located in visible locations.

Should a community such as Hadley, Richardsville, Smiths Grove or others make a request to the General Manager for the name of the community to be painted on the water storage tank and the community agrees to pay the cost of the work in advance, the community name may appear. The dominating name shall be Warren County Water District with the community name in smaller letters of appropriate size as approved by the General Manager. No other lettering shall be permitted on any water storage tanks unless approved by the Board of Commissioners.

This 27<sup>th</sup> of April, 2004.

WARREN COUNTY WATER DISTRICT

By: R. Harvey Johnston III  
R. Harvey Johnston, III, Chairman

ATTEST:

Glen Johnson  
Glen Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, May 25, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W Bypass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Alan Vilines - Engineer, Hamp Moore - Attorney and Joe Liles - General Manager.

**MINUTES APPROVED** Mr. Honaker made a motion to approve the minutes of the meeting of April 27, 2004. Mr. Scott seconded the motion and all voted "aye."

**OPERATING REPORTS** The Operating Reports for the period ending April 2004 were reviewed.

**JOINT OPERATING COMMITTEE REPORT** Mr. Honaker reported on the joint meeting of Butler, Simpson and Warren County Water District's Joint Operating Committee which met on May 12, 2004 in the Bowling Green office. Mr. Honaker advised that all water systems continue to be very pleased with the joint operating arrangements.

**BGMU/WCWD JOINT MEETING** Mr. Liles advised that the next meeting of the BGMU/WCWD Joint Planning, Engineering and Finance Committee meeting is scheduled for 1:15 p.m., June 21, 2004 at the BGMU office.

**ATTORNEY'S REPORT** Mr. Moore reported that he is pursuing collection of the damages caused by Building Crafts through the court system. Building Crafts has enjoined BGMU as a party to the suit but no further official action has been taken at this time.

In addition, Mr. Moore reported that the briefs in the PSC Fire Protection Case have all been submitted to the Public Service Commission and are waiting a final decision by the PSC.

In relation to the collection of the amount owed by Tyrone Tackett concerning the development of Cool Springs Farm Subdivision, attempts are being made to be collected from the bonding company covering the subdivision development.

**LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts dated May 2004 for collection. Mr. Scott seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. At the Butler, Simpson and Warren County Joint Operating Committee Meeting earlier in the month, it was suggested that the charges and allocations of cost for the year 2004 from Warren County to the other Districts be reviewed with each Board. A copy of the allocations distributed with the agenda was reviewed.
2. Construction progress on Project 18 by two of the three contractors is proceeding satisfactorily. The work performed by Deweese so far has been satisfactory, however, due to a lack of manpower and equipment and consistency working on the project, it appears that he may have some trouble completing the project on time. Notice will be provided to Deweese concerning the potential for liquidated damages. The other two contractors are on schedule.
3. The Cemetery Road Agreement for extension of sewers to the Lovers Lane intersection area has been executed by all parties as planned. The plans and specifications should be completed this week and submitted to the Division of Water for their review and approval. Bids will be solicited in the next few weeks.
4. Mr. Scott made a motion to ratify the Agreement dated May 24 between the Water District, Ewing Ford Place, Beech Tree Farms, Junior Food Stores and Dr. O. L. Avery; and also the Agreement between the Water District and JMLD Development concerning the completion of the subdivision known as Cool Springs Farm. Mr. Honaker seconded the motion and all voted "aye."
5. An update was presented in regards to BGMU/WCWD Joint Sewer Master Plan progress as being prepared by Quest Engineering. The Master Plan is not going to be completed by the end of May as originally anticipated. However, since the connection points for Scottsville Road, Cemetery Road and the north area have been finalized with BGMU, it does not appear to be any problem for the Water District as a result of the delay in completing the Master Plan.
6. Two additional tanks have been inspected and repaired. One at Hammit Hill and another near Boyce. Both tanks were

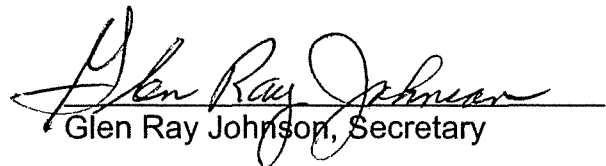
damaged a couple of years ago as a result of someone firing a gun with bullets hitting the tank. The holes in the tank were temporarily repaired from the outside, but the tanks were not drained and repaired on the inside at the time of the event. Both tanks were completely repainted approximately eight years ago and now appear to have an additional paint life of eight to ten years.

7. North Water and Sewer Improvement easements have all been obtained with the exception of five property owners. Three of the five property owners have indicated they will grant the easement. The other two property owners, Robert Harrison and Jimmy Hendricks properties are anticipated to require legal steps in order to obtain the right of way.
8. The general operations of the water and sewer system are going very well.
9. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, June 22, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W Bypass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Tommy Adams, Alan Vilines - Engineer, Hamp Moore - Attorney and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Taylor made a motion to approve the minutes of the meeting of May 24, 2004. Mr. Johnson seconded the motion and all voted "aye."

**PROPOSALS FOR  
INSURANCE**

Mr. Adams reviewed the proposals for insurance for the period July 1, 2004 to July 1, 2005. In addition, a Coverage Comparison Summary was presented. The proposal of Argonaut Insurance Company did not provide the coverage limits as requested in the bid specifications. In addition it was determined that the Kentucky Association of Counties proposal excluded terrorism coverage, punitive damages and the employee dishonesty limits were one half of the amount specified. Based on the recommendations of Legal Counsel, Insurance Consultant and the General Manager, Mr. Honaker made a motion to obtain the property and liability insurance from the KY League of Cities, Workers' Compensation with Bridgefield and the Bond through Blake, Hart, Taylor & Wiseman. Mr. Scott seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending May 2004 were reviewed.

**BGMU/WCWD  
JOINT MEETING**

Mr. Johnston reported that the BGMU/WCWD Joint Planning, Engineering and Finance Committee meeting was held June 21, 2004. An update was presented on the joint Wastewater Master Plan, the North Warren County Sewer Improvement Project, the Water Treatment Plant Improvement Project, the effects of the new tank near Western Kentucky University will have on water pressure in the area and an update was presented on the preparation of the Source Water Plan.

Based on recommendations from the joint committee, Mr. Johnston recommended the adoption of a Resolution authorizing the execution of a contract with BGMU for the disposal of waste water from the north area of Warren County.

Mr. Scott made a motion to adopt a Resolution of the Board of Commissioners of Warren County Water District approving the Agreement as recommended by the Joint Engineering, Planning and Finance Committee of BGMU and WCWD. Mr. Honaker seconded the motion and all voted "aye."

#### **ATTORNEY'S REPORT**

Mr. Moore reported that he had some additional discussion with Building Crafts Attorney regarding the damage to the water main crossing Barren River. A meeting between the parties will be scheduled in the next few weeks to discuss the case.

The Public Service Commission Case regarding Fire Protection Service is pending a determination by the Commission.

It has just been determined that the Judge in the Tackett Case regarding the sale of the property has withheld sufficient funds to reimburse the Water District for its expenses related to the development of the water system for the development.

#### **LIST OF ACCOUNTS**

Mr. Taylor made a motion to transfer the list of accounts dated June 2004 for collection. Mr. Scott seconded the motion and all voted "aye."

#### **GENERAL MANAGER'S REPORT**

The General Manager reported on the following:

1. Construction is progressing on Contracts 1, 2 and 3 for Project 18. Notice has been provided to Deweese Construction Company that he is behind schedule in completing the work and should provide sufficient manpower and equipment to complete the project on time.

The painting of the water storage tank at Riverside has been delayed due to rain but should be finished within the next few days.

2. A summary of the Tabulation of Bids received on the Cemetery Road Sewer Project were reviewed. The bids are approximately 58 percent over the estimate. Negotiations will take place with the bidders on the project to determine if a lower price can be obtained. In addition, a meeting will be held with the property owners in the area to discuss possibly additional contributions.
3. The Water Rate Study being performed by Black & Veatch is



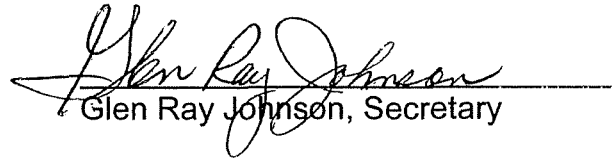
proceeding and a draft of the report should be presented at the next meeting.

4. The Annual Water Quality Report was mailed out with each customers water bill during the month of June.
5. An Engineer has been hired to head up the Engineering Section and it is anticipated that Alan Vilines will become more involved in the day to day management of the Water District assisting the Manager.
6. There have been no lost time accidents.

**ADJOURN**

There being no further business, Mr. Scott made a motion to adjourn. Mr. Johnson seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**Resolution of the Board of Commissioners of  
Warren County Water District and Bowling  
Green Municipal Utilities Board of Directors  
separately adopted by each utility board.**

WHEREAS, an Agreed Order issued by the Commonwealth of Kentucky before the Public Service Commission set forth an Order in Case No. 95-044 that Bowling Green Municipal Utilities (BGMU) and Warren County Water District (WCWD) jointly create the "Joint Engineering, Planning, and Finance Committee" (Committee) to oversee the development and implementation of long range plans for the development and expansion of water and sewer service from BGMU to WCWD, to include the necessary capital improvement needs for such service, and;

WHEREAS, all future capital improvements of BGMU that result from the need for increased service by BGMU to WCWD and all future capital improvements of WCWD which have a direct impact on BGMU's service to WCWD shall be reviewed by the Committee in an effort to provide the customers of both utilities the best service at the least cost, and;

WHEREAS, the Committee shall recommend allocations of costs of future capital improvements of BGMU in accordance with the Public Service Commission's Agreed Order, and;

WHEREAS, future capital improvements needed for increased service by BGMU to WCWD shall only be made after the methods and time for payment of such capital improvements are recommended by the Committee and approved by the respective governing bodies of BGMU and WCWD, and;

WHEREAS, the Committee met on June 21, 2004 and recommends to the respective governing bodies of BGMU and WCWD to approve an Agreement related to BGMU's acceptance and disposal of sewage collected by the District from the North Warren County Sewer Improvement Project at the connection point on BGMU's 14-inch sanitary sewer force main on Beech Bend Road.


NOW, THEREFORE, BE IT RESOLVED by WCWD that the Agreement as recommended by the Joint Engineering, Planning and Finance Committee of BGMU and WCWD is approved by Warren County Water District.

Adopted this 22 day of June, 2004



R. Harvey Johnston, III  
Chairman  
Warren County Water District

ATTEST.



Glen Johnson  
Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, July 27, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Alan Vilines - Engineer, Hamp Moore - Attorney and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Scott made a motion to approve the minutes of the meeting of June 22, 2004. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending June 2004 were reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore reported that Building Crafts had scheduled a deposition of BGMU's Superintendent for August 10, 2004. Once the deposition is completed Building Crafts Attorney will advise of his plans pertaining to the deposition of the suit.

The case involving the Public Service Commissions investigation into the Fire Service Rates are pending a decision before the Commissioners of PSC.

A hearing concerning the escrow of the expenses of the Water District related to the subdivision developed by the Tacketts was rescheduled from yesterday to August 9.

**LIST OF  
ACCOUNTS**

Mr. Scott made a motion to transfer the list of accounts dated July 2004 for collection. Mr. Taylor seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. In order to obtain the insurance through the Kentucky Municipal League it is required that the Water District become a member and an Authorizing Resolution be approved. Mr. Johnson made a motion to authorize a RESOLUTION APPROVING A JOINT AND COOPERATIVE PROGRAM FOR SELF INSURANCE, INSURANCE AND THE INVESTMENT OF PUBLIC FUNDS AMONG VARIOUS CITIES, URBAN-COUNTY GOVERNMENTS, AND OTHER

PUBLIC AGENCIES WITHIN THE COMMONWEALTH OF KENTUCKY; AUTHORIZING THE EXECUTION OF THE "INTERLOCAL COOPERATIVE AGREEMENT TO ESTABLISH KENTUCKY MUNICIPAL RISK MANAGEMENT ASSOCIATION;" APPROVING THE ARTICLES OF ASSOCIATION AND BYLAWS OF THE KENTUCKY RISK MANAGEMENT ASSOCIATION. Mr. Scott seconded the motion and all voted "aye." The Resolution is attached hereto and made a part of the minutes.

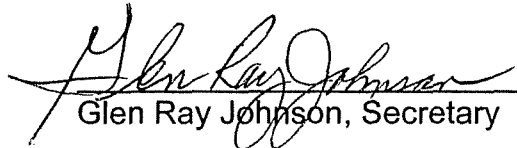
2. An updated report concerning the status of negotiations with the bidders on the Cemetery Road Sewer Project was presented. Mr. Honaker made a motion to authorize the General Manager to award the bid to Bobby Luttrell and Son as the negotiated low bid provided contributions can be obtained from property owners in the area to cover the cost of construction when added to the grant to be received from the Kentucky Infrastructure Authority or award the low negotiated bid to Bobby Luttrell and Son covering only the portion of work that can be funded with the Kentucky Infrastructure Authority Grant and other contributions that can be obtained. Mr. Johnson seconded the motion and all voted "aye."
3. The status of pending grants to fund the North Water Improvement Project was reviewed. Mr. Scott made a motion to authorize a Resolution (attached hereto and made a part of the minutes) authorizing the filing of an application for an Environmental Protection Agency Grant and authorize R. Harvey Johnston, III - Chairman, and/or Glen Johnson - Secretary, and/or Joe Liles - General Manager to execute all documents required to obtain the Grant. Mr. Honaker seconded the motion and all voted "aye."
4. A Construction Progress Report was presented in relation to Project 18, Contracts 1, 2 and 3.
5. The BGMU/WCWD Joint Sewer Master Plan is ongoing with an anticipated completion date of October 2004. An evaluation of the alternatives in transporting and treating the wastewater from the Scottsville Road and 31W areas of Bowling Green along with the developing areas of Warren County south and west of the City of Bowling Green is taking additional time.

6. Mr. Vilines presented a preliminary comparison of the existing rates and possible future rates for water service based on Black and Veatch's Cost of Service Study. The increase in rates are very near what was preliminarily estimated upon making application for a federal loan from Rural Development in 2002. The final rates can not be determined until the Public Service Commission completes its investigation of the District's Fire Service Rates.
7. Mr. Honaker made a motion to authorize a Resolution designating Joe Liles as the authorized representative at the Kentucky Rural Water Associations Annual Meeting. Mr. Johnson seconded the motion and all voted "aye."
8. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

---

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING A JOINT AND COOPERATIVE PROGRAM FOR SELF-INSURANCE, INSURANCE, AND THE INVESTMENT OF PUBLIC FUNDS AMONG VARIOUS CITIES, URBAN-COUNTY GOVERNMENTS, AND OTHER PUBLIC AGENCIES WITHIN THE COMMONWEALTH OF KENTUCKY; AUTHORIZING THE EXECUTION OF THE "INTERLOCAL COOPERATION AGREEMENT TO ESTABLISH THE KENTUCKY MUNICIPAL RISK MANAGEMENT ASSOCIATION;" APPROVING THE ARTICLES OF ASSOCIATION AND BYLAWS OF THE KENTUCKY MUNICIPAL RISK MANAGEMENT ASSOCIATION.

WHEREAS, Section 65.150 of the Kentucky Revised Statutes (KRS) authorizes city and urban-county boards, commissions, agencies, and authorities to expend public funds to insure their officers, employees, and properties against any liability or property damage and to associate with other public agencies pursuant to the Kentucky Interlocal Cooperation Act, KRS 65.210 to 65.300, for insurance purposes; and

WHEREAS, KRS 65.210 to 65.300 authorizes public agencies to jointly exercise with other public agencies under an interlocal cooperation agreement any power or powers, privileges or authority exercised or capable of exercise by the public agencies, and further authorizes the parties to an interlocal cooperation agreement to create an administrative entity which may be delegated powers for conducting and administering joint and cooperative undertakings on behalf of the participating public agencies; and

WHEREAS, the governing body of this public entity has determined that it would be in the best interests of this public entity to join with various cities, urban-county governments, and other public agencies for the purpose of taking joint and cooperative action to create and establish the Kentucky Municipal Risk Management Association (KMRMA) as a separate administrative entity, and through KMRMA to create and administer various self-insurance, insurance, and investment programs to provide self-insurance and third party insurance coverages against all types of liability and property damage, and to establish programs for the investment of public funds; and

**WHEREAS**, the governing body of this public entity has been provided copies of the Interlocal Agreement to Establish the KMRMA and the Articles of Association and Bylaws of the KMRMA and has reviewed these documents and found them to be acceptable.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

Section 1. The governing body of this public entity hereby approves the joint and cooperative program for self-insurance, insurance, and the investment of public funds as set forth in the Interlocal Agreement to Establish the KMRMA.

Section 2. The chief executive officer of this agency is hereby authorized and directed to execute the Interlocal Agreement to Establish the KMRMA on behalf of this public entity.

Section 3. The governing body of this public entity hereby approves and ratifies the Articles of Association and Bylaws of the KMRMA, as amended.

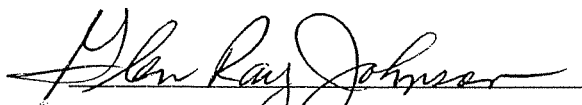
Section 4. It is understood by the governing body of this public entity that by executing the Interlocal Agreement to Establish the KMRMA the agency shall incur no liability for the payment of any funds, and that it shall be necessary for the agency to take further action before becoming a participating member in any of the self-insurance, insurance, or investment programs which may be created and operated by KMRMA.

**INTRODUCED, SECONDED, AND APPROVED** by the governing body of Warren County Water District at a duly convened meeting held on the 27 day of July, 2007



\_\_\_\_\_  
Chief Executive Officer

Attest:



Board member or officer

RESOLUTION OF THE Warren County Water District AUTHORIZING THE FILING OF A U.S. ENVIRONMENTAL PROTECTION AGENCY GRANT APPLICATION

WHEREAS, it is necessary and in the public interest that the Warren County Water District avail itself of the financial assistance provided by the U.S. Environmental Protection Agency, and

WHEREAS, it is recognized that the Federal/State contract for such financial assistance pursuant to said U.S. Environmental Protection Agency regulations will impose certain obligations and responsibilities upon the Warren County Water District and will require among other things;

- (1) approval of a satisfactory application transmitted to the Kentucky Division of Water;
- (2) certification by the Warren County Water District relating to activities such as civil rights, citizen participation, relocation payments, acquisition of properties, national environmental policies, and accounting practices; and,
- (3) other local obligations and responsibilities in connection with the undertaking and carrying out of the U.S. Environmental Protection Agency Grant Program; and,

WHEREAS, in those areas where acquisition and clearance is proposed, the objectives of the program cannot be achieved through more extensive rehabilitation and a displacement strategy has been formulated;

NOW, THEREFORE, be it RESOLVED by the Warren County Water District;

- (1) that the United States of America and the Commonwealth of Kentucky be, and hereby are, assured of full compliance by the Warren County Water District with certification relating to all regulations and administration of Civil Rights Act, citizen participation, relocation payments, acquisition processes, accounting procedures, the Hatch Act, minimum wage and minimum hour provisions of the Fair Labor Standards Act, and all requirements of the National Environmental Policy Act of 1968.
- (2) that the General Manager is authorized and directed to prepare such certification and to assure full compliance with all certifications as outlined in (1) above, and all other pertinent regulations.
- (3) that an application on behalf of the Warren County Water District for a grant up to \$ 1,928,600 of said U.S. Environmental Protection Agency grant funds is hereby approved and that the Chairman and/or General Manager are authorized to execute and file such application with the U.S. Environmental Protection Agency, to provide such additional information and to furnish such documentation as may be required, and to act as the authorized correspondent of the Warren County Water District relating to the U.S. Environmental Protection Agency Grant Program.

11.4.2004  
CHAIRMAN  
WARREN COUNTY WATER DISTRICT

Glen Ray Johnson  
ATTEST

July 27, 2004  
DATE



**RESOLUTION OF WARREN COUNTY WATER DISTRICT  
BOARD OF COMMISSIONERS AUTHORIZING THE FILING OF  
AN APPLICATION FOR AN ENVIRONMENTAL PROTECTION  
AGENCY GRANT AND AUTHORIZING R. HARVEY  
JOHNSTON, III, CHAIRMAN; AND/OR GLEN JOHNSON,  
SECRETARY; AND/OR JOE LILES, GENERAL MANAGER TO  
EXECUTE ANY AND ALL DOCUMENTS REQUIRED TO  
OBTAIN THE GRANT**

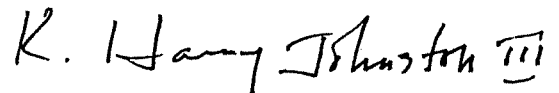
WHEREAS, northern Warren County is growing with residential, commercial, and industrial development requiring increased water flows, it is now necessary to increase the size of the water main, pumps and appurtenances in the area to maintain adequate water pressure, flow, meet the water demands and provide fire protection in northern Warren County, and;

WHEREAS, there is an Environmental Protection Agency Grant available that can be used for paying a portion of the cost of the required water system improvements, and;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

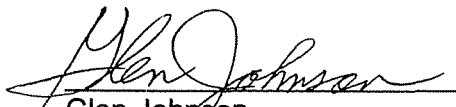
1. The Board of Commissioners authorizes the application for an Environmental Protection Agency Grant to be utilized for constructing water system improvements necessary to maintain adequate water pressure, flow, meet the water demands and provide fire protection in northern Warren County.
2. R. Harvey Johnston, III, Chairman; and/or Glen Johnson, Secretary; and/or Joe Liles, General Manager are authorized to execute on behalf of Warren County Water District any and all documents required to obtain the Grant and to take whatever action is necessary.

Introduced, seconded, and approved by the Warren County Water District Board of Commissioners at a duly convened meeting on the 27<sup>th</sup> day of July 2004.



R. Harvey Johnston, III  
Chairman

ATTEST:



Glen Johnson  
Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, August 24, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Alan Vilines - Assistant General Manager, Hamp Moore - Attorney and Joe Liles - General Manager.

**MINUTES  
APPROVED**

Mr. Scott made a motion to approve the minutes of the meeting of July 27, 2004. Mr. Taylor seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending July 2004 were reviewed.

**BOARD MEMBERS  
REPORTS**

Mr. Johnston reported that he had received several calls concerning the effects BGMU's change in operations, discontinuing the operation of the pumping station on Glen Lily Road will have upon the water flow capabilities of the District in the Morgantown Road area. In addition, Jody Allen discussed the cost of installing a 2" road crossing to serve his new concrete plant in Simpson County.

**ATTORNEY'S  
REPORT**

Mr. Moore reported that Building Crafts is in the process of completing taking depositions from BGMU representatives and a trial date has been set for March 7, 2005.

The case involving the Public Service Commission's investigation into the Fire Service Rates are pending a decision before the Commissioners of PSC.

A court hearing, concerning payment from the court escrow of Tackett funds to cover the expenses of the Water District related to the subdivision developed by the Tacketts, has now been scheduled for September 20, 2004.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated August 2004 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S**

The General Manager reported on the following:

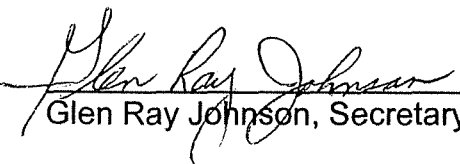
**REPORT**

1. A construction progress report was presented in relation to Project 18 - Contracts 1, 2 and 3.
2. An amended agreement has been reached with the key property owners benefiting from the Cemetery Road Sewer Project. Ewing Ford Place, Junior Food and Dr. Avery each agreed to contribute \$39,300 each with Beech Tree Farms contributing \$25,000 which will allow the construction to proceed.
3. The BGMU/WCWD Joint Sewer Master Plan is continuing. Additional time is being taken in order to evaluate the alternatives in detail of constructing a new wastewater treatment plant in the projected growth area vs. constructing large interceptor sewers and expanding the existing wastewater treatment plant. It is anticipated that the plans should be completed in October as previously reported.
4. An update was presented on the pending request with the Public Service Commission to deviate from the currently approved meter-testing program.
5. The plans for constructing and financing the North Water Improvement Project and North Sewer Improvement Project were reviewed.
6. A summary of the top 10 water users in Warren County were distributed and reviewed.
7. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, October 26, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore – Attorney, Alan Vilines, and Joe Liles.

**MINUTES  
APPROVED**

Mr. Taylor made a motion to approve the minutes of the meeting of September 28, 2004. Mr. Scott seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Report for the period ending September 2004 was reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore reported on the status of the following:

1. Building Crafts damages.
2. PSC Fire Service Case.
3. Collection of the Tackett bill.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated October 2004 for collection. Mr. Johnson seconded the motion and all voted "aye."

The Deposit and Collection Procedures were reviewed as are currently utilized. Mr. Liles suggested the possibility of increasing deposits involving certain water service locations that regularly involve water usage that results in a bill higher than that of the average residential customer.

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. A comparison of the tabulation of bids to the price of purchasing vehicles under the State Purchase Contract Agreement was reviewed. Mr. Moore advised that he had reviewed the statutes pertaining to the Water District purchasing under the State Procurement Code and the State Purchasing Contract and it is allowable for the Water District to purchase under the State Purchase Contract. Mr. Scott

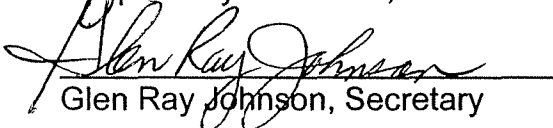
made a motion to authorize the General Manager to purchase vehicles as authorized under the State Purchase Contract. Mr. Johnson seconded the motion and all voted "aye."

2. Cleary Construction Company who installed pipe that was defective from the manufacturer has began the replacement of that pipe along U.S. 231 North. The pipe supplier has not cooperated with Cleary Construction, however, Cleary Construction has obtained replacement pipe from another supplier and all work should be completed within 30 days.
3. Construction of the Cemetery Road sewer project is underway and all pipe is installed except 3 road bores and the installation of a sewage lift station.
4. Mr. Vilines presented an updated report on the progress of the BGMU/WCWD Joint Sewer Master Plan.
5. Work on the environmental information and assessment for the Water Improvement Project to the north area of Warren County as required by EPA is planned to be underway in the near future.
6. The Joint Butler, Simpson, and Warren County Board Committee meeting is scheduled for November 2, 2004 in Morgantown, KY.
7. The Commissioners and Employees Award Dinner is scheduled at the Sloan Convention Center on Saturday, December 11.
8. There have been no lost time accidents as of September 30 which results in the employees being awarded a Safety Holiday to be utilized the day after Thanksgiving. This is the fourth consecutive year since a lost time accident has occurred

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, November 23, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore – Attorney, Alan Vilines, and Joe Liles.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of October 26, 2004. Mr. Johnson seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending October 2004 was reviewed.

**BUDGET FOR 2005**

Mr. Taylor made a motion to approve the Budget for 2005. Mr. Honaker seconded the motion and all voted "aye."

**JOINT BUTLER,  
SIMPSON AND  
WARREN COUNTY  
BOARD  
COMMITTEE  
MEETING  
ATTORNEY'S  
REPORT**

Mr. Honaker reported on the joint Butler, Simpson and Warren County Water District Board Committee meeting held November 2 at the Butler County Water System Office in Morgantown, Kentucky. All the parties indicated that they were very satisfied with the relationship and operations were going very well.

Mr. Moore reported on the status of the following:

1. Building Crafts damages.
2. PSC Fire Service Case.
3. Collection of the Tackett bill.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated November 2004 for collection. Mr. Honaker seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:


1. The Directors and Employees Award Dinner is scheduled for December 11, 2004 at the Sloan Convention Center at 5:45 p.m.

2. An alternative plan for financing the North water and sewer improvements was discussed.
3. The defective pipe along Morgantown Road has been replaced by the Contractor. In addition, a summary of various subdivisions being developed and other construction work ongoing by the Water District was reviewed.
4. The Engineers working on the BGMU/WCWD Joint Sewer Master Plan are continuing to assemble information in preparation of the plan. A public hearing will probably be scheduled sometime in late December or early January to provide the public an opportunity to comment on the plan.
5. A meeting was held last week with County Judge Executive Mike Buchanon concerning Warren Fiscal Courts plan to implement a Storm Water Management Program for Warren County. Various methods of Warren County collecting revenue to implement a Storm Water Management Program were discussed along with the possibility of the Water District doing monthly billing for Warren Fiscal Court.
6. The Public Service Commission's annual inspection which was conducted in October of 2004 was discussed.
7. Implementation of a public relations program was discussed.
8. There have been no lost time accidents.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, December 28, 2004, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

Mr. Johnson called the meeting to order.

**QUORUM CHECK**

Those members present were: Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore – Attorney, and Joe Liles.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of November 23, 2004. Mr. Taylor seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending November 2004 were reviewed.

**BGMU/WCWD  
JOINT  
ENGINEERING,  
PLANNING &  
FINANCE  
COMMITTEE**

Mr. Taylor reported on the meeting of the BGMU/WCWD Joint Engineering, Planning and Finance Committee held on December 20. A presentation by Quest Engineering concerning the joint long range wastewater facility plan presently being prepared. Quest Engineering will be requested to make a presentation to the Water District Board at its next regular meeting.

**ATTORNEY'S  
REPORT**

Mr. Moore updated the Board on the present status of the suits involving Building Crafts and Tackett along with the present status of the PSC Fire Service case.

**LIST OF  
ACCOUNTS**

Mr. Honaker made a motion to transfer the list of accounts dated December 2004 for collection. Mr. Taylor seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. A notice of the Water District's intention to apply for an EPA Grant and that a public meeting would be held on January 26, 2005 from 5:00 to 7:00 p.m. at the Water District office to allow the public to review and comment on the proposed project.
2. Efforts to secure a site for the new proposed wastewater treatment plant was discussed. It was the consensus of the Board that the General Manager should proceed with efforts



to obtain a site.

3. A meeting was held with newly elected State Representative to update him on the needs of the Water District in relation to the North Warren Water and Sewer Improvement Project necessary to meet the future growth in the area.
4. The 2004 Annual Report on EEO, Achievement of Affirmative Action, New Hires, Transfers and Promotions, and a Termination Report was presented and reviewed with the Board.
5. An evaluation of the Directors/Employee Awards Dinner was reviewed and it was the consensus of the Board that the planning for 2005 dinner should remain in the same format as used in 2004.
6. There have been no lost time accidents.

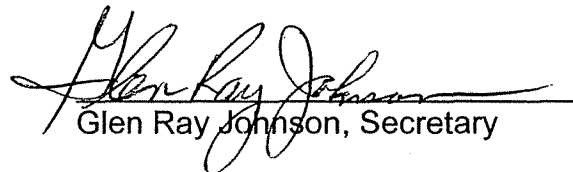
**GENERAL  
MANAGER'S  
ANNUAL  
PERFORMANCE  
EVALUATION**

The General Manager's Annual Performance Evaluation was postponed until the January meeting.

**ADJOURN**

Mr. Honaker made a motion to adjourn. Mr. Taylor seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

7  
**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Wednesday, January 19, 2005, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

Mr. Johnston called the meeting to order.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III – Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore – Attorney, and Joe Liles.

**JOINT  
WASTEWATER  
PLAN**

George Woolwine and John Larue with Quest Engineering presented an outline of the BGMU/WCWD Joint Wastewater Regional Master Plan.

**MINUTES  
APPROVED**

Mr. Taylor made a motion to approve the minutes of the meeting of December 28, 2004. Mr. Honaker seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending December 2004 were reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore updated the Board on the present status of the suits involving Building Crafts and Tackett along with the present status of the PSC Fire Service case.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated January 2005 for collection. Mr. Taylor seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. Current construction projects are proceeding very slowly as the result of the current weather conditions.
2. Procurement of an option to purchase property for the possible location of an East Side Wastewater Treatment Plant is proceeding. Appraisal of the property is now being undertaken.
3. A proposal from Southern Recycling, Inc. requesting consent

to transfer the billing service agreement between Warren County Water District and Southern Recycling to Southern Recycling Secondary Fibers, Inc. and the subsequent transfer of the Agreement by Southern Recycling Fibers, Inc. to Metal Management Nashville was reviewed. Recommendations by Hamp Moore in revising the Consent Form were discussed. Mr. Honaker made a motion to authorize the execution of the Consent which is attached hereto and made a part of the minutes. Motion was seconded by Mr. Johnson and all voted "aye."

4. An update was presented on gasoline tax. The taxes paid on gasoline and diesel fuel is exempt from Federal Excise Tax but not from Kentucky Excise Tax. There is also an exemption from Kentucky Sales Tax. Comfuel who is the present supplier of the fuel is billing the Water District correctly.

Any special fuel dealers who deliver special fuels into a non-highway use storage tank of the Water District would qualify for exemption from both Kentucky Sales and Use Tax. At one time the Water District had its own storage tanks but eliminated those due to the stringent restrictions related to the use of such tanks.

5. A review of the health insurance coverages, premiums and the changes that have taken place since 2002 have been reviewed with all employees to give them a better understanding of the changes that have taken place over the past few years.
6. Proposals have been received from banks in the area in relation to the investment of consumer deposits for the calendar year 2005. Green River Bank, Morgantown, Kentucky offered the best rate at 3.02%. Mr. Taylor made a motion to authorize a Public Funds Banking Resolution with Green River Bank. Mr. Johnson seconded the motion and all voted "aye."
7. There have been no lost time accidents.

**GENERAL**

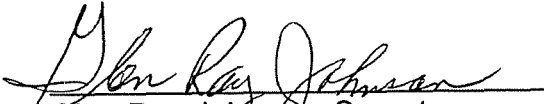
The General Manager reviewed with the Board his desire related to his future employment.

**ADJOURN**

There being no further business, Mr. Johnson made a motion to

adjourn. Mr. Honaker seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**CONSENT**

This Consent is executed by a duly authorized officer of Warren County Water District (WCWD) to evidence its consent to the transfer of the Billing Services Agreement between Warren County Water District (WCWD) and Southern Recycling, Inc. (the "Agreement") to Southern Recycling Secondary Fibers, Inc. ("SRSF"), a Kentucky corporation, through a merger and the subsequent transfer of the Agreement by SRSF to Metal Management Nashville, LLC upon the transfer of the other assets of SRSF to Metal Management Nashville, LLC. The transferee(s)/assignee(s) of the Billing Services Agreement shall assume all obligations and liabilities of the transferor/assignor under the terms of the Agreement.

Dated this 19<sup>th</sup> day of January, 2005.

WARREN COUNTY WATER DISTRICT  
(WCWD)

By: Joe Liles  
Title: General Manager

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, February 22, 2005, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

Mr. Johnston called the meeting to order.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore - Attorney, and Joe Liles.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of January 19, 2005. Mr. Taylor seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending January 2005 were reviewed.

**ATTORNEY'S  
REPORT**

Mr. Moore updated the Board on the present status of the suits involving Building Crafts and Tackett along with the present status of the PSC Fire Service case.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated February 2005 for collection. Mr. Taylor seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. The public meeting required in accordance with EPA to qualify for the grant for water system improvements north of Bowling Green was held on January 26, 2005. A presentation was made at the public meeting in relation to the intent of the Water System Improvement Project and the public was allowed to make comments and submit written statements within 30 days of the public meeting.

The effort to secure funding for the North Water and Sewer Improvement Projects through State funding was discussed.

2. An Order of Public Service Commission dated January 31, 2005 in relation to the Warren, Simpson and Butler County

Water Systems request for deviation from the approved Meter Testing Program was reviewed. It was the consensus of the Board to proceed with providing the Commission with additional information that has become available and continue to pursue the request for deviation as requested.

3. An update was presented on the status of the current construction projects which are all complete with the exception of final clean up.
4. The status of the Regional Wastewater Master Plan of BGMU and Warren County Water District was discussed. Presentations have been made to the BGMU Board and to Warren Fiscal Court since the last Board Meeting. All comments received so far have been very positive in relation to the preliminary findings and recommendations of the Plan. A presentation will be made to the City Commission in the near future.
5. Appraisals for property acquisition was reviewed and discussed.
6. Mr. Johnson made a motion to approve a Resolution authorizing Joe Liles to serve as Warren County Water District's representative on the Barren River Area Water Management Council. Mr. Honaker seconded the motion and all voted "aye."
7. There have been no lost time accidents.
8. A letter dated January 28, 2005 to Elaine Walker; Mayor of the City of Bowling Green, was reviewed and discussed.
9. A letter from the Kentucky Department of Transportation State Highway Engineer, Samuel Beverage was reviewed in relation to the US-68, Bowling Green - Glasgow Road widening which complemented the Water District in its efforts to assist the Highway Department.

## **GENERAL**

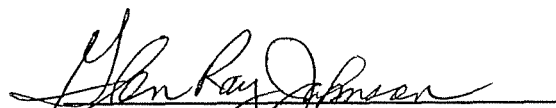
Personnel matters were discussed

It was the consensus of the Board that the next meeting would be held on March 29, 2005.

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**RESOLUTION OF WARREN COUNTY WATER DISTRICT  
BOARD OF COMMISSIONERS**

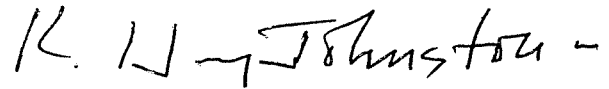
WHEREAS, Warren County Water District is a water and wastewater provider in Warren County, Kentucky, and;

WHEREAS, Warren County Water District participates in the Barren River Area Water Management Council in accordance with 401 KAR 4:220 and KRS 151.601 and;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

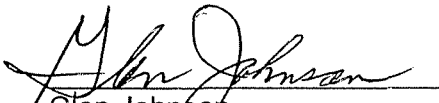
The Board of Commissioners authorizes Joe Liles to be Warren County Water District's representative on the Barren River Area Water Management Council.

Introduced, seconded, and approved by the Warren County Water District Board of Commissioners at a duly convened meeting on the 22<sup>nd</sup> day of February 2005.



\_\_\_\_\_  
R. Harvey Johnston, III  
Chairman

ATTEST:

  
\_\_\_\_\_  
Glen Johnson  
Secretary

**MINUTES**  
**WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, March 29, 2005, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, James Scott - Vice-Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore - Attorney, and Joe Liles.

Mr. Johnston called the meeting to order and determined a quorum present.

**ANNUAL AUDIT**

Jerry Shelton and Jennifer Archie with Shelton & Associates presented the Annual Audit for the period ending December 31, 2004. Mr. Taylor made a motion to accept the Audit as presented. Mr. Johnson seconded the motion and all voted "aye."

**AGREEMENT TO  
PROVIDE  
AUDITING  
SERVICES**

Mr. Scott made a motion to authorize the execution of an agreement for auditing service for 2005, 2006 and 2007 to be provided by Jerry W. Shelton, CPA. Mr. Honaker seconded the motion and all voted "aye."

**MINUTES  
APPROVED**

Mr. Taylor made a motion to approve the minutes of the meeting of February 22, 2005. Mr. Scott seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending February 2005 were reviewed.

**BGMU/WCWD  
JOINT COMMITTEE  
MEETING**

Mr. Taylor reported on the BGMU/WCWD Joint Engineering, Planning and Finance Committee Meeting held at the Warren County Water District's office on March 28, 2005.

**ATTORNEY'S  
REPORT**

Mr. Moore updated the Board on the status of the cases involving Building Crafts/Travelers Insurance Company, PSC Fire Service Case and Tackett.

**LIST OF  
ACCOUNTS**

Mr. Scott made a motion to transfer the list of accounts dated March 2005 for collection. Mr. Johnson seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. Gave an updated report on the Grant pending with the Environmental Protection Agency for the water system improvements for northern Warren County. In addition, Jim Hiser has advised that the additional \$2 million dollar grant to the City of Bowling Green for water and sewer improvements to the north area would be transferred to Warren County Water District.
2. Grant funds have been approved by the General Assembly for additional water and sewer improvements. No official commitment has been received, but it is expected sometime in late April or early May.
3. Based on the recommendation of the General Manager, Mr. Scott made a motion to authorize entering into an agreement for the acceptance of credit card payments. Mr. Honaker seconded the motion and all voted "aye" with Glen Johnson abstaining.
4. An update was presented on the Billing Services Agreement with Southern Recycling. In accordance with the agreement an increase in billing costs will be passed along to Southern Recycling for increased postage and the Consumer Price Index adjustment for the period ending December 31, 2004.
5. Appraisals for the procurement of a site for the Eastside Wastewater Plant were discussed along with a request through Congressman Lewis' office for a grant funding assistance.
6. Mr. Honaker made a motion to authorize Snyder Communications to assist the Staff in preparation of a Strategic Communications Plan. Mr. Scott seconded the motion and all voted "aye"
7. Billing services for Warren Fiscal Court in regard to its plan to implement a Storm Water Management Plan for Warren County was discussed. It is anticipated that the Storm Water Management Plan will cost each tract of property \$5.00 per month in the County and they would like for the Water District to add this to the water bills.

8. A list of water and sewer projects under construction was reviewed.
9. There have been no lost time accidents.

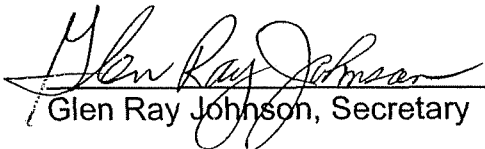
**GENERAL**

Personnel matters were discussed

**ADJOURN**

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary

**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, April 26, 2005, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK**

Those members present were: R. Harvey Johnston, III - Chairman, Glen Johnson - Secretary, Henry Honaker - Treasurer and Joe Taylor, Sr. Also present were Hamp Moore - Attorney, and Joe Liles.

Mr. Johnston called the meeting to order and determined a quorum was present.

**MINUTES  
APPROVED**

Mr. Honaker made a motion to approve the minutes of the meeting of March 29, 2005. Mr. Taylor seconded the motion and all voted "aye."

**OPERATING  
REPORTS**

The Operating Reports for the period ending March 2005 were reviewed.

**FIRE SERVICE  
RATES**

Mr. Johnston reported that Garry Brown, Bowling Green Fire Chief had been by to discuss with him the recent PSC Case involving fire service rates.

**ATTORNEY'S  
REPORT**

Mr. Moore presented a report on the status of the Travelers Insurance Case and the Tackett Case.

**LIST OF  
ACCOUNTS**

Mr. Johnson made a motion to transfer the list of accounts dated April 15, 2005 for collection. Mr. Honaker seconded the motion and all voted "aye."

**GENERAL  
MANAGER'S  
REPORT**

The General Manager reported on the following:

1. Based on the Managers recommendation, Mr. Honaker made a motion to authorize the installation of a booster pump station along Barren River Road to restore the water service flows and pressure to that that existed prior to BGMU changing the manner in which it provided flows and pressure to the Water District. Mr. Johnson seconded the motion and all voted "aye."
2. There have been no lost time accidents.

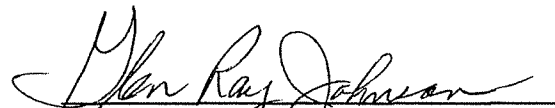
**GENERAL**

Mr. Honaker made a motion to designate Alan Vilines as the General Manager effective October 1, 2005 with an increase in pay of 5% effective May 1, 2005. Mr. Johnson seconded the motion and all voted "aye."

**ADJOURN**

There being no further business, Mr. Honaker made a motion to adjourn. Mr. Johnson seconded the motion and all voted "aye."

Respectfully submitted,

  
Glen Ray Johnson, Secretary



**MINUTES  
WARREN COUNTY WATER DISTRICT**

The Warren County Water District Board of Commissioners met in regular session on Tuesday, July 25, 2006, at 5:15 p.m. at the Water District Office at 523 US 31W By Pass, Bowling Green, Kentucky.

**QUORUM CHECK** Those members present were: Henry Honaker – Chairman, Glen Johnson - Secretary, Joe Taylor – Treasurer, and Harvey Johnston, III. Also present were Hamp Moore and Alan Vilines.

Mr. Honaker called the meeting to order and determined a quorum was present.

**MINUTES APPROVED** Mr. Taylor made a motion to approve the minutes of the meeting of June 27, 2006. Mr. Johnston seconded the motion and all voted “aye.”

**OPERATING REPORTS** The Operating Reports for the period ending June 2006 were reviewed.

**LIST OF ACCOUNTS** Mr. Johnson made a motion to transfer the list of accounts dated July 2006 for collection. Mr. Taylor seconded the motion and all voted “aye.”

**GENERAL MANAGER'S REPORT** The General Manager reported on the following:

1. A revised draft of the Wastewater Facilities Plan was received last week for review by BGMU and the District. When the report is finalized a second public hearing will be held and concurring resolutions will be requested from city and county governments within Warren County.
2. A sewer service area boundary map as recommended by the staffs of BGMU and the District was reviewed. A special meeting of the Joint Engineering, Planning and Finance Committee will be called to consider the staffs' recommendations.
3. A complaint filed by Ken Merideth on July 26, 2005 with the Public Service Commission was reviewed. The District filed an answer to the complaint on August 11, 2005 and the Public Service Commission requested additional information from the District on July 13, 2006. The staff will work with Mr. Moore on the response.

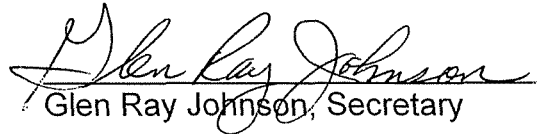


4. Construction is underway on the Lovers Lane Sewer Extension. A groundbreaking will be scheduled at a time when all legislators can attend.
5. The Kentucky Rural Water Association Annual Conference is scheduled for August 21 through August 23. Mr. Johnson made a motion to authorize Joe Taylor to serve as voting delegate at the business meeting with Alan Vilines as an alternate. Mr. Johnston seconded the motion and all voted "aye."
6. Lists of the District's 10 largest water and sewer customers were reviewed.
7. There have been no lost time accidents.

**ADJOURN**

There being no further business the meeting was adjourned.

Respectfully submitted,

  
Glen Ray Johnson, Secretary



8/3/2006

**GENERAL SERVICE CUSTOMERS  
WITH PRIVATE FIRE PROTECTION  
WARREN COUNTY WATER DISTRICT**

Page 1 of 2

CRYSTAL REPORT

CUSTNBR	NAME	ACT DATE	SRVC ADD	BILLING ADDRESS	METER SIZE
44081	B G L O C	5/24/2001	383 SCOTTYS WAY	383 SCOTTYS WAY	BOWLING GREEN KY 42101 4.00
17168	BAGGETT ENTERPRISES,	12/30/1980	THREE SPRINGS RD	PO BOX 143	COTTONTOWN TN 37048 4.00
16662	BRITTHAVEN OF BOWLING GREE	11/30/1978	5079 SCOTTSVILLE RD	PO BOX 6159	KINSTON NC 28501 4.00
9876	CITY OF BG TRAINING CENTR	6/12/1984	NEW PORTER PIKE	FIRE DEPT PO BOX 1180	BOWLING GREEN KY 42102 4.00
47287	CTS CAR TOP SYSTEMS NA INC	12/21/2001	275 MITCH MCCONNELL WAY	2110 AUSTIN DR	ROCHESTER HILLS MI 48309 4.00
65070	HEARTH HOSPITALITY INC	11/18/2004	395 CORVETTE DR	395 CORVETTE DR	BOWLING GREEN KY 42101 4.00
49596	IRON WILL INC,	7/9/2002	175 IRON SKILLET CT	175 IRON SKILLET CT	BOWLING GREEN KY 42104 4.00
43883	OMNI CUSTOM MEATS INC,	6/1/2001	151 VANDERBILT CT.	151 VANDERBILT CT	BOWLING GREEN KY 42103 4.00
27231	PANORAMA RES CARE INC	1/2/1987	MORGANTOWN RD	ATTN: BRENDA CLINE PO BOX 1113	BOWLING GREEN KY 42102 4.00
45758	R C COMPONENTS	9/26/2001	373 MITCH MCCONNELL WAY	373 MITCH MCCONNELL WAY	BOWLING GREEN KY 42104 4.00
64570	RICHPOND BAPTIST CHURCH	1/28/2005	200 BRAD AVE	200 BRAD AVE	BOWLING GREEN KY 42101 4.00
17964	SABA INC,	8/28/1996	1919 MEL BROWNING ST	QUALITY INN 1919 MEL BROWNING ST	BOWLING GREEN KY 42104 4.00
10479	SCOTTYS DEVELOPMENT CO	12/7/1993	7030 LOUISVILLE RD	7030 LOUISVILLE RD	BOWLING GREEN KY 42101 4.00
27273	TEXAS GAS TRANSMISSION LLC	9/11/1991	113 BROOKWOOD DR	450 OLD LIBERTY RD	GREENVILLE KY 42345 4.00
57411	WALLACE ENTERPRISES	9/3/2003	1412 MEMPHIS JUNCTION RD	1412 MEMPHIS JCT RD	BOWING GREEN KY 42101 4.00
53657	WARREN CO BD OF ED	2/11/2003	800 BROOKWOOD DR	PO BOX 51810	BOWLING GREEN KY 42102 4.00
9457	WARREN CO BD OF ED	7/31/1971	LOUISVILLE RD	BRISTOW SCHOOL PO BOX 51810	BOWLING GREEN KY 42102 4.00
20145	WARREN CO BD OF ED	2/4/1976	6350 OLD SCOTTSVILLE RD	ALVATON SCHOOL PO BOX 51810	BOWLING GREEN KY 42102 4.00
25198	WARREN CO BD OF ED	6/5/1978	RUSSELLVILLE RD	ROCKFIELD SCHOOL PO BOX 51810	BOWLING GREEN KY 42102 4.00
14965	WARREN CO BD OF ED	9/25/1978	CHURCH ST	OAKLAND SCHOOL PO BOX 51810	BOWLING GREEN KY 42102 4.00
50152	WARREN CO FISCAL COURT	7/10/2002	NASHVILLE RD	SOUTH PARK 2055 THREE SPRINGS RD	BOWLING GREEN KY 42104 4.00
50154	WARREN CO FISCAL COURT	8/1/2002	MT OLIVET RD	WHITE PARK 2055 THREE SPRINGS RD	BOWLING GREEN KY 42104 4.00
50153	WARREN CO FISCAL COURT.	7/31/2002	SCOTTSVILLE RD	EAST PARK 2055 THREE SPRINGS RD	BOWLING GREEN KY 42104 4.00
48357	KIRIU USA CORPORATION	3/14/2002	359 MITCH MCCONNELL WAY	359 MITCH MCCONNELL WAY	BOWLING GREEN KY 42101 6.00

CUSTNBR	NAME	ACT DATE	SRVC ADD	BILLING ADDRESS	METER SIZE
63353	KOBE ALUMINUM AUTOMOTIVE	8/23/2004	525 CENTRAL AVE	525 CENTRAL CT	KY 42101 6.00
10318	MERCURY PLASTICS	6/6/1991	123 WILLAMETTE LN	ATTN: ACCOUNTS PAYABLE 123 WILLAMETTE LN	KY 42101 6.00
23677	STUPP BRIDGE COMPANY	6/16/1999	445 CENTURY ST	3800 WEBER RD	MC 63125 6.00
52412	TRACTOR SUPPLY COMPANY #13	12/26/2002	5387 SCOTTSVILLE RD	C/O FACILITY IQ	KY 40233 6.00
26536	TVA BG CUST SERV CTR ET7C	4/15/1998	6045 RUSSELLVILLE RD	A/P (99998802) PO BOX 36230 M/S 1056	TN 37901 6.00
46557	VETTE CITY FLEA MARKET	10/29/2001	778 INTERSTATE DR	778 INTERSTATE DR	KY 42101 6.00
53280	WALTEX SKY LLC	2/7/2003	290 MITCH MCCONNELL WAY	290 MITCH MCCONNELL WAY	KY 42101 6.00
50668	WARREN CO BD OF ED	7/26/2002	530 RICHPOND RD	RICHPOND SCHOOL	KY 42102 6.00
18579	WARREN CO BD OF ED,	12/16/1998	311 LOVERS LN	PO BOX 51810	KY 42102 6.00
22210	WKU - DEPT OF PHYSICAL PLANT	3/4/1980	ELROD RD	1906 COLLEGE HEIGHTS BLY #11091 ATTN: KAYLA	KY 42101 6.00
44201	LONGVIEW FIBRE PAPER & PKG	5/30/2001	225 MITCH MCCONNELL WAY	PO BOX 51570	KY 42102 8.00
54358	PROFESSIONAL FABRICATORS IN	3/20/2003	200 MITCH MCCONNELL WAY	2745 PIONEER DR	KY 42104 8.00
35541	SOUTHERN FOODS	4/10/2000	117 MITCH MCCONNELL WAY	PO BOX 1657	KY 42102 8.00
11334	S-R OF KY INC	6/30/1999	350 SCOTTYS WAY	350 SCOTTYS WAY	KY 42101 8.00
56019	WAL-MART STORES	4/29/2004	1201 MORGANTOWN RD	C&I DEPT STORE 01-5236	ND 58554 8.00

TOTAL 39



CY 33 BR 5 CERT. NO. 01071

NAME Baggett Enterprises  
First Mid Init Last

MAP NO. 1W02-058

ADDRESS P.O. Box 31A  
Pt 2 (Cotton town, Tenn.) 37048

CONTRIBUTION \$1,350.00

The undersigned hereby applies for water service from Warren County Water District and agrees to the following:

- To pay the deposit and connection charge applicable. Deposit is refundable upon termination of water service and payment of all accounts owed.
- To purchase water service under rates, policies, rules and regulations fixed by the Board of Commissions and approved by the Kentucky Public Service Commission. Copies of rates, policies, rules and regulations are available for inspection at each office.

This contract made and entered into on this date Oct. 29, 19 80, between Applicant and the Water District.

The Applicant hereby applies for water service from the District upon the following terms:

- The Applicant will pay to the District the sum established as the non-refundable connect fee, which when accepted by the District, will constitute the installation fee for water service.
- The fee for a residential 5/8 inch meter is \$250. The meter will be set on the Applicant's property adjacent to, on the same side of the road, and within 5 feet of the existing water line. If Applicant's property is on the opposite side of the road from the existing water line, the service will be run under the road and the meter set on private property adjacent to the highway right of way, provided the distance from the water line to the meter point is not more than 60 feet. Should the distance be more than 60 feet, the Applicant will be required to pay the additional cost of the extension.
- In consideration of water service to serve the premises of the Applicant, the Applicant agrees to pay for water service at a minimum monthly rate of \$ 49.00 for 1 consecutive months, beginning on the date service becomes available.
- The Applicant agrees to permit the District to lay, maintain, repair, remove and disconnect a service line and meter, and read meters at a point on Applicant's property to be designated by the District for each meter with right of ingress and egress for these purposes over Applicant's property.
- The Applicant will install and maintain a service line at his own expense which shall begin at the water meter and extend to the dwelling or other portions of his premises.
- The Applicant assumes responsibility for any damage to metering equipment in making connection to the meter.
- Applicants applying for installation of 1-, 1 1/2-, 2-, 3 and 4 inch meters will be subject to this contract and the following installation fee provided the meter is set within five (5) feet of the distribution water line.

1 inch meter 350.00 with vault and by-pass	3 inch meter 950.00 with vault and by-pass
1 1/2 inch meter 500.00 with vault and by-pass	4 inch meter 1350.00 with vault and by-pass
2 inch meter 675.00 with vault and by-pass	

In the event it is necessary to cross under the road and/or extend the line more than five (5) feet to reach the Applicant's property the Applicant herein agrees to pay for the full expense of extending the line.

Signature: [Signature] Social Security No. [Redacted]

Witness S. B. DEP. \_\_\_\_\_ C/F \_\_\_\_\_

Date 11-14-80

### WATER DISTRICT STATEMENT OF UNDERSTANDING CONCERNING INSTALLATION OF WATER METERS

- The water meter will be installed with the top of the meter box being at ground level unless otherwise specified by the applicant at the time application for service is made. The applicant should caution those making the service connection that if it becomes necessary to remove the meter box, it should be reinstalled with the top being flush with the ground. If the box is altered and has to be lowered, the cost shall be paid by the applicant.

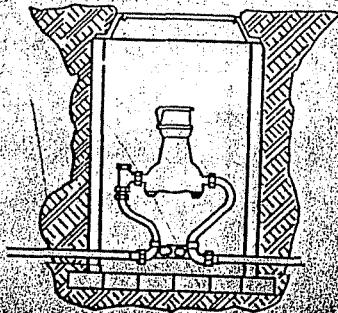
If any excavation is done around the meter installation, it will result in the applicant paying the cost of raising or lowering the service to the proper depth.

- When the applicant is connecting to the meter installation, the dirt should be backfilled around the meter up to the top of the lid to keep it from freezing. Connections of non-frost-proof hydrants can result in damage to the meter in freezing weather. Should the meter freeze and break, the applicant shall be responsible for all water loss and the cost of repairing the meter service.

Set Meter Box:

~~\_\_\_\_\_~~ Inches above ground level

~~\_\_\_\_\_~~ Inches below ground level



DATE Oct. 29, 1980

[Signature]  
APPLICANT

1 077 500080 1350.00 1



# Memorandum

To: Alan Vilines

From: Bob Benson

Re: Response to selected complaints currently under review by the  
Kentucky Public Service Commission, Case 2005-00313

In 2004 Warren County Water District retained Black & Veatch to prepare detailed water cost of service and rate design studies. The cost of service based General Service Rates proposed in those studies were considered and implemented effective August 15, 2005 in a manner understood to be in accordance with applicable statutes. A separate schedule of Private Fire Service Rates consistent with the March 29, 2005 decision of the Public Service Commission was implemented effective the same date.

The methods and procedures utilized in the cost of service and rate design studies prepared by Black & Veatch are consistent with those set forth and recommended in the widely recognized *Principles of Water Rates, Fees, and Charges*, Manual M1, published by the **American Water Works Association**. The procedures set forth in this manual have won wide acceptance in the water industry and are often cited in orders and adversarial proceeding decisions rendered by courts, and public service commissions throughout the United States.

You have asked us, as your rate consultants, to address certain questions of rate equitability and fairness raised by one of your water customers under the currently pending Kentucky Public Service Commission Case 2005-00313. It is important to note with respect to the Complainant's filing of July 23, 2005 that both the rates and rate format relevant thereto were revised less than a month later on August 15, 2005, specifically in response to the findings of our rate studies and the fire service rate decision of the Public Service Commission. The comments and responses which follow address three specific complaints from that filing as they presently relate to the District's current rates of charge, recognizing cost of service and rate design perspectives that we believe are consistent with generally accepted principals of rate making.

1. Complaint: *The Public Service Commission ruled in "385" that there could be no commodity factor in figuring access for a fire sprinkler system.*

1. Response: The PSC approved Private Fire Service Rate currently in effect includes no commodity charges. The Complainant may take full advantage of this rate by establishing a separate service connection for its regular domestic/commercial type water needs as required by regulation (see below).



2. Complaint: *That the intent of “385” in removing standby fees from fire sprinkler access has not been applied to combination connections.*

2. Response: [Note – It appears that the Complainant may mean “commodity fees” rather than “standby fees”, since the current regulations only prohibit water usage or commodity charges in such rates.] A separate service connection is mandated to qualify for private fire service rates under Section 5(2) of 807 KAR 5:095, which requires that: *A utility shall not assess a separate charge or fee for private fire protection service if the customer’s private fire protection system is directly connected to a service line that serves the customer for other purposes.* Warren County Water District’s current rates are believed to comply fully with this regulation inasmuch as they assess no separate or additional charge when a General Service customer connection also serves a private fire protection system.

3. Complaint: *That WCWD is doing everything in their power to extort commodity charges for water they are not supplying to customers. ...i.e., The Skate Center uses about 11,000 gallons of water a month, but is charged for 100,000 gallons.*

3. Response: Under the current rate structure, as previously noted, the Complainant may elect to take advantage of the separate Private Fire Service Rate, which includes no commodity charges, by establishing a separately billable service connection for its regular metered domestic/commercial type water needs. Typically, charges for private fire service billed under this rate will likely be less than if billed as part of a single, combined domestic/commercial and fire service connection.

The General Service Rate, which is specifically designed to recover the costs associated with regular domestic/commercial type service, is applied in those instances where a customer provided both regular and fire service under a single metered connection does not choose to establish individual service connections for each. It is common practice in the water industry that rates for general service include either a service charge in addition to volume based charges, or volume based charges subject to a minimum that typically varies by meter size.

Properly designed minimum charges based on recognition of costs of service typically serve a dual purpose. First, they allow the utility to recover ongoing customer and meter related billing/collection costs, and at least a portion of the ongoing fixed costs associated with providing the facility capacity necessary to meet service needs for a service connection of the size requested by the customer. These costs continue to be incurred by a utility whether or not any water is used during a particular billing period. Without a minimum, those fixed capital and operating costs associated with underutilized capacity would be under-recovered and require subsidization by other customers. Second, they also provide a “pricing signal” that serves to dissuade general service customers from demanding a domestic/commercial service connection size significantly in excess of their expected normal service needs.

With regard to the minimum charges provided for under the current General Service Rate, it should be noted that, for a 4-inch metered service connection, the volume equivalent represented by the current minimum has been reduced forty percent to only 30,000 gallons per month, compared with the 50,000 gallon volume equivalent represented in the previous minimum. This is a significant reduction that establishes the current minimum at a level we believe to be very reasonable for such a charge. For example, District billing summaries for

a recent 12 month period indicate that the metered usage of all customers with 4-inch meter service connections averages slightly more than 66,000 gallons per month, more than double the current minimum. Further, the average monthly metered usage for a significant majority of these customers exceeds minimum levels, which we believe is consistent with good utility practice.

We hope that the responses provided above will be helpful in considering and resolving the specific complaints addressed. We will be pleased to answer questions or provide additional supporting information or details relative to any of the issues described. If necessary, we are available to meet with you or others to discuss our responses.





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**Report on  
Revenue Requirements,  
Costs of Service, and Rates for  
Water Service**

**Warren County Water District**  
Of Bowling Green  
Kentucky



**BLACK & VEATCH**  
Corporation  
2005



# BLACK & VEATCH

11401 Lamar Avenue  
Overland Park, KS 66211

Black & Veatch Corporation

Tel: (913) 458-2000

April 28, 2005

Mr. Joe Liles, General Manager  
Warren County Water District  
523 U.S. Highway 31-W Bypass  
P.O. Box 10180  
Bowling Green, Kentucky

Dear Mr. Liles:

We are pleased to present herewith our *Report on Revenue Requirements, Costs of Service, and Rates for Water Service* for the Warren County Water District. An Introduction and Summary of Findings and Recommendations precede the detailed text of the report.

As described in the Introduction, the rates proposed in this report are based on cost of service analyses and schedules of proposed rates originally completed for District review in the fall of 2004, the latter of which has been modified at the request of District representatives to recognize the schedule of monthly charges for private fire protection service promulgated by the Kentucky Public Service Commission in its subsequent order of March 29, 2005 (Cases No. 2002-00040, 2002-00041, and 2002-00042).

Ms. Ann Bui of our organization has been responsible for the detail preparation of the report.

We appreciate this opportunity to be of service to the Warren County Water District, and will be glad to discuss the report with you at your convenience.

Very truly yours,

BLACK & VEATCH CORPORATION

Robert B. Benson

amw  
Enclosure

**Report on  
Revenue Requirements,  
Costs of Service, and Rates for  
Water Service**

**Warren County Water District**  
Of Bowling Green  
Kentucky



**BLACK & VEATCH**  
Corporation  
2005

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## Introduction

The Warren County Water District (the “District”) is charged with the responsibility of providing retail water service to portions of the City of Bowling Green and much of the surrounding Warren County area. Consistent with this responsibility, it has obligated itself to maintain and, when necessary, revise water utility rates to provide for the payment of operation and maintenance expenses, and necessary capital improvement and replacement costs; provide for the payment of principal and interest on outstanding revenue bonds and the maintenance of debt service funds; and maintain net revenues at or above specified levels in excess of annual bond debt service requirements consistent with bond covenant requirements.

This report presents the results of District and Black & Veatch studies of the revenue requirements, costs of service, and rates associated with the provision of treated water service to District customers.

### Purpose

The purpose of the study is to perform the following tasks:

- Review the District’s projections of future revenues under existing rates and projected revenue requirements;
- Allocate revenue requirements for a representative test year to the various customer classes in accordance with the respective service requirements and in a manner generally consistent with the procedures and methodology set forth in the American Water Works Association’s Manual M1; and
- Develop a suitable Table of water rates that will produce revenues adequate to meet District projected financial needs on a basis that recognizes allocated costs of service, local policy and practical considerations, and the March 29, 2005 order of the Kentucky Public Service Commission relative to private fire service rates under Cases No. 2002-00040, 2002-00041, and 2002-00042.

### Scope

Revenue requirements for the 2004 test year recognized for this study and report were originally developed and provided to Black & Veatch by the District staff in the spring of 2004. They are based on actual 2003 costs of record, which have been adjusted for selected known and measurable changes. Consistent with certain Public Service Commission practices, those revenue requirements recognized by the District for this report include operation and maintenance expenses, allowances for annual depreciation of plant in service, debt service on outstanding and proposed debt, and an allowance for



debt service coverage. District administrators elected not to include separate cost allowances for 2004 salary adjustments in the revenue requirements recognized herein. The completion of this report was delayed at the request of the District so that a then pending decision and order by the Kentucky Public Service Commission concerning private fire protection service charges could be recognized in the schedule of proposed rates. That order was not released until March 29, 2005, several months after completion of the initial drafts of this report in the fall of 2004. However, because actual 2004 sales revenues exceeded estimates recognized in the report, whereas 2004 operating expenses of record were approximately the same as the adjusted 2003 operating expenses recognized herein, the District determined there was no need to update its financial analyses for recognition in this report.

With the concurrence of District administrators, two classes of retail water service customers are recognized for cost allocation and rate design purposes herein, including Residential and Commercial. The latter class includes customers that are currently subclassified in certain District records as Commercial, Agricultural, Industrial, and Combination Water & Fire. In addition, two classes of Fire Service customers are recognized, including Public (Hydrant) Fire Service and Private Fire Service. The latter class includes customers that are currently designated as Fire Only and Detector Check. These classifications are recognized with the understanding that, in the future, no water usage other than for purposes of fire fighting will be allowed under the Private Fire Service Class, and no commodity related costs will be included in the rates to be charged for Private Fire Service.

## General Background

The District currently operates no water supply or treatment facilities, but purchases all of its treated water under an agreement with the City of Bowling Green Municipal Utilities. Its water distribution system includes more than 900 miles of transmission and distribution mains, and 28 water storage reservoirs, the latter with a combined capacity of more than 10,100,000 gallons.

Population studies indicate a steady growth rate for Warren County. Public water systems serve over 99 percent of the county. Of the residents not served by the District, 65 percent rely on private wells. District records for the service area indicate approximately 600 new connections per year are added through growth.



## Summary of Findings and Recommendations

The cost-of-service study presented herein identifies for each group of customers and type of service received, the cost of providing water service based on consideration of utility revenue needs and projected customer service requirements. Proposed adjustments in water rates for the District's customers are in accordance with allocated costs of service, local policy and practical considerations, and the March 29, 2005 order of the Kentucky Public Service Commission relative to private fire service charges. The principal findings and recommendations of the study are presented in summary form as follows:

### ***Revenue Requirements and Revenues Under Existing Rates***

- Financial projections for this study are based on actual costs of record for the period January 1, 2003 through December 31, 2003, adjusted by the District to reflect known and measurable changes applicable to a 2004 test year. These revenue requirements are detailed in Table 1 of the report.
- Total revenue requirements, adjusted for known and measurable changes, for the test year total \$6,704,659, of which \$6,246,915 will need to be recovered from regular water sales and fire service charges. Revenue requirements include \$3,801,392 of operation and maintenance expense, \$1,323,521 of debt service, \$1,314,994 for depreciation, and \$264,712 for debt service coverage. The District's derivation of the test year revenue requirements includes those elements allowed by the Kentucky Public Service Commission (PSC) for consideration for cost recovery.
- Revenues estimated under existing rates during the test year, which are based on actual 2003 revenues of record, total \$6,147,613. Revenues include \$5,689,869 of water sales and fire service revenues, \$347,230 of other operating revenue not currently subject to adjustment, and \$110,514 of non-operating income.
- To meet test year revenue requirements, the District requires a \$557,046 increase in water sales revenues. The overall increase in water sales revenues required to meet test year revenue requirements is 9.79 percent.

### ***Cost of Service Allocations***

- The cost allocations in this rate study recognize the American Water Works Association's ("AWWA's") recommended methodology and procedures. The AWWA methodology employs a cost-causative approach for allocating revenue requirements to customer classes.



- Table A summarizes the cost allocations to customer classes based on the service requirements of each customer class.

**Table A**  
**Comparison of Revenues under Existing Rates and Allocated Cost of Service**

Line No.	Description	(1) Allocated Cost of Service	(2) Adjusted Cost of Service	(3) Revenue Under Existing Rates	(4) Indicated Percent Change
		\$	\$	\$	%
1	Residential	3,844,842	4,646,874	4,177,217	11.24%
2	Commercial	1,459,044	1,513,042	1,411,626	7.18%
	Fire Protection				
3	Public Fire Protection	856,030	0	0	0.00%
4	Detector Check Valves	44,951	44,951	8,930	403.37%
5	Metered Fire	42,048	42,048	92,096	(54.34%)
6	Total	6,246,915	6,246,915	5,689,869	9.79%

- The allocated costs of service shown in Table A include \$840,772 for Public Fire Protection. Presently this cost is recovered through water service charges to all other general water service retail classes. Inasmuch as this practice is currently expected to continue, the Public Fire Protection costs of service are distributed between the Residential and Commercial customer classes in proportion to the relative total number of customers served.
- The last two columns of Table A show the revenue under existing rates for all customer classes compared with adjusted costs of service, and the resulting percentage increase in revenue to be derived from each customer class.

**Proposed Rate Adjustments**

- The initial consideration in the derivation of rate Tables for utility service is the establishment of equitable charges to the customers commensurate with the cost of providing that service. However, practical considerations sometimes modify rate adjustments by taking into account additional factors such as the extent of change from previous rate levels, existing contracts, current concerns, and local policies and practices.



- Considerations recognized in the derivation of the proposed Tables of regular retail water service and private fire service rates include the indicated desire of the District to:
  1. recover revenues from each class of customers approximately equal to the allocated costs of providing service;
  2. retain the current decreasing block rate format for regular retail water service if practical;
  3. consider possible decreases in the minimum volume allowance and charges applicable to customers with large meters if they can be justified; and
  4. redefine and reduce the number of existing Private Fire Service classifications, and revise the current bases of charge consistent with the recent March 29, 2005 Public Service Commission fire service rate decision (Cases No. 2002-00040, 2002-00041, and 2002-00042) and associated District policy that, in the future, no water usage other than for purposes of fire fighting will be allowed under the Private Fire Service Class, and no commodity related costs will be included in the rates to be charged for Private Fire Service.
- A Table of proposed water rates designed to address the above considerations is presented in Table B. As subsequently indicated in Table 17 of the report, the proposed rates recover essentially 100 percent of the adjusted costs of service from each general water service class.
- Comparisons of typical general water service bills for various meter sizes and quantities of water use under the proposed rates, with those under existing rates are shown in Table 18 of the report.



**Table B**  
**Proposed Water Service Rates**

Monthly Water Rates - General Service				
5/8" x 3/4" Meter	2,000	Gallons	\$10.52	Minimum Bill
Next	8,000	Gallons	3.09	per 1,000 Gallons
Next	90,000	Gallons	2.42	per 1,000 Gallons
Next	900,000	Gallons	1.97	per 1,000 Gallons
Over	1,000,000	Gallons	1.63	per 1,000 Gallons

The \$10.52 Minimum applies to the 5/8 x 3/4 inch meters only. The minimums below apply to all other meter sizes.

3/4"	3,000	Gallons	\$13.61	Minimum Bill
1"	5,000	Gallons	20.22	Minimum Bill
1 1/2"	10,000	Gallons	38.27	Minimum Bill
2"	15,000	Gallons	51.01	Minimum Bill
3"	20,000	Gallons	74.75	Minimum Bill
4"	30,000	Gallons	125.68	Minimum Bill
6"	50,000	Gallons	188.73	Minimum Bill
8"	80,000	Gallons	273.39	Minimum Bill
10" and larger	120,000	Gallons	382.98	Minimum Bill

The rates to be charged after the minimum rate are the same regardless of meter size.

Private Fire Service <sup>1</sup>	
Meter Size	Rate
inches	\$/month
5/8	6.78
1 1/2	10.10
2	12.32
3	28.83
4	63.41
6	112.95
8	186.28
10	299.91
12	451.06

<sup>1</sup> These Changes shall apply to all connections which provide service only for private fire protection facilities whether supplied through a fully metered service or an unmetered service with a detector check valve and bypass meter.

Customer charges are lump sum charges according to the applicable service size with zero water usage. In case of a fire, charges for water usage shall be in accordance with Warren County Water District Tariff effective 12/16/96, Section III D. Charges for all other usage shall be in accordance with prevailing Warren County Water District rates for general service. Where a detector check valve with a bypass meter is used, the water usage shall be based on the combined volume of water used through both the detector check valve (estimated) and the bypass meter.



## Revenues and Revenue Requirements

### Summary

A summary of the 2004 test year revenues and revenue requirements, as prepared and provided by the Warren County Water District, is presented in Table 1. Test year values shown are based on actual data of record for the calendar year January 1, 2003 through December 31, 2003, adjusted for known and measurable changes, including annualizing known power cost increases and costs attributable to capital program Project 17. Revenue requirements recognized for purposes of this report include operation and maintenance expense, debt service, depreciation, and debt service coverage. Test year net revenue requirements total \$6,246,915.

**Table 1**  
**Summary of Test Year Revenue Requirements**

<u>Line No.</u>			<u>Reference</u>
1	Operation & Maintenance	\$3,801,392	Table 2
2	Debt Service	1,323,561	Table 3
3	Depreciation	1,314,994	Table 4
4	Debt Service Coverage	<u>264,712</u>	Table 3
5	Total Revenue Requirements	6,704,659	
6	Less: Operating Revenues Not Subject to Rate Increase	(347,230)	Table 5
7	Less: Non-Operating Income	<u>(110,514)</u>	Table 6
8	Net Revenue Requirements	6,246,915	
9	Revenues at Current Rates	(5,689,869)	Table 7
10	Net Increase Required	557,046	
11	Percent Increase in Revenue Required	9.79%	



Test year revenues include water sales revenues, other operating revenues that are not subject to the rate increase, and non-operating income. As indicated in Table 1, test year revenues from the sale of water total \$5,689,869. In order to meet test year revenue requirements, the District must increase water sales revenues by \$557,046, an increase of 9.79 percent.

### Revenue Requirements

#### Operation and Maintenance Expense Projections

Table 2 summarizes the District’s test year operation and maintenance expense.

**Table 2**  
**Test Year Operation and Maintenance Expense**

Line No.		
	<b>Unadjusted Test Year Operations &amp; Maintenance Expense</b>	
1	Operations and Maintenance Expense - per Books	\$3,760,189
	<b>Adjustments for Known and Measurable Changes</b>	
2	Salary & Wage Increases	
3	Health Insurance Increases	
4	Other Insurance Increases	
5	Purchased Power Increases	15,194
6	Project 17 Impact	3,009
7	System Map Updates	23,000
8	Total Adjustments for Known and Measurable	41,203
9	<b>Total Test Year Operations and Maintenance Expense</b>	<b>3,801,392</b>

Adjustments to test year operation and maintenance expense for known and measurable changes applicable to the test year include annualizing the 2003 purchased power costs and impacts due to capital program Project 17. The District-wide cost for system map updates supporting the District’s Geographic Information System (“GIS”) is also a known and measurable adjustment. As previously noted, District administrators have elected not to include allowances for 2004 salary adjustments in the adjustments shown. Known and measurable adjustments for the test year total \$41,203. The resulting test year operation and maintenance expense is \$3,801,392.





**Debt Service**

The revenue requirement for debt service includes allowances for currently outstanding and proposed 2004 bonds, as shown on Table 3.

**Table 3  
Debt Service**

Line No.	Year	Existing Bonds Total Debt Service	2004A Refunding Bonds		Total
			Principal	Interest	
1	2,003	\$1,302,976			\$1,302,976
2	2,004	1,149,285	45,000	68,823	1,263,108
3	2,005	1,148,350	75,000	70,708	1,294,058
4	2,006	1,073,680	70,000	69,208	1,212,887
Average 2004-06 Debt Service					1,256,684
Projected RDA Debt Service					<u>66,877</u>
Total Debt Service					1,323,561
Coverage Requirement					264,712

Debt service includes the debt service on the District’s currently outstanding revenue bonds and a proposed 2005 federal Rural Development Administration (RDA) Loan. The District proposes to request a \$1,250,000 loan from RDA. Estimated terms for the loan include a 38-year repayment period at 4.25 percent interest. The total debt service allowance is based on the estimated average annual debt service on outstanding and proposed debt for the three-year period 2004 through 2006, which totals \$1,323,561.

Consistent with practices of the Kentucky Public Service Commission, an added revenue requirement equal to 20 percent of the test year debt service requirement is recognized as an allowance for bond debt service coverage.

**Depreciation Expense**

The District annually makes water system extensions and replacements from revenues. Test year depreciation totals \$1,314,994 as shown on Table 4. Currently, the District replaces approximately 1 percent of its existing mains on an annual basis. Good financial planning and benchmarking recommends that a water utility should be replacing approximately 1 percent of system mains annually.



**Table 4**  
**Depreciation Expense**

Line No.	Description	Depreciation Expense @ Dec 31, 2003	Changes Due to Project 17	Existing System Changes	Projected Test Year Depreciation
<b>Source of Supply</b>					
1	Land & Land Rights	\$0			\$0
2	Wells & Springs	0			0
3	Pumping Equipment	40,755	4,072	0	44,827
4	Total	40,755	4,072	0	44,827
<b>Water Treatment</b>					
5	Land & Land Rights	0			0
6	Structures & Improvements	0			0
7	Water Treatment Equipment	0	0	0	0
8	Total	0	0	0	0
<b>Transmission &amp; Distribution</b>					
9	Land & Land Rights	0			0
10	Structures & Improvements	14,469			14,469
11	Distribution Reservoirs & Standpipes	143,618		22,602	166,220
Transmission & Distribution Mains					
12	Distribution	500,949		77,946	578,894
13	Transmission	148,770	30,928	23,148	202,847
14	Services (Meters)	81,775		1,640	83,415
15	Meters & Meter Installations	98,546		2,360	100,906
16	Hydrants	27,340			27,340
17	Other Plant & Miscellaneous Equipment	66	0	0	66
18	Total	1,015,533	30,928	127,696	1,174,157
<b>General Plant</b>					
19	Land & Land Rights	0			0
20	Structures & Improvements	0			0
21	Office Furniture & Equipment	28,104			28,104
22	Transportation Equipment	0			0
23	Stores Equipment	0			0
24	Tools, Shop, & Garage Equipment	0			0
25	Lab Equipment	0			0
26	Power Operated Equipment	0			0
27	Communication Equipment	12,438			12,438
28	Billing System (Software/Hardware)	52,516		2,844	55,360
29	Other Software	0			0
30	Miscellaneous Equipment	0	0	108	108
31	Total	93,058	0	2,952	96,010
32	<b>Total Depreciation Expense</b>	<b>\$1,149,346</b>	<b>\$35,000</b>	<b>\$130,648</b>	<b>\$1,314,994</b>



**Revenue Projections**

The District finances its activities primarily through user charges for water service provided to the customers of the Utility, and connection charges for new meters and services as new customers connect to the system. A variety of other miscellaneous fees and charges also generate revenue.

**Revenues Not Subject to Rate Increase**

The District receives operating revenues that are not subject to the rate increase. These revenues include charges for services such as new connections, turning meters on, rents from property, and recycling. Table 5 shows that projected test year operating revenues not subject to a rate increase total \$347,230.

**Table 5  
Revenues Not Subject to Rate Increase**

Line No.	Forfeited Discounts	Rents From Property	Misc. Service Revenue	Recycling Income	Other Water Rev.	Misc. Revenues	Total
1 2002	\$89,570	\$36,901	\$169,930	\$38,544	\$935	\$0	\$335,880
2 2003	89,471	37,206	181,546	38,158	849		347,230
3 Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4 Test Year	89,471	37,206	181,546	38,158	849	0	347,230

**Non-Operating Income**

The District also receives monies that are classified as non-operating income. These include gains or losses on the disposition of property, interest income, and other miscellaneous income. A decrease in interest income is included as a known and measurable adjustment because of the \$500,000 decrease in cash reserves allocated for capital program Project 17. Table 6 shows that the test year non-operating revenues total \$110,514.

**Table 6  
Non-Operating Income**

Line No.	Misc. Income	Interest Income	Total
1 2002	\$0	\$124,867	\$124,867
2 2003	23	120,491	120,514
3 Adjustments	<u>0</u>	<u>(10,000)</u>	<u>(10,000)</u>
4 Test Year	23	110,491	110,514



**Water Sales Revenues**

Test year water sales revenues are based on 2003 actual revenues of record from the sale of water and forfeited discounts. No known and measurable adjustments are included in Table 7.

**Table 7  
Test Year Revenues under Existing Rates**

Line No.		Metered Sales		Total
		Residential	Commercial	
1	2002	4,161,134	1,512,674	\$5,673,809
2	2003	4,177,217	1,512,652	5,689,869
3	Test Year	4,177,217	1,512,652	5,689,869



## Cost of Service Allocations

The total water utility costs of service recognized for this report are comprised of that portion of total system revenue requirements derived from charges for water service. In developing equitable rate structures, revenue requirements are allocable to the various customer classifications according to the cost of the service rendered. Allocations of these requirements to customer classes should take into account the quantity of water use, relative peak capacity requirements placed on the system, the number and size of services to customers, and other relevant factors. The cost of service methodology and procedures recognized in the preparation of this rate study recognize the guidelines of American Water Works Association<sup>1</sup>.

### Cost of Service to be Allocated

The cost of service considered for allocation to customer classes consists of the total District derived revenue requirements for the test year less income received from charges not subject to the rate case increase and non-operating revenues. The test year cost of service as shown on Table 8, totaling \$6,246,915 consists of \$3,454,139 of net operating expense, \$1,314,994 of depreciation expense, \$1,323,561 for debt service, and \$264,712 for debt service coverage.

**Table 8**  
**Revenue Requirements**

Line No.			Reference
	Total Revenue Requirement		
1	Total Revenue Requirement	\$6,704,659	Table 1
2	Less: Non-Operating Income	(110,514)	Table 6
3	Less: Other Revenues Not Subject to Rate Increase	<u>(347,230)</u>	Table 5
4	Total Revenue Required from Water Sales	6,246,915	
	Operation & Maintenance Expense from Water Sales Revenues		
5	Operation & Maintenance Expense	3,801,392	Table 2
6	Less: Non-Operating Income	(23)	Table 6
7	Less: Other Revenues Not Subject to Rate Increase	<u>(347,230)</u>	Table 5
8	Net Operation & Maintenance Expense	3,454,139	
	Capital Costs		
9	Depreciation Expense	1,314,994	Table 4
10	Debt Service	1,323,561	Table 3
11	Debt Service Coverage	264,712	Table 3
12	Less: Non-Operating Income	<u>(110,491)</u>	Table 6
13	Net Capital Costs	2,792,776	

<sup>1</sup> *Water Rates – M1 Manual*, American Water Works Association, 5<sup>th</sup> Edition, 2000.



## Functional Cost Components

The various cost elements of water service are assigned to functional cost components as the first step in the subsequent distribution of the costs of service to customer classes. In this analysis, costs are separated to the basic functional components of Base, Extra Capacity, and Customer Costs (Meters and Billing), and Direct Fire Protection.

Base costs are those, which vary directly with the total quantity of water used, as well as those costs associated with serving customers under average load conditions without the elements necessary to meet water use variations or peak demands. Base costs include operating costs of supply, treatment, pumping and distribution facilities, and a portion of administrative and general costs, as well as capital costs on water plant investment associated with serving customers to the extent required for a constant, or average annual rate of use.

Extra Capacity costs include operating costs incurred due to demands in excess of average load conditions and capital costs for additional plant and system capacity beyond that required for the average rate of use. Maximum Day Extra Capacity costs are incurred in meeting demands in excess of average day requirements. Maximum Hour Extra Capacity costs are incurred in meeting demands in excess of maximum day use.

Customer costs are defined as costs that tend to vary in proportion to the number of customers connected to the system. Customer costs are further classified as: (1) billing related costs, including meter reading, billing, collecting and accounting, and related administrative and general costs, and (2) meter related costs, including maintenance and capital charges associated with meters and services. Direct Fire Protection costs include maintenance and capital-related expenditures associated with public fire hydrants in the retail service area.

The separation of costs of service into these principal categories provides the means of further allocating such costs to the various customer classes on the basis of the respective Base, Extra Capacity, and Customer cost requirements of each particular type of usage.

## Allocation to Cost Components

Each element of cost is allocated to functional cost components on the basis of the parameter or parameters having the most significant influence on the magnitude of that element of cost. The District's Water System is comprised of various facilities; each designed and operated to fulfill a given function. In order to provide adequate service to its customers at all times, the system must be capable of meeting not only volume



requirements, but also the maximum rates of demand placed on the system. Because all customers do not exert maximum demand at the same time, capacities of the various system components are required to meet the maximum coincidental demand of all classes of customers. The capacities of certain facilities, such as the large, backbone water transmission mains, are established based on anticipated maximum day system demands. Other facilities, such as the smaller local distribution mains, must have capacities adequate to meet maximum hour demands.

The two types of capacity requirements result in different ratios of maximum capacity to average demand. The maximum day demands can be expected to amount to as much as 150 percent of average day demand levels. On this basis, 67.7 percent of the capacity of facilities designed to meet maximum day demands is required for average or base use and the remaining 33.3 percent is required for maximum day extra capacity demands. Similarly, maximum hour demands can be expected to amount to 250 percent of average day demands. Therefore, of the capacity of facilities designed to meet maximum hour demands, 40.0 percent is required for average rates of use, 20.0 percent is required to meet maximum day extra capacity requirements, and 40.0 percent is required to meet maximum hour extra capacity requirements.

#### ***Allocation of Depreciation Expense***

The allocation of depreciation expense to functional cost components is shown in Table 9. The various items of depreciation expense are allocated to cost components on the same basis as is the investment for the corresponding system element. Water mains classified as Distribution<sup>2</sup> are allocated on the basis of the Base/Maximum Day/Maximum Hour allocation percentages indicated above, while Transmission mains are allocated on the basis of the Base/Maximum Day allocation percentages. Distribution Reservoirs and Standpipes principally serve to meet maximum hour extra capacity requirements in excess of maximum day demands. Therefore, depreciation expense related to these facilities is allocated 80 percent directly to the Maximum Hour Extra Capacity cost component, with the balance assigned to the Base cost component in recognition of the added service reliability they provide in the event of temporary failure or shutdown of treatment or supply facilities.

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<sup>2</sup> In discussions with the District's engineering staff, those mains that act as Distribution and Transmission mains, respectively, were identified. The allocation between distribution and transmission is based on the District's analysis of the purpose served by specific mains.



Fire hydrants are Public Fire Protection facilities. Customer Services, Meters and Meter Installations costs are allocable to the Metering cost component, and Billing System facilities costs are allocable to the Billing cost component

Depreciation expenses for certain facilities that have a multi-functional role, such as Transmission & Distribution Structures and Improvements, and General Plant Office Furniture & Equipment, are allocated to cost components in proportion to the total of all directly allocated plant components.

**Table 9  
Allocation of Depreciation Expense**

Line No.	Description	Total	Base	Common To All		Metering	Billing	Fire Protection
				Extra	Capacity			
		\$	\$	Max Day	Max Hour	\$	\$	\$
<b>Source of Supply</b>								
1	Land & Land Rights	0	0					
2	Wells & Springs	0	0	0				
3	Pumping Equipment	44,827	29,900	14,927				
4	<b>Total</b>	<b>44,827</b>	<b>29,900</b>	<b>14,927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Water Treatment</b>								
5	Land & Land Rights	0	0	0				
6	Structures & Improvements	0	0	0				
7	Water Treatment Equipment	0	0	0				
8	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transmission &amp; Distribution</b>								
9	Land & Land Rights	0	0					
10	Structures & Improvements	14,469	4,993	2,287	4,548	2,300	0	341
11	Distribution Reservoirs & Standpipes	166,220	33,244		132,976			
<b>Transmission &amp; Distribution Mains</b>								
12	Distribution	578,894	231,557	115,779	231,558			
13	Transmission	202,847	135,299	67,548				
14	Services (Meters)	83,415				83,415		
15	Meters & Meter Installations	100,906				100,906		
16	Hydrants	27,340						27,340
17	Other Plant & Miscellaneous Equipment	66	23	10	21	10	0	2
18	<b>Total</b>	<b>1,174,157</b>	<b>405,116</b>	<b>185,624</b>	<b>369,103</b>	<b>186,631</b>	<b>0</b>	<b>27,683</b>
<b>General Plant</b>								
19	Land & Land Rights	0	0	0	0	0	0	0
20	Structures & Improvements	0	0	0	0	0	0	0
21	Office Furniture & Equipment	28,104	10,029	4,624	8,510	4,303	0	638
22	Transportation Equipment	0	0	0	0	0	0	0
23	Stores Equipment	0	0	0	0	0	0	0
24	Tools, Shop, & Garage Equipment	0	0	0	0	0	0	0
25	Lab Equipment	0	0	0	0	0	0	0
26	Power Operated Equipment	0	0	0	0	0	0	0
27	Communication Equipment	12,438	4,440	2,046	3,766	1,904	0	282
28	Billing System (Software/Hardware)	55,360					55,360	
29	Other Software	0	0	0	0	0	0	0
30	Miscellaneous Equipment	108	38	18	33	17	0	2
31	<b>Total</b>	<b>96,010</b>	<b>14,507</b>	<b>6,688</b>	<b>12,309</b>	<b>6,224</b>	<b>55,360</b>	<b>922</b>
32	<b>Total Depreciation Expense</b>	<b>1,314,994</b>	<b>449,523</b>	<b>207,239</b>	<b>381,412</b>	<b>192,855</b>	<b>55,360</b>	<b>28,605</b>
33	Distribution	100.0%	34.1%	15.8%	29.0%	14.7%	4.2%	2.2%





### ***Allocation of Net Plant Investment***

The estimated net investment in water system facilities is allocated to appropriate cost components as a basis for the subsequent distribution of debt service and coverage related costs to functional cost components. Table 10 shows the allocation of estimated plant investment serving water customers for the Test Year. The allocation of specific items of investment to the cost categories, as shown on Table 10, is made on the basis previously described for the allocation of depreciation expense. For example, Distribution mains are allocated on the basis of Base, Maximum Day, and Maximum Hour demands, while Transmission mains are allocated on the basis of Base and Maximum Day demands.

The Total Utility Plant in Service of \$40,412,308 shown on Line 32 represents the estimated Test Year original cost less accumulated depreciation. The Net Plant Investment shown on Line 38 recognizes this value plus a working capital allowance, and construction work in progress, less the book value of contributed capital from Federal and State grants, customers, and other sources.

### ***Allocation of Debt Service and Debt Service Coverage***

The allocation of Test Year debt service is shown on Lines 40 through 42 of Table 10. In this rate study, test year debt service is allocated based on the Total Net Plant Investment percentage distribution shown on Line 39. The debt service coverage requirement is allocated on the basis of Net Plant Investment on Line 43.

### ***Allocation of Operation and Maintenance Expense***

The allocation of test year operation and maintenance expense to cost functions is shown in Table 11. The methodology used to allocate Test Year operation and maintenance expense is similar to that used to allocate depreciation expense and net plant investment. In some instances, specific expenses may be allocated to cost functions directly or in a ratio, that reflects actual use or engineering judgment. For example, electric costs are allocated to Base (80 percent) and Max Day (20 percent) because a portion of these costs typically tends to vary with peak electric demands.



**Table 10**  
**Allocation of Net Plant Investment, Debt Service and Debt Service Coverage**

Line No.	Description	Total	Common To All					Fire Protection
			Base	Extra Capacity		Metering	Billing	
		\$	\$	\$	\$	\$	\$	\$
<b>Source of Supply</b>								
1	Land & Land Rights	21,861	21,861					
2	Wells & Springs	2,042	1,362	680				
3	Pumping Equipment	1,455,339	970,711	484,628				
4	<b>Total</b>	1,479,242	993,934	485,308	0	0	0	0
<b>Water Treatment</b>								
5	Land & Land Rights	3,670	2,448	1,222				
6	Structures & Improvements	49,872	33,265	16,607				
7	Water Treatment Equipment	275,766	183,936	91,830				
8	<b>Total</b>	329,308	219,649	109,659	0	0	0	0
<b>Transmission &amp; Distribution</b>								
9	Land & Land Rights	154,159	154,159					
10	Structures & Improvements	657,243	228,067	112,324	150,319	140,173	0	26,360
11	Distribution Reservoirs & Standpipes	5,702,377	1,140,475		4,561,902			
<b>Transmission &amp; Distribution Mains</b>								
12	Distribution	17,511,128	7,004,451	3,502,226	7,004,451			
13	Transmission	5,200,407	3,468,671	1,731,736				
14	Services	2,971,815				2,971,815		
15	Meters & Meter Installations	3,559,852				3,559,852		
16	Hydrants	1,228,292						1,228,292
17	Other Plant & Miscellaneous Equipment	1,316	427	190	417	237	0	45
18	<b>Total</b>	36,986,589	11,996,250	5,346,476	11,717,089	6,672,077	0	1,254,697
<b>General Plant</b>								
19	Land & Land Rights	678,146	230,911	103,857	204,817	116,629	0	21,932
20	Structures & Improvements	59,276	20,184	9,078	17,903	10,194	0	1,917
21	Office Furniture & Equipment	168,666	57,431	25,831	50,941	29,008	0	5,455
22	Transportation Equipment	421,130	143,395	64,496	127,192	72,427	0	13,620
23	Stores Equipment	0	0	0	0	0	0	0
24	Tools, Shop, & Garage Equipment	51,914	17,677	7,951	15,679	8,928	0	1,679
25	Lab Equipment	0	0	0	0	0	0	0
26	Power Operated Equipment	68,628	23,368	10,510	20,727	11,803	0	2,220
27	Communication Equipment	80,735	27,491	12,364	24,384	13,885	0	2,611
28	Billing System (Software/Hardware)	86,913					86,913	
29	Other Software	1,745	595	267	527	300	0	56
30	Miscellaneous Equipment	16	5	2	5	1	0	1
31	<b>Total</b>	1,617,169	521,057	234,356	462,175	263,177	86,913	49,491
32	<b>Total Utility Plant in Service</b>	<b>40,412,308</b>	<b>13,730,890</b>	<b>6,175,799</b>	<b>12,179,264</b>	<b>6,935,254</b>	<b>86,913</b>	<b>1,304,188</b>
33	Construction Work in Progress	0	0	0	0	0	0	0
34	Annual Repairs & Replacements	0	0	0	0	0	0	0
35	Plus: Working Capital	481,730	163,678	73,618	145,181	82,671	1,036	15,546
36	Plus: Inventory	221,258	75,176	33,813	66,682	37,971	476	7,140
37	Less: Contributed Capital	(18,213,804)	(6,188,504)	(2,783,429)	(5,489,187)	(3,125,715)	(39,172)	(587,797)
38	<b>Total Net Plant Investment</b>	<b>22,901,492</b>	<b>7,781,240</b>	<b>3,499,801</b>	<b>6,901,940</b>	<b>3,930,181</b>	<b>49,253</b>	<b>739,077</b>
39	Distribution	100.0%	34.0%	15.3%	30.1%	17.2%	0.2%	3.2%
40	Total Debt Service	1,323,561	450,010	202,505	398,392	227,653	2,647	42,354
41	Less: Other Revenues							
41	Interest Income	(110,491)	(37,567)	(16,905)	(33,258)	(19,004)	(221)	(3,536)
42	Total Adjusted Debt Service	1,213,070	412,443	185,600	365,134	208,649	2,426	38,818
43	Debt Service Coverage	264,712	90,002	40,501	79,678	45,531	529	8,471





**Table 11**  
**Allocation of Operation and Maintenance Expense**

Line No.	Description	Total	Common To All				Billing	Fire Protection
			Base	Extra Capacity		Metering		
		\$	\$	Max Day	Max Hour	\$	\$	\$
<b>Source of Supply</b>								
1	Purchased Water	1,576,462	1,051,500	524,962				
2	Power Purchased	296,142	266,528	29,614				
3	Salaries & Benefits	681	454	227				
4	Contractual Services - Accting	1,534	1,023	511				
5	Rental Expense	4,221	2,815	1,406				
6	Transportation	35	23	12				
7	Insurance	5,061	3,376	1,685				
8	Miscellaneous	548	366	182				
9	<b>Total</b>	<b>1,884,684</b>	<b>1,326,085</b>	<b>558,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Water Treatment</b>								
10	Salaries & Benefits	84	56	28				
11	Chemicals	0	0					
12	Power Purchased	404	364	40				
13	Contractual Services - Accting	767	767					
14	Transportation	0	0					
15	Insurance	3,163	3,163					
16	Materials & Supplies	0	0	0				
17	<b>Total</b>	<b>4,418</b>	<b>4,350</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transmission &amp; Distribution</b>								
18	Salaries & Benefits	375,038	172,944	86,429	115,665			
19	Salaries & Benefits - Fire Protection	14,607						14,607
20	Power Purchased	8,068	7,261	807				
21	Contractual Services - Accting	2,301	1,061	530	710			
22	Contractual Services - Other	90,630	41,793	20,886	27,951			
23	Contractual Services - Other, Fire Protection	6,214						6,214
24	Rental Expense	12,277	5,662	2,829	3,786			
25	Rental Expense - Fire Protections (Equip )	3,905						3,905
26	Transportation	77,910	35,927	17,955	24,028			
27	Insurance	18,345	8,459	4,228	5,658			
28	Materials & Supplies	77,314	35,653	17,817	23,844			
	Materials & Supplies - Fire Protection	7,671	0	0	0			7,671
29	<b>Total</b>	<b>694,280</b>	<b>308,760</b>	<b>151,481</b>	<b>201,642</b>	<b>0</b>	<b>0</b>	<b>32,397</b>
<b>Customer Accounts</b>								
30	Salaries & Benefits	458,617					458,617	
31	Billing Services (Cont. Svc. Other)	110,938					110,938	
32	Contractual Services - Accting	2,301	784	352	695	396	0	74
33	Uncollectible Accounts	14,286	4,864	2,188	4,315	2,457	0	462
34	Rental Expense	24,625	8,386	3,771	7,437	4,235	0	796
35	Transportation	58,705	19,989	8,991	17,730	10,096	0	1,899
36	Insurance	2,530	862	387	764	435	0	82
37	Miscellaneous	1,328	453	203	401	228	0	43
38	Materials & Supplies	2,802	954	429	846	482	0	91
39	<b>Total</b>	<b>676,132</b>	<b>36,292</b>	<b>16,321</b>	<b>32,188</b>	<b>18,329</b>	<b>569,555</b>	<b>3,447</b>
<b>Administrative &amp; General</b>								
40	Salaries & Benefits	337,360	114,625	51,555	101,672	57,895	726	10,887
41	Office Supplies	19,903	6,762	3,042	5,998	3,416	43	642
42	Contractual Services - Accting	6,778	2,302	1,036	2,043	1,163	15	219
43	Contractual Services - Legal	13,685	4,650	2,091	4,124	2,349	29	442
44	Contractual Services - Other	43,053	14,629	6,579	12,975	7,388	93	1,389
45	Insurance	10,495	3,565	1,604	3,163	1,801	23	339
46	PSC Assessment	10,986	3,732	1,679	3,311	1,885	24	355
47	Rental Expense	4,230	1,437	646	1,275	726	9	137
48	Miscellaneous	94,242	32,021	14,402	28,402	16,173	203	3,041
49	Transportation	1,146	390	175	345	197	2	37
50	<b>Total</b>	<b>541,878</b>	<b>184,113</b>	<b>82,809</b>	<b>163,308</b>	<b>92,993</b>	<b>1,167</b>	<b>17,488</b>
51	<b>Total Operating Expense</b>	<b>3,801,392</b>	<b>1,859,600</b>	<b>809,278</b>	<b>397,138</b>	<b>111,322</b>	<b>570,722</b>	<b>53,332</b>
Less: Other Income								
52	Other Operating Revenue	(347,230)	(169,862)	(73,922)	(36,276)	(10,168)	(52,131)	(4,871)
53	Other Non-Operating Revenue	(23)	(12)	(5)	(2)	(1)	(3)	0
54	<b>Total Adjusted O&amp;M Expense</b>	<b>3,454,139</b>	<b>1,689,726</b>	<b>735,351</b>	<b>360,860</b>	<b>101,153</b>	<b>518,588</b>	<b>48,461</b>
55	Distribution	100.0%	49.0%	21.3%	10.4%	2.9%	15.0%	1.4%





## **Distribution of Costs to Customer Classes**

The total cost responsibility of each class of service may be established by developing unit costs of service for each cost function and assigning those costs to the customer classes based on the respective service requirements of each.

### ***Customer Classification***

In this report water utility customers are separated into two principal categories containing a total of four individual classes. Each category and class potentially represents a particular type of load on the system with characteristic daily and hourly demands. The two principal service categories are Regular Retail Water Service, and Fire Service. With the concurrence of District administrators, two classes of Regular Retail Water Service customers are recognized for cost allocation and rate design purposes herein, including Residential and Commercial classes. The latter includes customers that may be currently identified in certain District records as Commercial, Agricultural, Industrial, and Combination Water & Fire. In addition, classes of Fire Service customers are recognized, including Public (Hydrant) Fire Service and Private Fire Service. The latter class includes customers that are currently designated as Fire Only and Detector Check. These classifications are recognized for cost allocation purposes in this report based on the understanding that, in the future, no water usage other than for purposes of fire fighting will be allowed under the Private Fire Service Class, and no commodity related costs will be included in the rates to be charged for Private Fire Service.

It is possible that, as additional customer growth occurs in the future, information regarding possible differences in the water usage demands and other characteristics of various sub-groups within the present Commercial Class (e.g., Commercial, Industrial, Agricultural, etc.) may be available. If this information should indicate that significant differences in service characteristics exist among these sub-groups, it is possible that in the future the District may wish to consider the establishment of additional separate classes of service, such as a separate Industrial Class. However, at this time sufficient information does not exist to justify the establishment of additional classes for cost allocation and rate purposes.

## **Units of Service**

The number of units of service required by each customer class provides the basis for the proportionate distribution of costs previously allocated to respective cost categories. Table 12 is a summary of the estimated units of service for the various customer classes.



Table 12  
Units of Service for Test Year

Line No.	Customer Class	Total Annual Usage	Average Day	Maximum Day			Maximum Hour			Total Accounts	Number of Bills	5/8 Inch Equivalent Meters	6 Inch Equiv. Fire Connections
				Capacity Factor	Total Capacity	Extra Capacity	Capacity Factor	Total Capacity	Extra Capacity				
		1,000 gals	Mg/day	%	Mg/day	Mg/day	%	Mg/day	Mg/day				
1	Residential	1,182,517	3,240	190%	6,156	2,916	310%	10,044	3,888	18,685	224,220	18,751	
2	Commercial	637,411	1,746	150%	2,619	873	260%	4,540	1,921	1,258	15,096	2,908	
	Fire Protection												
3	Public	0	0		908	908		5,450	4,542	0	0		1,529
4	Detector Check Valves	0	0		29	29		171	142	26	312	909	48
5	Metered Fire	0	0		23	23		139	116	34	408	963	39
6	Total Fire Protection	0	0		960	960		5,760	4,800	60	720	1,872	1,616
7	Total System	1,819,928	4,986		9,735	4,749		20,344	10,609	20,003	240,036	23,530	1,616

Mg = thousand gallons





The cost of service responsibility for Base costs varies with the volume of water used and may be distributed to customer classes on that basis. Extra Capacity costs are those associated with meeting peak rates of water use, and are distributed to customer classes based on the respective class capacity requirements in excess of average rates of use.

Meter costs are those associated with providing meters and service connections. Meter costs are allocated based on the number of equivalent meters. Equivalent meters are based on the relative costs of different sized meters. Customer costs, which consist of billing, collection and accounting costs, are allocated to the various classes on the basis of the number of bills.

Extra Capacity factors are relative estimates that reflect the differing usage characteristics of different customer classes. These factors are expressed as a percentage of average daily use and are intended to show the relative use of the system on maximum days and maximum hours. The respective extra capacity maximum day and maximum hour capacity requirements of customer classes provide the basis for distribution of total system extra capacity costs. Estimates of the capacity factors, that is, the ratios of peak demands to average demands, are based upon a review of available patterns of historical water use by District customers and the results of studies of typical customer peak demand characteristics in other water systems.

Customer meter requirements are allocated on the basis of the number of equivalent 5/8-inch meters serving each customer class. Customer billing requirements are distributed to classes on the basis of the number of bills for each class of customer. Fire Protection requirements are allocated based on the number of 6-inch equivalent fire connections.

### ***Customer Class Costs of Service***

Dividing the total cost allocated to each functional cost component by the total applicable units of service develops the unit costs of service applicable to each. The development of the total unit costs of service for each functional cost component is shown in Table 13.

The customer class responsibility for service is obtained by applying the unit costs of service to the number of units for which the customer class is responsible. This process is illustrated in Table 14, in which the unit costs of service from Table 12 are applied to the customer class units of service from Table 13. Individual elements are summed for each customer class to obtain the Total Cost of Service shown in the last column.



**Table 13**  
**Unit Costs of Service for Test Year**

Line No.	Description	Total Cost of Service	Common To All					Public Fire Protection
			Extra Capacity			Metering	Billing	
	Number of Units	\$	Base 1,000 gal	Max Day Mg/day	Max Hour Mg/day	Eq. Meters	Bills	Eq. 6" Conn.
1	Residential		1,182,517	2,916	3,888	18,751	224,220	
2	Commercial		637,411	873	1,921	2,908	15,096	
	Fire Protection							
3	Public		0	908	4,542		0	1,529
4	Detector Check Valves		0	29	142	909	312	0
5	Metered Fire		0	23	116	963	408	0
6	Total		1,819,928	4,749	10,609	23,530	240,036	1,529
	<b>Costs of Service</b>							
	Net Operation & Maintenance Expense							
7	Total Cost - \$	3,454,139	1,689,726	735,351	360,860	101,153	518,588	48,461
8	Unit Cost - \$/Unit		0.92846	154.84334	34.01452	4.29889	2.16046	31.68545
	Depreciation Expense							
9	Total Cost - \$	1,314,994	449,523	207,239	381,412	192,855	55,360	28,605
10	Unit Cost - \$/Unit		0.24700	43.63845	35.95174	8.19612	0.23063	18.70292
	Debt Service							
11	Total Cost - \$	1,213,070	412,443	185,600	365,134	208,649	2,426	38,818
12	Unit Cost - \$/Unit		0.22663	39.08191	34.41738	8.86734	0.01011	25.38053
	Debt Service Coverage							
13	Total Cost - \$	264,712	90,002	40,501	79,678	45,531	529	8,471
14	Unit Cost - \$/Unit		0.04945	8.52832	7.51042	1.93502	0.00220	5.53863
15	Total Unit Cost - \$/unit		1.45154	246.09202	111.89406	23.29737	2.40340	81.30753
	<b>Total Cost of Service - \$</b>							
16	Residential	3,844,842	1,716,466	717,604	435,044	436,838	538,890	0
17	Commercial	1,459,044	925,228	214,838	214,948	67,748	36,282	0
	Fire Protection							
18	Public	856,030	0	223,452	508,223	0	0	124,355
19	Private	86,999	0	12,797	28,869	43,602	1,731	0
20	Total Cost of Service	6,246,915	2,641,694	1,168,691	1,187,084	548,188	576,903	124,355



**Table 14**  
**Distribution of Costs to Customer Classes**

Line No.	Description	Common To All					Public Fire Protection Eq. Hydrants	Total Cost of Service \$
		Base 1,000 gal	Extra Capacity Max Day Mg/day		Max Hour Mg/day	Metering Eq. Meters		
<b>Unit Cost of Service - \$/unit</b>								
1	Residential	1.45154	246.09202	111.89406	23.29737	2.40340	81.30753	
2	Commercial	1.45154	246.09202	111.89406	23.29737	2.40340	81.30753	
<b>Residential</b>								
3	Units of Service	1,182,517	2,916	3,888	18,751	224,220	0	
4	Allocated Cost - \$	1,716,466	717,604	435,044	436,838	538,890	0	3,844,842
<b>Commercial</b>								
5	Units of Service	637,411	873	1,921	2,908	15,096	0	
6	Allocated Cost - \$	925,228	214,838	214,948	67,748	36,282	0	1,459,044
<b>Fire Protection</b>								
<i>Public</i>								
7	Units of Service	0	908	4,542	0	0	1,529	
8	Allocated Cost - \$	0	223,452	508,223	0	0	124,355	856,030
<i>Detector Check Valves- Private</i>								
9	Units of Service	0	29	142	909	312	0	
10	Allocated Cost - \$	0	7,137	15,889	21,175	750	0	44,951
<i>Metered Fire - Private</i>								
11	Units of Service	0	23	116	963	408	0	
12	Allocated Cost - \$	0	5,660	12,980	22,427	981	0	42,048
13	<b>Total Fire Protection</b>	0	236,249	537,092	43,602	1,731	124,355	943,029
14	<b>Total System</b>	2,641,694	1,168,691	1,187,084	548,188	576,903	124,355	6,246,915

### Recovery of Public Fire Costs of Service

The allocated costs of service include \$856,030 for Public Fire Protection. Presently this cost is recovered through water service charges to all other regular retail water service classes. Inasmuch as this practice is currently expected to continue, the Public Fire Protection costs of service are distributed between the Residential and Commercial customer classes in proportion to the relative total number of customers served.

### Adequacy of Existing Rates to Meet Cost of Service

Column 2 of Table 15 shows the costs of service for all customer classes, adjusted to reflect distribution of Public Fire Protection costs. In Column 3, these costs are compared with revenues estimated to be received under existing rates. The percentage increase necessary in the level of revenue to be derived from each customer class is also indicated in Column 4.





**Table 15**  
**Comparison of Revenues under Existing Rates and Allocated Cost of Service**

Line No.	Description	(1) Allocated Cost of Service	(2) Adjusted Cost of Service	(3) Revenue Under Existing Rates	(4) Indicated Percent Change
		\$	\$	\$	%
1	Residential	3,844,842	4,646,874	4,177,217	11.24%
2	Commercial	1,459,044	1,513,042	1,411,626	7.18%
	Fire Protection				
3	Public Fire Protection	856,030	0	0	0.00%
4	Detector Check Valves	44,951	44,951	8,930	403.37%
5	Metered Fire	<u>42,048</u>	<u>42,048</u>	<u>92,096</u>	(54.34%)
6	Total	6,246,915	6,246,915	5,689,869	9.79%



## Proposed Rates

The initial consideration in the derivation of rate schedules for utility service is the establishment of equitable charges to the customers commensurate with the cost of providing that service. While the cost of service allocations to customer classes should not be construed as literal or exact determinations, they offer a guide to the necessity for, and the extent of, rate adjustments. Practical considerations sometimes modify rate adjustments by taking into account additional factors such as the extent of change from previous rate levels, existing contracts, current concerns, and local policies and practices.

### Existing Rates

The existing schedule of rates for water service is shown in Appendix A. Existing regular retail service rates include a minimum bill, which varies by meter size and volume allowance, and a four block volume charge. Provision for various private fire service charge rates are also included in the existing schedule of rates.

### Proposed Rate Adjustments

The cost of service studies described in the preceding section of this report provide a basis for the design of schedules of water rates to recover these costs. In order to recognize the significantly different characteristics of service representative of regular retail service and fire protection service, respectively, separate rate formats are recognized for each of these two types of service.

Considerations recognized in the derivation of the proposed schedules of regular retail water service and private fire service rates subsequently presented herein, which are developed based on discussions with representatives of the Warren County Water District, include the indicated desire of the District to: (1) recover revenues from each class of customers approximately equal to the allocated costs of providing service; (2) retain the current decreasing block rate format for regular retail water service if practical; (3) consider possible decreases in the minimum volume allowance and charges applicable to customers with large meters if they can be justified; and (4) redefine and reduce the number of existing Private Fire Service classifications, and revise the current bases of charge consistent with the recent March 29, 2005 Public Service Commission fire service rate decision (Cases No. 2002-00040, 2002-00041, and 2002-00042) and associated District policy that, in the future, no water usage other than for purposes of fire fighting will be allowed under the Private Fire Service Class, and no commodity related costs will be included in the rates to be charged for Private Fire Service.



A schedule of proposed water rates designed to address the above considerations is presented in Table 16. The rates for regular retail water service continue to include a monthly minimum charge by meter size and declining block based commodity charges. The minimum charge consists of billing and meter related costs plus volume charges adequate to recover the volume allowance applicable to each meter size. The rates shown would be applicable to those general service retail customer classes designated as Residential and Commercial.

Proposed Private Fire Service rates, which provide only for a fixed monthly service charge based on service size, would apply to those customers currently classified as Metered Fire Service and Detector Check Valve accounts. However, because of Public Service Commission regulations that prohibit the inclusion of commodity costs in fire service charges, in the future no usage other than that related to fighting fires should be permitted under the rates proposed. In the event unauthorized water usage takes place, the account should be reclassified and charged for service as a regular general service retail rate customer.

### **Comparison of Revenues under Proposed Rates with Adjusted Costs of Service**

Table 17 presents a comparison of Test Year adjusted cost of service with revenues projected to be generated under the proposed general service water rates. This table indicates that, within practical limits, the proposed rates provide for the full recovery of adjusted costs of service from Residential and Commercial customer classes.



**Table 16**  
**Proposed Water Service Rates**

<b>Monthly Water Rates - General Service</b>				
5/8" x 3/4" Meter	2,000	Gallons	\$10.52	Minimum Bill
Next	8,000	Gallons	3.09	per 1,000 Gallons
Next	90,000	Gallons	2.42	per 1,000 Gallons
Next	900,000	Gallons	1.97	per 1,000 Gallons
Over	1,000,000	Gallons	1.63	per 1,000 Gallons

The \$10.52 Minimum applies to the 5/8 x 3/4 inch meters only. The minimums below apply to all other meter sizes.

3/4"	3,000	Gallons	\$13.61	Minimum Bill
1"	5,000	Gallons	20.22	Minimum Bill
1 1/2"	10,000	Gallons	38.27	Minimum Bill
2"	15,000	Gallons	51.01	Minimum Bill
3"	20,000	Gallons	74.75	Minimum Bill
4"	30,000	Gallons	125.68	Minimum Bill
6"	50,000	Gallons	188.73	Minimum Bill
8"	80,000	Gallons	273.39	Minimum Bill
10" and larger	120,000	Gallons	382.98	Minimum Bill

The rates to be charged after the minimum rate are the same regardless of meter size.

<b>Private Fire Service<sup>1</sup></b>	
Meter Size	Rate
inches	\$/month
5/8	6.78
1 1/2	10.10
2	12.32
3	28.83
4	63.41
6	112.95
8	186.28
10	299.91
12	451.06

<sup>1</sup> These Changes shall apply to all connections which provide service only for private fire protection facilities whether supplied through a fully metered service or an unmetered service with a detector check valve and bypass meter.

Customer charges are lump sum charges according to the applicable service size with zero water usage. In case of a fire, charges for water usage shall be in accordance with Warren County Water District Tariff effective 12/16/96, Section III D. Charges for all other usage shall be in accordance with prevailing Warren County Water District rates for general service. Where a detector check valve with a bypass meter is used, the water usage shall be based on the combined volume of water used through both the detector check valve (estimated) and the bypass meter.



**Table 17**  
**Comparison of Test Year General Service Revenues under**  
**Proposed Rates with Adjusted Costs of Service**

Line No.	Description	Adjusted Cost of Service	Revenue Under Proposed Rates	Proposed Revenue As % of Adjusted Cost of Service
		\$	\$	%
1	Residential	4,646,874	4,650,196	100.07%
2	Commercial	1,513,042	1,522,582	100.63%
3	Total	6,159,916	6,172,778	100.21%

### Typical Bills

Comparisons of typical regular retail water service bills for various meter sizes and quantities of water use under the proposed rates, with those under existing rates are shown in Table 18. As indicated in the table, the average residential customer using approximately 5,000 gallons per month through a 5/8-inch meter may expect his average monthly water bill to increase \$1.75, or less than \$0.06 a day, under the proposed rates.

**Table 18**  
**Typical General Service Water Bills under Existing and Proposed Rates**

Meter Size	Monthly Usage 1,000 gals	Existing Rates \$	Proposed Rates \$	Increase \$	Increase %
5/8"	0	9.75	10.52	0.77	7.9%
5/8"	5	17.79	19.79	2.00	11.2%
3/4"	15	42.34	47.34	5.00	11.8%
1"	100	228.28	253.47	25.19	11.0%
2"	150	323.30	355.21	31.91	9.9%
4"	1,000	1,911.64	2,068.08	156.44	8.2%
6"	1,500	2,675.30	2,897.73	222.43	8.3%



## Appendix A

Shown below is the District's current schedule of rates.

### Monthly Water Rates - Regular Service

5/8" & 3/4" Meter	2,000 Gallons	\$9.75 Minimum Bill
Next	8,000 Gallons	2.68 per 1,000 Gallons
Next	90,000 Gallons	2.18 per 1,000 Gallons
Next	900,000 Gallons	1.80 per 1,000 Gallons
Over	1,000,000 Gallons	1.49 per 1,000 Gallons

The \$9.75 Minimum applies to the 5/8 and 3/4 inch meters only. The minimums below apply to all other meter sizes

3/4"	3,000 Gallons	\$12.68 Minimum Bill
1"	5,000 Gallons	18.68 Minimum Bill
1 1/2"	10,000 Gallons	35.22 Minimum Bill
2"	16,000 Gallons	50.18 Minimum Bill
3"	30,000 Gallons	127.19 Minimum Bill
4"	50,000 Gallons	182.64 Minimum Bill
6"	100,000 Gallons	310.30 Minimum Bill
8"	160,000 Gallons	437.15 Minimum Bill
10" and larger	550,000 Gallons	1,171.46 Minimum Bill

The rates to be charged after the minimum rate is the same regardless of meter size.

### Monthly Water Rates - With Fire Service

2" Meter	0 Gallons	35.94 Minimum Bill
To	16,000 Gallons	0.89 per 1,000 Gallons
To	100,000 Gallons	2.18 per 1,000 Gallons
To	1,000,000 Gallons	1.80 per 1,000 Gallons
Over	1,000,000 Gallons	1.49 per 1,000 Gallons
4" Meter	0 Gallons	139.14 Minimum Bill
To	50,000 Gallons	0.89 per 1,000 Gallons
To	100,000 Gallons	2.18 per 1,000 Gallons
To	1,000,000 Gallons	1.80 per 1,000 Gallons
Over	1,000,000 Gallons	1.49 per 1,000 Gallons
6" Meter	0 Gallons	221.30 Minimum Bill
To	100,000 Gallons	0.89 per 1,000 Gallons
To	1,000,000 Gallons	1.80 per 1,000 Gallons
Over	1,000,000 Gallons	1.49 per 1,000 Gallons
8" Meter	0 Gallons	294.75 Minimum Bill
To	160,000 Gallons	0.89 per 1,000 Gallons
To	1,000,000 Gallons	1.80 per 1,000 Gallons
Over	1,000,000 Gallons	1.49 per 1,000 Gallons
10" and larger	0 Gallons	681.96 Minimum Bill
To	550,000 Gallons	0.89 per 1,000 Gallons
To	100,000 Gallons	1.80 per 1,000 Gallons
Over	100,000 Gallons	1.49 per 1,000 Gallons

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