

NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

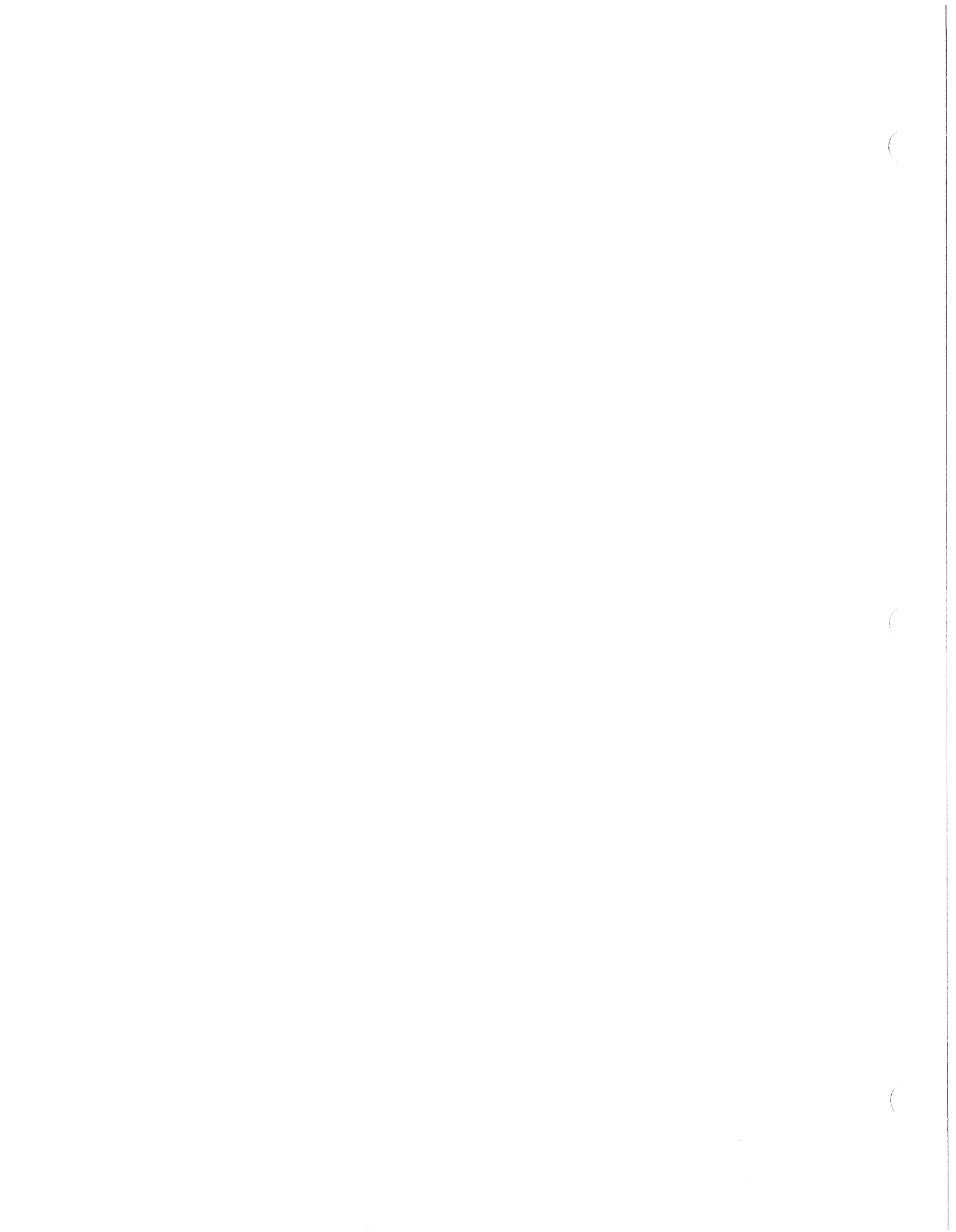
Campbell County
184-435

BID INFORMATION AND BOARD RESOLUTION

Bid Tabulation

Engineer's Recommendation of Award

Board Resolution



ITEMS CONCERNING BID INFORMATION AND BOARD RESOLUTION

- The Bid opening was scheduled for August 8, 2006 and bid tabulation is attached. Bids expire November 6, 2006. The project includes numerous improvements to the Memorial Parkway Treatment Plant. These improvements are related to the raw water transfer station, three filters, the clearwell and chemical feed and storage systems. A summary of the project costs is provided below:

○ Design Engineering	\$ 403,299
○ Construction Engineering	\$ 200,000
○ Contractor's Bid	\$5,899,484
○ Misc. & Contingencies	\$ <u>362,217</u>
Total Project Cost	\$6,865,000

Total Memorial Parkway

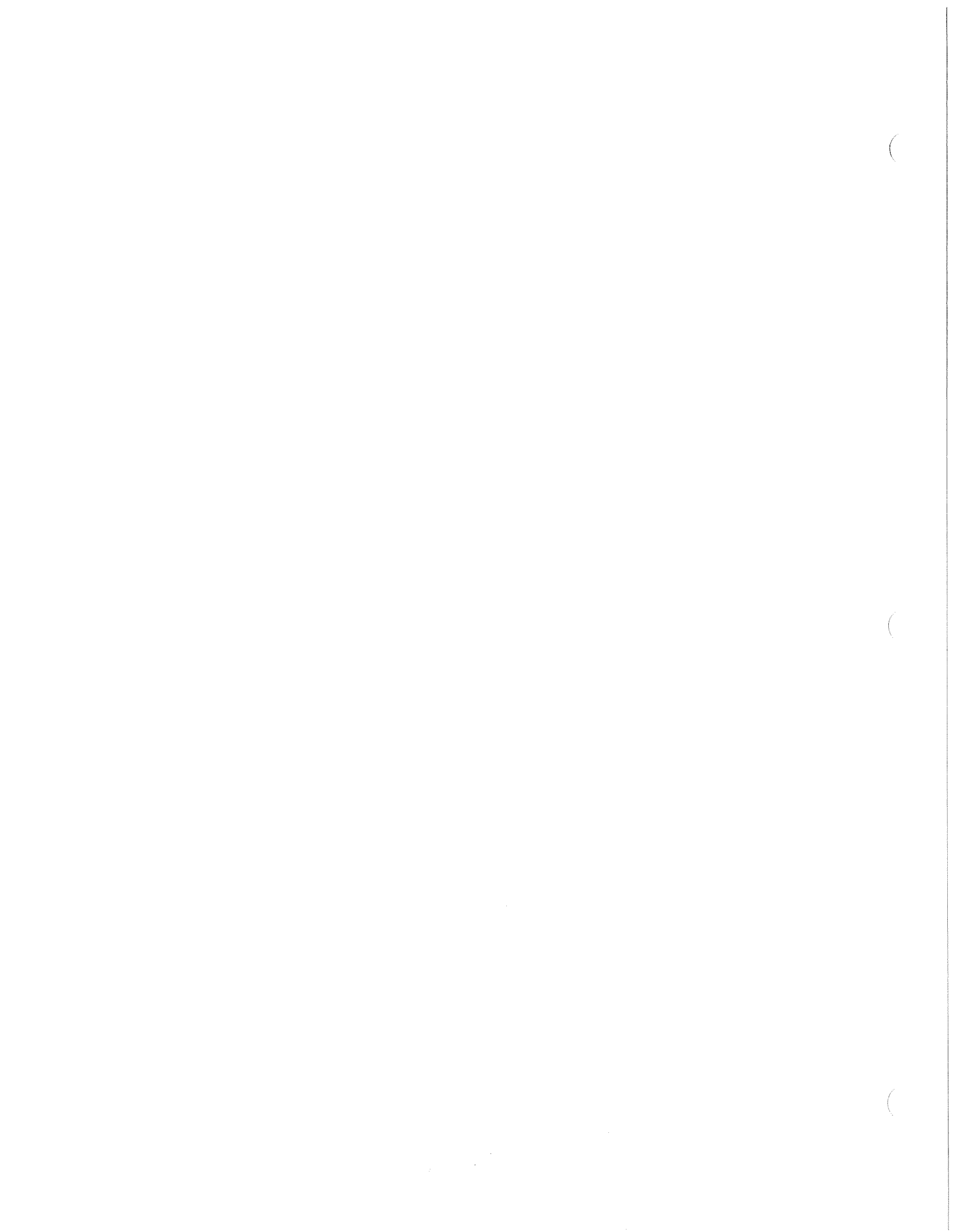
Treatment Plant Improvements

\$500,000 financed through BAN 2005

\$4,000,000 financed through State Revolving Fund Loan

\$2,365,000 financed through BAN 2007

- The Engineer's Recommendation of Award is attached.
- The Board Resolution from the August 17, 2006 meeting is attached.



Project Title Memorial Parkway WTP Date Prepared August 14, 2006

**FUND F
Part III - Budget Information
Project Cost Summary**

COST CLASSIFICATION	LOCAL FUNDS	GRANT	GRANT	LOAN	FUND F DWSRF LOAN	TOTAL PROJECT COSTS
1. Administrative and Legal Expense	\$15,928	\$	\$	\$	\$	\$15,928
2. Land Acquisition						
3. Relocation Expenses						
4. Engineering	\$603,299					\$603,299
5. Construction (bid amount)	\$1,899,484				\$4,000,000	\$5,899,484
6. Equipment						
7. Miscellaneous	\$70,000					\$70,000
8. Contingencies	\$276,289					\$276,289
9. Total Project Costs Each Funding Source	\$2,865,000	\$	\$	\$	\$4,000,000	\$6,865,000

For funding sources other than DWSRF, please identify the grant/loan and indicate the award, or application date of such:

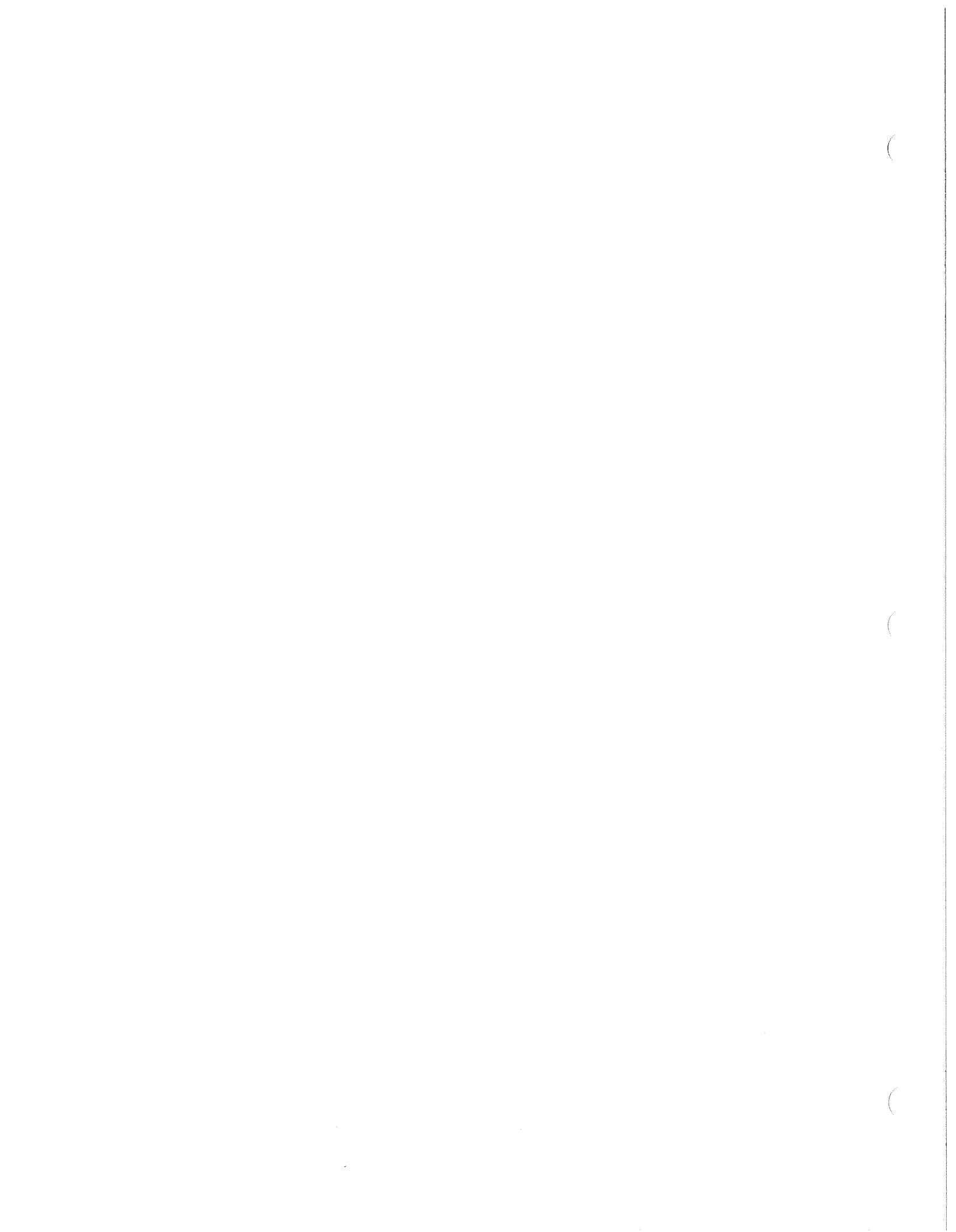
Identify Source of Local Funds:

Northern Kentucky Water District

Revised August 14, 2006

Revised _____

Revised _____



NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

Campbell County
184-435

Bid Tabulation

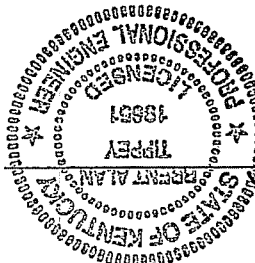


**Memorial Parkway Treatment Plant Improvements
Fort Thomas, Kentucky
Northern Kentucky Water District**

Bids Received: August 8, 2006 @ 2 p.m.

Bidder												
Topic	Building Crafts Incorporated	Danis Industrial	Fryman Kuck	Reynolds Incorporated	PAE & Associates	W. Rogers Company						
Lump Sum Bid (Item 1)	\$5,531,894.00	\$5,900,000.00	\$5,774,435.00	\$6,125,000.00	\$6,400,000.00	\$6,597,000.00	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount
Concrete Restoration (Item 2)	\$19.50	\$60.90	\$103.38	\$82,704.00	\$25.00	\$7,400.00	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount
Interior Vertical Surfaces (800 sq ft)	\$15,600.00	\$48,720.00	\$103.38	\$82,704.00	\$25.00	\$20,000.00	\$19.50	\$20,000.00	\$25.00	\$20,000.00	\$9.25	\$7,400.00
Exterior Vertical Surfaces (600 sq ft)	\$16.00	\$58.73	\$12.48	\$7,488.00	\$65.00	\$4,350.00	\$16.00	\$15,000.00	\$25.00	\$15,000.00	\$7.25	\$4,350.00
Underside of Beams & Slabs (1,800 sq ft)	\$37.50	\$67,500.00	\$65.25	\$117,450.00	\$138.00	\$18,450.00	\$37.50	\$90,000.00	\$50.00	\$90,000.00	\$10.25	\$18,450.00
Total Base Bid (Items 1 & 2)	\$5,624,594.00	\$6,101,408.00	\$6,113,027.00	\$6,333,000.00	\$6,525,000.00	\$6,627,200.00						
Alternate Bid	\$274,890.00	\$213,000.00	\$255,000.00	\$255,000.00	\$300,000.00	\$296,000.00						

I hereby certify that this is a true and correct tabulation of the bids



Brent Tippet, P.E.
Quest Engineers, Inc.

Case No. 2006-____
Exhibit C

NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

Campbell County
184-435

Engineer's Recommendation of Award





August 9, 2006

Amy Kramer, P.E.
Design Engineering Manager
Northern Kentucky Water District
2835 Crescent Springs Road
Erlanger, KY 41018

Re : Recommendation of Award
Memorial Parkway Treatment Plant Improvements
Northern Kentucky Water District

Quest Engineers, Inc.

Dear Amy:

Lexington:
2517 Sir Barton Way
Lexington, KY 40509
859-223-3755
859-223-3150 (Fax)

Louisville:
One Riverfront Plaza
401 West Main Street
Suite 500
Louisville, KY 40202
502-584-4118
502-589-3009 (Fax)

Cincinnati:
1251 Kemper Meadow Drive
Suite 600
Cincinnati, OH 45240
513-851-9774
513-851-9207 (Fax)

As you know, bids were received and opened publicly on August 8, 2006 for the referenced project. Six companies presented responsive bids and each has been determined to be mathematically correct. The low bidder was Building Crafts, Inc. (BCI) of Wilder, Kentucky with a total base bid amount of \$5,624,594. Each of the six bids are summarized in Table 1. A more detailed bid tabulation is attached.

Table 1
Summarized Bid Results
Memorial Parkway Treatment Plant Improvements

Bidder	Total Base Bid	Additive Alternate Bid	Total Bid Amount
Building Crafts, Inc.	\$5,624,594	\$274,890	\$5,899,484
Danis Industrial	\$6,101,408	\$213,000	\$6,314,408
Fryman - Kuck, Inc.	\$6,113,027	\$255,000	\$6,368,027
Reynolds, Inc.	\$6,333,000	\$255,000	\$6,588,000
PAE & Associates, Inc.	\$6,525,000	\$300,000	\$6,825,000
W. Rogers Company	\$6,627,200	\$296,000	\$6,923,200
Engineers Estimate	\$6,195,040	\$245,000	\$6,440,040

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A review of the bids reveals that NKWD received very good pricing and that three of the bidders were below the engineer's estimate. The BCI bid is actually 8.5% under the engineer's estimate (when the alternate bid is included). BCI is a well-respected contractor in Kentucky for municipal utility projects and has substantial experience with NKWD. Based on discussions with NKWD staff, it is our understanding that NKWD is comfortable with BCI's capability to perform the work associated with this project. Further, we understand that NKWD has been satisfied with the quality of their work on these past projects. Indeed, the JYG/Quest team has worked with BCI on several projects with each of them resulting in a successful conclusion. Based on this information, JYG/Quest recommends that BCI be awarded the contract for the Memorial Parkway Treatment Plant Improvements project.

One final area of discussion is the acceptance of the Additive Alternate Bid for the installation of the Powder Activated Carbon (PAC) Building. The pricing for this item was very close to the engineer's estimate, and we do not expect that it would be any better from re-bidding this portion separately or waiting to bid it again at a later date. Over the last two years, raw material and equipment prices have gone up at an average of 8% per year. The current expectations of the industry are for that trend to continue for at least another year before any moderation occurs. Based on this information, our recommendation is that the Additive Alternate Bid be accepted since the contractor will already be mobilized on the job site and pricing is likely to be substantially higher in the future.

The JYG/Quest team appreciate the opportunity to have provided professional engineering services to NKWD for the design and bidding of the Memorial Parkway Treatment Plant Improvements project. We are excited at the results of the bidding and look forward to the successful construction and start-up of the facility improvements. If you have any questions about the results of the bid or any other matter, please feel free to call me at (859) 223-3755.

Kindest regards,



Brent A. Tippey, P.E.
Vice-President/Water Manager

Attachments



Case No. 2006-____
Exhibit C

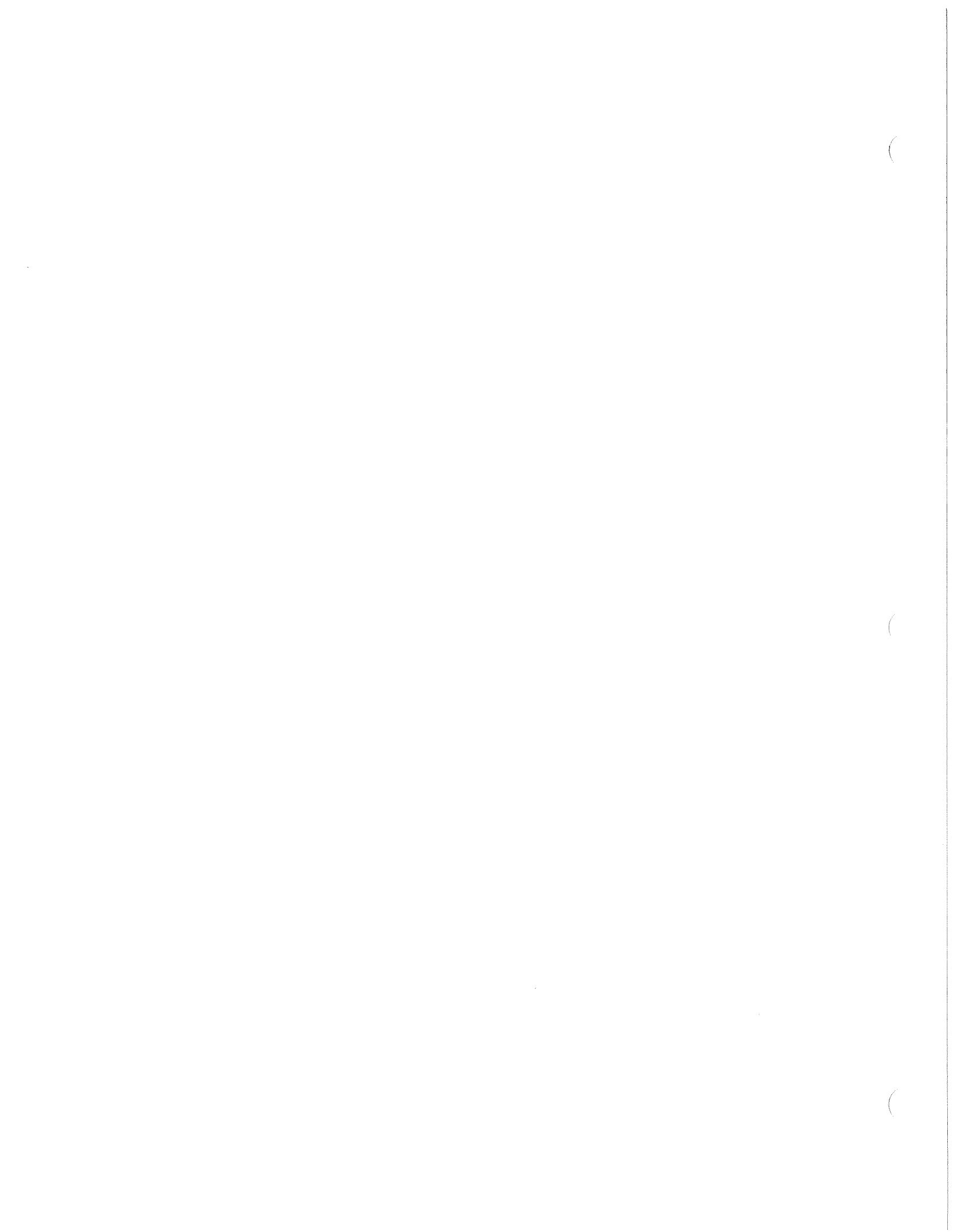
NORTHERN KENTUCKY
WATER DISTRICT

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Memorial Parkway Treatment Plant Improvements

Campbell County
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Board Resolution



**Northern Kentucky Water District
Board of Commissioners Meeting
August 17, 2006**

A regular meeting of the Board of Commissioners of the Northern Kentucky Water District was held on August 17, 2006 at the District's facility at 2835 Crescent Springs Road in Erlanger, Kentucky. All Commissioners were present. Also present were Ron Lovan, Richard Harrison, Bari Joslyn, Mark Lofland, Jack Bragg, Bill Wulfeck, Amy Kramer, Jim Dierig, Mary Carol Wagner, Dave Enzweiler and Charles Pangburn.

Commissioner Koester called the meeting to order.

Commissioner Sommerkamp led those in attendance in the Pledge of Allegiance.

Ms. Joslyn of the District staff delivered a presentation to the Board on Regulatory Compliance.

The Board reviewed articles published and correspondence received since the last regular Board meeting on July 26, 2006.

On motion of Commissioner Macke, seconded by Commissioner Wagner, the Board unanimously approved the minutes for the regular Board meeting held on July 26, 2006.

On motion of Commissioner Collins, seconded by Commissioner Jackson, and after discussion, the Board unanimously approved the expenditures of the District for the month of July, 2006.

On motion of Commissioner Wagner, seconded by Commissioner Sommerkamp, and after discussion, the Board unanimously agreed to award the Chesapeake Road water main interconnect and 12-inch replacement project in the cities of Newport and Ft. Thomas to G.M. Pipeline, Inc. and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Macke, seconded by Commissioner Sommerkamp, and after discussion, the Board unanimously agreed to award the Montrose Avenue 6-inch water main replacement project to Jack Gemmer & Son's, Inc. and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Collins, seconded by Commissioner Sommerkamp, and after discussion, the Board unanimously agreed to award the Ohio River Pump Station No. 2 discharge line replacement project to American Construction and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, and after discussion, the Board unanimously agreed to award the Taylor Mill Standpipe painting

project to Security Painting Co., Inc. and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Jackson, and after discussion, the Board unanimously agreed to award the Ft. Thomas Treatment Plant filter building roof project to CA Eckstein Inc. and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Sommerkamp, seconded by Commissioner Wagner, and after discussion, the Board unanimously agreed to increase the project budget for the Memorial Parkway Treatment Plant improvements to \$6,865,000, to award the project to Building Crafts, Inc. and to authorize the District staff to execute appropriate contract documents.

On motion of Commissioner Wagner, seconded by Commissioner Collins, and after discussion, the Board unanimously agreed to authorize the District staff to execute an amendment to the existing engineering design contract with CH2MHill to add the design of a 1,400 square foot, treatment unit building.

On motion of Commissioner Collins, seconded by Commissioner Jackson, and after discussion, the Board unanimously agreed to engage CDM to perform engineering services for an enhanced coagulation trial at the Ft. Thomas Treatment Plant and to authorize the District staff to execute appropriate engineering contract documents.

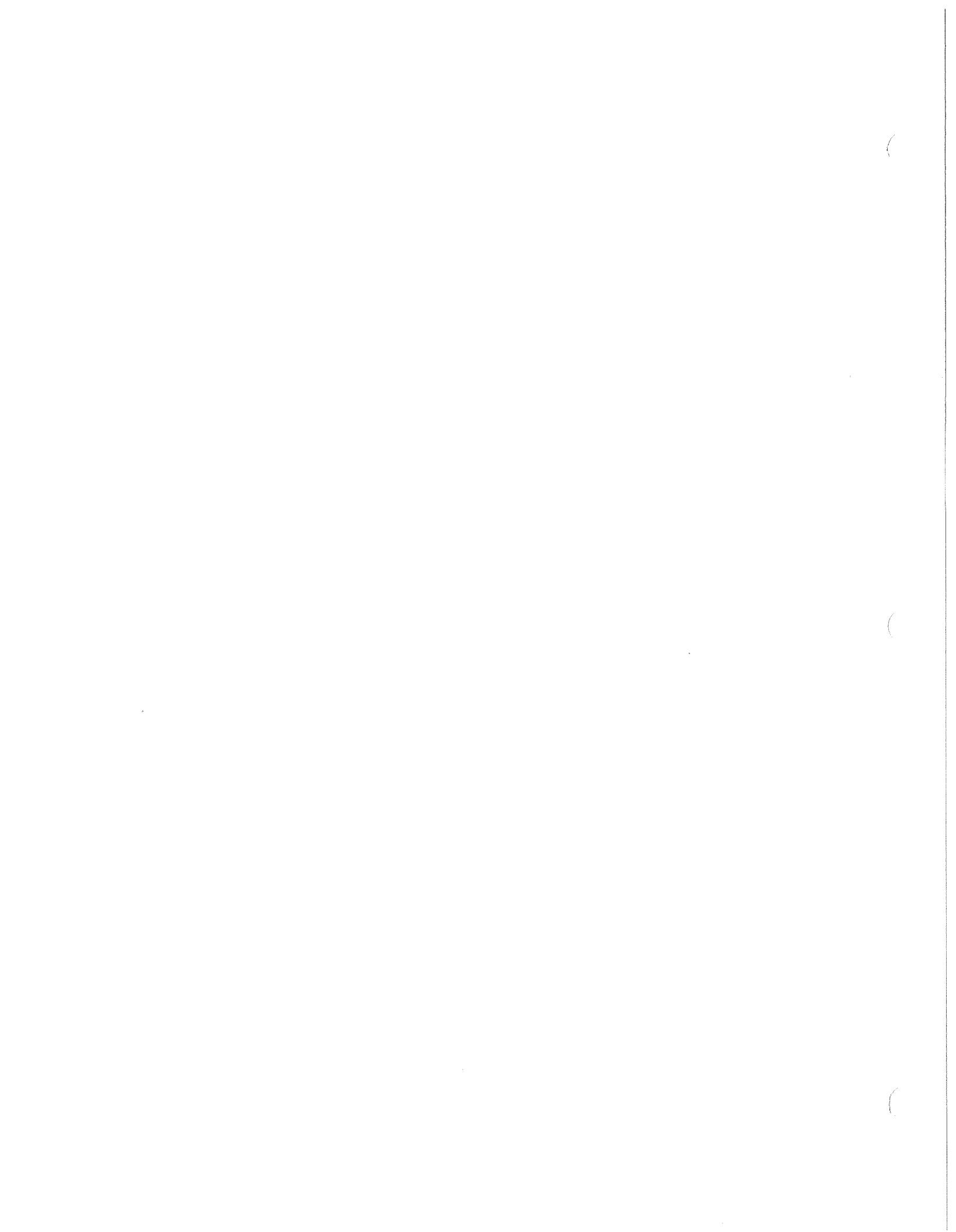
The Board reviewed the District's financial reports and Department reports.

Other matters of a general nature were discussed.

There being no further business to come before the Board, the meeting was adjourned.

CHAIR

SECRETARY





80000 SERIES
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NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

Campbell County
184-435

PROJECT FINANCE INFORMATION

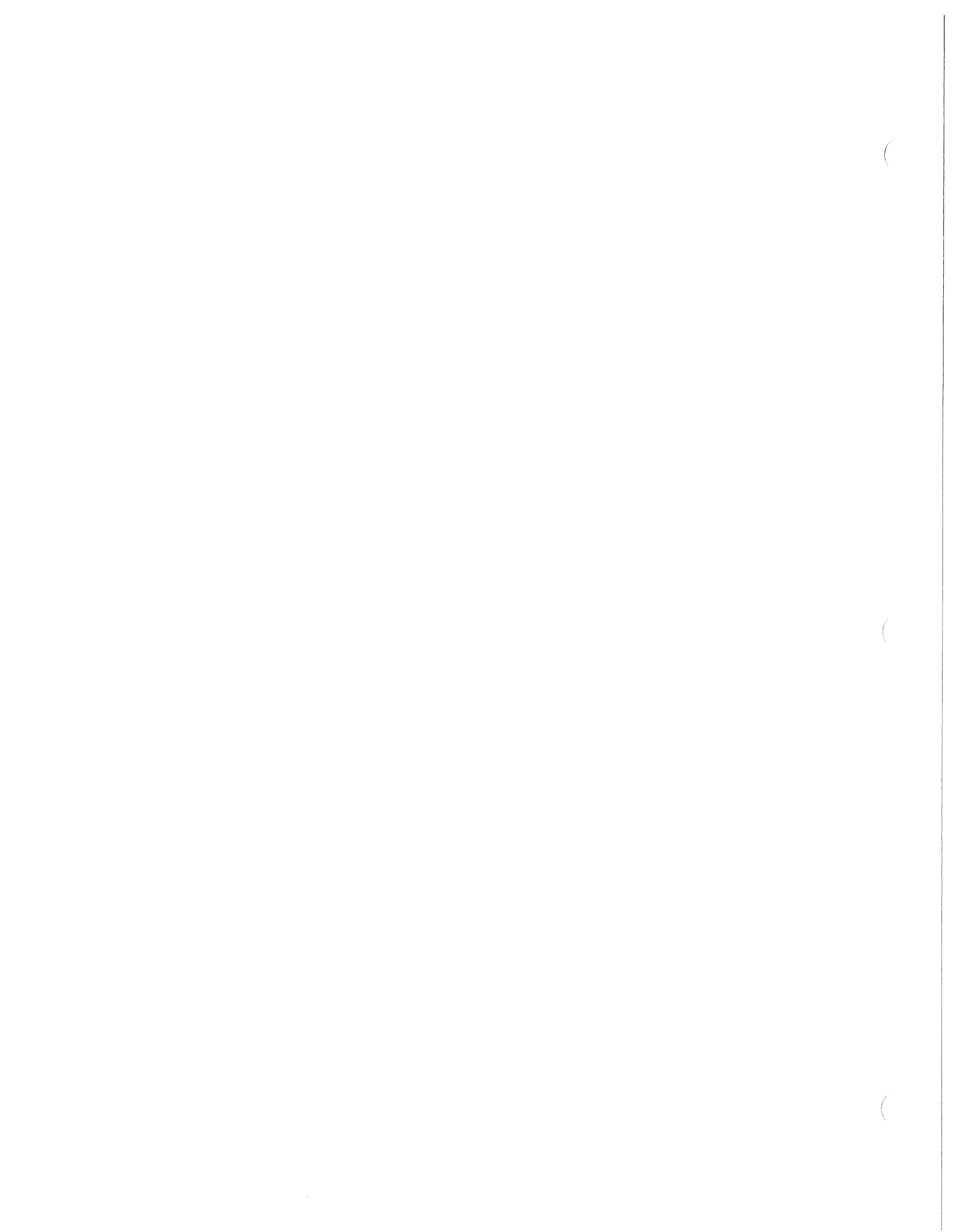
Customers Added and Revenue Effect

Debt Issuance and Source of Debt

Additional Costs for Operating and Maintenance

Depreciation Cost and Debt Service After Construction

Division of Water SRF Loan Information



Northern Kentucky Water District

There will be zero new customers added and no revenue effect as a result of the Memorial Parkway Treatment Plant Improvements Project.

The amount of debt issuance and source is \$500,000 from BAN 2005, \$2,365,000 from BAN 2007, and \$4,000,000 from State Revolving Fund Loan.

Additional operating and maintenance costs incurred for the project are as follows:

Annual O&M

Savings from reduced maintenance costs are expected to offset any increases in power for the new building. There will be no change in labor costs.

Annual depreciation and debt service after construction are as follows:

Depreciation	\$114,417/year over 60 years
Debt Service	\$426,225/year over 25 years

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ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

Ernie Fletcher
Governor

Division of Water
14 Reilly Road
Frankfort, Kentucky 40601-1190
www.kentucky.gov

LaJuana S. Wilcher
Secretary

February 1, 2006

Northern Kentucky Water District
Attn: Ron Lovan, President
P.O. Box 220
Cold Spring, KY 41076-0220

Re: DWSRF# 77940
Priority Listing

Dear Mr. Lovan:

The Kentucky Division of Water (DOW) has selected the Northern Kentucky Water District, Memorial Parkway Treatment Plant Chemical Building project (WX21037560) to receive priority for a Drinking Water State Revolving Fund (DWSRF) loan. As a result, the project must be ready to bid by June 30, 2006. Prior to bidding, the following must be finalized:

1. DOW approval of an Environmental Information Document
2. DOW approval of a complete financial application
3. DOW approval of plans and specifications, authorizing you to bid your project.

The DOW will be glad to accommodate a meeting with you to discuss the requirements of the program.

Due to limited funds available, projects will be funded based on their "readiness to proceed". If it appears that the June 30, 2006 deadline cannot feasibly be met, please notify the DOW immediately. In such a case, the project would be withdrawn from the current priority listing and placed on the comprehensive DWSRF project list. At what point in the future the applicant wishes to pursue DWSRF funding, the project would have to be reevaluated, ranked and placed on the Division of Water Priority List/ Intended Use Plan for the following year.

Please provide a detailed construction schedule along with your intentions to utilize DWSRF loan funds to Amanda Yeary, DWSRF Coordinator, 14 Reilly Road, Frankfort, KY 40601 or Amanda.Yeary@ky.gov, within 30 days. If you have any questions, please do not hesitate to contact me or Amanda Yeary at (502) 564-3410 extensions 541 and 412, respectively.

Sincerely,

Donna Marlin, Manager
Drinking Water Branch
Division of Water

DSM: ALY

C: Richard Harrison, Dir. of Engineering

Northern Kentucky Water District

March 1, 2006

Ms. Amanda Yeary
Department of Environmental Protection
Kentucky Division of Water
14 Reilly Road
Frankfort, Kentucky 40601

Re.: DWSRF# 77940 Priority Listing for Memorial Parkway Treatment Plant Chemical Building Project
#WX21037560

Dear Ms. Yeary,

The Northern Kentucky Water District is pleased to be considered for the Kentucky Division of Water for a "State Revolving Loan Fund" in the amount of \$4,000,000.00. The District intends to move forward with making a financial application, developing project plans & specifications and providing environmental information to meet the requirements as outlined in your February 1, 2006 letter in an attempt to meet the June 30, 2006 deadline. We are planning to apply for the full \$4,000,000 in State Revolving Loan Fund. A detailed construction schedule is attached as requested. Should you have any questions or need additional information, feel free to contact this office. The District looks forward to working with the KDOW on these important projects.

Sincerely,



Richard Harrison
V.P. Engineering & Distribution

Cc: file
attachments

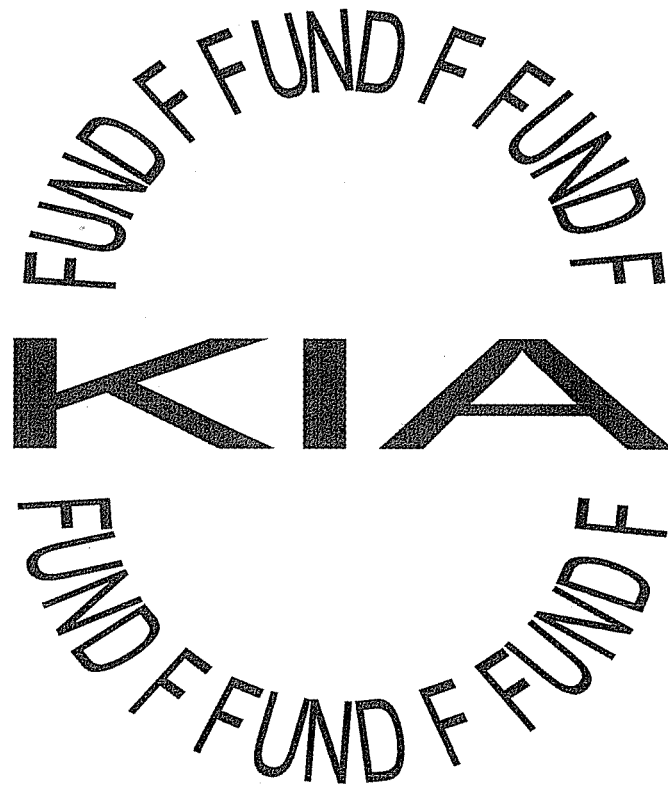
KENTUCKY INFRASTRUCTURE AUTHORITY

DIVISION OF WATER

FUND F

Drinking Water Supply Revolving Fund

Application for Loan Assistance



**FINANCE AND ADMINISTRATION CABINET
KENTUCKY INFRASTRUCTURE AUTHORITY
ROOM 261, CAPITOL ANNEX
FRANKFORT, KENTUCKY 40601
(502) 564-2090**

**NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION CABINET
DIVISION OF WATER
14 REILLY ROAD
FRANKFORT, KENTUCKY 40601
(502) 564-3410**



FUND F

PART 1 - GENERAL PROJECT SUMMARY

1. PROJECT TITLE
Memorial Parkway Treatment Plant Improvements
2. TOTAL AMOUNT REQUESTED \$ 4,000,000

Planning \$ _____	Design \$ _____	Construction \$ 4,000,000
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3. If this project has previously been submitted to the Clearinghouse, identify funding source and SAI #.
- Source KIA SAI # KY 20060309-0251

4. LEGAL APPLICANT

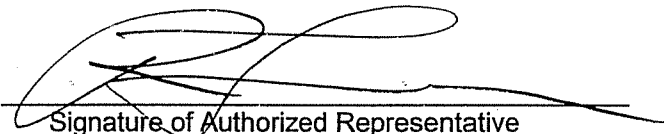
Name of Representative: C. Ronald Lovan, P. E.
Title: President/CEO
Organization: Northern Kentucky Water District
Street/P.O. Box: 2835 Crescent Springs Road
City & Zip Code: Erlanger, KY 41018
County: Kenton
Telephone: 859-578-9898
Fax: 859-578-7893
Congressional District: 4th
Federal I.D. Number: SD-059-112

5. APPLICATION CONTACT PERSON (Consultant, Area Development District, etc.)

Name: Robert J. Sturdivant
Title: Associate
Firm: Quest Engineers, Inc.
Street/P.O. Box: 2517 Sir Barton Way
City & Zip Code: Lexington, KY 40509
Telephone: 859-223-3755
Fax: 859-223-3150

To the best of my knowledge and belief data contained in this application is true and correct, and the document has been duly authorized by the governing body of the applicant.

C. Ronald Lovan, P.E., President/CEO
Typed Name and Title


Signature of Authorized Representative

5/19/06
Date

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6. PLANNING AND DESIGN ENGINEER

Name of Firm: Quest Engineers, Inc.
Address: 2517 Sir Barton Way
Lexington, Kentucky 40509
Telephone: 859-223-3755
Fax: 859-223-3150
Contact: Brent A. Tippey, P.E.

7. **CERTIFICATION:** Does the applicant certify that no debarred or suspended firms have been or will be used in any phase of this project? Yes No If yes, attach Certification Form.

8. **DEMOGRAPHICS:** (please site sources for all population estimates)

- a) Past Population of Service Area (5 years ago): 240,080
Source: U.S. Census Bureau
- b) Current Population of Service Area: 240,080
Source: U.S. Census Bureau
- c) Projected Population of Service Area (20 years): 270,830
Source: KY State Data Center
- d) Unserved Households in Service Area: 2,603
Source: U.S. Census Bureau
- e) Per Capita Income of Applicant's Jurisdiction: \$ 21,361
Source: 2000 Census
- f) Median Household Income of Applicant's Jurisdiction: \$ 42,900
Source: 2000 Census

9. PROJECT DESCRIPTION:

A. Describe the project and identify what is being constructed. Explain the current situation and why the project is needed, especially noting any health impact. Refer to planning document(s) if necessary. (attach maps)

The project consists of three components including:

- 1. Improvements to the Memorial Parkway Water Treatment Plant (MPTP)
 - Chemical building improvements
 - Renovation of three filters
 - Rehabilitation of the clearwell
- 2. Chesapeake Avenue main replacement
- 3. Montross Avenue main replacement

See "Project Description" for full project description.

B. Is the applicable drinking water system under sanction from any enforcement agency?
 Yes No If yes, please explain and list amounts and dates of any fines paid to date:

Northern Kentucky Water District
Memorial Parkway Water Treatment Plant Improvements
Project Description

General

In June 2002, the Northern Kentucky Water District (NKWD) acquired the City of Newport water distribution system and Memorial Parkway Water Treatment Plant (MPTP) to help regionalize the water system. In addition to serving the City of Newport, the MPTP will help provide some treatment plant redundancy and will help meet future growth needs for the NKWD. Several components of this facility and the distribution system it serves were identified for improvement. These improvements include the replacement of chemical storage and feed systems, improvements to three of the six filters, improvements and repairs to the 3 million gallon finished water clearwell, a key redundancy interconnect between the Newport Low Service and High Service portions of the distribution system served by this critical treatment facility and the replacement of a 4-inch transite water main.

MPTP Improvements

The MPTP existing chemical building is in poor condition and was designed for dry chemical storage only. The NKWD needs to use liquid chemicals to meet current standards for water treatment. This proposed project would involve rebuilding the existing chemical building and appurtenances, updating the outdated chemical pumps and piping, and upgrading the liquid chemical storage areas to include a containment system. These improvements will help improve the efficiency of the plant and the overall site safety which would benefit our existing and future customers. This project also includes some modifications to the reservoir pumping station and pipe work. This improvement will allow the MPTP to 1) supplement the potable water supply of the NKWD, 2) have improved Microbiological and Turbidity removal by enhancing chemical systems, improving chemical reliability and 3) produce a more consistent water quality.

The MPTP project also includes renovating three filters because currently only three of the six available filters are functional. The three filters cannot be used because of problematic valves, nonfunctioning surface wash systems and media difficulties. This improvement will rehabilitate Filters 1, 2 and 3 for operational flexibility and redundancy purposes. Presently there is filter redundancy when the plant is at capacity. This improvement will provide better finished water turbidity by improving the filter performance of the non-renovated filters and allowing the filters to perform at a lower flow rate. This improvement will also help allow the plant to be expanded to meet future supply needs.

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The final portion of this project includes the rehabilitating and baffling of the MPTP 3-mgd clearwell. The existing valves that control water flow through the clearwell's chambers are not functional. As a result, the separate chambers cannot be isolated independently of each other making inspection difficult and cleaning impossible. In addition the concrete is in need of repairs in numerous locations due to cracking and chipping and exposed reinforcing rods. NKWD has also performed a tracer study of the clearwell and has found that in its current condition, it will not be able to meet disinfection contact time requirements during cold water temperatures at flow rates near the plant's rated capacity. As a result, the NKWD plans to install baffling during the renovation project to improve disinfection performance at the MPTP. As a result of these improvements, CT removal requirements for microbial pathogens would be greatly improved. The clearwell rehabilitation and baffling improvements will provide better finished water quality by improving the disinfection efficiency of the treatment plant.

Chesapeake Avenue Main Replacement

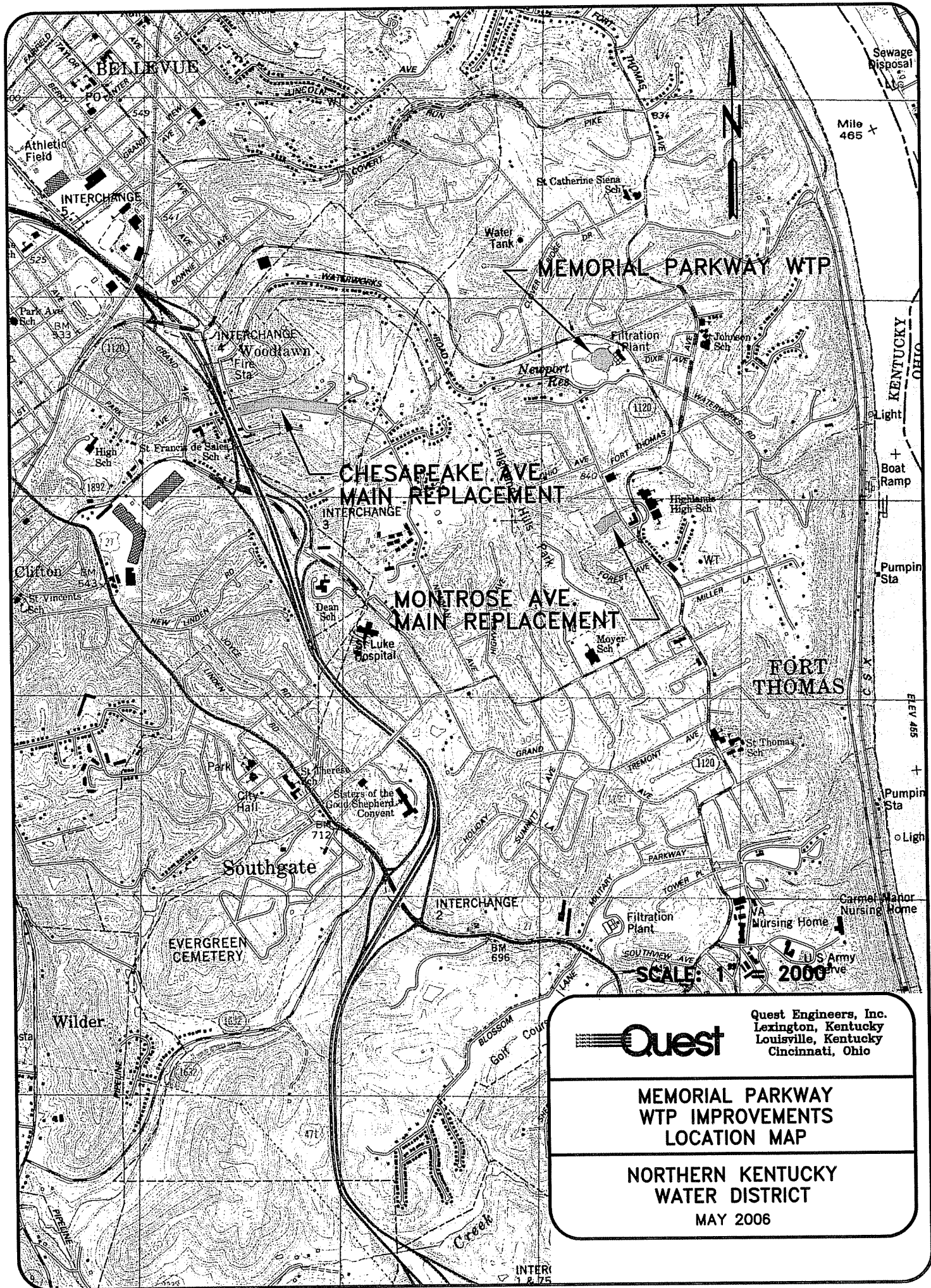
The second component involves a critical interconnection on Chesapeake Avenue between the distribution service area served by the NKWD's Fort Thomas Treatment Plant and the MPTP service area. This new water main improvement includes an interconnection between the NKWD's 1017 gradient service area and its 740 service area in Newport. This improvement will 1) enhance pressure during emergency conditions created by breaks and leaks in the NKWD's aged distribution system and 2) provide supplemental flow in the event of inadequate distribution storage due to a system emergency. The existing 6-inch main will be replaced with a new 12-inch main.

Montrose Avenue Main Replacement

The third component involves the replacement of a 460 foot long section of 4 inch transite water main on Montrose Avenue located in the City of Fort Thomas. The 4-inch main will be replaced with 6-inch water main.

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Quest
 Quest Engineers, Inc.
 Lexington, Kentucky
 Louisville, Kentucky
 Cincinnati, Ohio

**MEMORIAL PARKWAY
 WTP IMPROVEMENTS
 LOCATION MAP**

**NORTHERN KENTUCKY
 WATER DISTRICT**
 MAY 2006

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C. Have business closings or disruptions occurred due to infrastructure inadequacy or failure?
 Yes No If yes, please explain.

D. Identify any differences with the approved planning document.

None

E. List any proposed new businesses or housing developments in your service area including projected start date, water usage and revenue impact.

Not Applicable

F. Does the Public Service Commission (PSC) have jurisdiction over this project?
 Yes No If yes, please describe their role and estimated schedule of review and list your PSC contact person.

- Oversight of Rates
- Issue Certificate of Convenience and Necessity
- 7/1/2006 Submittal to PSC for Review
- Contact Person - Jim Rice

G. Will the applicant perform any of the construction on the proposed project? Yes No
If yes, please describe the type of work to be performed.

NOTE: FORCE ACCOUNT IS INELIGIBLE FOR DWSRF PARTICIATION

H. If new service is proposed, will the users have access to a public sewer system? Yes No
If not, how will sewer service be handled?

Not Applicable

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10. PREVIOUS KIA ASSISTANCE If a Fund F or F1 loan has been previously received, indicate:

___ Fund F ___ Fund F1

Date of Assistance Agreement _____ Amount \$ _____
 Closeout Date _____ Final Amount \$ _____

11. LAND ACQUISITION

A. Will this project require land acquisition? Yes No Number of parcels _____.

B. Are easements needed? Yes No Number of parcels 1 _____.

Contact the Division of Water for instructions. (All land acquisition must comply with the Uniform Relocation Assistance and Real Property Acquisition.) A site certificate is required to be submitted prior to approval of the plans and specifications.

C. For land already acquired, was prior approval of purchase and determination of compliance with the Uniform Relocation Assistance and real Property Acquisition Policies Act of 1970 (P.L. 91-646) and 49 CFR Part 24 obtained from the Division of Water? Yes No If no, please explain.

D. If applicant has obtained the necessary land, indicate if by:

- (1) _____ Leasehold interest
 - i. Length of lease or other estate interest: _____
 - ii. Is lease renewable? Yes No If yes when? _____
 - iii. Annual rental rate: \$ _____
- (2) _____ Fee simple Title
- (3) _____ Other (specify)

Attach description of acquisition process and documentation of compliance with 49 CFR Part 24.

12. NEGATIVE IMPACT: Will the proposed project cause the displacement of any of the following?

Yes No If so, provide the number of:

Individuals _____ Businesses _____ Families _____ Farms _____

13. ANTICIPATED PROJECT SCHEDULE

	Chesapeake	Montross	MPTP
A. Bid Advertising Date(s)	7/13/2006	7/13/2006	7/13/2006
B. Bid Opening Date(s)	8/2/2006	8/2/2006	8/2/2006
C. Construction Contract Award Date(s)	10/31/2006	10/31/2006	10/31/2006
D. Construction Start Date(s)	11/10/2006	11/10/2006	11/10/2006
E. Construction Completion Date	2/9/2007	1/9/2007	11/10/2007

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14. **CONSTRUCTION CONTRACTS:** How many construction contracts are anticipated? _____

Please list all construction contracts below:

<u>Description</u>	<u>Estimated Amount</u>	<u>Actual Bid Amount</u> <u>(To Be Completed Later)</u>
<u>1. Chesapeake Avenue Main</u>	\$ <u>472,574.64</u>	\$ _____
<u>2. Montross Avenue Main</u>	\$ <u>42,812.34</u>	\$ _____
<u>3. Memorial Parkway WTP</u>	\$ <u>4,701,157.33</u>	\$ _____

Will all contracts be bid at the same time? Yes No
If not, please attach a schedule for each contract.

See "Anticipated Project Schedule" on Page 7.

NOTE: All contracts must be bid before the binding commitment can be issued and the loan agreement can be executed.

END PART 1 - GENERAL PROJECT SUMMARY

FUND F

PART II - FINANCIAL ANALYSIS

1. **FINANCIAL FORECAST:** Generally speaking, how does the applicant anticipate paying the increased debt service, operation, maintenance and replacement reserve expenses (OM&R) required for this loan (e.g.; existing revenues, increased customers, higher rates or other special assistance)?

Existing Revenues

2. **WATER SOURCES:** Please list all sources of water. If water is received from another system, please describe the contractual relationship (e.g.; usage, price per gallon).

Licking River
Ohio River

3. **WATER TREATMENT:** Is the applicant's water being treated by another system. Yes No If so, please describe the contractual relationship (e.g.; usage, price per gallon).

Does the applicant treat another system's water? Yes No If so, please describe the contractual relationship (e.g.; usage, price per gallon).

4. **WATER DISTRIBUTION:** Does the applicant supply water to any other system/community? Yes No If so, please describe the contractual relationship (e.g.; usage, price per gallon) and complete the following:

<u>Community</u>	<u># of Customers</u>	<u>Revenue Derived</u>
<u>Pendleton County WD</u>	<u>2011</u>	<u>\$ 235,541.26</u>
<u>City of Walton</u>	<u>1304</u>	<u>\$ 406,099.56</u>
<u>Bullock Pen WD</u>	<u>6169</u>	<u>\$ 203,541.96</u>

5. **GOVERNMENT USERS:**

A. Does the system provide services to or receive services from any major state or federal agency user such as a prison? Yes No If yes, please briefly describe and attach a copy of the service agreement(s).

B. Please identify any state park being served.

None



6. CUSTOMERS:

A. Number of connections currently served:

72,484 Residential 4,485 Commercial 123 Industrial

B. Number of connections to be added to customer base as a result of the proposed project. Quantify if numbers are approximate. Please provide a brief verbal description of the customer groups.

 Residential Not Applicable

 Commercial Not Applicable

 Industrial Not Applicable

C. Attach evidence of new customers' willingness to connect, such as signup sheets, letters of interest, minutes of public meetings or news articles.

D. If legal action is required to force connection, under what legal authority will it be accomplished?

7. ACCOUNTING/AUDIT REQUIREMENTS:

A. Are revenues and expenses for the drinking water system accounted for separately? Yes No
If not, please describe the accounting procedures used.

SEPARATION OF ACCOUNTS IS REQUIRED FOR LOAN APPROVAL.

B. Is the applicant required to have an annual audit performed? Yes No If not, please explain.

C. Provide three copies of each of the last three annual audit reports and/or the audited financial statements
If an audit is currently in process, please provide an estimated completion date. See Attachment "H"

8. CUSTOMER BILLINGS

A. Please explain the current billing procedure. Will the procedure change as a result of the project?
 Yes No

Who performs billings and collection services? If not the applicant, provide a copy of any agreements.

Northern Kentucky Water District

B. How many accounts receivable are more than 60 days old?

Number 4,389 Total Amount \$ 148,537.12 % of Total 0.004

C. Percentage Rate of Collection: Annual Collection \$ 34,732,865.75 = 0.98495 %
(last audit period) Annual Billing \$ 35,263,574.00

D. What are the penalties for unpaid bills?

10% late penalty charge is applied to any unpaid water amount after the due date

When are these penalties invoked?

Late penalty charge is applied one day after the due date on the bill.

E. If a rate increase is required, attach evidence of new customers willingness to pay, such as signup sheets, letters of interest, minutes of public meetings or news articles.

9. RATE STRUCTURE (Attach 2 copies each of current and proposed water and wastewater rate ordinances.)

A. Date of last rate adjustment for an average residential customer.

	<u>Date of Adjustment</u>	<u>% Change</u>
Water	<u>6/1/2006</u>	<u>7%</u>
Wastewater	<u> </u>	<u> </u>

B. Current monthly charge for 4,000 gallons residential water usage: \$25.66

C. Public Notification Not Applicable

1. Attach evidence that the customers who will experience a rate increase as a result of this project have been notified.

2. Have any public meetings been held on the proposed project or rate increases in the last six months? Yes No

If yes, attach minutes.

D. Method of collection of water fees: _____

E. Do any users provide more than 5% of the water revenue for the system? Yes No

List, if yes:

<u>Name</u>	<u>% Service Revenue</u>
_____	_____
_____	_____
_____	_____
_____	_____

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APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00148 DATED APRIL 28, 2006

The following rates and charges are prescribed for the customers in the area served by Northern Kentucky Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Meter Size</u>	<u>Service Charges</u>	
	<u>Monthly</u>	<u>Quarterly</u>
5/8"	\$10.63	\$16.09
3/4"	\$10.99	\$16.95
1"	\$12.00	\$19.49
1 1/2"	\$13.51	\$22.96
2"	\$17.07	\$32.28
3"	\$41.22	\$100.44
4"	\$51.63	\$126.09
6"	\$76.45	\$186.08
8"	\$103.24	\$254.22
10"	\$137.30	\$331.96

	<u>Commodity Charges</u>		<u>Rates</u>
	<u>Monthly Block</u>	<u>Quarterly Block</u>	
	ccf	ccf	
First	15	45	\$2.81 per ccf
Next	1,635	4,905	\$2.43 per ccf
Over	1,650	4,950	\$2.16 per ccf
Wholesale			\$1.89 per ccf

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00148 DATED APRIL 28, 2006**

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4"	\$51.63	\$126.09
6"	\$76.45	\$186.08
8"	\$103.24	\$254.22
10"	\$137.30	\$331.96

	<u>Commodity Charges</u>		<u>Rates</u>
	<u>Monthly Block</u>	<u>Quarterly Block</u>	
	ccf	ccf	
First	15	45	\$2.81 per ccf
Next	1,635	4,905	\$2.43 per ccf
Over	1,650	4,950	\$2.16 per ccf
Wholesale			\$1.89 per ccf

10. REVENUES

A. Provide the following information, based on the applicant's fiscal year, for water customers:

	<u>Month</u>	<u>Gallons Used</u>	<u>Revenue</u>
1	<u>January 2005</u>	<u>626,740,080</u>	<u>2,425,493.31</u>
2	<u>February 2005</u>	<u>574,985,824</u>	<u>2,208,065.96</u>
3	<u>March 2005</u>	<u>839,407,318</u>	<u>3,217,639.24</u>
4	<u>April 2005</u>	<u>591,028,815</u>	<u>2,306,178.48</u>
5	<u>May 2005</u>	<u>576,735,833</u>	<u>2,206,523.75</u>
6	<u>June 2005</u>	<u>954,707,853</u>	<u>3,523,665.23</u>
7	<u>July 2005</u>	<u>753,609,799</u>	<u>2,815,828.12</u>
8	<u>August 2005</u>	<u>721,855,270</u>	<u>2,649,215.38</u>
9	<u>September 2005</u>	<u>1,284,915,970</u>	<u>4,548,286.17</u>
10	<u>October 2005</u>	<u>834,531,651</u>	<u>3,072,385.55</u>
11	<u>November 2005</u>	<u>767,275,293</u>	<u>2,532,020.62</u>
12	<u>December 2005</u>	<u>1,018,793,609</u>	<u>3,758,222.19</u>

B. Provide the following information, based on the applicant's fiscal year, for wastewater customers:

Not Applicable

	<u>Month</u>	<u>Gallons Used</u>	<u>Revenue</u>
1	_____	_____	_____
2	_____	_____	_____
3	_____	_____	_____
4	_____	_____	_____
5	_____	_____	_____
6	_____	_____	_____
7	_____	_____	_____
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	_____	_____	_____

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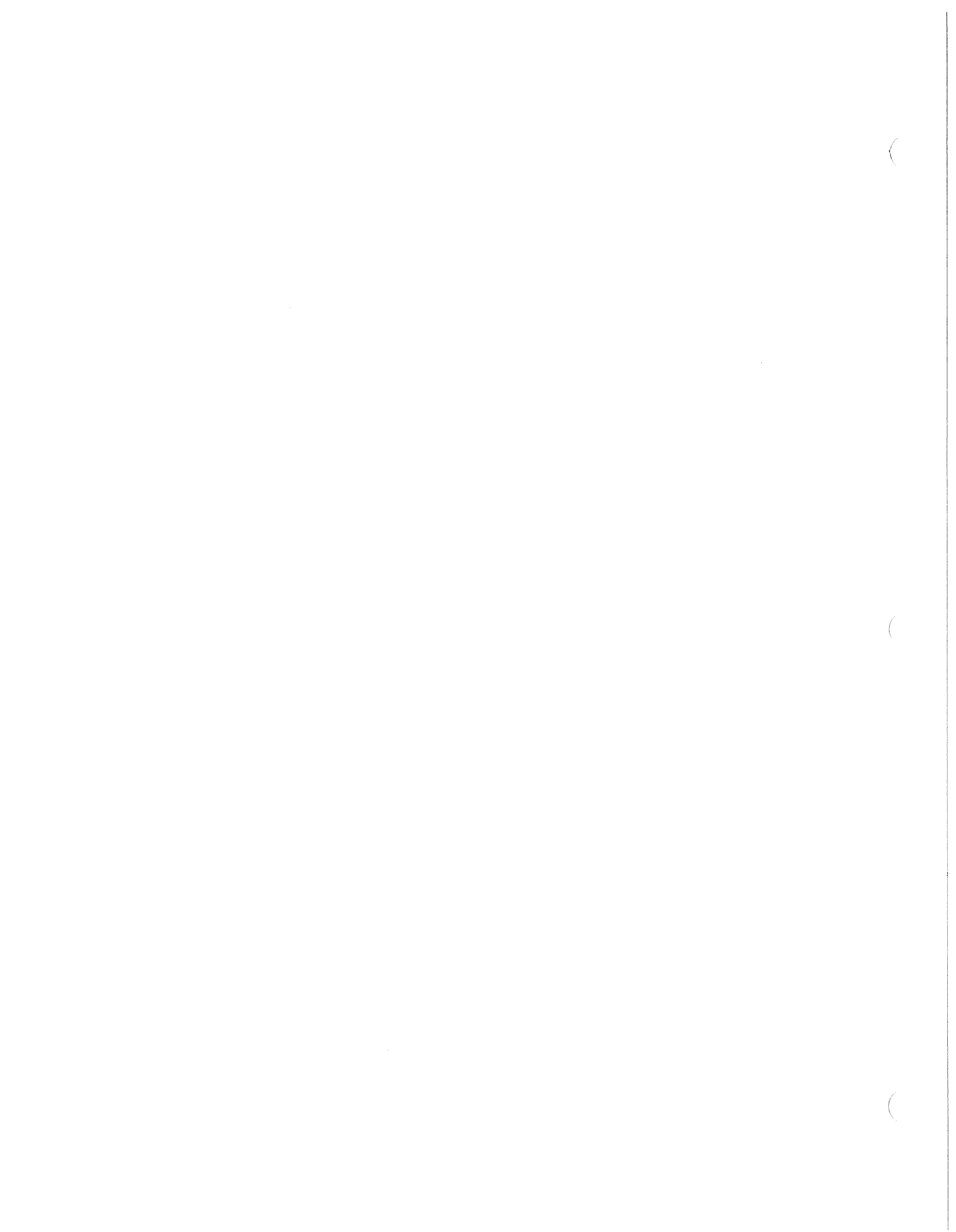
C. Demonstrate any revenue increase derived from a rate increase and/or from an increase in the number of customers by completing the following tables which detail the annual revenue derived from six different monthly consumption categories. It will be necessary to know the number of customers that fall into each consumption category and the average monthly bill for those customers. From this information, monthly annual revenue from each consumption category can be derived. For example, if there are 500 customers who use between 3001 and 5000 gallons per month and pay an average bill of \$20.00, \$10,000 of revenue per month (\$120,000 annually) is derived from that consumption category. The sum of the annual revenues from each consumption category should approximate revenue shown for that annual period in the audit.

Water – Last Annual Audit Period Attached

<u>Customer Monthly Consumption Categories (gallons)</u>	<u>(A) Number of Customers</u>	<u>(B) Avg Monthly Bill</u>	<u>(C)=(A)x(B) Monthly Revenue</u>	<u>(D)=(C)x12 Annual Revenue</u>
0 – 3000	_____	_____	_____	_____
3001 – 5000	_____	_____	_____	_____
5001 – 10000	_____	_____	_____	_____
10001 – 50000	_____	_____	_____	_____
50001 – 100000	_____	_____	_____	_____
100001+	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

Water – Proposed Not Applicable

<u>Customer Monthly Consumption Categories (gallons)</u>	<u>(A) Number of Customers</u>	<u>(B) Avg Monthly Bill</u>	<u>(C)=(A)x(B) Monthly Revenue</u>	<u>(D)=(C)x12 Annual Revenue</u>
0 – 3000	_____	_____	_____	_____
3001 – 5000	_____	_____	_____	_____
5001 – 10000	_____	_____	_____	_____
10001 – 50000	_____	_____	_____	_____
50001 – 100000	_____	_____	_____	_____
100001+	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____



Consumption Category	Number of Customers	Avg Monthly Bill	Monthly Average Revenue	Annual Average Revenue
0	856	3.71	\$3,175.76	\$38,109.12
3000	21738	11.52	\$250,421.76	\$3,005,061.12
5000	21862	19.36	\$423,248.32	\$5,078,979.84
10000	27372	29.46	\$806,379.12	\$9,676,549.44
50000	7265	60.70	\$440,985.50	\$5,291,826.00
100000	411	262.90	\$108,051.90	\$1,296,622.80
100001	452	2,126.07	\$960,983.64	\$11,531,803.68
Total	79956	2,513.72	\$2,993,246.00	\$35,918,952.00

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Wastewater – Last Annual Audit Period Not Applicable

<u>Customer Monthly Consumption Categories (gallons)</u>	<u>(A) Number of Customers</u>	<u>(B) Avg Monthly Bill</u>	<u>(C)=(A)x(B) Monthly Revenue</u>	<u>(D)=(C)x12 Annual Revenue</u>
0 – 3000	_____	_____	_____	_____
3001 – 5000	_____	_____	_____	_____
5001 – 10000	_____	_____	_____	_____
10001 – 50000	_____	_____	_____	_____
50001 – 100000	_____	_____	_____	_____
100001+	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

Wastewater – Proposed Not Applicable

<u>Customer Monthly Consumption Categories (gallons)</u>	<u>(A) Number of Customers</u>	<u>(B) Avg Monthly Bill</u>	<u>(C)=(A)x(B) Monthly Revenue</u>	<u>(D)=(C)x12 Annual Revenue</u>
0 – 3000	_____	_____	_____	_____
3001 – 5000	_____	_____	_____	_____
5001 – 10000	_____	_____	_____	_____
10001 – 50000	_____	_____	_____	_____
50001 – 100000	_____	_____	_____	_____
100001+	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

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- D. 1. Using the past three audited Enterprise (utility) Fund financial statements, list the revenue totals and compute the change from year to year.

<u>FY</u>	<u>Water</u>	<u>% Chg</u>	<u>Wastewater</u>	<u>% Chg</u>	<u>Other Operating Revenue</u>	<u>% Ch</u>
<u>2003</u>	\$ <u>28,200,811</u>	<u>-</u>	\$ <u>N/A</u>	<u> </u>	\$ <u> </u>	<u> </u>
<u>2004</u>	\$ <u>32,185,252</u>	<u>+14.1</u>	\$ <u> </u>	<u> </u>	\$ <u> </u>	<u> </u>
<u>2005</u>	\$ <u>34,846,622</u>	<u>+8.2</u>	\$ <u> </u>	<u> </u>	\$ <u> </u>	<u> </u>

2. Please explain any revenue decreases or any revenue increases of 10% or greater.

11. OPERATING EXPENSES

- A. Please calculate additional operation and maintenance expenses needed for the first year of plant operation. Not Applicable

<u>O & M Last Audit</u>	<u>O & M First Year of Operation</u>	<u>Difference</u>
\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

- B. Please use the past three audited Enterprise Fund financial statements to list the operating expense totals (less depreciation and amortization) and compute the change from the previous year.

<u>FY</u>	<u>Water</u>	<u>% Chg</u>	<u>Wastewater</u>	<u>% Chg</u>	<u>Other Operating Expense</u>	<u>% Chg</u>
<u>2003</u>	\$ <u>18,734,903</u>	<u>-</u>	\$ <u>N/A</u>	<u> </u>	\$ <u> </u>	<u> </u>
<u>2004</u>	\$ <u>19,949,361</u>	<u>+6.5</u>	\$ <u> </u>	<u> </u>	\$ <u> </u>	<u> </u>
<u>2005</u>	\$ <u>21,023,284</u>	<u>+5.4</u>	\$ <u> </u>	<u> </u>	\$ <u> </u>	<u> </u>

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12. LONG TERM DEBT

Please provide the following information on all outstanding debt secured by the Enterprise Fund (water, wastewater, and other utilities).

<u>WATER</u> Attached							
Date of Creditor Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Principal Payment	Annual Interest Payment	Annual Final Maturity
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

<u>WASTEWATER</u> Not Applicable							
Date of Creditor Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Principal Payment	Annual Interest Payment	Annual Final Maturity
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

<u>OTHER</u>							
Date of Creditor Issuer	Date of Issue	Orig Loan/ Bond Size	Principal Balance Outstanding	Interest Rate	Principal Payment	Annual Interest Payment	Annual Final Maturity
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

Restricted Net Assets

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net assets consists of net assets for which constraints are place thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consists of all other net assets not included in the above categories.

Included in restricted net assets at December 31,

	<u>2005</u>	<u>2004</u>
Boone Florence Settlement	\$ 3,344,622	\$ 3,680,638
Bond Proceeds Fund	17,242,047	9,034,675
Debt Service Reserve Account	12,472,874	12,534,354
Debt Service Account	6,547,631	3,219,517
Improvement, Repair & Replacement	<u>3,074,102</u>	<u>2,917,901</u>
Total Restricted Net Assets	<u>\$ 42,681,276</u>	<u>\$ 31,387,085</u>

NOTE B - ACCOUNTS RECEIVABLE

	<u>2005</u>	<u>2004</u>
Accounts receivable arising from billings of metered water sales	\$ 3,681,014	\$ 4,222,200
Accrual for estimated unbilled water revenue	4,900,000	4,900,000
Other	<u>259,169</u>	<u>457,556</u>
Total net accounts receivable	<u>\$ 8,840,183</u>	<u>\$ 9,579,756</u>

NOTE C - BONDED INDEBTEDNESS

Fiscal Court of Kenton County, Kentucky

The Kenton County Water District received a \$100,000 deferred payment loan at 3%. This loan was required as a local match to qualify for a \$750,000 Community Development Block Grant for Phase I of a water project in southern Kenton County. This loan will become due and payable only after sufficient customers in southern Kenton County are obtained in order to reduce the user rates, including surcharges, to approximately \$26.00 per month.



NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

Water District Refunding Revenue Bonds, Series 1997

On October 22, 1997, Water Refunding Revenue Bonds were issued by the Northern Kentucky Water District with a face value of \$11,225,000 pursuant to the 1985 General Bond Resolution as amended by a First Supplemental General Bond Resolution adopted November 17, 1987.

The purpose of the bond issue was to redeem all the \$1,600,000 Northern Kentucky Water District Water District Revenue Bond Anticipation Note, dated April 1, 1997 and to discharge and defease all of the currently outstanding i) Campbell County Kentucky Water District Revenue Refunding Bonds, 1989 Series A dated May 1, 1989; ii) Campbell County Kentucky Water District Revenue Bonds, Series 1991 dated December 1, 1991; and, iii) Campbell County Kentucky Water District Revenue Bonds, Series 1992 dated August 1, 1992.

The Water District Revenue Bonds, Series 1997, are scheduled to mature as follows:

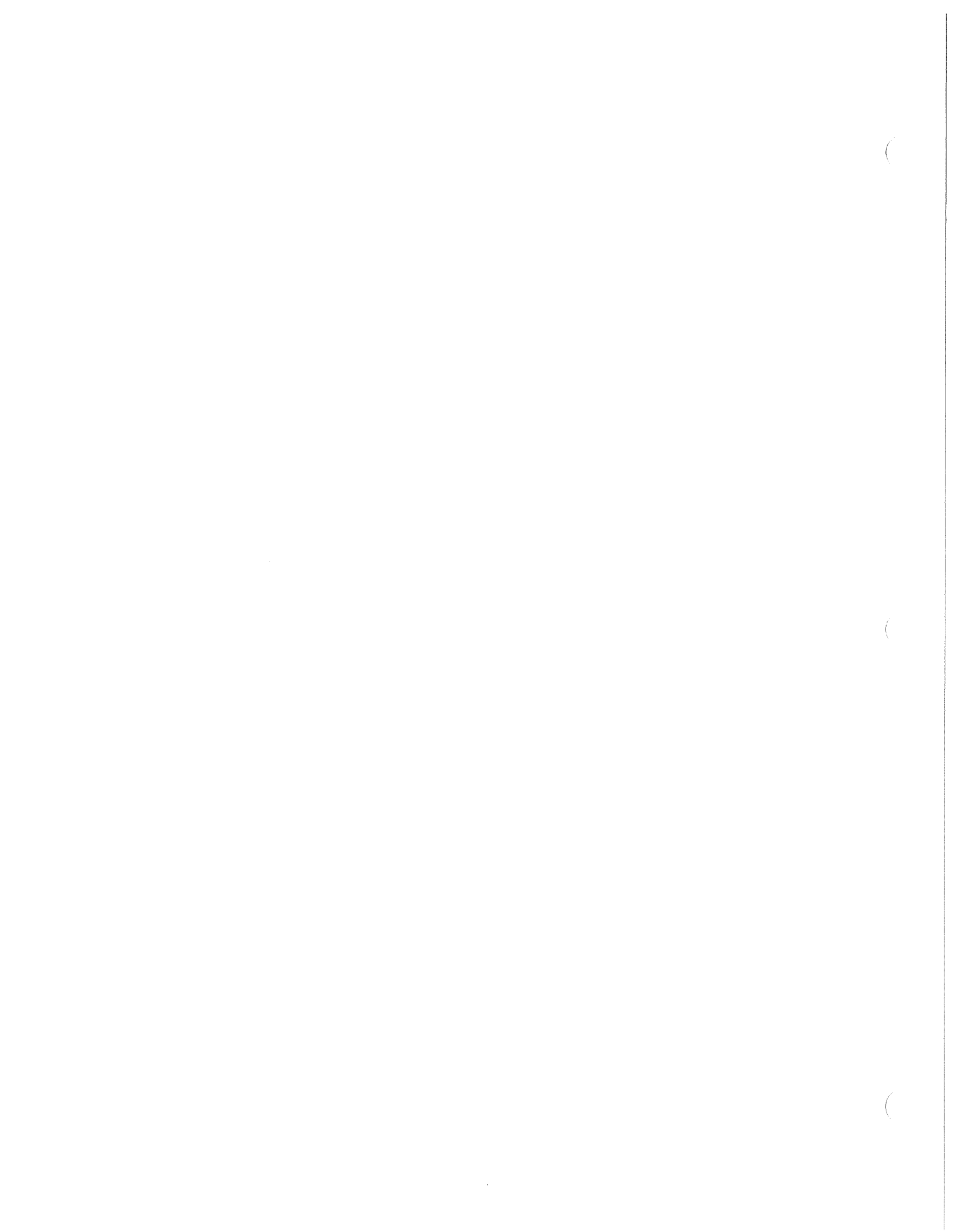
Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2006	4.70%	\$ 810,000	\$ 279,860	\$ 1,089,860
2007	4.70%	850,000	240,850	1,090,850
2008	4.75%	890,000	199,737	1,089,737
2009	4.75%	930,000	156,512	1,086,512
2010	4.75%	975,000	111,269	1,086,269
2011-2015	4.75%	1,280,000	198,075	1,478,075
2016-2020	4.75%	390,000	91,912	481,912
2021-2022	4.75%	185,000	8,906	193,906
Totals		\$ 6,310,000	\$ 1,287,121	\$ 7,597,121

Water District Revenue Bonds, Series 1998

In December 1998, the Northern Kentucky Water District sold \$11,355,000 of its Revenue Bonds for the purpose of paying costs of acquiring and construction of various water district projects.

The Water District Revenue Bonds, Series 1998, are scheduled to mature as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2006	4.75%	\$ 255,000	\$ 469,080	\$ 724,080
2007	4.75%	265,000	456,730	721,730
2008	4.75%	280,000	443,786	723,786
2009	4.75%	280,000	430,486	710,486
2010	4.75%	295,000	416,830	711,830
2011-2015	4.75-4.85%	1,710,000	1,852,694	3,562,694
2016-2020	4.875%	2,180,000	1,382,550	3,562,550
2021-2025	4.875%	2,785,000	780,122	3,565,122
2026-2028	4.875%	1,755,000	118,097	1,873,097
Totals		\$ 9,805,000	\$ 6,350,375	\$ 16,155,375



NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2005 and 2004

Water District Revenue Bonds, Series 2001

In October 2001, the Northern Kentucky Water District sold \$16,325,000 of its Revenue Bonds for the purpose of paying costs of acquiring and construction of various water district projects and to redeem the Series 2000 Bond Anticipation Note.

The Water District Revenue Bonds, Series 2001, are scheduled to mature as follows:

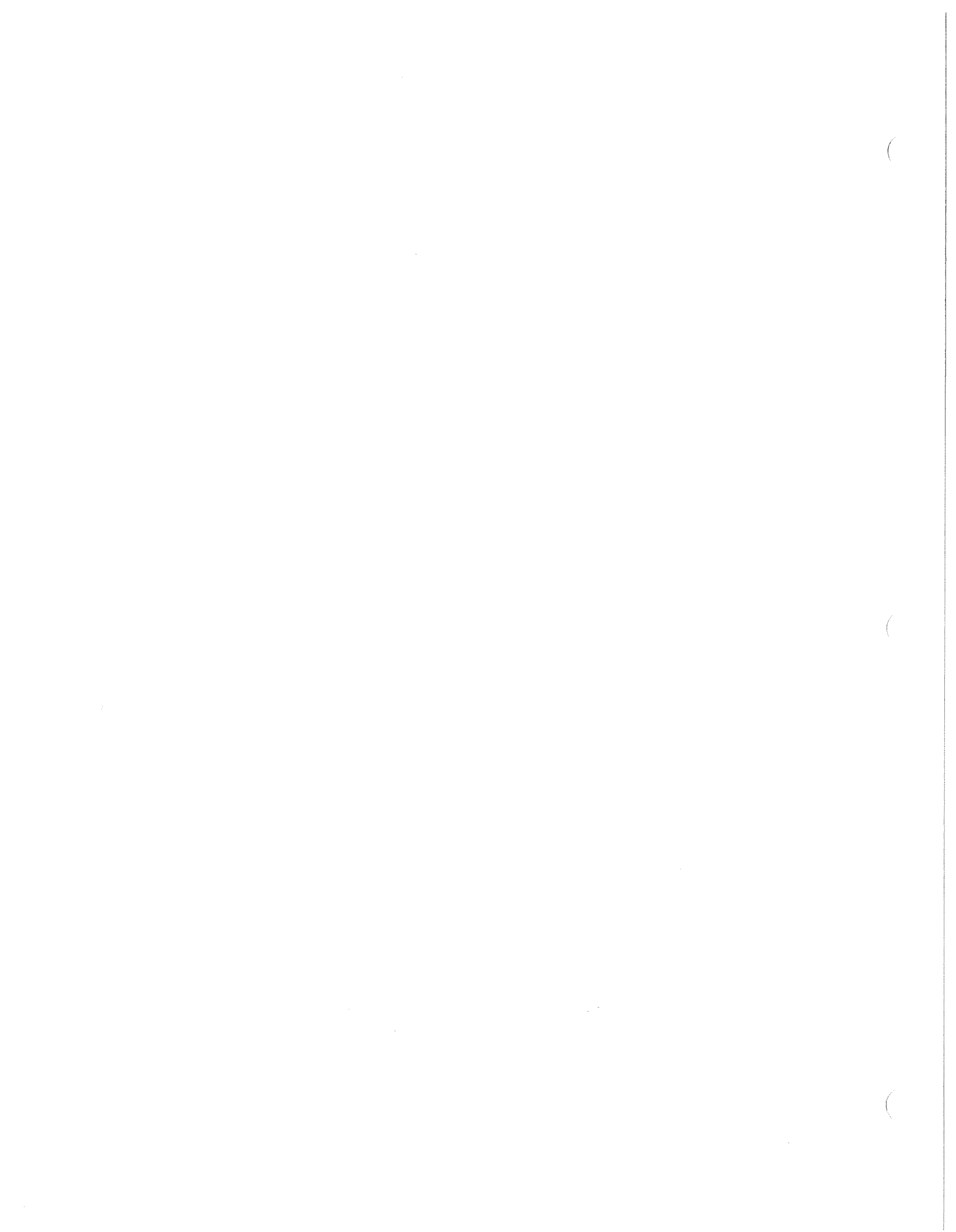
Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	3.50%	\$ 215,000	\$ 725,312	\$ 940,312
2007	3.88%	200,000	717,675	917,675
2008	4.00%	170,000	710,400	880,400
2009	4.20%	155,000	703,745	858,745
2010	4.30%	75,000	698,878	773,878
2011-2015	4.30-4.50%	2,475,000	3,310,748	5,785,748
2016-2020	4.50-4.75%	4,675,000	2,418,452	7,093,452
2021-2025	4.75-5.00%	5,980,000	1,125,000	7,105,000
2026	5.00%	1,390,000	34,750	1,424,750
Totals		\$ 15,335,000	\$ 10,444,960	\$ 25,779,960

Rural Development Loan

In August 2000, the Northern Kentucky Water District closed on a loan agreement with the Department of Agriculture for the Sub District C Construction project. The amount of the loan was \$2,287,000 with an annual interest rate of 5%. The repayment of the loan is on a 40 year amortization schedule.

The following is a schedule of future debt service requirements to maturity:

Year	Principal Amount	Interest Amount	Total Debt Service
2006	\$ 26,000	\$ 109,000	\$ 135,000
2007	27,000	108,800	135,800
2008	28,000	107,500	135,500
2009	30,000	105,150	135,150
2010	31,000	104,250	135,750
2011-2015	181,000	496,300	677,300
2016-2020	232,000	446,200	678,200
2021-2025	296,000	382,050	678,050
2026-2030	377,000	300,400	677,400
2031-2035	484,000	196,100	680,100
2036-2039	484,000	62,000	546,000
Total	\$ 2,196,000	\$ 2,417,750	\$ 4,614,250



NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2005 and 2004

Water District Refunding and Revenue Bonds, Series 2002 A

In February 2002, the Northern Kentucky Water District sold \$45,485,000 of its Refunding and Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Refunding and Revenue Bonds dated March 1, 1992 in the principal amount of \$26,565,000. Additional proceeds were used to purchase the City of Newport Waterworks system.

The Water District Revenue Bonds, Series 2002 A, are scheduled to mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	4.50%	\$ 370,000	\$ 2,160,115	\$ 2,530,115
2007	4.50%	380,000	2,143,240	2,523,240
2008	4.50%	410,000	2,125,465	2,535,465
2009	4.50%	365,000	2,108,028	2,473,028
2010	4.50%	465,000	2,089,353	2,554,353
2011-2015	4.50%-4.65%	4,990,000	9,857,499	14,847,499
2016-2020	4.75-5.00%	10,965,000	8,194,306	19,159,306
2021-2025	5.00%	17,950,000	4,467,500	22,417,500
2026-2027	5.00%	8,535,000	432,124	8,967,124
Totals		\$ 44,430,000	\$ 33,577,630	\$ 78,007,630

Water District Revenue Bonds, Series 2002 B

In December 2002, the Northern Kentucky Water District sold \$10,575,000 of its Refunding Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Refunding and Revenue Bonds dated December 1, 1992 in the principal amount of \$9,945,000.

The Water District Revenue Bonds, Series 2002B, are scheduled to mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	3.00%	\$ 530,000	\$ 341,406	\$ 871,406
2007	3.00%	580,000	323,306	903,306
2008	3.00%	625,000	302,219	927,219
2009	3.50%	745,000	278,244	1,023,244
2010	3.75%	775,000	250,675	1,025,675
2011-2015	4.00%	4,340,000	759,319	5,099,319
2016-2017	4.125-4.25%	1,500,000	54,009	1,554,009
Totals		\$ 9,095,000	\$ 2,309,178	\$ 11,404,178

NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

Water District Refunding Revenue Bonds, Series 2003 A

In March 2003, the Northern Kentucky Water District sold \$1,615,000 of its Revenue Bonds in order to redeem the Revenue Bonds, Series 1995C. The bonds maturing on or after February 1, 2014 are subject to redemption, in whole or in part, on any date, on or after February 1, 2013 at a redemption price of 100%.

The Water District Refunding Revenue Bonds, Series 2003 A, are scheduled to mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	1.75%	\$ 35,000	\$ 64,531	\$ 99,531
2007	2.20%	35,000	63,840	98,840
2008	2.60%	35,000	63,000	98,000
2009	3.00%	40,000	61,945	101,945
2010	3.30%	40,000	60,685	100,685
2011-2015	3.55-4.05%	215,000	280,646	495,646
2016-2020	4.15-4.50%	270,000	230,938	500,938
2021-2025	4.50-4.55%	335,000	163,448	498,448
2026-2030	4.55-4.60%	415,000	78,006	493,006
2031-2032	4.60%	125,000	4,255	129,255
Totals		\$ 1,545,000	\$ 1,071,294	\$ 2,616,294

Water District Revenue Bonds, Series 2003 B

In June 2003, the Northern Kentucky Water District issued \$30,270,000 of its Revenue Bonds in order to redeem Bond Anticipation Renewal Notes, Series 2003A, that had been issued in January 2003 for the purpose of paying off two series of bond anticipation notes that had been issued in 2001 and, also, to fund certain construction projects of the District. The bonds maturing on or after February 1, 2014 are subject to redemption, in whole or in part, on any date, on or after August 1, 2013 at a redemption price of 100%.

The Water District Revenue Bonds, Series 2003 B, are scheduled to mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	2.00%	\$ 860,000	\$ 1,022,100	\$ 1,882,100
2007	2.00%	880,000	1,004,700	1,884,700
2008	2.00%	895,000	986,950	1,881,950
2009	2.25%	915,000	967,706	1,882,706
2010	2.75%	940,000	944,488	1,884,488
2011-2015	3.00-3.25%	5,145,000	4,270,759	9,415,759
2016-2020	3.50-4.125%	6,135,000	3,283,503	9,418,503
2021-2025	4.125%	7,515,000	1,896,984	9,411,984
2026-2028	4.125%	5,315,000	334,847	5,649,847
Totals		\$ 28,600,000	\$ 14,712,037	\$ 43,312,037

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NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2005 and 2004

Water District Refunding Revenue Bonds, Series 2003 C

In December 2003, the Northern Kentucky Water District issued \$23,790,000 of its Refunding Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Revenue Bonds Series 1993A, Series 1995A, and Series 1995B in the principal amount of \$21,290,000. The bonds maturing on or after February 1, 2015 are subject to redemption, in whole or in part, on any date, on or after February 1, 2014 at a redemption price of 100%.

The Water District Revenue Bonds, Series 2003C, are scheduled to mature as follows:

Year	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
2006	2.00%	\$ 1,180,000	\$ 724,544	\$ 1,904,544
2007	2.25%	1,215,000	699,075	1,914,075
2008	2.50%	1,235,000	669,969	1,904,969
2009	2.75%	1,270,000	637,069	1,907,069
2010	2.75%	1,305,000	600,031	1,905,031
2011-2015	3.00-4.00%	7,260,000	2,285,919	9,545,919
2016-2020	4.00-4.25%	7,735,000	755,634	8,490,634
Totals		\$ 21,200,000	\$ 6,372,241	\$ 27,572,241

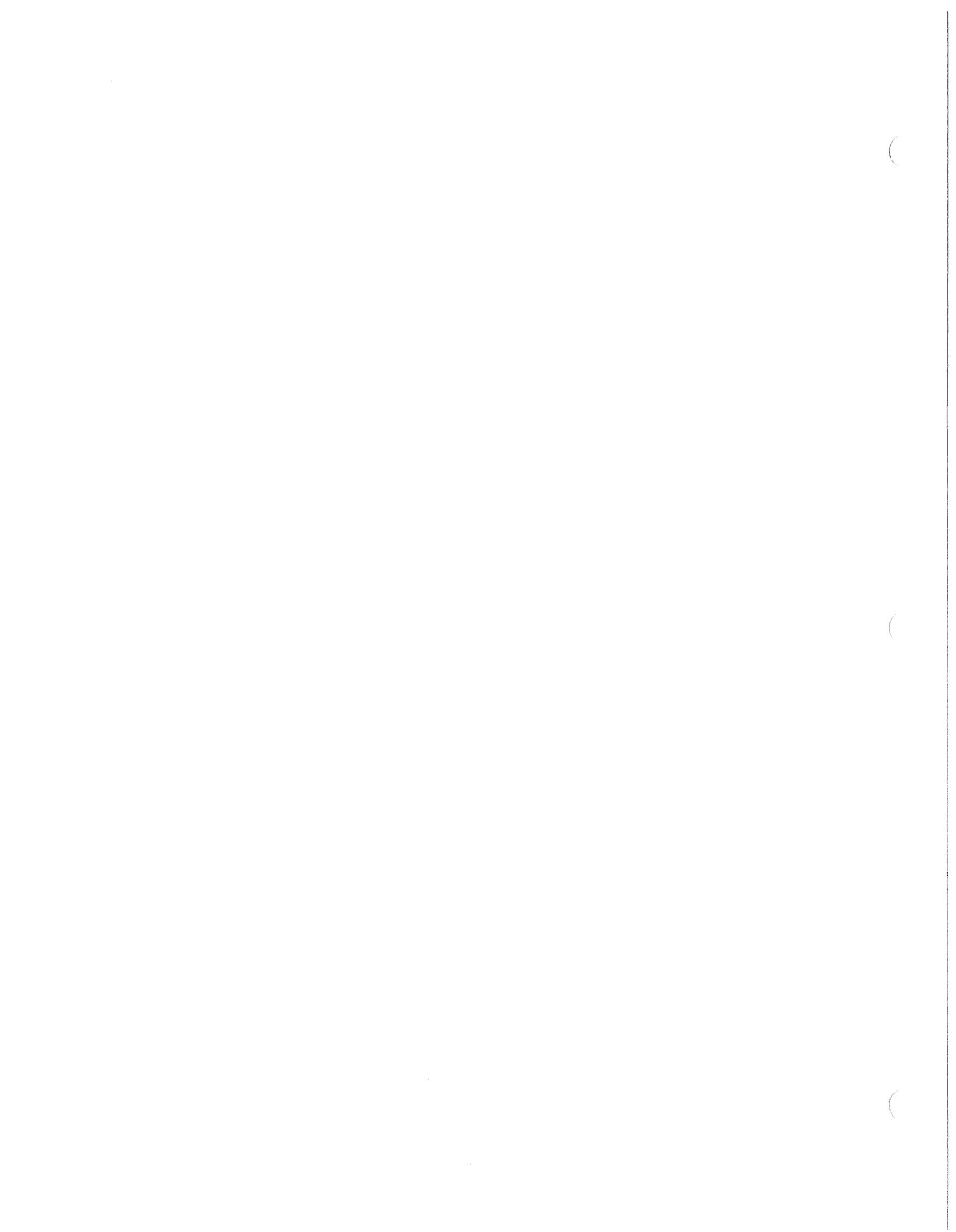
Water District Bond Anticipation Notes, Series 2004

In April 2004, the Northern Kentucky Water District sold \$3,605,000 of Bond Anticipation Notes for the purpose of purchasing a central facility for the district. The Bond Anticipation Notes mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	1.70%	\$ 3,605,000	\$ 30,642	\$ 3,635,642
Totals		\$ 3,605,000	\$ 30,642	\$ 3,635,642

Water District Revenue Bonds, Series 2004

In November 2004, the Northern Kentucky Water District sold \$10,455,000 of its Revenue Bonds in order to fund various construction projects. The bonds maturing on or after February 1, 2015 are subject to redemption, in whole or in part beginning August 1, 2014 at a redemption price of 100%.



NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
 December 31, 2005 and 2004

The Water District Refunding Revenue Bonds, Series 2004, are scheduled to mature as follows:

Year	Interest Rate	Principal Amount	Interest Amount	Total Debt Service
2006	1.75%	\$ 275,000	\$ 399,881	\$ 674,881
2007	2.20%	285,000	394,103	679,103
2008	2.60%	290,000	387,631	677,631
2009	3.00%	295,000	380,314	675,314
2010	3.00%	305,000	371,869	676,869
2011-2015	3.00-4.00%	1,680,000	1,703,397	3,383,397
2016-2020	4.00-4.50%	2,035,000	1,349,500	3,384,500
2021-2025	4.50%	2,535,000	798,975	3,333,975
2026-2029	4.50%	2,485,000	285,975	2,770,975
Totals		\$ 10,185,000	\$ 6,071,645	\$ 16,256,645

Taylor Mill Purchase Financing

In March 2004, the Water District purchased the assets of the Taylor Mill Water System for \$3,000,000. The purchase price will be paid over 14 years without interest. Payments are due as follows:

Year	Principal Amount
2006	\$ 250,000
2007	250,000
2008	250,000
2009	175,000
2010	175,000
2011-2015	875,000
2016-2018	400,000
Totals	\$ 2,375,000

Water District Bond Anticipation Notes, Series 2005

In May 2005, the Northern Kentucky Water District sold \$17,980,000 of Bond Anticipation Notes for the purpose of renovating the new central facility for the district and to pay part of the costs of the 2005 construction program. The Bond Anticipation Notes mature as follows:

Year	Principal Amount	Interest Amount	Total Debt Service
2006	\$ -	\$ 584,750	\$ 584,750
2007	17,980,000	292,170	18,272,170
Totals	\$ 17,980,000	\$ 876,920	\$ 18,856,920

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NORTHERN KENTUCKY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2005 and 2004

The District is in compliance with Section 726-subsection (iii) of the 1985 General Bond Resolution (as amended November 17, 1987) which requires that the net annual income and revenues, as adjusted, be equal to at least one and twenty hundredths (1.20) times the maximum annual debt service requirement coming due in any future twelve (12) month period beginning February 1 and ending January 31 on all Bonds outstanding payable from pledged receipts.

	<u>2005</u>
Year Ended December 31,	
Net annual income and revenues as defined by resolution including service applications	\$ 17,131,759
Maximum annual debt service	\$ 10,953,130
Factor	x 1.20
Minimum Net Annual Income and Revenues	<u>13,143,756</u>
Deficit of Net Annual Income and Revenues Over Maximum Annual Debt Service	\$ <u>3,988,003</u>
Actual debt service coverage is	<u>1.56</u>

Changes in long-term debt are as follows:

	<u>Balance</u> <u>12/31/2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/2005</u>
Bond indebtedness				
Series 1997	\$ 7,080,000	\$ -	\$ 770,000	\$ 6,310,000
Series 1998	10,045,000	-	240,000	9,805,000
Series 2001	15,565,000	-	230,000	15,335,000
Series 2002 A	44,790,000	-	360,000	44,430,000
Series 2002 B	9,585,000	-	490,000	9,095,000
Series 2003 A	1,580,000	-	35,000	1,545,000
Series 2003 B	29,445,000	-	845,000	28,600,000
Series 2003 C	22,360,000	-	1,160,000	21,200,000
Series 2004	10,455,000	-	270,000	10,185,000
Total bond indebtedness	<u>150,905,000</u>	<u>-</u>	<u>2,090,000</u>	<u>146,505,000</u>
Taylor Mill purchase note	2,625,000	-	250,000	2,375,000
Bond anticipation notes	3,605,000	-	-	3,605,000
Bond anticipation notes	-	17,980,000	-	17,980,000
Rural development loan	2,220,000	-	24,000	2,196,000
Deferred note payable	100,000	-	-	100,000
Total long-term debt	<u>159,455,000</u>	<u>\$ 17,980,000</u>	<u>\$ 2,364,000</u>	<u>172,761,000</u>
Less: current portion	<u>(4,674,000)</u>			<u>(8,411,000)</u>
Total long term debt less current portion	<u>\$ 154,781,000</u>			<u>\$ 164,350,000</u>

13. GOVERNMENTAL FINANCING

Please provide the following information for any state or federal funds for water and wastewater construction projects received during the past five years.

<u>Date Awarded</u>	<u>Project</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type of Assistance</u>
<u>2001</u>	<u>Sub District E</u>	<u>CDBG</u>	\$ <u>998,000</u>	<u>Grant</u>
<u>2003</u>	<u>Sub District RF</u>	<u>CDBG</u>	\$ <u>399,910</u>	<u>Grant</u>
<u>2003</u>	<u>Sub District K</u>	<u>KIA</u>	\$ <u>229,680</u>	<u>Grant</u>
<u>8/2005</u>	<u>Subdistrict F</u>	<u>KIA</u>	\$ <u>1,288,000</u>	<u>Grant</u>
<u>8/2005</u>	<u>Subdistrict G</u>	<u>KIA</u>	<u>1,000,000</u>	<u>Grant</u>

14. DEBT SERVICE EXPENSES

A. Please use the past three audited Enterprise Fund financial statements to list the debt service expense totals and compute the change from the previous year.

<u>FY</u>	<u>Water Debt Serv Expires</u>	<u>%Change</u>	<u>Wastewater Debt Serv Expires</u>	<u>% Change</u>	<u>Other Debt Serv Expenses</u>	<u>% Change</u>
<u>2003</u>	<u>142,770,000</u>	<u>-</u>	<u>N/A</u>	<u>_____</u>	\$ <u>_____</u>	<u>_____</u>
<u>2004</u>	<u>154,781,000</u>	<u>+8.4</u>	<u>_____</u>	<u>_____</u>	\$ <u>_____</u>	<u>_____</u>
<u>2005</u>	<u>164,350,000</u>	<u>+6.2</u>	<u>_____</u>	<u>_____</u>	\$ <u>_____</u>	<u>_____</u>

B. Describe any debt service expense increase or any debt service expense decrease of 10% or greater.

15. RESERVES

Please calculate the amount of funds to be set aside annually for replacement costs. This amount should be based on the design life of the system. \$ 3,733,800

END PART II - FINANCIAL ANALYSIS

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FUND F

PART III - BUDGET

If other funding sources are proposed to be used with Fund F, please identify the funding source and the amount for each line item.

1. ADMINISTRATIVE AND LEGAL EXPENSES

Allowable administrative expenses do not include costs that are related to the normal functions of government. Allowable legal fees are generally those associated with the purchase of eligible land or easements and certain services in support of the project (e.g.; review of contracts compliance with the Real Property Acquisition Act).

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Advertisements	\$ 2,200	NKWD	
Legal Fees	\$ 10,000	NKWD	
Other <u>Admin</u>	\$ 3,728	NKWD	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ 15,928

2. LAND ACQUISITION

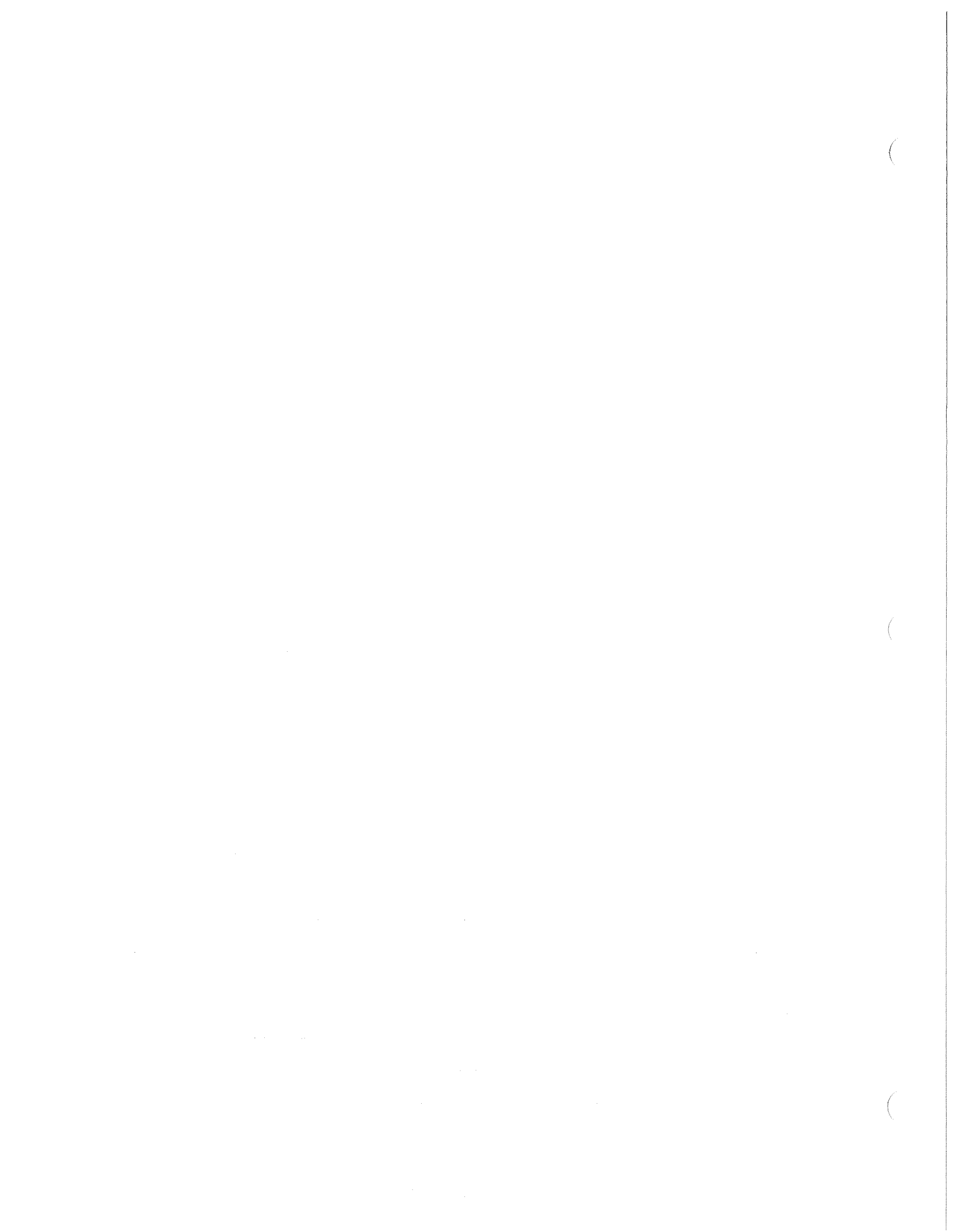
This category includes purchases, lease, and/or easements for the site and/or rights-of-way.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ 0

3. RELOCATION EXPENSES

Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
_____	\$ 0	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ 0



4. ENGINEERING

<u>Planning</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Water Audit	\$ _____	_____	
Water Supply Plan Amendment	\$ _____	_____	
Loan Application	\$ _____	_____	
Water Use Ordinance	\$ _____	_____	
User Charge System	\$ _____	_____	
Environmental Review	\$ _____	_____	
Other _____	\$ _____	_____	\$ _____
<u>Design</u>			
Preliminary Engineering Design Report	\$ _____	_____	
Plans/Specifications	\$ <u>537,300</u>	<u>NKWD</u>	
Preliminary Plan of Operation	\$ _____	_____	
Value Engineering (if applicable)	\$ _____	_____	\$ <u>537,300</u>
<u>Construction Services</u>			
Securing/Evaluating Bids	\$ _____	_____	
Change Orders	\$ _____	_____	
General Engineering Reviews	\$ _____	_____	
On-site Inspections	\$ _____	_____	
Provide As-Built Drawings	\$ _____	_____	\$ _____
<u>Resident Inspection</u>	\$ _____	_____	\$ _____
<u>Other Engineering Services</u>			
Final Plan of Operation	\$ _____	_____	
O & M Manual	\$ _____	_____	
Start-up Services	\$ _____	_____	
Other _____	\$ _____	_____	\$ _____
<u>Additional Engineering Services</u>			
Negotiation of Service due to change in Scope	\$ _____	_____	
Service as expert witness	\$ _____	_____	
Other _____	\$ _____	_____	\$ _____
TOTAL ENGINEERING COSTS			\$ <u>537,300</u>

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5. CONSTRUCTION COSTS ESTIMATE

Enter the estimated cost of construction contracts only. (Space is provided for additional information such as location, contracts, etc.)

Pre-Bid Engineer's Estimate Actual Bid Prices

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Chesapeake Avenue	\$ 472,575	NKWD	\$ 472,575
Montross Avenue	\$ 42,813	NKWD	\$ 42,813
MPTP	\$ 4,701,157	DWSRF/NKWD	\$ 4,701,157
	\$		\$
	\$		\$
	\$		\$
	\$		\$
TOTAL CONSTRUCTION COSTS			\$ 5,216,545

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6. EQUIPMENT

Enter the estimated cost of shop, laboratory, and safety equipment, etc. to be used at the facility if such costs are not included in any construction contract.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ _____ 0

7. MISCELLANEOUS

Enter the estimated cost for items such as but not limited to value engineering, interim financing, and capitalized interest.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ _____ 0

8. CONTINGENCIES

Enter estimated contingency costs. This amount should be only calculated at 5% of total construction contracts.

<u>Funding Source(s)</u>	<u>Total Cost</u>
Northern Kentucky Water District	\$ 260,827

9. TOTAL PROJECT COSTS

<u>Funding Source(s)</u>	<u>Total Cost</u>
DWSRF, Northern Kentucky Water District	\$ 6,030,600.00



FUND F
Part III - Budget Information
Project Cost Summary

COST CLASSIFICATION	LOCAL FUNDS	GRANT	GRANT	LOAN	FUND F DWSRF LOAN	TOTAL PROJECT COSTS
1. Administrative and Legal Expense	\$ 15,928	\$	\$	\$	\$	\$ 15,928
2. Land Acquisition						
3. Relocation Expenses						
4. Engineering	537,300					537,300
5. Construction	1,216,545				4,000,000	5,216,545
6. Equipment						
7. Miscellaneous						
8. Contingencies	260,827					260,827
9. Total Project Costs Each Funding Source	\$ 2,030,600	\$	\$	\$	\$ 4,000,000	\$ 6,030,600

For funding sources other than DWSRF, please identify the grant/loan and indicate the award, or application date of such:

Identify Source of Local Funds:

NKWD _____

Revised _____
 Revised _____
 Revised _____

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Attachments

- a. Authorizing Resolution of Legal Application.
- b. Title VI Compliance Report (EPA Form 4700-4).
- c. Debarment Certification.
- d. Procurement Package with Engineering Agreement.
- e. Current and Proposed Water User Charge System/Rate Ordinance and Water Use Ordinance.
- f. Assurances.
- g. Projected Request for Payment Schedule
- h. Three copies of each of the last three annual Audit Reports/Financial Statements.
- i. Project maps.
- j. Water Purchase Agreements.
- k. NKWD Letter of Commitment of Local Funds.

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RESOLUTION
OF THE
NORTHERN KENTUCKY WATER DISTRICT

A Resolution Authorizing The Northern Kentucky Water District To
File A Loan Application And Appointing Its President/CEO As Its
Official Project Representative With Regard To The Drinking Water
State Revolving Fund Project

WHEREAS, the Northern Kentucky Water District (the "District") proposes to provide upgraded drinking water service for residential, commercial, institutional, and industrial growth within its service area; and

WHEREAS, the District endorses said proposed service; and

WHEREAS, under the terms of the Safe Drinking Water Act Amendments of 1996 (Public Law 104-182), Title VI of the Water Quality Act of 1987 (Public law 100-4), amendments to KRS Chapter 224A and other applicable law, the Commonwealth of Kentucky is authorized to provide financial assistance to eligible project applicants by way of capitalization grants from the U.S. Environmental Protection Agency and State matching funds comprising the Drinking Water State Revolving Fund, and such program is established to aid in the construction of drinking water treatment facilities improvements and certain related facilities, with consideration for approval to be based on applications submitted through the Kentucky Environmental and Public Protection Cabinet and the Kentucky Infrastructure Authority; and

WHEREAS, the improvements proposed for construction by the District, within its service area, are considered eligible for such loan assistance.

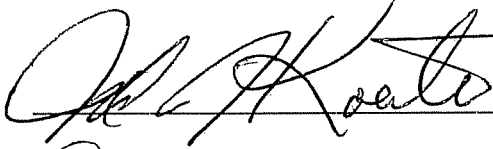
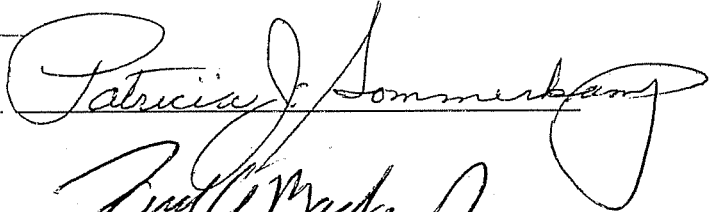
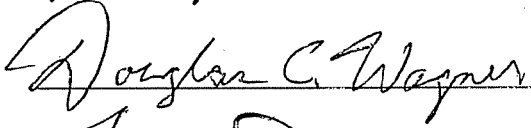
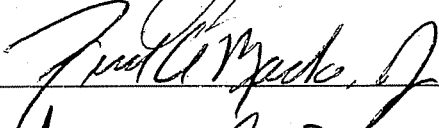
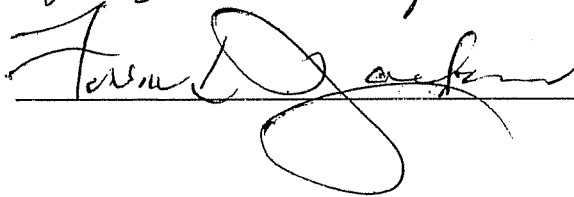
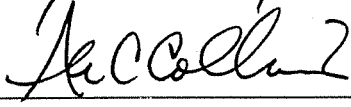
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Northern Kentucky Water District as follows:

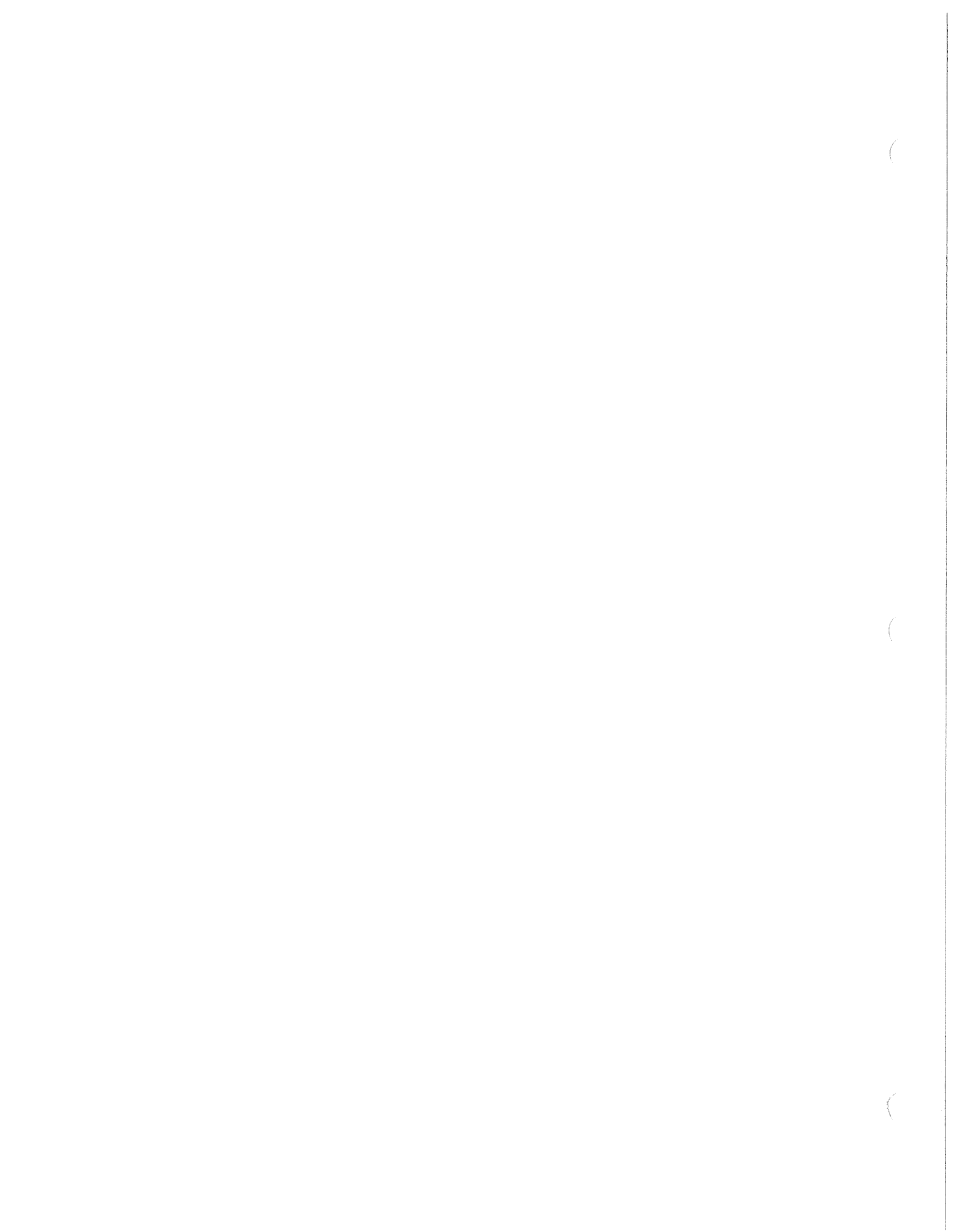
1. That the President/CEO of the District be, and is, hereby authorized to execute, deliver and submit an application for loan assistance from the Drinking Water State Revolving Fund on behalf of the District through the Kentucky Environmental and Public Protection Cabinet and the Kentucky Infrastructure Authority, said application providing such assurances and supporting data to obtain loan assistance from the Drinking Water State Revolving Fund for the proposed drinking water treatment facilities improvements; and

2. That the President/CEO of the District is hereby authorized to negotiate and administer the loan assistance that the District may obtain from the Drinking Water State Revolving Fund.

AGREED, DETERMINED and RESOLVED this ___ day of May 2006 at a regular meeting of the Board of Commissioners of the Northern Kentucky Water District at 2835 Crescent Springs Road, Erlanger, Kentucky.

Commissioners:



CLEAN WATER SRF DRINKING WATER SRF
EPA GRANT
PROJECT REVIEW AND COST SUMMARY

THIS QUESTIONNAIRE/CHECK SHEET IS FURNISHED AS AN ADMINISTRATIVE AID AND IS REQUIRED FOR USE IN SUPPLYING INFORMATION AND DOCUMENTS, REPORTING MINOR CHANGES AND PROJECT STATUS. THE INFORMATION AND DOCUMENTS MUST BE SUBMITTED TO DOW WITHIN 7 to 14 DAYS AFTER BID OPENING.

SECTION 1.

1. Project Name Project Number
Memorial Parkway Treatment Plant Improvement WX-21037560

2. **Changes:** Have there been any changes in the project since DOW's plan and specification approval of the plans and specifications?

Yes No Construction Drawings. If yes, submit revised drawings and addenda.
See Note*

Yes No Specifications. If yes, submit addenda. -- See Note*

*Note: Prior approval is required for changes in design, scope, type of treatment, size, capacity, time to complete the project, etc. Changes, which result in increase in the amount of a contract, must be procured in accordance with state and federal requirements, as applicable.

Yes No Site Changes. Clear Site Certificates are required prior to start of construction.

SECTION 2.

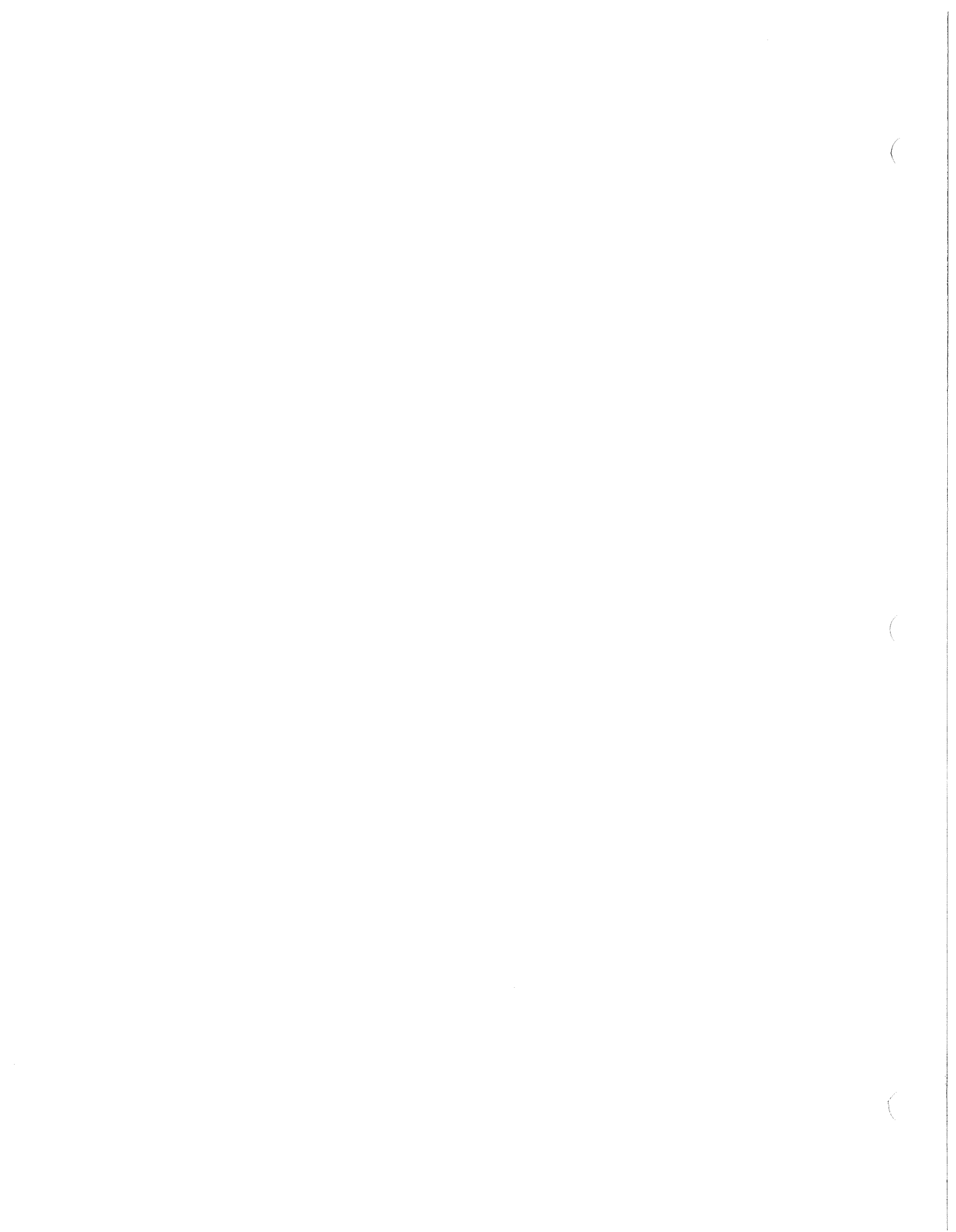
Date Bids Opened: 8/8/2006 Date Bids Expire: 11/6/2006

1. The following items must be submitted to DOW:

- A. Copy of advertisement with affidavit of publication
- B. Revised Budget (copies attached)
- C. Certified Bid Tabulations
- D. MBE/WBE Documentation (See Attachment No. 12 of the Supplemental General Conditions (SGC)):

Data Sheet I from all bidders.

From the successful bidder, Data Sheet II with MBE/WBE certifications, subcontracts with MBE/WBE, and a letter from the MBE/WBE accepting the subcontract; or Data Sheet III with documentation on the level of effort including copies of correspondence with



MBE/WBE contractors, requesting quotes and copies of any advertisements soliciting MBE/WBE contractors, copies of returned envelopes and certified mail receipts, telephone log, etc.

2. A copy of the items identified in Section 2.1, above, and the following must be retained by the owner. This documentation is subject for review, by DOW, at the time of the pre-construction conference.

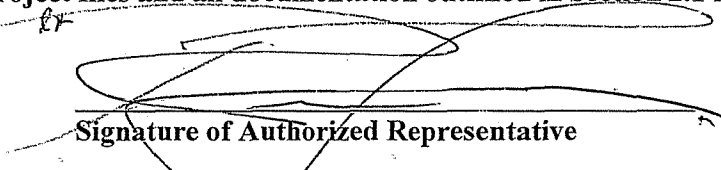
- A. Name and qualifications of the proposed resident inspector(s).
- B. Proposal of the successful bidder(s).
- C. Bid Bond.
- D. EEO documentation required by Executive Order 11246 as amended. Items 1 through 11 (See Attachment No. 7 in the SGC), is required for all contracts over \$10,000 except supplier contracts. Supplier contracts require:
 - 1. Name, address, and telephone number.
 - 2. Materials to be supplied and dollar value.

For contracts below \$10,000, the same information required for supplier contracts must be submitted.

- E. Engineer's letter to the loan recipient recommending award of the contract. Letter must include a description of work, dollar amount, and name of the low bidder. If award is recommended to be made to other than the low bidder, a justification indicating why the low bidder is not responsive or responsible.
- F. Contractor's Debarred Firm Certification (See Attachment No. 10 in the SGC).
- G. Contractor's Certification Regarding Lobbying (See Attachment No. 11 in the SGC).
- H. Contractor project construction schedule and payment schedule.
- I. Applicable wage rate determination letter.
- J. Tentative Award Resolution

3. Comments:

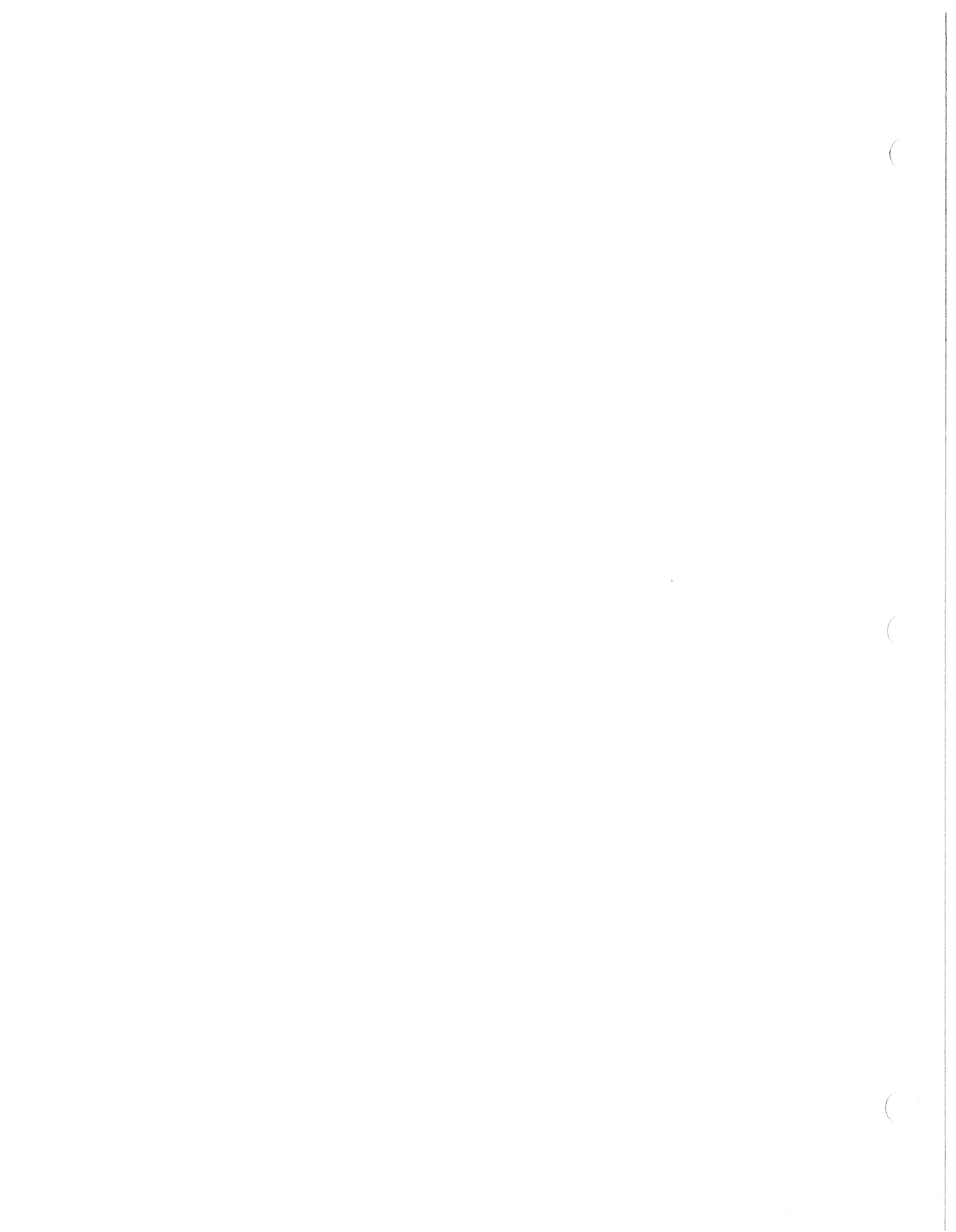
I hereby certify that all documentation outlined in Section 2.1 and 2.2 will be retained in our project files and all documentation outlined in Section 2.1 has been submitted to DOW.


Signature of Authorized Representative

Ron Lovan, President/CEO
Name and Title

Date: 8/23/06

Attachments



CLEAN WATER STATE REVOLVING FUND

Part III - Budget Information Detailed Project Cost Estimate

If other funding sources will be used with Fund A, please identify the funding source and the amount for each line item.

1. ADMINISTRATIVE AND LEGAL EXPENSES

Allowable administrative expenses **do not include** costs that are related to the normal functions of government. Allowable legal fees are generally those associated with the purchase of eligible land or easements and certain services in support of the project (e.g., review of contracts compliance with the Real Property Acquisition Act).

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Advertisements	\$ <u>2,200</u>	<u>NKWD</u>	
Legal Fees	\$ <u>10,000</u>	<u>NKWD</u>	
Other _____	\$ <u>3,728</u>	<u>NKWD</u>	
_____	\$ _____	_____	
_____	\$ _____	_____	
			\$ <u>15,928</u>

2. LAND ACQUISITION

This category includes purchases, lease, and/or easements for the site and/ or rights-of-way.

NOTE: Land acquisition is ineligible for FAWRF participation.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Wastewater Treatment Plant	\$ _____	_____	
Sludge Handling Facilities	\$ _____	_____	
Pump Stations	\$ _____	_____	
Interceptor Sewers	\$ _____	_____	
Collection Sewers	\$ _____	_____	
On-site and Other Innovative/ Alternative Systems	\$ _____	_____	
			\$ _____

3. RELOCATION EXPENSES

Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

<u>Cost Category</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
_____	\$ _____	_____	
_____	\$ _____	_____	
_____	\$ _____	_____	

(

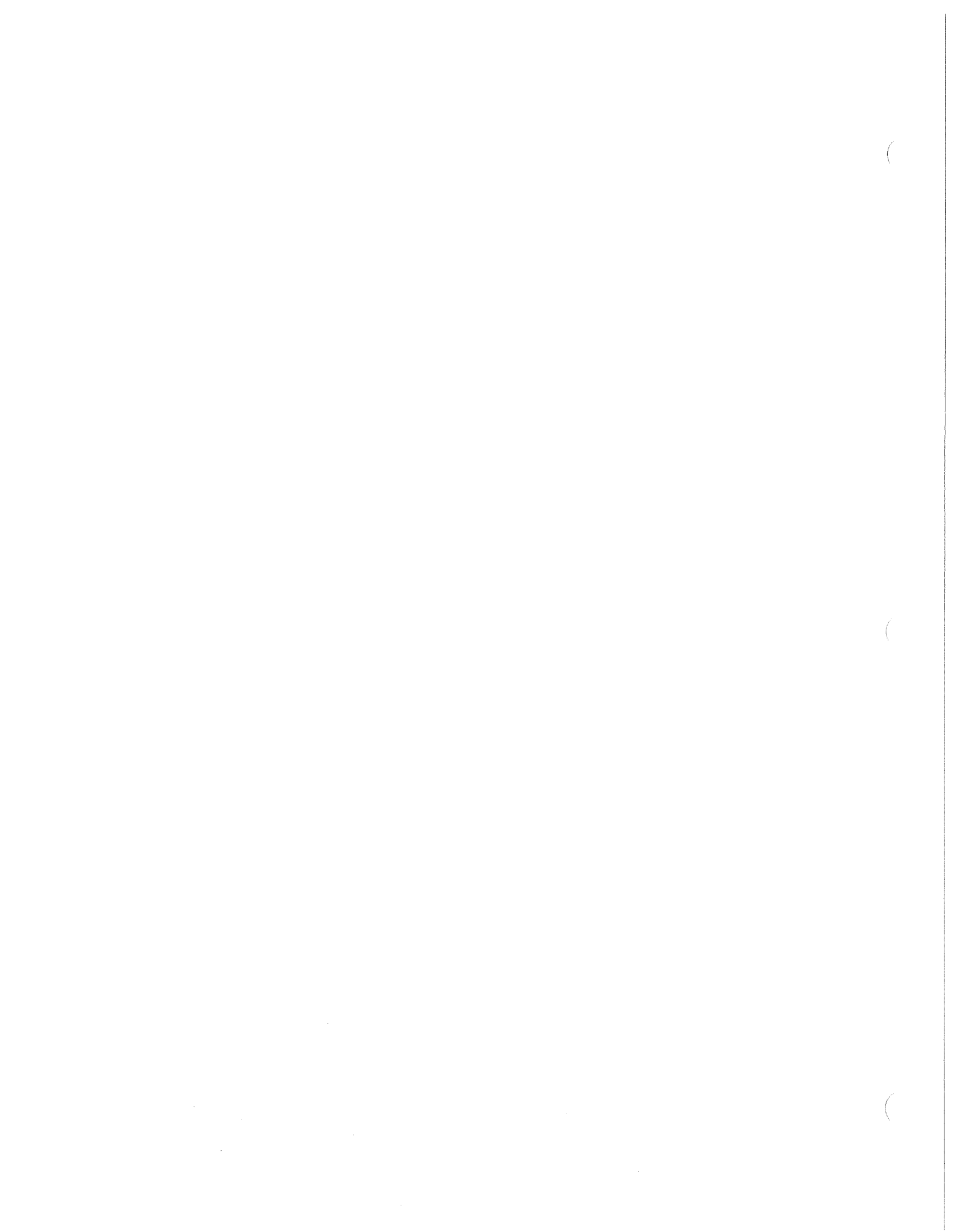
(

(

\$ _____

4. **ENGINEERING**

<u>Planning</u>	<u>Cost</u>	<u>Funding Source(s)</u>	<u>Total Cost</u>
Preliminary Planning	\$ <u>72,476</u>	<u>NKWD</u>	
Facility Plan	\$ _____	_____	
Loan Application	\$ _____	_____	
Sewer Use Ordinance	\$ _____	_____	
User Charge System	\$ _____	_____	
Archaeological/Vegetative Surveys	\$ _____	_____	
Sewer System Evaluation Survey	\$ _____	_____	
Other _____	\$ _____	_____	\$ <u>72,476</u>
 <u>Design</u>			
Plans/Specifications	\$ <u>330,823</u>	<u>NKWD</u>	
Preliminary Plan of Operation	\$ _____	_____	
Value Engineering (if applicable)	\$ _____	_____	\$ <u>330,823</u>
 <u>Construction Services</u>			
Securing/Evaluating Bids	\$ _____	_____	
Change Orders	\$ _____	_____	
General Engineering Reviews	\$ _____	_____	
On-site Inspections	\$ <u>200,000</u>	<u>NKWD</u>	
Provide As-Built Drawings	\$ _____	_____	\$ <u>200,000</u>
 <u>Resident Inspection</u>			
	\$ _____	_____	\$ _____
 <u>Other Engineering Services</u>			
Final Plan of Operation	\$ _____	_____	
O & M Manual	\$ _____	_____	
Start-up Services	\$ _____	_____	
Other _____	\$ _____	_____	\$ _____
 <u>Additional Engineering Services</u>			
Negotiation of Service due to change in Scope	\$ _____	_____	
Service as expert witness	\$ _____	_____	
Other _____	\$ _____	_____	\$ _____
 TOTAL ENGINEERING COSTS			 \$ <u>603,299</u>



Project Title Memorial Parkway WTP

Date Prepared August 23, 2006

FUND F
Part III - Budget Information
Project Cost Summary

COST CLASSIFICATION	LOCAL FUNDS	GRANT	GRANT	LOAN	FUND F DWSRF LOAN	TOTAL PROJECT COSTS
1. Administrative and Legal Expense	\$15,928	\$	\$	\$	\$	\$15,928
2. Land Acquisition						
3. Relocation Expenses						
4. Engineering	\$603,299					\$603,299
5. Construction (bid amount)	\$1,899,484				\$4,000,000	\$5,899,484
6. Equipment	\$70,000					\$70,000
7. Miscellaneous						
8. Contingencies	\$276,289					\$276,289
9. Total Project Costs Each Funding Source	\$2,865,000	\$	\$	\$	\$4,000,000	\$6,865,000

For funding sources other than DWSRF, please identify the grant/loan and indicate the award, or application date of such:

Identify Source of Local Funds:

Northern Kentucky Water District

Revised August 23, 2006
 Revised _____
 Revised _____



August 9, 2006

Amy Kramer, P.E.
Design Engineering Manager
Northern Kentucky Water District
2835 Crescent Springs Road
Erlanger, KY 41018

Re : Recommendation of Award
Memorial Parkway Treatment Plant Improvements
Northern Kentucky Water District

Quest Engineers, Inc.

Dear Amy:

Lexington:
2517 Sir Barton Way
Lexington, KY 40509
859-223-3755
859-223-3150 (Fax)

Louisville:
One Riverfront Plaza
401 West Main Street
Suite 500
Louisville, KY 40202
502-584-4118
502-589-3009 (Fax)

Cincinnati:
1251 Kemper Meadow Drive
Suite 600
Cincinnati, OH 45240
513-851-9774
513-851-9207 (Fax)

As you know, bids were received and opened publicly on August 8, 2006 for the referenced project. Six companies presented responsive bids and each has been determined to be mathematically correct. The low bidder was Building Crafts, Inc. (BCI) of Wilder, Kentucky with a total base bid amount of \$5,624,594. Each of the six bids are summarized in Table 1. A more detailed bid tabulation is attached.

Table 1
Summarized Bid Results
Memorial Parkway Treatment Plant Improvements

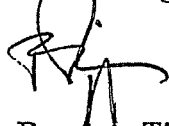
Bidder	Total Base Bid	Additive Alternate Bid	Total Bid Amount
Building Crafts, Inc.	\$5,624,594	\$274,890	\$5,899,484
Danis Industrial	\$6,101,408	\$213,000	\$6,314,408
Fryman - Kuck, Inc.	\$6,113,027	\$255,000	\$6,368,027
Reynolds, Inc.	\$6,333,000	\$255,000	\$6,588,000
PAE & Associates, Inc.	\$6,525,000	\$300,000	\$6,825,000
W. Rogers Company	\$6,627,200	\$296,000	\$6,923,200
<i>Engineers Estimate</i>	<i>\$6,195,040</i>	<i>\$245,000</i>	<i>\$6,440,040</i>

A review of the bids reveals that NKWD received very good pricing and that three of the bidders were below the engineer's estimate. The BCI bid is actually 8.5% under the engineer's estimate (when the alternate bid is included). BCI is a well-respected contractor in Kentucky for municipal utility projects and has substantial experience with NKWD. Based on discussions with NKWD staff, it is our understanding that NKWD is comfortable with BCI's capability to perform the work associated with this project. Further, we understand that NKWD has been satisfied with the quality of their work on these past projects. Indeed, the JJG/Quest team has worked with BCI on several projects with each of them resulting in a successful conclusion. Based on this information, JJG/Quest recommends that BCI be awarded the contract for the Memorial Parkway Treatment Plant Improvements project.

One final area of discussion is the acceptance of the Additive Alternate Bid for the installation of the Powder Activated Carbon (PAC) Building. The pricing for this item was very close to the engineer's estimate, and we do not expect that it would be any better from re-bidding this portion separately or waiting to bid it again at a later date. Over the last two years, raw material and equipment prices have gone up at an average of 8% per year. The current expectations of the industry are for that trend to continue for at least another year before any moderation occurs. Based on this information, our recommendation is that the Additive Alternate Bid be accepted since the contractor will already be mobilized on the job site and pricing is likely to be substantially higher in the future.

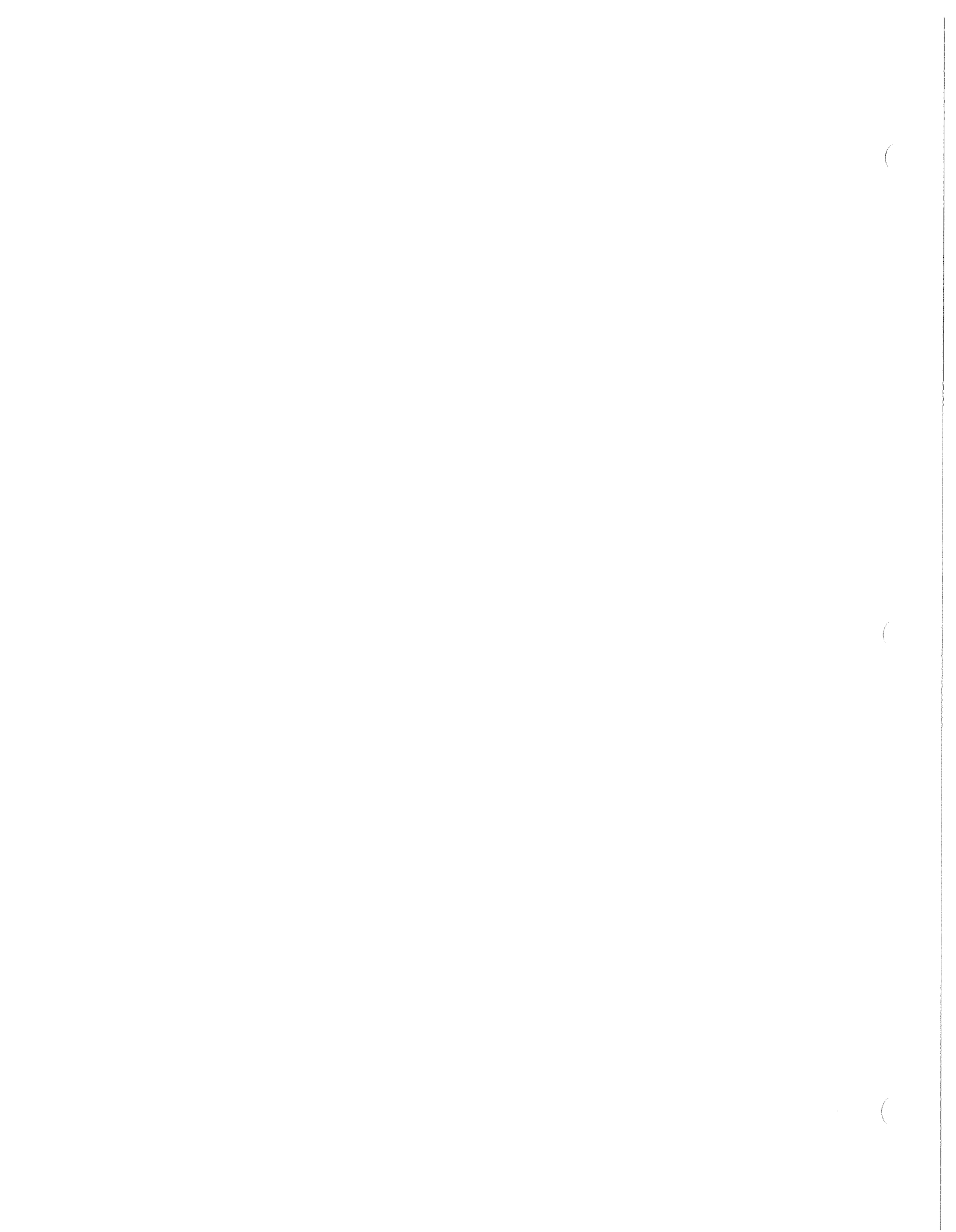
The JJG/Quest team appreciate the opportunity to have provided professional engineering services to NKWD for the design and bidding of the Memorial Parkway Treatment Plant Improvements project. We are excited at the results of the bidding and look forward to the successful construction and start-up of the facility improvements. If you have any questions about the results of the bid or any other matter, please feel free to call me at (859) 223-3755.

Kindest regards,



Brent A. Tippey, P.E.
Vice-President/Water Manager

Attachments



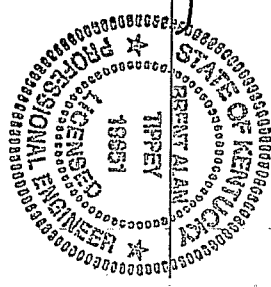
Memorial Parkway Treatment Plant Improvements
Fort Thomas, Kentucky
Northern Kentucky Water District

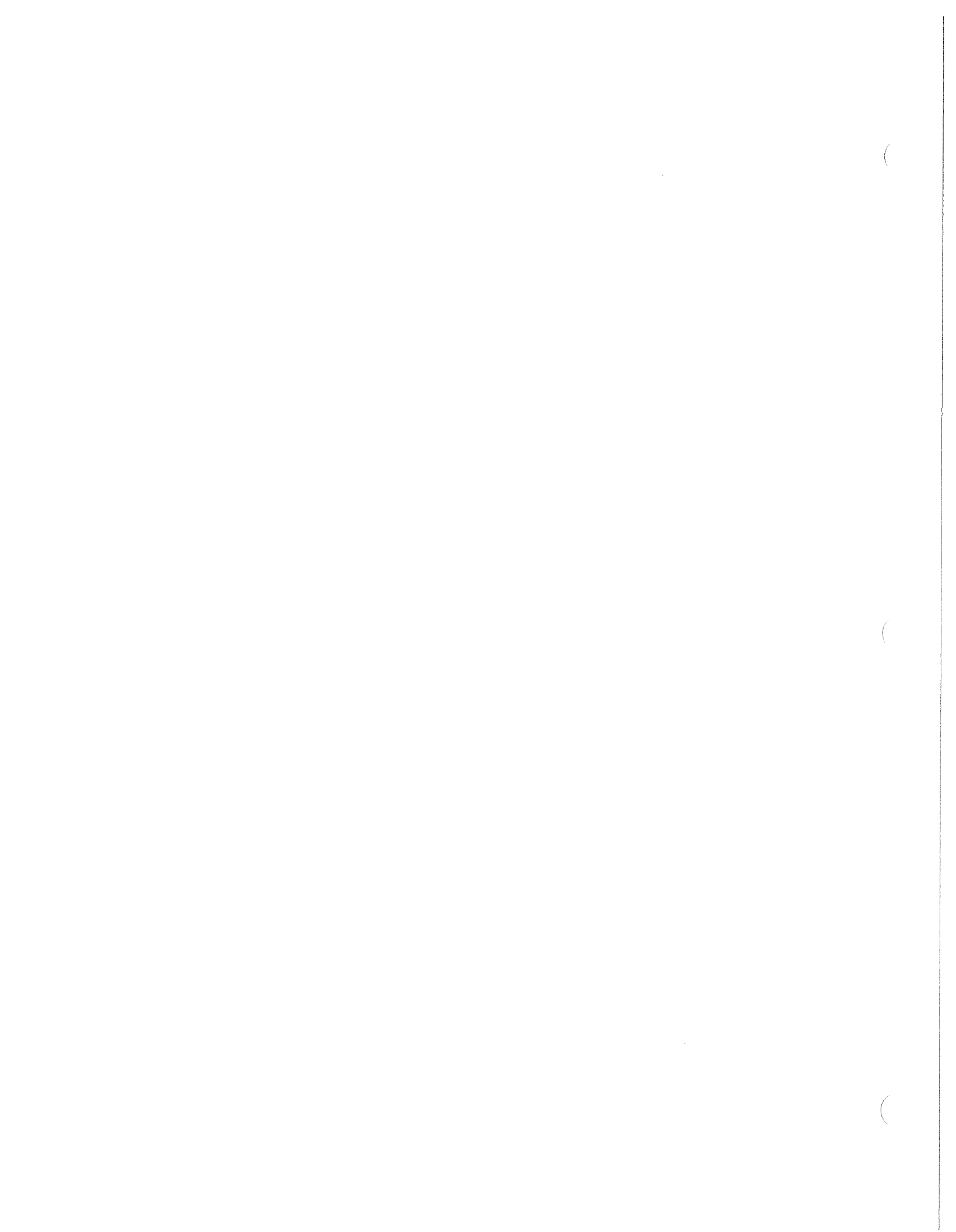
Bids Received: August 8, 2006 @ 2 p.m.

Topic	Bidder											
	Building Crafts Incorporated		Dennis Industrial		Fryman Kueck		Reynolds Incorporated		PAE & Associates		W Rogers Company	
	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount	Unit Price	Total Item Amount
Lump Sum Bid (Item 1)		\$5,531,894.00		\$5,900,000.00		\$5,774,435.00		\$6,125,000.00		\$6,400,000.00		\$6,597,000.00
Concrete Restoration (Item 2)												
Interior Vertical Surfaces (600 sq ft)	\$19.50	\$15,600.00	\$60.90	\$48,720.00	\$103.38	\$62,704.00	\$65.00	\$62,000.00	\$25.00	\$20,000.00	\$9.25	\$7,400.00
Exterior Vertical Surfaces (600 sq ft)	\$16.00	\$9,600.00	\$58.73	\$35,238.00	\$12.48	\$7,488.00	\$65.00	\$39,000.00	\$25.00	\$15,000.00	\$7.25	\$4,350.00
Underside of Beams & Slabs (1,800 sq ft)	\$37.50	\$67,500.00	\$65.25	\$117,450.00	\$198.00	\$248,400.00	\$65.00	\$117,000.00	\$50.00	\$90,000.00	\$10.25	\$18,450.00
Total Base Bid (Items 1 & 2)		\$5,624,594.00		\$6,101,408.00		\$6,113,027.00		\$6,333,000.00		\$6,525,000.00		\$6,627,200.00
Alternate Bid		\$274,890.00		\$213,000.00		\$255,000.00		\$255,000.00		\$300,000.00		\$296,000.00

I hereby certify that this is a true and correct tabulation of the bids

Brent Tippey, P.E.
 Quest Engineers, Inc.





**CERTIFICATION REGARDING DEBARMENT,
SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

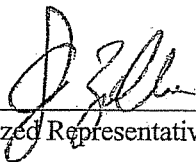
(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Andy Zalla President

Typed Name & Title of Authorized Representative



8/8/06

Signature of Authorized Representative

Date

___ I am unable to certify to the above statements. My explanation is attached.

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CERTIFICATION REGARDING LOBBYING
Certification for Contracts, Grants,
Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.


(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Andy Zalla

TYPED NAME & TITLE OF AUTHORIZED REPRESENTATIVE

 8/8/06

SIGNATURE OF AUTHORIZED REPRESENTATIVE DATE

I am unable to certify to the above statements. My explanation is attached.



Attachment Number 3

MINORITY AND WOMEN'S BUSINESS ENTERPRISE PARTICIPATION POLICY

MBE/WBE DATA SHEET I

PROJECT NAME: Memorial Parkway Treatment Plant Improvements BID DATE: 8/8/06

1. Name, address and telephone number of contact person on all MBE, WBE matters.

Contractor's Name: Building Crafts, Inc.

Address: 2 Rosewood Drive Wilder, KY 41076

Telephone Number: 859-781-9500

2. Has the bidder met at least the minimum 3% and 5% goals?

Yes (submit MBE/WBE DATA SHEET II, including certifications and subcontracts (or letters of intent signed by both parties, identifying the type of work and the dollar amount) within 21 days)

No (submit MBE/WBE DATA SHEET III, including all documentation to support a good faith effort within 21 days)

If no, please provide an explanation of the bidders inability to achieve the required goals and list any uncommitted areas of work.

We did not receive competitive bids from MBE/WBE businesses.

End of Section



MINORITY AND WOMEN'S BUSINESS ENTERPRISE PARTICIPATION POLICY

MBE/WBE DATA SHEET I

PROJECT NAME: MEMORIAL PARKWAY TREATMENT PLANT BID DATE: AUGUST 8, 2006

1. Name, address and telephone number of contact person on all MBE, WBE matters.

Contractor's Name: FRYMAN-KUCK GENERAL CONTRACTORS INC.

Address: PO BOX 13655 DAYTON, OHIO 45413

Telephone Number: 937-274-2892

2. Has the bidder met at least the minimum 3% and 5% goals?

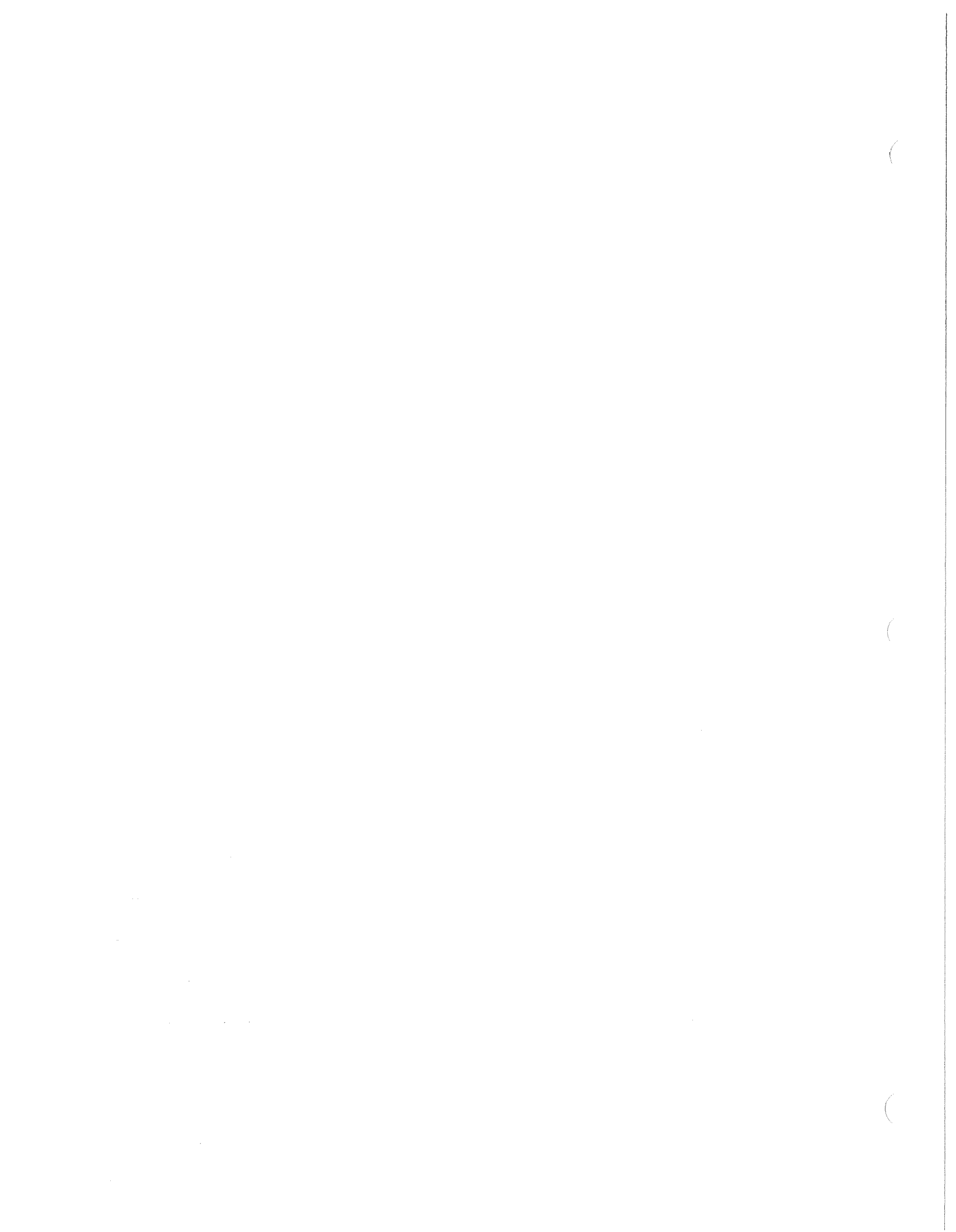
Yes (submit MBE/WBE DATA SHEET II, including certifications and subcontracts (or letters of intent signed by both parties, identifying the type of work and the dollar amount) within 21 days)

No (submit MBE/WBE DATA SHEET III, including all documentation to support a good faith effort within 21 days)

If no, please provide an explanation of the bidders inability to achieve the required goals and list any uncommitted areas of work.

Minority quotes were higher than prices used.

End of Section



MINORITY AND WOMEN'S BUSINESS ENTERPRISE PARTICIPATION POLICY

MBE/WBE DATA SHEET I

PROJECT NAME: Northern Kentucky Water District Memorial Parkway Treatment Plant Improvements BID DATE: 8/8/06

1. Name, address and telephone number of contact person on all MBE, WBE matters.

Contractor's Name: Reynolds, Inc.

Address: 4520 N. State Rd. 37, Orleans, IN 47452

Telephone Number: (812) 865-3232

2. Has the bidder met at least the minimum 3% and 5% goals?

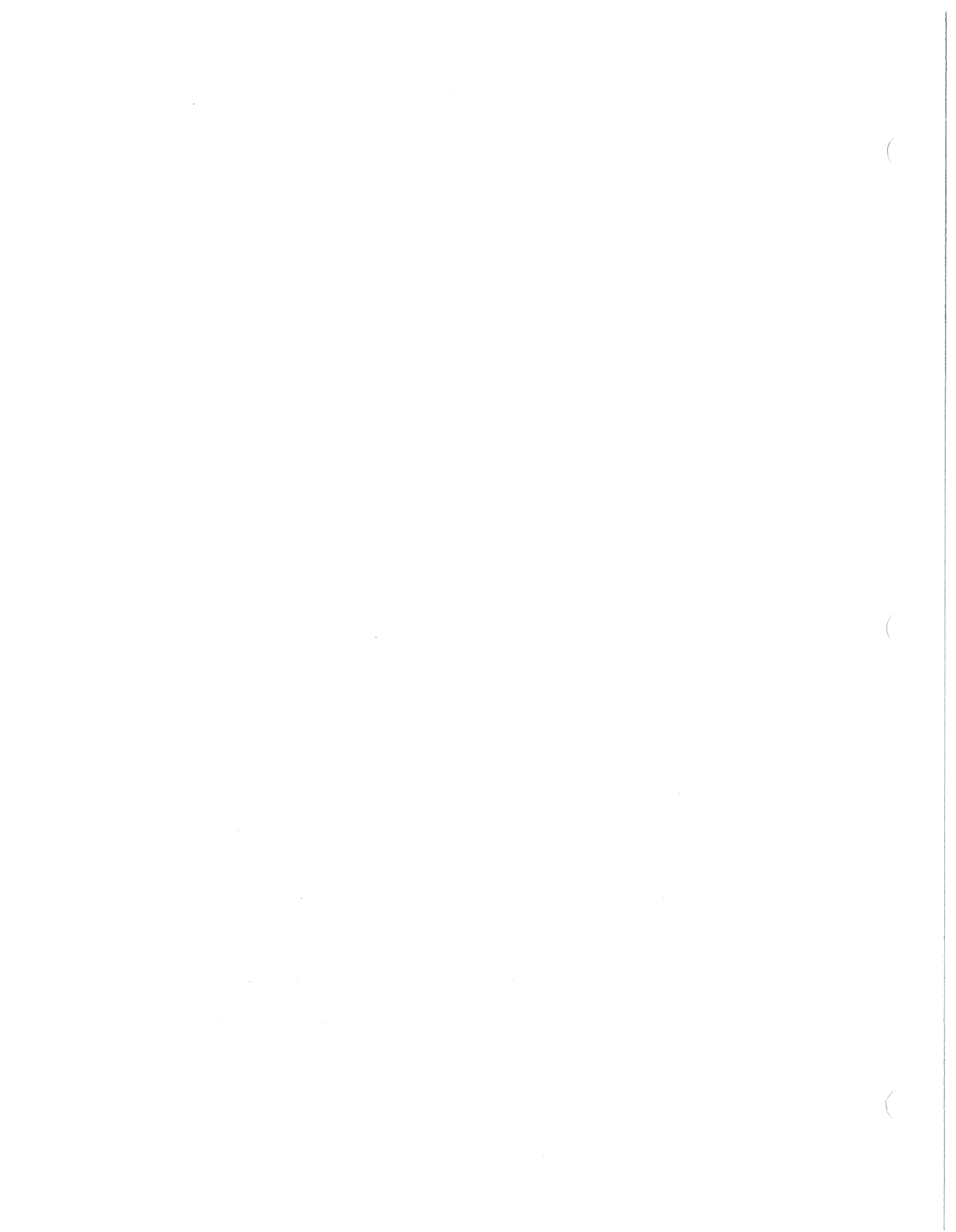
[] Yes (submit MBE/WBE DATA SHEET II, including certifications and subcontracts (or letters of intent signed by both parties, identifying the type of work and the dollar amount) within 21 days)

[X] No (submit MBE/WBE DATA SHEET III, including all documentation to support a good faith effort within 21 days)

If no, please provide an explanation of the bidders inability to achieve the required goals and list any uncommitted areas of work.

Multiple horizontal lines for providing an explanation of the bidder's inability to achieve goals and listing uncommitted areas of work.

End of Section



MINORITY AND WOMEN'S BUSINESS ENTERPRISE PARTICIPATION POLICY

MBE/WBE DATA SHEET I

PROJECT NAME: Memorial Pkwy. Water Treatment Plant BID DATE: August 8, 2006

1. Name, address and telephone number of contact person on all MBE, WBE matters.

Contractor's Name: W. Rogers Company

Address: 649 Bizzell Drive, Lexington KY 40510

Telephone Number: 859/231-6290

2. Has the bidder met at least the minimum 3% and 5% goals?

Yes (submit MBE/WBE DATA SHEET II, including certifications and subcontracts (or letters of intent signed by both parties, identifying the type of work and the dollar amount) within 21 days)

No (submit MBE/WBE DATA SHEET III, including all documentation to support a good faith effort within 21 days)

If no, please provide an explanation of the bidders inability to achieve the required goals and list any uncommitted areas of work.

A solicitation of MBE/WBE firms was made by Certified Mail. Advertisements were placed in newspapers. Responses from DBE/MBE/WBE businesses were inadequate. The project offers limited responsibilities for subcontracting to MBE/DBE firms.

End of Section





MINORITY AND WOMEN'S BUSINESS ENTERPRISE PARTICIPATION POLICY

MBE/WBE DATA SHEET I

PROJECT NAME: Memorial Parkway Treatment Plant Improvements
Northern KY Water District BID DATE: August 8, 2006

1. Name, address and telephone number of contact person on all MBE, WBE matters.

Contractor's Name: John P. Elder, PAE & Associates, Inc.

Address: 6933 Brookville-Salem Pike, Brookville, OH 45309

Telephone Number: (937) 833-0013

2. Has the bidder met at least the minimum 3% and 5% goals?

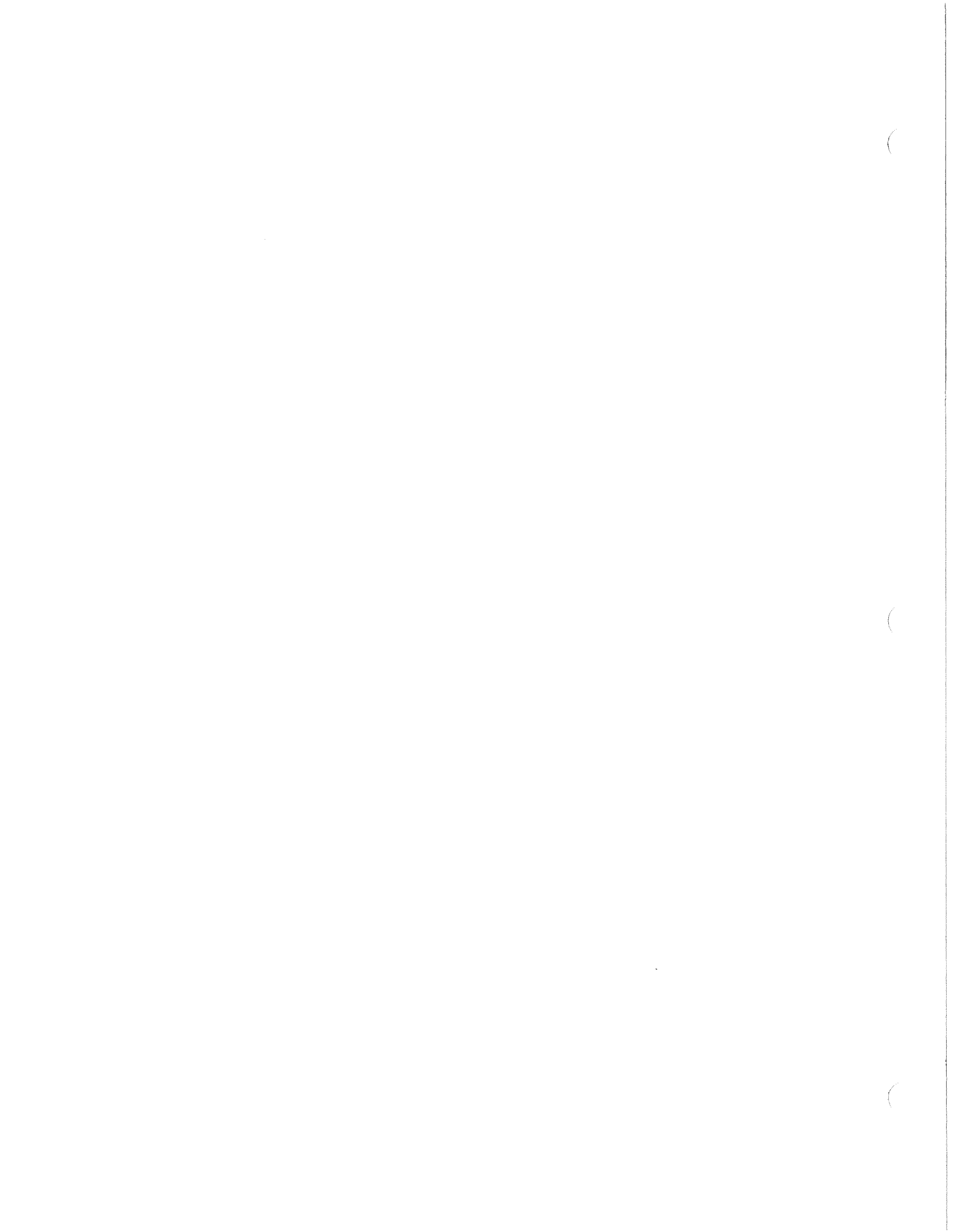
Yes (submit MBE/WBE DATA SHEET II, including certifications and subcontracts (or letters of intent signed by both parties, identifying the type of work and the dollar amount) within 21 days)

No (submit MBE/WBE DATA SHEET III, including all documentation to support a good faith effort within 21 days)

If no, please provide an explanation of the bidders inability to achieve the required goals and list any uncommitted areas of work.

Multiple horizontal lines for providing an explanation of the bidder's inability to meet goals.

End of Section





80000 SERIES
30% P.C.W.

Case No. 2006-____
Exhibit _____ E _____

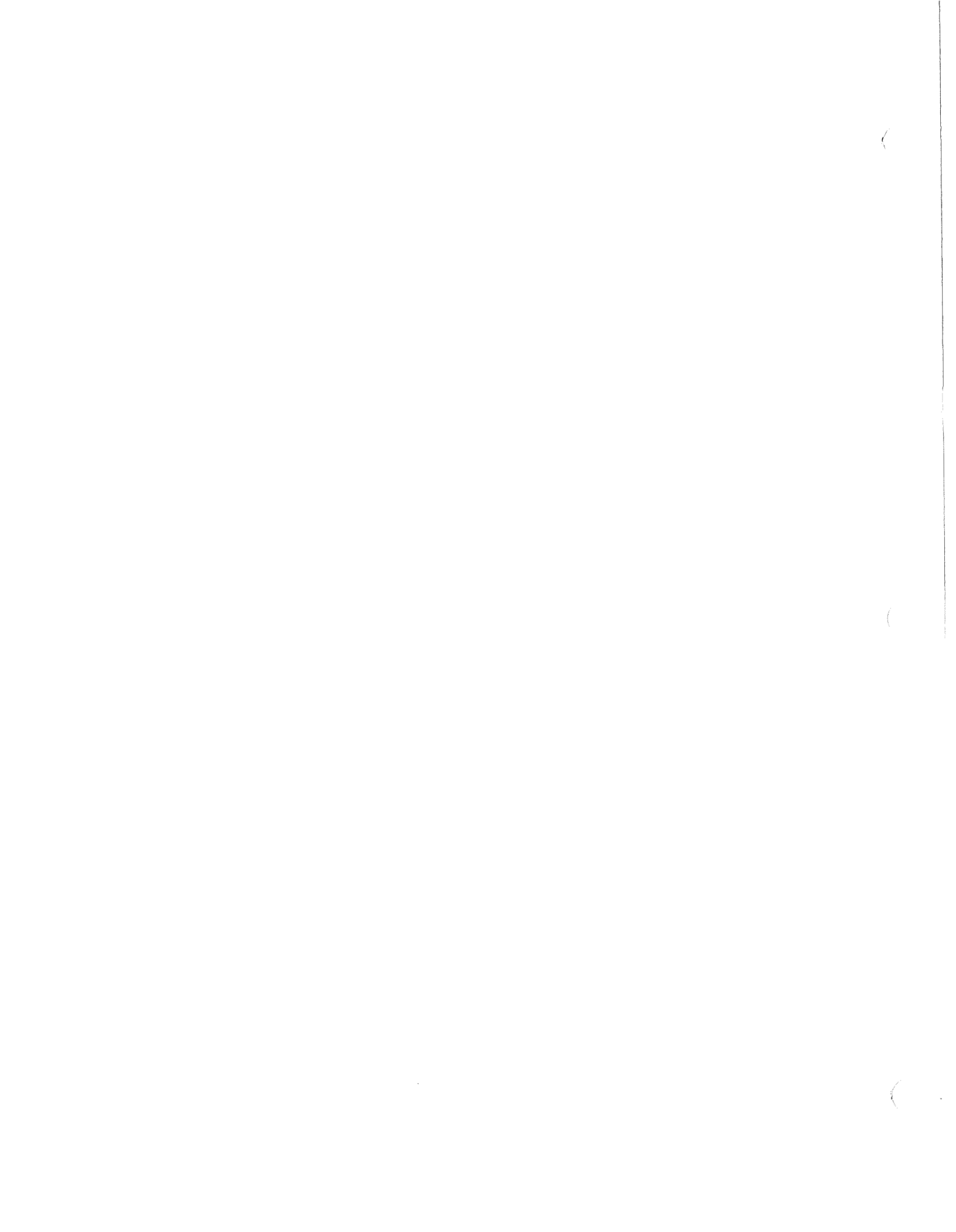
NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

Campbell County
184-435

PSC ANNUAL REPORT - 2005



Water Districts & Associations-Class A&B

Annual Report

Of

**Northern Kentucky Water District
2835 Crescent Springs Road
Erlanger, KY 41018**

To The

Public Service Commission

Of The

Commonwealth of Kentucky

**211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602**

For the Calendar Year Ended December 31, 2005

CHECKLIST FOR THE ANNUAL REPORT
FOR CLASS A AND B WATER DISTRICTS AND WATER ASSOCIATIONS
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

<u>Page No.</u>	<u>Account No.</u>		<u>Page No.</u>		Yes	No	If No, Explain Why
4-6	The identification pages have been completed				X		
7	101-106	agrees with	13	Total 101-106	X		
7	108-110	agrees with	15	Total 301-348 Cols c & h	X		
7	114-115	agrees with	16	Net Balance 114-115	X		
7	123	agrees with	17	Total 123	X		
7	124-125	agrees with	17	Total 124 and Total 125	X		
7	126	agrees with	17	Total 126	X		
7	127	agrees with	17	Total 127	X		
7	141-144	agrees with	18	Net Balance 141-144	X		
7	151-153	agrees with	19	Total 151-153	X		
7	162	agrees with	19	Total 162	X		
8	181	agrees with	20	Total 181	X		
8	182	agrees with	21	Total 182	X		
8	186	agrees with	20	Total 186	X		
9	214	agrees with	12	Total 214	X		
9	215.1	agrees with	12	Total 215.1	X		
9	215.2	agrees with	12	Total 215.2	X		
9	221	agrees with	23	Total Col 4	X		
9	221	agrees with	23	Total Col 12	X		
9	224	agrees with	22	Total Col f	X		
9	232	agrees with	24	Total 232	X		

CHECKLIST FOR THE ANNUAL REPORT
FOR CLASS A AND B WATER DISTRICTS AND WATER ASSOCIATIONS
TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page 2 of 3

Page No.	Account No.		Page No.		Yes	No	If No, Explain Why
9	233	agrees with	24	Total 233	X		
9	234	agrees with	24	Total 234	X		
9	236	agrees with	25	Beginning and Ending Balance 236	X		
9	237	agrees with	25	Total 237 Cols b & e	X		
9	242	agrees with	26	Total 242	X		
9	251	agrees with	20	Total 251	X		
9	252	agrees with	21	Beginning and Ending Balance 252	X		
10	400	agrees with	27	Total Water Operating Revenue Col e	X		
10	401	agrees with	28	Total 601-675, Col c	X		
10	408.1 & 408.2	agrees with	25	Total Taxes Accrued 408.10-408.20	X		
11	427	agrees with	25	Total Interest Accrued Col c	X		
11	Net Income Before Contributions	agrees with	12	Balance Trans From Inc Col c	X		
13	101	agrees with	14	Total Water Plant Col f	X		
14	The analysis of water utility plant accounts Cols c through k has been completed				X		
15	The analysis of accumulated depreciation and amortization by primary account has been completed.				X		
20	186.1	agrees with	26	Total 186.1 Col c	X		
22	Schedule of Long-Term Debt has been completed				X		
23	Schedule of Bond Maturities has been completed				X		
27	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Revenue and Expenses				X		
27	The analysis of water operating revenue Cols c, d, and e has been completed.				X		

CHECKLIST FOR THE ANNUAL REPORT
 FOR CLASS A AND B WATER DISTRICTS AND WATER ASSOCIATIONS
 TO BE COMPLETED AND RETURNED WITH THE ANNUAL REPORT

Page No.	Account No .	Page No.	Yes	No	If No, Explain Why
28	The analysis of water utility expense Cols c through k has been completed.		X		
29	Schedule of Pumping and Purchased Water Statistics has been completed.		X		
29	Total Col (d) agrees with	30	Line 4, Total Produced and Purchased	X	
29	Total Col (e) agrees with	30	Line 13, Total Water Sales	X	
30	466 Total Gals agrees with	30	Line 11, Sales For Resale (466)	X	
	Oath page has been completed.		X		

Additional Requested Information

Utility Name Northern Kentucky Water District

Contact Person Jack Bragg, Jr.

Contact Person's E-Mail Address jbragg@nkywater.org

Utility's Web Address www.nkywater.org

Additional Information Required by Commission Orders

Provide any special information required by prior commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of Special information that may be required by commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments.

Case No.	Date of Order	Item/Explanation	
96-234	8/26/1996	Merger of Campbell Co. Water District and Kenton Co. Water District No. 1. Effective date of Merger 1/1/97.	
97-330	9/2/1997	Defeasance of the former Campbell Co. KY Water District Bonds. Principal of the Issue	9,630,000
92-482	3/14/1992	Subdistrict A	
		a. Number of Customers as of 12/31/2003	433
		b. Total surcharge billed during 2003	66,918
		c. Accumulated surcharge billed.	1,012,473
		d. Remaining Debt service on debt which NKWD issued to finance facilities.	789,265
94-409	1/26/1995	Subdistrict B	
		a. Number of Customers as of 12/31/2003	262
		b. Total surcharge billed during 2003	62,154
		c. Accumulated surcharge billed.	524,278
		d. Remaining Debt service on debt which NKWD issued to finance facilities.	1,706,371
95-582	2/8/1996	Subdistrict R	
		a. Number of Customers as of 12/31/2003	232
		b. Total surcharge billed during 2003	51,391
		c. Accumulated surcharge billed.	390,284
		d. Remaining Debt service on debt which NKWD issued to finance facilities.	1,091,016
95-582	2/8/1996	Subdistrict RL	
		a. Number of Customers as of 12/31/2003	86
		b. Total surcharge billed during 2003	38,695
		c. Accumulated surcharge billed.	313,969
		d. Remaining Debt service on debt which NKWD issued to finance facilities.	755,488

97-468	9/4/1998	Per itm 7 on the order. See attached exhibit ML 1	
2000-329	7/21/2000	Subdistrict C	
		a. Number of Customers as of 12/31/2003	845
		b. Total surcharge billed during 2003	232,169
		c. Accumulated surcharge billed.	768,790
		d. Remaining Debt service on debt which NKWD issued to finance facilities.	6,769,039
2000-171	5/5/2000	Subdistrict D	
		a. Number of Customers as of 12/31/2003	58
		b. Total surcharge billed during 2003	23,925
		c. Accumulated surcharge billed.	47,910
2001-198	6/27/2001	Defeasance of the former Kenton County Water District Bonds and Newport WW Purchase Principal of the Issue.	45,485,000
2002-00363	10/1/2002	Defeasance of the former Kenton County Water District Bonds. Principal of the Issue.	10,575,000
2002-00468	3/1/2003	Defeasance of 1995 C Bonds with Issuance of 2003 A Bonds	1,615,000
2002-00105	4/30/2003	Water Rate Increase	
2002-00105	6/1/2003	Issue of 2003 B Bonds	30,270,000
2003-00404	12/2/2003	Defeasance of 1993, 1995 A and 1995 B Bonds with the Issuance of 2003 C Bonds	23,790,000

Major Water Projects

Instructions: Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission. For the limited purpose of this report a "Major Project" is defined as one which is not in the ordinary course of business, and which will increase your current utility plant by at least 20%.

Brief Project Description (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):

N/A

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

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HISTORY

1. Exact name of utility making this report. (Use the words: "The, Company, Incorporated or Incorporated" only when a part of the corporate name.)

Northern Kentucky Water District

2. Give location including city, street and number, of the executive office:

**2835 Crescent Springs Road
P.O. Box 18640
Erlanger, KY 41018**

3. Give name, title, address, and telephone number of the officer to whom correspondence concerning this report should be addressed:

**Jack Bragg, Jr.
P.O. Box 18640, Erlanger, Kentucky 41018**

4. Date of organization: **January 1, 1997**

5. If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each and all amendments of same:

N/A

6. Date and authority for each consolidation and each merger:

N/A

7. State whether respondent is a corporation, a joint stock association, a firm or partnership or an individual:

**Non-profit water utility
Special District – State of Kentucky**

History - Continued

8. Name all other operating departments:

N/A

9. Name of counties in which you furnish water service:

Campbell County, Kenton County, Boone County
Wholesale: Pendleton County

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS

Account No. (a)	Account Name (b)	Ref. Page ©	Previous Year (d)	Current Year (e)
UTILITY PLANT				
101-106	Utility Plant	13	\$ 251,475,930	\$ 268,102,484
108-110	Less: Accumulated Depreciation and Amortization	13,15-16	(48,288,707)	(53,201,141)
	Net Plant		\$ 203,187,223	\$ 214,901,343
114-115	Utility Plant Acquisition Adjustments (Net)	16	4,469,711	4,268,591
116	Other Utility Plant Adjustments			
	Total Net Utility Plant		\$ 207,656,934	\$ 219,169,934
OTHER PROPERTY & INVESTMENTS				
121	Nonutility Property		\$	\$
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property		\$	\$
123	Investment in Asso. Companies	17		
124	Utility Investments	17	21,535,260	21,911,383
125	Other Investments	17	3,680,638	3,783,211
126-127	Special Funds	17		
	Total Other Property & Investments		\$ 25,215,898	\$ 25,694,594
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 831,017	\$ 3,909,589
132	Special Deposits			
133	Other Special Deposits		11,453,379	17,997,953
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts Receivable, Less Accumulated Provision for Uncollectible Accounts	18	4,717,008	3,732,614
145	Accounts Receivable from Associated Companies			
146	Notes Receivable from Associated Companies			
151-153	Materials & Supplies	19	1,241,337	1,150,975
161	Stores Expense			
162	Prepayments	19	2,894,399	2,340,939
171	Accrued Interest & Dividends Receivable			
172	Rents Receivable			
173	Accrued Utility Revenues		4,900,000	4,900,000
174	Misc. Current & Accrued Assets			
	Total Current & Accrued Assets		\$ 26,037,140	\$ 34,032,070

COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS (CONT'D)

Account No. (a)	Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
DEFERRED DEBITS				
181	Unamortized Debt Discount & Expense	20	\$ 3,045,263	\$ 2,956,387
182	Extraordinary Property losses	21		
183	Preliminary Survey & Investigation Charges			
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	20	5,216,390	6,924,182
187	Research & Development Expenditures			
	Total Deferred Debits		\$ 8,261,653	\$ 9,880,569
	TOTAL ASSETS AND OTHER DEBITS		\$ 267,365,378	\$ 288,777,167

COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES

Account No. (a)	Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
Equity Capital				
214	Appropriated Retained Earnings	12	\$ 31,029,357	\$ 39,336,654
215.1	Retained Earnings from Income Before Contributions	12	\$ 30,416,476	\$ 25,534,918
215.2	Donated Capital	12	\$ 40,195,514	\$ 43,095,791
	Total Equity Capital		\$ 101,641,347	\$ 107,967,363
LONG-TERM DEBT				
221	Bonds	23	\$ 153,125,000	\$ 148,701,000
222	Reacquired Bonds			
223	Advances from Asso. Companies			
224	Other Long-Term Debt	22	2,625,000	2,375,000
	Total Long-Term Debt		\$ 155,750,000	\$ 151,076,000
CURRENT & ACCRUED LIABILITIES				
231	Accounts Payable		\$ 1,799,189	\$ 3,620,486
232	Notes Payable	24	3,705,000	21,685,000
233	Acts. Payable to Asso. Co.	24		
234	Notes Payable to Asso. Co.	24		
235	Customer Deposits		2,250	2,949
236	Accrued Taxes	25		
237	Accrued Interest	25	2,593,452	2,737,097
239	Matured Long-Term Debt			
240	Matured Interest			
241	Tax Collections Payable			
242	Misc. Current & Accrued Liabilities	26	1,810,263	1,629,323
	Total Current & Accrued Liabilities		\$ 9,910,154	\$ 29,674,855
DEFERRED CREDITS				
251	Unamortized Premium on Debt	20	\$ 63,877	\$ 58,949
252	Advances for Construction	21		
253	Other Deferred Credits			
	Total Deferred Credits		63,877	58,949
OPERATING RESERVES				
Accumulated Provision for:				
261	Property Insurance		\$	\$
262	Injuries & Damages			
263	Pensions & Benefits			
265	Miscellaneous Operating Reserves			
	Total Operating Reserves		\$	\$
TOTAL EQUITY CAPITAL & LIABILITIES			\$ 267,365,378	\$ 288,777,167

COMPARATIVE OPERATING STATEMENT

Acct. No. (a)	Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
	Utility Operating Income			
400	Operating Revenues	27	\$ 32,185,250	\$ 34,846,622
401	Operating Expenses	28	\$ 19,429,652	\$ 20,479,276
403	Depreciation Expenses		5,128,169	5,361,019
406	Amortization of Utility Plant			
	Acquisition Adjustment		201,120	201,120
407	Amortization Expense		378,960	378,960
408.1	Taxes Other Than Income	25	519,707	544,011
	Utility Operating Expenses		\$ 25,657,608	\$ 26,964,386
	Utility Operating Income		\$ 6,527,642	7,882,236
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property		-	(7,249)
	Total Utility Operating Income		\$ 6,527,642	\$ 7,874,987
	Other Income and Deductions			
415	Revenues From Merchandising, Jobbing and Contract Deductions		\$	\$
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest & Dividend Income		791,405	1,862,615
420	Allowance for Funds Used During Construction			
421	Nonutility Income		31,138	12,681
426	Miscellaneous Nonutility Expense			
	Total Other Income & Deductions		\$ 822,543	1,875,296
	TAXES APPLICABLE TO OTHER INCOME			
408.2	Taxes Other Than Income		\$	\$
	Total Taxes Applic. To Other Income		\$	\$

COMPARATIVE OPERATING STATEMENT - Continued

Account No. (a)	Account Name (b)	Ref. Page ©	Previous Year (d)	Current Year (e)
INTEREST EXPENSE				
427	Interest Expense		\$ 5,344,406	\$ 6,126,890
428	Amortization of Debt Discount & Exp.		150,663	202,582
429	Amortization of Premium on Debt		4,928	4,928
	Total Interest Expense		\$ 5,490,141	\$ 6,324,544
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
	Total Extraordinary Items		\$ -	\$ -
	NET INCOME		\$ 1,860,044	\$ 3,425,739

Statement of Retained Earnings

ACCT. No. (a)	(b)	Amount (c)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end):	
	<u>Bond Proceeds</u>	\$ 17,242,047
	<u>Debt Service and Reserve</u>	\$ 19,020,505
	<u>Improvement, Repair and Replacement</u>	\$ 3,074,102
	Total Appropriated Retained Earnings.....	\$ 39,336,654

215.1	Retained Earnings From Income Before Contributions:	
	Balance Beginning of Year.....	\$ 30,416,472
435	Balance Transferred from Net Income Before Contributions.....	\$ 3,425,739
	Other Changes to Account:	
436	Appropriations of Retained Earnings.....	\$ (8,307,293)
439	Adjustments to Retained Earnings (requires Commission approval prior to use):	
	Credits (explain) _____	\$ _____
	Debits (explain) _____	\$ _____
	Balance End of Year.....	\$ 25,534,918

215.2	Donated Capital:				
		Tapping Fees	Grants	Other	Total
	Balance Beginning of Year.....	4,735,018	5,759,358	29,701,138	40,195,514
	Credits:				
432	Proceeds from capital contributions.....	1,007,222	374,015	1,519,040	2,900,277
	Other Credits (explain) _____				
	Debits: (explain - Requires Commission Approval)				
	Balance End of Year.....	5,742,240	6,133,373	31,220,178	43,095,791

NET UTILITY PLANT (ACCTS. 101 - 106)

Account No.	Plant Accounts	Total
101	Utility Plant in Service	\$ 248,118,189
102	Utility Plant Leased to Others	_____
103	Property Held for Future Use	_____
104	Utility Plant Purchased or Sold	_____
105	Construction Work in Progress	19,984,295
106	Completed Construction Not Classified	_____
	Total Utility Plant	\$ 268,102,484

ACCUMULATED DEPRECIATION (ACCT. 108)

Description	Total
Balance first of year	\$ 48,288,707
Credit during year:	
Accruals Charged to Account 108.1	5,361,019
Accruals Charged to Account 108.2	_____
Accruals Charged to Account 108.3	_____
Accruals Charged to Other Accounts (specify)	_____
_____	_____
Salvage	_____
Other Credits (specify)	_____
_____	_____
Total Credits	\$ 5,361,019
Debits during year:	
Book Cost of Plant Retired	\$ 448,585
Cost of Removal	_____
Other Debits (specify)	_____
_____	_____
_____	_____
Total Debits	\$ 448,585
Balance end of year	\$ 53,201,141

Water Utility Plant Accounts

Acct. No. Acct.	Account Name b	Previous Year Year c	Additions d	Retirement e	Current Year f	Intangible Plant g	Source of Supply & Pumping h	WT Plant i	Trans. & Distribu Plant J	General Plant K
301	Organization	\$								
302	Franchises									
303	Land and Land Rights	605,416	-	-	605,416		29,200	72,496	205,403	298,317
304	Structure & Improvements	65,516,438	202,104		65,718,542		16,869,144	35,671,419	7,661,242	5,516,737
305	Collecting & Impounding Reservoirs									
306	Lake River & Other Intakes	1,524,592			1,524,592		1,524,592			
307	Wells & Springs									
308	Infiltration on Galleries & Tunnels									
309	Supply Mains	2,307,853			2,307,853		2,307,853			
310	Power Generation Equipment									
311	Pumping Equipment	8,661,832	19,805	4,666	8,676,971		2,496,219	833,197	5,347,555	
320	Water Treatment Equipment	9,285,428	181,449	750	9,466,127			9,466,127		
330	Distribution Reservoirs & Standpipes	7,500,741			7,500,741				7,500,741	
331	Transmission & Distribution Mains	-			-					
		106,184,511	4,360,534	418,823	110,126,222				110,126,222	
333	Services	18,787,274	868,458		19,655,732				19,655,732	
334	Meters & Meter Installation	6,537,668	542,601		7,080,269				7,080,269	
335	Hydrants	4,550,842	458,146		5,008,988				5,008,988	
339	Other Plant & Misc. Equipment	3,374,076	12,708	1,683	3,385,101					3,385,101
340	Office Furniture & Equipment	2,352,529	187,553	18,954	2,521,128					2,521,128
341	Transportation Equipment	2,512,074	249,256	157,485	2,603,845					2,603,845
342	Stores Equipment									
343	Tools, Shop & Garage Equip.	284,376	-		284,376					284,376
344	Laboratory Equipment	-	60,600	-	60,600					60,600
345	Power Operated Equipment	542,549	158,059		700,608					700,608
346	Communication Equipment									
347	Miscellaneous Equipment									
348	Other Tangible Plant	891,078			891,078					891,078
	Total Water Plant	241,419,277	7,301,272	602,361	248,118,189	-	23,227,008	46,043,239	162,586,152	16,261,790

Analysis of Accumulated Depreciation and Amortization by Primary Account

Acct. No. (a)	Account (b)	Balance Beginning of Year c	Credits During the Year		Charges During The Year		Balance End of Year (h)
			Charges to Dep. Exp. (d)	Other Credits (e)	Plant Retirements (f)	Other Charges (g)	
301	Organization	\$	\$	\$	\$	\$	\$
302	Franchises						
303	Limited Term Interest in Land and Land Rights						
304	Structures & Improvements	11,350,180	1,636,856		64		12,986,973
305	Collecting & Impounding Reservoirs						
306	Lake River & Other Intakes	601,663	77,488				679,151
307	Wells & Srpings						
309	Supply Mains	339,414	23,312				362,726
310	Power Generating Equip.						
311	Pumping Equipment	3,408,410	378,605		1,711		3,785,305
320	Water Treatment Equip.	2,717,676	401,104		750		3,118,030
330	Distribution Reservoirs & Standpipes	2,542,407	133,754				2,676,161
331	Transmissions & Distribution Mains	12,557,965	1,178,856		272,235		13,464,586
333	Services	5,832,871	402,138				6,235,009
334	Meters & Meter Installations	1,490,420	163,288				1,653,708
335	Hydrants	1,193,249	95,598				1,288,847
339	Other Plant & Misc. Equip.	1,143,633	327,355		1,666		1,469,322
340	Office Furniture & Equip.	1,756,251	242,311		14,676		1,983,886
341	Transportation Equip.	1,833,191	228,190		157,485		1,903,896
342	Service Equipment	-					
343	Tools, Shop & Garage Equip.	273,713	3,348				277,061
344	Shop Equipment	-					
345	Power Operated Equip.	398,481	50,127				448,608
346	Telecommunication Equipment	-					
347	Scada	-					
348	Other Tangible Plant	849,183	18,691				867,874
	Totals	\$ 48,288,707	\$ 5,361,019	\$ -	\$ 448,585	\$ -	\$ 53,201,141

ACCUMULATED AMORTIZATION (ACCT. 110)

Description	Total
Balance first of year.....	\$ N/A
Credit during year:	
Accruals Charged to Account 110.1....	\$ _____
Accruals Charged to Account 110.2....	_____
Other Accruals (specify)	_____

Total Credits.....	\$ _____
Debits during year:	
Book Cost of Plant Retired.....	\$ _____
Other Debits (specify)	_____

Total Debits.....	\$ _____
Balance end of year.....	\$ _____

UTILITY PLANT ACQUISITION ADJUSTMENT (ACCTS. 114 - 115)

Report each acquisition adjustment and related accumulated amortization separately.
For any acquisition adjustment approved by the Commission, include the Order Number.

ACCOUNT NAME	TOTAL
Acquisition Adjustments (114)	
Original District 9-14-55	\$ 263,366
District # 2 & 3 12-31-73	18,712
Mentor District 9-1-76	10,741
City of Cold Spring	228,253
City of Silver Grove	24,853
Newport Water Works	4,970,211
Total Plant Acquisition Adjustments.....	\$ 5,516,136
Accumulated Amortization (115)	
Original District 9-14-55	\$ 263,366
District # 2 & 3 12-31-73	18,712
Mentor District 9-1-76	10,741
City of Cold Spring	228,253
City of Silver Grove	24,853
Newport Water Works	701,620
Total Accumulated Amortization.....	\$ 1,247,545
Net Acquisition Adjustments.....	\$ 4,268,591

Investments and Special Funds (Acct. 123-127)

Report hereunder all investments and special funds carried in Account 123-127.

Description of Security or Special Fund (a)	Face or Par Value (b)	Year-End Book Cost c
Investment In Associated Companies (Acct. 123):	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
Total Investment in Asso. Companies		\$ _____
Utility Investments (Acct. 124):		
IRR Account	\$ _____	\$ 3,074,102
Debt Service Account		6,547,631
Debt Service Reserve Account		12,289,650
Total Utility Investments		\$ 21,911,383
Other Investments (Acct. 125):		
Boone County/Florence KY Settlement	\$ _____	\$ 3,783,211
_____	_____	_____
_____	_____	_____
Total Other Investments:	\$ _____	\$ 3,783,211
Special Funds (Acct. 126 & 127):		
Prepayment Reserve	_____	_____
_____	_____	_____
_____	_____	_____
Total Special Funds		\$ _____

ACCOUNTS AND NOTES RECEIVABLE - NET (ACCOUNTS 141 - 144)

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.

Description	Total
ACCOUNTS & NOTES RECEIVABLE:	
Customer Accounts Receivable (Acct. 141)	\$ 3,681,014
Other Accounts Receivable (Acct. 142)	
Assessments	\$ 37,767
Other	13,832
	51,600
Notes Receivable (Acct. 144)	\$
Total Accounts and Notes Receivable	\$ 3,732,614
Accumulated Provision for Uncollectable Accounts (Acct. 143)	
Balance first of year	\$ -
Add: Provision for uncollectables for	
current year	\$
Collections fo accounts previously	
written off	
Utility accounts	
Others	
Total Additions	\$
Deduct accounts written off during year:	
Utility Accounts	\$
Other	
Total accounts written off	\$
Balance end of year	\$ -
Total Accounts and Notes Receivable	\$ 3,732,614

Materials and Supplies (151 - 153)

Account Name	Total
Plant Materials and Supplies (Account 151)	\$ 1,150,975
Merchandise (Account 152)	
Other Materials and Supplies (Account 153)	
Total Materials & Supplies	\$ 1,150,975

Prepayments (Acct. 162)

Description	Total
Prepaid Insurance	\$ 134,674
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify)	
Expenses/Services	\$ 110,375
Water Tower Painting	2,095,890
Total Prepayments	\$ 2,340,939

Miscellaneous Deferred Debits (Acct. 186)

Description	Total
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense 2002-2003	\$ 72,543
Deferred Rate Case Expense 2003-2004	103,450
Deferred Rate Case Expense 2004-2006	211,583
Other Deferred Debits	6,536,606
Total Miscellaneous Deferred Debits	\$ 6,924,182

Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 & 251)

Report the net discount & expense or premium separately for each security issue.

Description	Amount Written Off During Year	Year-End Balance
Unamortized Debt Discount & Expense (Acct. 181)		
Bond Issue Cost 1997	\$ 4,916	\$ 82,748
Bond Discount 1997	6,735	113,373
Bond Discount 1998	7,570	173,479
Bond Issue Costs 1998	3,147	72,137
Cost of Issue 2001 Bond	3,699	77,084
Discount 2001 Bond	13,038	271,636
Cost of Issue 2002 A	13,731	289,495
Bond Discount 2002 A	27,209	573,657
Cost of Issue 2002 B	9,300	111,214
Cost of Issue 2003 A	1,620	40,790
Bond Discount 2003 A	1,087	28,366
Cost of Issue 2003 B	11,760	262,670
Bond Discount 2003 B	8,520	190,993
Cost of Issue 2003 C	14,940	217,833
Discount 2003 C	7,404	104,297
Cost of issue 2004A BAN	11,004	2,743
Discount 2004A BAN	7,824	1,954
Cost of issue 2004A Bonds	3,252	77,456
Discount 2004A Bond	7,920	188,662
Cost of issue 2005A BAN	14,648	29,294
Discount 2005 BAN	23,256	46,506
Total Unamortized Debt Discount & Expense	\$ 202,580	\$ 2,956,387
Unamortized Premium on Debt (Acct. 251):		
Premium on 2002 B Bond	63,877	58,949
Total Unamortized Premium on Debt	\$ 63,877	\$ 58,949

EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)

Report each item separately.

Description	Total
Extraordinary Property Losses (Acct. 182) :	
N/A	\$
	\$
	\$
	\$
Total Extraordinary Property Losses	\$

ADVANCES FOR CONSTRUCTION (ACCT. 252)

DESCRIPTION	TOTAL
N/A	
Balance first of year.....	\$
Add credits during year.....	\$
Deduct charges during year.....	\$
Balance end of year.....	\$

Northern Kentucky Water Service District

Attachment 22A

Bond Issue: 11,225,000 , Dated September 1, 1997

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	1998	4.700%	210,000.00	210,000.00	
Registered	1999	4.700%	580,000.00	580,000.00	
Registered	2000	4.700%	610,000.00	610,000.00	
Registered	2001	4.700%	640,000.00	640,000.00	
Registered	2002	4.700%	670,000.00	670,000.00	
Registered	2003	4.700%	700,000.00	700,000.00	
Registered	2004	4.700%	735,000.00	735,000.00	
Registered	2005	4.700%	770,000.00	770,000.00	
Registered	2006	4.700%	810,000.00		810,000.00
Registered	2007	4.700%	850,000.00		850,000.00
Registered	2008	4.750%	890,000.00		890,000.00
Registered	2009	4.750%	930,000.00		930,000.00
Registered	2010	4.750%	975,000.00		975,000.00
Registered	2011	4.750%	1,025,000.00		1,025,000.00
Registered	2012	4.750%	60,000.00		60,000.00
Registered	2013	4.750%	60,000.00		60,000.00
Registered	2014	4.750%	65,000.00		65,000.00
Registered	2015	4.750%	70,000.00		70,000.00
Registered	2016	4.750%	70,000.00		70,000.00
Registered	2017	4.750%	75,000.00		75,000.00
Registered	2018	4.750%	80,000.00		80,000.00
Registered	2019	4.750%	80,000.00		80,000.00
Registered	2020	4.750%	85,000.00		85,000.00
Registered	2021	4.750%	90,000.00		90,000.00
Registered	2022	4.750%	95,000.00		95,000.00
TOTALS			11,225,000.00	4,915,000.00	6,310,000.00

Northern Kentucky Water Service District

Attachment 22-B

Bond Issue: 11,355,000 , Dated December 1, 1998

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	02/01/1999	4.700%	250,000.00	250,000.00	
Registered	02/01/2000	4.700%	200,000.00	200,000.00	
Registered	02/01/2001	4.700%	200,000.00	200,000.00	
Registered	02/01/2002	4.700%	210,000.00	210,000.00	
Registered	02/01/2003	4.700%	220,000.00	220,000.00	
Registered	02/01/2004	4.700%	230,000.00	230,000.00	
Registered	02/01/2005	4.700%	240,000.00	240,000.00	
Registered	02/01/2006	4.700%	255,000.00		255,000.00
Registered	02/01/2007	4.700%	265,000.00		265,000.00
Registered	02/01/2008	4.750%	280,000.00		280,000.00
Registered	02/01/2009	4.750%	280,000.00		280,000.00
Registered	02/01/2010	4.750%	295,000.00		295,000.00
Registered	02/01/2011	4.750%	310,000.00		310,000.00
Registered	02/01/2012	4.750%	325,000.00		325,000.00
Registered	02/01/2013	4.800%	340,000.00		340,000.00
Registered	02/01/2014	4.850%	360,000.00		360,000.00
Registered	02/01/2015	4.875%	375,000.00		375,000.00
Registered	02/01/2016	4.875%	395,000.00		395,000.00
Registered	02/01/2017	4.875%	415,000.00		415,000.00
Registered	02/01/2018	4.875%	435,000.00		435,000.00
Registered	02/01/2019	4.875%	455,000.00		455,000.00
Registered	02/01/2020	4.875%	480,000.00		480,000.00
Registered	02/01/2021	4.875%	505,000.00		505,000.00
Registered	02/01/2022	4.875%	530,000.00		530,000.00
Registered	02/01/2023	4.875%	555,000.00		555,000.00
Registered	02/01/2024	4.875%	585,000.00		585,000.00
Registered	02/01/2025	4.875%	610,000.00		610,000.00
Registered	02/01/2026	4.875%	645,000.00		645,000.00
Registered	02/01/2027	4.875%	675,000.00		675,000.00
Registered	02/01/2028	4.875%	435,000.00		435,000.00
TOTALS			11,355,000.00	1,550,000.00	9,805,000.00

Northern Kentucky Water Service District				Attachment 22-C	
FhMA Load 2,287,000		2000			
Year	Maturity Date	Interest Rate	Principle Amount	Principle Paid	Outstanding
2000			0.00	0.00	
2001			0.00	0.00	
2002			21,000.00	21,000.00	
2003			22,000.00	22,000.00	
2004			24,000.00	24,000.00	
2005			24,000.00	24,000.00	
2006			26,000.00		26,000.00
2007			27,000.00		27,000.00
2008			28,000.00		28,000.00
2009			30,000.00		30,000.00
2010			31,000.00		31,000.00
2011			33,000.00		33,000.00
2012			34,000.00		34,000.00
2013			36,000.00		36,000.00
2014			38,000.00		38,000.00
2015			40,000.00		40,000.00
2016			42,000.00		42,000.00
2017			44,000.00		44,000.00
2018			46,000.00		46,000.00
2019			49,000.00		49,000.00
2020			51,000.00		51,000.00
2021			54,000.00		54,000.00
2022			56,000.00		56,000.00
2023			59,000.00		59,000.00
2024			62,000.00		62,000.00
2025			65,000.00		65,000.00
2026			68,000.00		68,000.00
2027			72,000.00		72,000.00
2028			75,000.00		75,000.00
2029			79,000.00		79,000.00
2030			83,000.00		83,000.00
2031			87,000.00		87,000.00
2032			92,000.00		92,000.00
2033			96,000.00		96,000.00
2034			102,000.00		102,000.00
2035			107,000.00		107,000.00
2036			112,000.00		112,000.00
2037			118,000.00		118,000.00
2038			124,000.00		124,000.00
2039			130,000.00		130,000.00
TOTALS	0.00	0.00	2,287,000.00	91,000.00	2,196,000.00

Northern Kentucky Water Service District

Attachment 22-D

Bond Issue \$16,325,000.00 Dated 10-23-2001

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2002	2.700%	285,000.00	285,000.00	
Registered	2/1/2003	3.000%	235,000.00	235,000.00	
Registered	2/1/2004	3.250%	240,000.00	240,000.00	
Registered	2/1/2005	3.450%	230,000.00	230,000.00	
Registered	2/1/2006	3.600%	215,000.00		215,000.00
Registered	2/1/2007	3.750%	195,000.00		195,000.00
Registered	2/1/2008	3.900%	170,000.00		170,000.00
Registered	2/1/2009	4.000%	155,000.00		155,000.00
Registered	2/1/2010	4.100%	75,000.00		75,000.00
Registered	2/1/2011	4.200%	80,000.00		80,000.00
Registered	2/1/2012	4.350%	80,000.00		80,000.00
Registered	2/1/2013	4.450%	735,000.00		735,000.00
Registered	2/1/2014	4.550%	770,000.00		770,000.00
Registered	2/1/2015	4.670%	810,000.00		810,000.00
Registered	2/1/2016	4.750%	845,000.00		845,000.00
Registered	2/1/2017	4.820%	890,000.00		890,000.00
Registered	2/1/2018	4.850%	930,000.00		930,000.00
Registered	2/1/2019	4.900%	980,000.00		980,000.00
Registered	2/1/2020	4.950%	1,030,000.00		1,030,000.00
Registered	2/1/2021	5.000%	1,080,000.00		1,080,000.00
Registered	2/1/2022	5.000%	1,135,000.00		1,135,000.00
Registered	2/1/2023	5.000%	1,195,000.00		1,195,000.00
Registered	2/1/2024	5.100%	1,255,000.00		1,255,000.00
Registered	2/1/2025	5.100%	1,320,000.00		1,320,000.00
Registered	2/1/2026	5.100%	1,390,000.00		1,390,000.00
TOTALS			16,325,000.00	990,000.00	15,335,000.00

Northern Kentucky Water Service District

Attachment 22-E

Bond Issue \$45,485,000.00 Dated 2/1/2002

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2003				
Registered	2/1/2003	4.50%	350,000.00	350,000.00	
Registered	2/1/2004	4.50%	345,000.00	345,000.00	
Registered	2/1/2005	4.50%	360,000.00	360,000.00	
Registered	2/1/2006	4.50%	370,000.00		370,000.00
Registered	2/1/2007	4.50%	380,000.00		380,000.00
Registered	2/1/2008	4.50%	410,000.00		410,000.00
Registered	2/1/2009	4.50%	365,000.00		365,000.00
Registered	2/1/2010	4.50%	465,000.00		465,000.00
Registered	2/1/2011	4.50%	485,000.00		485,000.00
Registered	2/1/2012	4.50%	1,530,000.00		1,530,000.00
Registered	2/1/2013	4.50%	950,000.00		950,000.00
Registered	2/1/2014	4.50%	990,000.00		990,000.00
Registered	2/1/2015	4.65%	1,035,000.00		1,035,000.00
Registered	2/1/2016	4.75%	1,100,000.00		1,100,000.00
Registered	2/1/2017	4.75%	1,625,000.00		1,625,000.00
Registered	2/1/2018	4.75%	2,520,000.00		2,520,000.00
Registered	2/1/2019	4.75%	2,640,000.00		2,640,000.00
Registered	2/1/2020	5.00%	3,080,000.00		3,080,000.00
Registered	2/1/2021	5.00%	3,240,000.00		3,240,000.00
Registered	2/1/2022	5.00%	3,405,000.00		3,405,000.00
Registered	2/1/2023	5.00%	3,580,000.00		3,580,000.00
Registered	2/1/2024	5.00%	3,765,000.00		3,765,000.00
Registered	2/1/2025	5.00%	3,960,000.00		3,960,000.00
Registered	2/1/2026	5.00%	4,160,000.00		4,160,000.00
Registered	2/1/2027	5.00%	4,375,000.00		4,375,000.00
TOTALS			45,485,000.00	1,055,000.00	44,430,000.00

Northern Kentucky Water Service District

Attachment 22-F

Bond Issue \$10,575,000.00 Dated 12/5/2002

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	12/5/2002				
Registered	2/1/2003	3.00%	535,000.00	535,000.00	
Registered	2/1/2004	3.00%	455,000.00	455,000.00	
Registered	2/1/2005	3.00%	490,000.00	490,000.00	
Registered	2/1/2006	3.00%	530,000.00		530,000.00
Registered	2/1/2007	3.50%	580,000.00		580,000.00
Registered	2/1/2008	3.50%	625,000.00		625,000.00
Registered	2/1/2009	3.50%	745,000.00		745,000.00
Registered	2/1/2010	3.75%	775,000.00		775,000.00
Registered	2/1/2111	4.00%	805,000.00		805,000.00
Registered	2/1/2012	4.00%	835,000.00		835,000.00
Registered	2/1/2013	4.00%	870,000.00		870,000.00
Registered	2/1/2114	4.00%	900,000.00		900,000.00
Registered	2/1/2115	4.00%	930,000.00		930,000.00
Registered	2/1/2116	4.00%	965,000.00		965,000.00
Registered	2/1/2117	4.00%	535,000.00		535,000.00
TOTALS			10,575,000.00	1,480,000.00	9,095,000.00

Northern Kentucky Water Service District
2003 Series A
Bond Issue \$1,615,000.00 Dated 3/13/03

Attachment 22-G

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2004	1.20%	35,000.00	35,000.00	
Registered	2/1/2005	1.38%	35,000.00	35,000.00	
Registered	2/1/2006	1.75%	35,000.00		35,000.00
Registered	2/1/2007	2.20%	35,000.00		35,000.00
Registered	2/1/2008	2.60%	35,000.00		35,000.00
Registered	2/1/2009	3.00%	40,000.00		40,000.00
Registered	2/1/2010	3.30%	40,000.00		40,000.00
Registered	2/1/2011	3.55%	40,000.00		40,000.00
Registered	2/1/2012	3.70%	40,000.00		40,000.00
Registered	2/1/2113	3.85%	45,000.00		45,000.00
Registered	2/1/2014	3.95%	45,000.00		45,000.00
Registered	2/1/2015	4.05%	45,000.00		45,000.00
Registered	2/1/2116	4.15%	50,000.00		50,000.00
Registered	2/1/2117	4.25%	50,000.00		50,000.00
Registered	2/1/2118	4.50%	55,000.00		55,000.00
Registered	2/1/2119	4.50%	55,000.00		55,000.00
Registered	2/1/2020	4.50%	60,000.00		60,000.00
Registered	2/1/2121	4.50%	60,000.00		60,000.00
Registered	2/1/2022	4.50%	65,000.00		65,000.00
Registered	2/1/2023	4.55%	65,000.00		65,000.00
Registered	2/1/2024	4.55%	70,000.00		70,000.00
Registered	2/1/2025	4.55%	75,000.00		75,000.00
Registered	2/1/2026	4.55%	75,000.00		75,000.00
Registered	2/1/2027	4.55%	80,000.00		80,000.00
Registered	2/1/2028	4.60%	85,000.00		85,000.00
Registered	2/1/2029	4.60%	85,000.00		85,000.00
Registered	2/1/2030	4.60%	90,000.00		90,000.00
Registered	2/1/2031	4.60%	95,000.00		95,000.00
Registered	2/1/2032	4.60%	30,000.00		30,000.00
TOTALS			1,615,000.00	70,000.00	1,545,000.00

Northern Kentucky Water Service District

Attachment 22-H

2003 Series B

Bond Issue \$30,270,000.00 Dated 8/1/2003

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2004	0.02	825,000.00	825,000.00	
Registered	2/1/2005	2.00%	845,000.00	845,000.00	
Registered	2/1/2006	2.00%	860,000.00		860,000.00
Registered	2/1/2007	2.00%	880,000.00		880,000.00
Registered	2/1/2008	2.00%	895,000.00		895,000.00
Registered	2/1/2004	2.25%	915,000.00		915,000.00
Registered	2/1/2010	2.75%	940,000.00		940,000.00
Registered	2/1/2011	3.00%	965,000.00		965,000.00
Registered	2/1/2012	3.13%	995,000.00		995,000.00
Registered	2/1/2013	3.13%	1,030,000.00		1,030,000.00
Registered	2/1/2014	3.13%	1,060,000.00		1,060,000.00
Registered	2/1/2015	3.25%	1,095,000.00		1,095,000.00
Registered	2/1/2016	3.50%	1,135,000.00		1,135,000.00
Registered	2/1/2017	4.00%	1,175,000.00		1,175,000.00
Registered	2/1/2018	4.00%	1,225,000.00		1,225,000.00
Registered	2/1/2019	4.00%	1,275,000.00		1,275,000.00
Registered	2/1/2020	4.13%	1,325,000.00		1,325,000.00
Registered	2/1/2021	4.13%	1,380,000.00		1,380,000.00
Registered	2/1/2022	1.43%	1,440,000.00		1,440,000.00
Registered	2/1/2023	4.13%	1,500,000.00		1,500,000.00
Registered	2/1/2024	4.13%	1,565,000.00		1,565,000.00
Registered	2/1/2025	4.13%	1,630,000.00		1,630,000.00
Registered	2/1/2026	4.13%	1,700,000.00		1,700,000.00
Registered	2/1/2027	4.13%	1,770,000.00		1,770,000.00
Registered	2/1/2028	4.13%	1,845,000.00		1,845,000.00
TOTALS			30,270,000.00	1,670,000.00	28,600,000.00

Northern Kentucky Water Service District

Attachment 22-I

2003 Series C

Bond Issue \$23,790,000.00 Dated 12/18/2003

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2004	2.00%	1,430,000.00	1,430,000.00	
Registered	2/1/2005	2.00%	1,160,000.00	1,160,000.00	
Registered	2/1/2006	2.00%	1,180,000.00		1,180,000.00
Registered	2/1/2007	2.25%	1,215,000.00		1,215,000.00
Registered	2/1/2008	2.50%	1,235,000.00		1,235,000.00
Registered	2/1/2009	2.75%	1,270,000.00		1,270,000.00
Registered	2/1/2010	3.00%	1,305,000.00		1,305,000.00
Registered	2/1/2111	3.25%	1,350,000.00		1,350,000.00
Registered	2/1/2012	3.50%	1,395,000.00		1,395,000.00
Registered	2/1/2013	3.50%	1,445,000.00		1,445,000.00
Registered	2/1/2114	4.00%	1,505,000.00		1,505,000.00
Registered	2/1/2115	4.00%	1,565,000.00		1,565,000.00
Registered	2/1/2116	4.00%	1,625,000.00		1,625,000.00
Registered	2/1/2117	4.00%	1,690,000.00		1,690,000.00
Registered	2/1/2118	4.00%	1,595,000.00		1,595,000.00
Registered	2/1/2119	4.13%	1,665,000.00		1,665,000.00
Registered	2/1/2020	4.25%	1,160,000.00		1,160,000.00
TOTALS			23,790,000.00	2,590,000.00	21,200,000.00

Northern Kentucky Water Service District

Attachment 22-J

Bond Issue Dated 2/1/2002

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2005		270,000.00	270,000.00	
Registered	2/1/2006		275,000.00		275,000.00
Registered	2/1/2007		285,000.00		285,000.00
Registered	2/1/2008		290,000.00		290,000.00
Registered	2/1/2009		295,000.00		295,000.00
Registered	2/1/2010		305,000.00		305,000.00
Registered	2/1/2111		315,000.00		315,000.00
Registered	2/1/2012		325,000.00		325,000.00
Registered	2/1/2013		335,000.00		335,000.00
Registered	2/1/2114		345,000.00		345,000.00
Registered	2/1/2115		360,000.00		360,000.00
Registered	2/1/2116		375,000.00		375,000.00
Registered	2/1/2117		390,000.00		390,000.00
Registered	2/1/2118		405,000.00		405,000.00
Registered	2/1/2119		425,000.00		425,000.00
Registered	2/1/2020		460,000.00		460,000.00
Registered	2/1/2021		485,000.00		485,000.00
Registered	2/1/2022		505,000.00		505,000.00
Registered	2/1/2023		530,000.00		530,000.00
Registered	2/1/2024		555,000.00		555,000.00
Registered	2/1/2025		580,000.00		580,000.00
Registered	2/1/2026		605,000.00		605,000.00
Registered	2/1/2027		635,000.00		635,000.00
Registered	2/1/2028		665,000.00		665,000.00
TOTALS			10,015,000.00	270,000.00	9,745,000.00

Account 221, BONDS

Line No.	Par Value of Actual Issue 1	Cash Realized on Actual Issue 2	Par Value of Amount Held by or for Respondent 3	Actually Outstanding at Close of year 4	Interest During Year	
					Accrued 5	Actually Paid 6
1	11,225,000	11,131,694		6,310,000	301,911	316,990
2	11,355,000	11,141,619		9,805,000	476,086	480,836
3	2,287,000	2,287,000		2,196,000	110,200	110,400
4	16,325,000	15,835,250		15,335,000	729,746	733,100
5	48,485,000	44,121,624		44,430,000	2,169,790	2,176,540
6	10,575,000	10,525,204		9,095,000	350,581	356,706
7	1,615,000	1,583,553		1,545,000	64,878	65,078
8	30,270,000	30,068,115		28,600,000	1,032,108	139,150
9	23,790,000	23,532,357		21,200,000	738,277	747,944
10	10,455,000	10,195,116		10,185,000	403,081	303,323
Total	166,382,000	160,421,532	36,332,688	148,701,000	6,376,659	5,430,067

Schedule of Bond Maturities

Line No.	Bond Numbers 7	Maturity Date 8	Interest Rate 9	Principal Amount 10	Amount Paid 11	Remaining Bonds Outstanding 12
1						
2	See Attachments 22-A Through 22-I					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

Notes Payable (Acct. 232 & 234)

a	Nominal Date of Issue b	Date of Maturity c	INTEREST		Principal Amount per Balance Sheet f
			Rate d	Amount of payment e	
Account 232 - Note Payable					
Kenton Co. Fiscal Court				\$	\$ 100,000
BAN 2004A	Apr-04	2006	1.70%	61,285.00	3,605,000
BAN 2005A	May-05	2007		876,920.00	17,980,000
Total Account 232				\$	\$ 21,685,000
Account 234 - Notes Payable To Associated Companies					
		N/A		\$	\$
Total Account 234				\$	\$

Accounts Payable to Associated Companies (Acct. 233)

Show Payable to Each Associated Company Separately	Amount
	\$
N/A	
Total	\$

TAXES ACCRUED (ACCOUNT 236)

ACCT. NO. (a)	DESCRIPTION (b)	TOTAL ©
	Balance first of year.....	\$ -
	Accruals Charged:	
408.1	Utility regulatory assessment fees.....	
408.11	Property taxes.....	
408.12	Payroll taxes.....	544,011
408.13	Other taxes and licenses.....	
408.2	Taxes other than income, other income and deductions	
	Total taxes accrued.....	\$ 544,011
	Taxes paid during year:	
408.1	Utility regulatory assessment fees.....	
408.11	Property taxes.....	
408.12	Payroll taxes.....	544,011
408.13	Other taxes and licenses.....	
408.2	Taxes other than income, other income and deductions	
	Total taxes paid.....	\$ 544,011
	Balance end of year.....	\$ -

ACCRUED INTEREST (ACCOUNT 237)

DESC. DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR (c)	INTEREST PAID DURING YEAR (d)	BALANCE END OF YEAR (e)
Acct. No. 237.1 - Accrued Interest on Long-term Debt				
Series 1997	139,619	301,911	316,990	124,540
Series 1998	202,724	476,086	480,836	197,973
2000 RUS Loan	18,500	110,200	110,400	18,300
Series 2001	307,135	729,746	733,100	303,781
Series 2002 A	910,268	2,169,789	2,176,540	903,517
Series 2002 B	151,689	350,582	356,706	145,565
Series 2003 A	27,216	64,878	65,078	27,016
Series 2003 B	436,499	1,032,109	1,039,150	429,458
Series 2003 C	316,476	738,278	747,944	306,810
Series 2004 A	68,005	402,735	303,323	167,417
Total Acct No. 237.1	\$ 2,578,131	\$ 6,376,660	\$ 6,330,068	\$ 2,624,376
Acct. No. 237.2 - Accrued Interest on Other Liabilities:				
2004 BAN # 1	\$ 30,643	\$ 45,964	\$ 61,285	\$ 15,321
2005 BAN # 2		374,965	277,566	97,399
Total Acct No. 237.2	\$ 30,643	\$ 420,929	\$ 338,851	\$ 112,720
Total Acct No 237	\$ 2,608,774	\$ 6,797,589	\$ 6,668,919	\$ 2,737,096

Note: Less Interest Paid by Surcharges \$ 559,062
Less Interest Capitalized 126,955
Less Accrued Interest (15,319)
\$ 6,266,890

Miscellaneous Current & Accrued Liabilities (Account 242)

Description (a)	Balance End of Year (b)
Accrued Payroll Taxes	\$ 3,265
Accrued Payroll	141,235
Accrued Sales Taxes	58,086
Accrued Pension	118,462
Accrued Vacation/Sick	742,606
Subdistrict Surcharges Payable	565,669
Total Miscellaneous Current & Accrued Liabilities.....	\$ 1,629,323

241-0007-000

Regulatory Commission Expense (Accounts 666 and 667)

DESCRIPTION OF CASE (DOCKET #) (a)	TOTAL INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT # 186.1 (c)	EXPENSED DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Rate Case 2005-0148 (Case still pending as of 12/31/05)	195,519	211,583		
Rate Case 2002-0105			667	\$ 145,116
Rate Case 2003-0234			667	\$ 62,076

WATER OPERATING REVENUE

Acct. No Acct.	b	Beginning Year No. Customers c	Year End No. Customers d	Amounts e
	Operating Revenues:			
460	Unmetered Water Revenue			
461	Metered Water Revenue			
461.1	Sales to Residential Customers	57,852	72,563	\$ 20,045,989
461.2	Sales to Commercial Customers	3,861	4,509	5,445,797
461.3	Sale to Industrial Customers	106	116	2,472,461
461.4	Sales to Public Authorities	379	491	1,937,221
461.5	Sales to Multiple Family Dwellings	1,087	1,551	2,404,094
461.6	Sales through Bulk Loading Stations	1	-	4,538
	Total Metered Sales	63,286	79,230	32,310,100
462	Fire Protection Revenue:			
462.1	Public Fire Protection			
462.2	Private Fire Protection	367	450	73,995
	Total Fire Protection Revenue	367	450	73,995
464	Other Sales to Public Authorities			
465	Sales to Irrigation Customers			
466	Sales for Resale	7	3	845,183
467	Miscellaneous Sales	1	2	
	Total Sales of Water	63,661	79,685	33,229,278
	Other Water Revenues:			
470	Forfeited Discounts			\$ 752,736
471	Miscellaneous Service Revenues			
472	Rents from Water Property			506,326
473	Interdepartmental Rents			
474	Other Water Revenues			358,282
475	Provision for Rate Refunds			
	Total Other Water Revenues:			1,617,344
	Total Water Operating Revenues			\$ 34,846,622

Water Utility Expense Accounts

Acct. No. a	Account Name b	Current Year c	Water Expense Account Matrix							
			0.1	0.2	0.3	0.4	.5.	0.6	0.7	0.8
			Source of Supply & Expenses Operation d	Source of Supply & Expenses Mainten. e	Water Treatment Expenses/ Operation f	Water Treatment Expenses/ Maint. g	Trans. & Distribut Expenses Operation h	Trans. & Dist. Expenses Maint. i	Customer Accounts Expense j	Adminis- trative Gen Expenses k
601	Salaries and Wages - Employees	\$ 6,811,773	-	46	1,449,102	493,118	618,775	1,969,869	1,634,355	646,507
603	Salaries and Wages - Officers, Directors & Majority Stockholders	656,510	-	-	100,256	-	105,227	-	89,586	361,442
604	Employee Pensions and Benefits	2,413,137	-	-	507,288	93,400	425,806	458,966	579,157	348,520
610	Purchased Water	-	-	xxx	xxx	xxx	xxx	xxx	xxx	xxx
615	Purchased Power	2,121,220	609,258	xxx	355,921	xxx	1,047,697	xxx	-	108,344
616	Fuel for Power Production	-	-	-	-	-	-	-	-	-
618	Chemicals	1,035,885	-	-	1,035,885	-	-	-	xxx	xxx
620	Materials & Supplies	1,680,127	-	29,684	157,892	155,011	98,372	797,313	218,988	222,867
631	Contractual Services - Eng.	95,651	-	-	-	-	78,527	17,124	-	-
632	Contractual Services - Acct.	16,875	-	-	-	-	-	-	-	16,875
633	Contractual Services - Legal	114,219	-	-	4,579	-	19,707	-	3,341	86,592
634	Contractual Services - Management Fees	3,211	-	-	-	-	-	-	-	3,211
635	Contractual Services - Other	3,541,011	1,776	136,443	506,785	186,092	157,126	1,718,312	117,541	716,936
641	Rental of Bldg./Real Property	10,689	-	-	-	-	-	-	-	10,689
642	Rental of Equipment	-	-	-	-	-	-	-	-	-
650	Transportation Expenses	414,604	-	174	35,809	392	36,412	246,986	89,377	5,454
656	Insurance - Vehicle	86,502	-	-	16,459	-	42,456	-	23,807	3,780
657	Insurance - General Liability	272,040	-	-	87,048	-	144,180	-	27,204	13,608
658	Insurance - Worker's Comp	223,343	-	-	57,808	-	77,548	-	57,947	30,040
659	Insurance - Other	139,539	-	-	35,090	-	-	-	-	104,449
660	Advertising Expense	10,743	xxx	xxx	xxx	xxx	xxx	xxx	xxx	10,743
666	Regulatory Commission Exp/ Amortization of Rate Case Exp.	-	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
667	Regulatory Commission Exp/Other	258,404	-	-	-	-	-	-	258,404	-
670	Bad Debt Expense	524,536	xxx	xxx	xxx	xxx	xxx	xxx	524,536	xxx
675	Miscellaneous Expenses	49,257	-	-	5,387	187	6,886	8,333	9,402	19,062
	Total Water Utility Expenses	\$ 20,479,276	611,034	166,347	4,355,309	928,200	2,858,719	5,216,903	3,633,645	2,709,119

Pumping and Purchased Water Statistics

a	Water Purchased for Resale (Omit 000's) b	Water Pumped From Plants (Omit 000's) c	Total Water Pumped and Purchased (Omit 000's) d	Water Sold to Customers (Omit 000's) e
January		817,046.0	817,046.0	578,988.5
February		717,280.0	717,280.0	522,693.4
March		798,635.0	798,635.0	797,018.2
April		813,137.2	813,137.2	536,147.7
May		899,865.0	899,865.0	519,882.4
June		1,042,279.0	1,042,279.0	887,043.5
July		1,057,621.0	1,057,621.0	675,504.6
August		1,107,166.0	1,107,166.0	639,786.1
September		908,699.0	908,699.0	1,211,747.3
October		870,173.2	870,173.2	763,043.8
November		788,829.0	788,829.0	706,168.1
December		812,867.9	812,867.9	965,766.0
Total for year		10,633,598.3	10,633,598.3	8,803,789.6
Maximum gallons pumped by all methods in any one day: 8/4/2005				44,476.0
Minimum gallons pumped by all methods in any one day (Omit 000's): 12/25/2005				21,915.0
If water is purchased for resale, indicate the folloinwg:				
Vendor: _____				
Point of delivery: _____				
If water is sold to other water utilities for redistribution, list names of such utilities below:				
Pendleton County Water District				
City of Walton				
Bullock Pen Water District				

WATER STATISTICS

Line	Item	Gallons (000's)
1	WATER PRODUCED, PURCHASED, & DISTRIBUTED	
2	Water Produced	10,633,598
3	Water Purchased	
4	TOTAL PRODUCED AND PURCHASED	10,633,598
5		
6	WATER SALES:	
7	Residential	5,931,183
8	Commercial	1,659,182.2
9	Industrial	847,058.4
10	Irrigation	-
11	Resale	350,825.7
12	Other Sales	15,541
13	TOTAL WATER SALES	8,803,789.6
14		
15	OTHER WATER USED (estimate portions not metered)	
16	Utility/water treatment plant	175,351.9
17	Wastewater plant	0.0
18	System flushing	190,433.0
19	Water main breaks/leaks	97,238.0
20	Storage tank overflow	0.0
21	Fire Department	8,300.0
22	Other (construction, flushing, disinfection, ect.)	4,240.0
23	TOTAL OTHER WATER USED	475,562.9
24		
25	UNACCOUNTED-FOR WATER LOSS:	
26	Line 4 - (Line 13 + Line 23)	1,354,245.8
27		
28	UNACCOUNTED-FOR WATER LOSS PERCENTAGE	
29	Line 26 divided by Line 4	12.74%

PLANT STATISTICS

Give the following information:

- 1 Number of fire hydrants, by size.
- 2 Number of private fire hydrants, by size.
- 3 Whether water supply is river, impounded streams, well, springs, artificial lake or collector type well.
- 4 Whether supply is by gravity, pumping, or a combination .
- 5 Type, capacity, and elevation of reservoirs at overflow and ground level.
- 6 Miles of main by size and kind.
- 7 Types of filters: gravity or pressure, number of units, and total rated capacity in gallons per minute.
- 8 Type of chlorinators, number of units and capacity in pounds per 24 hours.
- 9 Station equipment. List each pump separately, giving type and capacity and H.P. of driving unit and character of driving unit (steam, electric, or internal combustion). State whether pump is high or low duty.
- 10 Quantity of fuel used: coal in pounds, gas in cu. ft., oil in gallons, and electric in KWH .
- 11 Give a description and total cost of any sizable additions or retirements to plant in service outside the normal system growth for the period covered by this report.
- 12 Capacity of clear well.
- 13 Peak month, in gallons of water sold.
- 14 Peak day, in gallons of water sold.

1) Kenton County **5541**, Campbell County **2423**.

2) **48**.

3) Rivers: Ohio River and the Licking River.

4) Plants are pumped; Distribution is combination of pumped and gravity.

5) See attached **31A**.

6) See attached **31B**.

7) Fort Thomas Treatment Plant

12 - Gravity, each 560 sq. ft.

Taylor Mill Treatment Plant

8 - Gravity, each 560 sq. ft. @ 5 gallons per sq. ft. per minute

8) See attached **31C**

9) See attached **31D**

10) **N/A**

11) None

Storage Location	Address	City Location	Type Of Storage	Year In Service	Structure Height (Feet)	Base Elevation (Feet)	Top Elevation (Feet)	Overflow Elevation (Feet)	Normal Elevation (Feet)	Normal Elevation (Feet)	Diameter (Feet)	Capacity (Gallons)
Aqua Drive	100 Aqua Drive	Cold Spring	Hydropillar		184			1017				2,000,000
Barrington Road	2 Barrington Road	Ft. Wright	Hydropillar	1969	141	916.5	1057.5	1046.7	1045.0	1040.0	74	1,000,000
Bromley	1674 Highwater Road	Bromley	Ground Storage	1966	103	670.0	773.0	764.0	763.0	750.0	75	3,000,000
Dayton Avenue	2816 Dayton St.	Dayton	Ground Storage		50			829.0				500,000
Devon	US 25	Florence	Hydropillar	1991	156	939.5		1082.0		1042.0	100	2,000,000
Dudley Pike	796 Dudley Pike	Edgewood	Ground Storage	1964	59	831.0	889.5	876.0	874.0	866.0	140	5,000,000
Dudley Pike	796 Dudley Pike	Edgewood	Ground Storage	1990	59	831.0	889.5	876.0	874.0	866.0	140	5,000,000
Ft. Thomas Plant	700 Alexandria Pike	Ft. Thomas	Clearwell	1936	31	734.0	765.3	764.5	762.0	760.0		3,000,000
Ft. Thomas Plant	700 Alexandria Pike	Ft. Thomas	Clearwell	1990	35	730.0	778.5	764.5	763.5	757.5	130	3,500,000
Harrison Ave.	2361 Harrison Ave.	Bellevue	Ground Storage		60			829.0				600,000
Ida Spence	Tower Place	Covington	Elevated Tank	1952	175	840.0	1015.0	1005.0	1003.0	1000.0	57	500,000
Independence	5685 Madison Pike	Independence	Hydropillar	1981	137	943.5		1080.0		1039.5	74	1,000,000
Industrial Park	Industrial Rd. & US 25	Florence	Hydropillar	1961	146	945.5	1091.5	1083.5	1081.0	1062.0	50	500,000
John's Hill Road	Knollwood Dr.	Highland Hts.	Elevated Tank		113			1017.0				500,000
Kenton Lands Rd.	25 Kenton Lands Road	Erlanger	Elevated Tank	1953	158	896.0	1054.0	1045.0	1043.0	1033.0	50	500,000
Lumley Tank	R47 Lumley Ave.	Fort Thomas	Elevated Tank	1937	187			1017.0				275,000
Main St. Tank	Main St. & US 27	Alexandria	Elevated Tank	1962	152			1017.0				300,000
Memorial Pkwy. Plant	2055 Memorial Pkwy.	Fort Thomas	Clearwell					741.0				3,000,000
Old St. 4 Tank	Old St. Road #4	Claryville	Elevated Tank	1976	143			1017.0				1,000,000
Rossford Tank	Marion Dr.	Fort Thomas	Elevated Tank	1962	191			1017.0				300,000
South Newport Tank	Kentucky Drive	Newport	Elevated Tank		155			965.0				1,000,000
Taylor Mill Plant	608 Grand Ave.	Taylor Mill	Clearwell		15	509.5	524.5	522.0	520.0	518.0		1,000,000
Taylor Mill Standpipe	5907 Taylor Mill Rd.	Taylor Mill	Standpipe		143			1010.0	130.0	110.0		329,000
Total storage owned by NKWSD:											35,804,000	

NORTHERN KY. WATER SERVICE DISTRICT
MILES OF MAINLINE ANALYSIS

Attachment 31B

Size	Type	Prior Years	2004 Additions	2004 Retirements	2004 YTD TOTAL	2004 Miles	2004 Percent	2005 Additions	2005 Retirements	2005 YTD TOTALS	2005 Miles	2005 Percent
2"	Cast Iron	45.00			45.00	0.01	0.001%			45.00	0.009	0.001%
3"	Cast Iron				-	-	0.000%			-	0.000	0.000%
4"	Cast Iron	397,128.68	1,240.00	875.00	397,493.68	75.28	6.930%	2,094.00	3,100.00	396,487.68	75.092	6.827%
6"	Cast Iron	1,853,356.38	95,753.36	9,529.00	1,939,580.74	367.34	33.816%	737.00	6,765.00	1,933,552.74	366.203	33.291%
8"	Cast Iron	938,829.93	168,204.24	609.00	1,106,425.17	209.55	19.290%	16,786.00	12,978.00	1,110,233.17	210.271	19.116%
10"	Cast Iron	89,794.10	46,057.44		135,851.54	25.73	2.368%		350.00	135,501.54	25.663	2.333%
12"	Cast Iron	583,797.32	12,557.16	5,109.00	591,245.48	111.98	10.308%	21,555.00	1,440.00	611,360.48	115.788	10.526%
16"	Cast Iron	280,160.80	8,410.28	55.00	288,516.08	54.64	5.030%	1,500.00		290,016.08	54.927	4.993%
18"	Cast Iron	3,345.00			3,345.00	0.63	0.058%	104.00	1,500.00	1,949.00	0.369	0.034%
20"	Cast Iron	128,008.79	1,540.00		129,548.79	24.54	2.259%			129,548.79	24.536	2.231%
24"	Cast Iron	93,062.00	4,460.00		97,522.00	18.47	1.700%			97,522.00	18.470	1.679%
30"	Cast Iron	28,563.00			28,563.00	5.41	0.498%			28,563.00	5.410	0.492%
36"	Cast Iron	22,434.21	2,365.00	2,538.00	22,261.21	4.22	0.388%			22,261.21	4.216	0.383%
42"	Cast Iron	17,845.00			17,845.00	3.38	0.311%			17,845.00	3.380	0.307%
							0.000%					0.000%
20"	Concrete	6,050.00			6,050.00	1.15	0.105%			6,050.00	1.145	0.104%
24"	Concrete	21,530.00			21,530.00	4.08	0.375%			21,530.00	4.077	0.371%
36"	Concrete	35,000.00			35,000.00	6.63	0.610%			35,000.00	6.629	0.603%
							0.000%					0.000%
2"	Galvanized	375.00			375.00	0.07	0.007%			375.00	0.071	0.006%
							0.000%					0.000%
4"	Transite	50,335.00			50,335.00	9.53	0.878%			50,335.00	9.533	0.867%
6"	Transite	96,598.00		120.00	96,478.00	18.27	1.682%			96,478.00	18.272	1.661%
							0.000%					0.000%
1 1/2"	Steel	226.00			226.00	0.04	0.004%			226.00	0.043	0.004%
2"	Steel	677.00			677.00	0.13	0.012%			677.00	0.128	0.012%
4"	Steel	83.00			83.00	0.02	0.001%			83.00	0.016	0.001%
6"	Steel	11.00			11.00	0.00	0.000%			11.00	0.002	0.000%
8"	Steel	31.00			31.00	0.01	0.001%			31.00	0.006	0.001%
10"	Steel	15.00			15.00	0.00	0.000%			15.00	0.003	0.000%
12"	Steel	1,681.00			1,681.00	0.32	0.029%			1,681.00	0.318	0.029%
16"	Steel	582.00			582.00	0.11	0.010%			582.00	0.110	0.010%
24"	Steel	5,227.00		3,178.00	5,227.00	0.99	0.091%		1,500.00	5,272.00	0.998	0.091%
							0.000%					0.000%

Attachment 31B

Size	Type	Prior Years	2004 Additions	2004 Retirements	2004 YTD TOTAL	2004 Miles	2004 Percent	2005 Additions	2005 Retirements	2005 YTD TOTALS	2005 Miles	2005 Percent
3/4"	Copper	52.00			52.00	0.01	0.001%			52.00	0.010	0.001%
1"	Copper	3,787.00			3,787.00	0.72	0.066%			3,787.00	0.717	0.065%
1 1/2"	Copper	4,150.00			4,150.00	0.79	0.072%			4,150.00	0.786	0.071%
2"	Copper	12,648.30			12,648.30	2.40	0.221%			12,648.30	2.396	0.218%
							0.000%					0.000%
1"	Plastic	2,973.00			2,973.00	0.56	0.052%			2,973.00	0.563	0.051%
1 1/2"	Plastic	2,292.00			2,292.00	0.43	0.040%			2,292.00	0.434	0.039%
2"	Plastic	66,168.00	2,120.00		68,288.00	12.93	1.191%	2,551.00		70,839.00	13.416	1.220%
3"	Plastic	114,986.00			114,986.00	21.78	2.005%			114,986.00	21.778	1.980%
4"	Plastic	29,539.00			29,539.00	5.59	0.515%			29,539.00	5.595	0.509%
6"	Plastic	123,346.60	7,320.00		130,666.60	24.75	2.278%	6,499.00		137,165.60	25.978	2.362%
8"	Plastic	347,923.00	36,101.00		384,024.00	72.73	6.695%	37,848.00		421,872.00	79.900	7.264%
12"	Plastic	5,839.00			5,839.00	1.11	0.102%	8,555.00		14,394.00	2.726	0.248%
TOTAL		5,368,495.11	386,128.48	22,013.00	5,735,788.59	1,086.32	100.0%	98,229.00	27,633.00	5,804,379.59	1,099.99	100.0%

Northern Kentucky Water District
 Chlorinators and Sodium Hypochlorite Feeders in System
 Updated 4/26/2006

Attachment 31C

Location	# of Units	Form of Chlorine	Type	Capacity (ea.)
Bromley Pump Station	1	Sodium Hypochlorite	Jesco Pump	1.3 GPH
West Covington Pump Station	1	Sodium Hypochlorite	Jesco Pump	2.8 GPH
Bristow Road Pump Station	1	Sodium Hypochlorite	Watson Marlow	5 GPH
Dudley Pump Station	2	Sodium Hypochlorite	US Filter Wallace & Tiernan Encore 700	12 GPH
Fort Thomas Treatment Plant	1	Sodium Hypochlorite	Watson Marlow	77 GPH
	7		US Filter Wallace & Tiernan Encore 700	
Taylor Mill Treatment Plant	2	Sodium Hypochlorite	US Filter Wallace & Tiernan Encore 700	5 GPH
	3		US Filter Wallace & Tiernan Encore 700	22.5 GPH
Ohio River Pump Station	4	Sodium Hypochlorite	Milton Roy Max Roy B	195 GPH
Memorial Pky Treatment Plant	1	Sodium Hypochlorite	Watson Marlow	9.1 GPH
	2	Sodium Hypochlorite	Seepex	8 GPH

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 06

NORTHERN KENTUCKY WATER DISTRICT 100 AQUA DRIVE - P.O. BOX 220 - COLD SPRING
(Utility Reporting) (Address)

FEIN # (Federal Employer Identification Number)

Table with 10 columns containing the FEIN number: 6, 1, -, 1, 3, 1, 1, 6, 9, 5

(DO NOT INCLUDE TAXES COLLECTED)

- (1) Gross Revenues of Electric Utility...\$
(2) Gross Revenues of Gas Utility...\$
(3) Gross Revenues of Water Utility...\$ 33,229,279.00
(4) Gross Revenues of Sewer Utility...\$
(5) Other Operating Revenues...\$ 1,716,334.00
*** TOTAL GROSS REVENUES...\$ 34,945,623.00

OATH

State of... KENTUCKY...
County of... CAMPBELL... ss.

JACK BRAGG, CPA, CMA being duly sworn, states that he/she is
(Officer)

VICE-PRESIDENT OF FINANCE of the NORTHERN KENTUCKY WATER DISTRICT that the above
(Official Title) (Utility Reporting)

report of gross revenues is in exact accordance with NORTHERN KENTUCKY WATER DISTRICT, and that such
(Utility Reporting)

books accurately show the gross revenues of: NORTHERN KENTUCKY WATER DISTRICT, derived from
(Utility Reporting)

Intra-Kentucky business for the calendar year ending December 31, 20 06

Signature of Jack Bragg, VICE-PRESIDENT OF FINANCE
(Officer) (Title)

This the 30 day of March, 20 06
Notary Public: Ronalyn Barrow, County: Campbell, Commission Expires: 4-8-08

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE
ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE
RECONCILED ON THE REVERSE OF THIS REPORT.

OATH

Commonwealth of Kentucky);
County of Kenton); SS:

Jack Bragg, Jr. makes oath and says
that he is Vice President of Finance of
Northern Kentucky Water District;

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

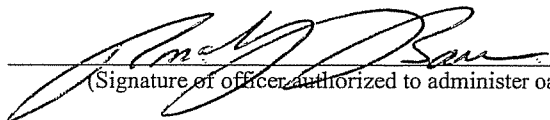
January 1, 2005, to and including December 31, 2005


Signature of official

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the
State and County above named, this 27 day of April, 2001.

(Apply Seal Here)

My commission expires: 1-14-09


(Signature of officer authorized to administer oath)



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

March 28, 2006

Hon. John N. Hughes
Attorney At Law
124 W. Todd Street
Frankfort, KY 40601

RE: Northern Kentucky Water District

Dear Mr. Hughes:

Your request, on behalf of Northern Kentucky Water District, for an extension of time to May 1, 2006, for filing of the 2005 annual report of Northern Kentucky Water District is being granted, with the understanding that every effort will be made to complete and file the annual report at an earlier date.

An extension for filing the Report of Gross Operating Revenues Derived From Intra-Kentucky Business can not be granted. It is to be filed before March 31, 2006. Failure to comply with Commission Regulation 807 KAR 5:006, Section 3(1) and KRS 278.140, may result in the imposition of penalties as provided in KRS 278.990 and **WILL** result in the revocation of the extension for filing the Annual Report.

Sincerely,

Bill Feldman
Assistant Director
Filings Division

✓ cc: Northern Kentucky Water District

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@leap.net

TELEFAX (502) 875-7059

March 27, 2006

RECEIVED

MAR 27 2006

PUBLIC SERVICE
COMMISSION

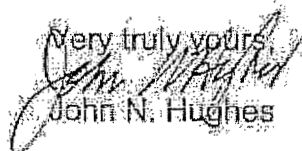
Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Dear Beth:

Northern Kentucky Water District requests an extension of time up to and including May 1, 2006 to file its 2005 Annual Report. The District has not received the Independent Auditor's final report and is in the process of moving into its new office facility. Given the lack of final audited information and the disruption of the staff's daily routine due to the relocation, the District will be unable to file the report when due. For these reasons, the extension is being requested.

If there are any questions about this, please contact me.

Very truly yours,



John N. Hughes

Attorney for Northern Kentucky
Water District



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

May 2, 2006

Mr. Jack Bragg, CPA
Vice President of Finance
Northern Kentucky Water District
P. O. Box 18640
Erlanger, KY 41018

Dear Mr. Bragg:

We have attempted to reconcile the amount on the Report of Gross Operating Revenues for 2005 with the gross revenues appearing in the annual report form of your utility for the same period.

It was necessary to make certain adjustments to the figure appearing on the Report of Gross Operating Revenues in order to be in compliance with the requirements of this Commission. Enclosed is a photocopy of the report on which the adjustments are itemized for your inspection. Please use this procedure in completing future filings of this report.

If you have any questions concerning this matter, please contact this Commission.

Sincerely,

A handwritten signature in cursive script that reads "Joyce Spear".

Joyce Spear
Annual Report Branch

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 06

NORTHERN KENTUCKY WATER DISTRICT (Utility Reporting) 100 AQUA DRIVE - P.O. BOX 220 - COLD SPRING, (Address)

FEIN # (Federal Employer Identification Number)

Table with 10 columns containing digits: 6, 1, -, 1, 3, 1, 1, 6, 9, 5

(DO NOT INCLUDE TAXES COLLECTED)

- (1) Gross Revenues of Electric Utility... \$ Total Sales of 33,229,278 +
(2) Gross Revenues of Gas Utility... \$ Water
(3) Gross Revenues of Water Utility... Other Operating Revenue 1,617,344 +
(4) Gross Revenues of Sewer Utility...
(5) Other Operating Revenues... Total Gross Revenue 34,846,622 *

*** TOTAL GROSS REVENUES.....

OATH

State of... KENTUCKY...)
County of... CAMPBELL...) ss.

JACK BRAGG, CPA, CMA being duly sworn, states that he/she is (Officer)

VICE-PRESIDENT OF FINANCE of the NORTHERN KENTUCKY WATER DISTRICT that the above (Official Title) (Utility Reporting)

report of gross revenues is in exact accordance with NORTHERN KENTUCKY WATER DISTRICT, and that such (Utility Reporting)

books accurately show the gross revenues of: NORTHERN KENTUCKY WATER DISTRICT, derived from (Utility Reporting)

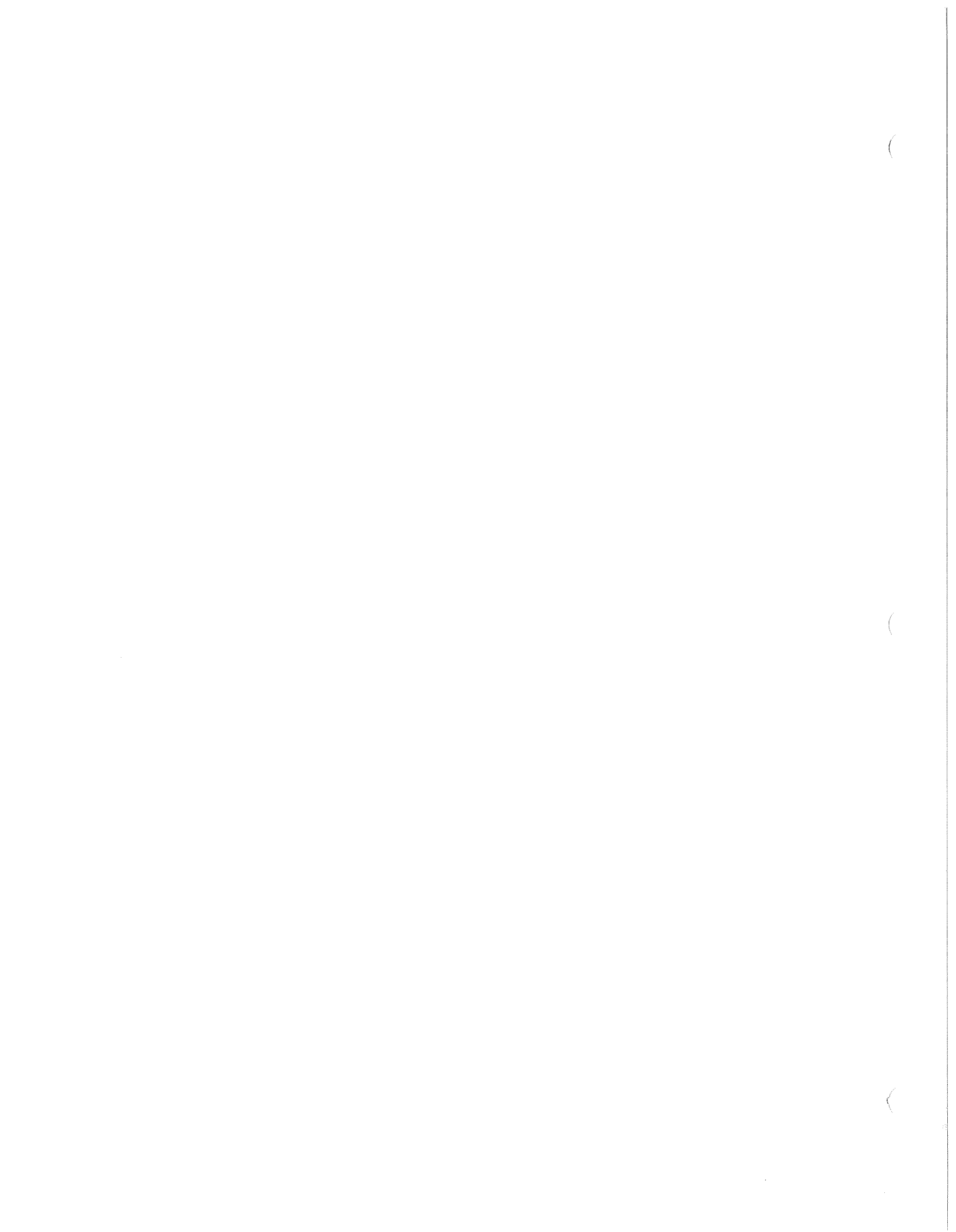
Intra-Kentucky business for the calendar year ending December 31, 20 06

Signature of Jack Bragg, VICE-PRESIDENT OF FINANCE (Officer) (Title)

This the 30 day of March, 20 06

Signature of Notary Public, Campbell (County), 4-8-08 (Commission Expires)

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE RECONCILED ON THE REVERSE OF THIS REPORT.





80000 SERIES
30% P.C.W.

Case No. 2006-____
Exhibit F

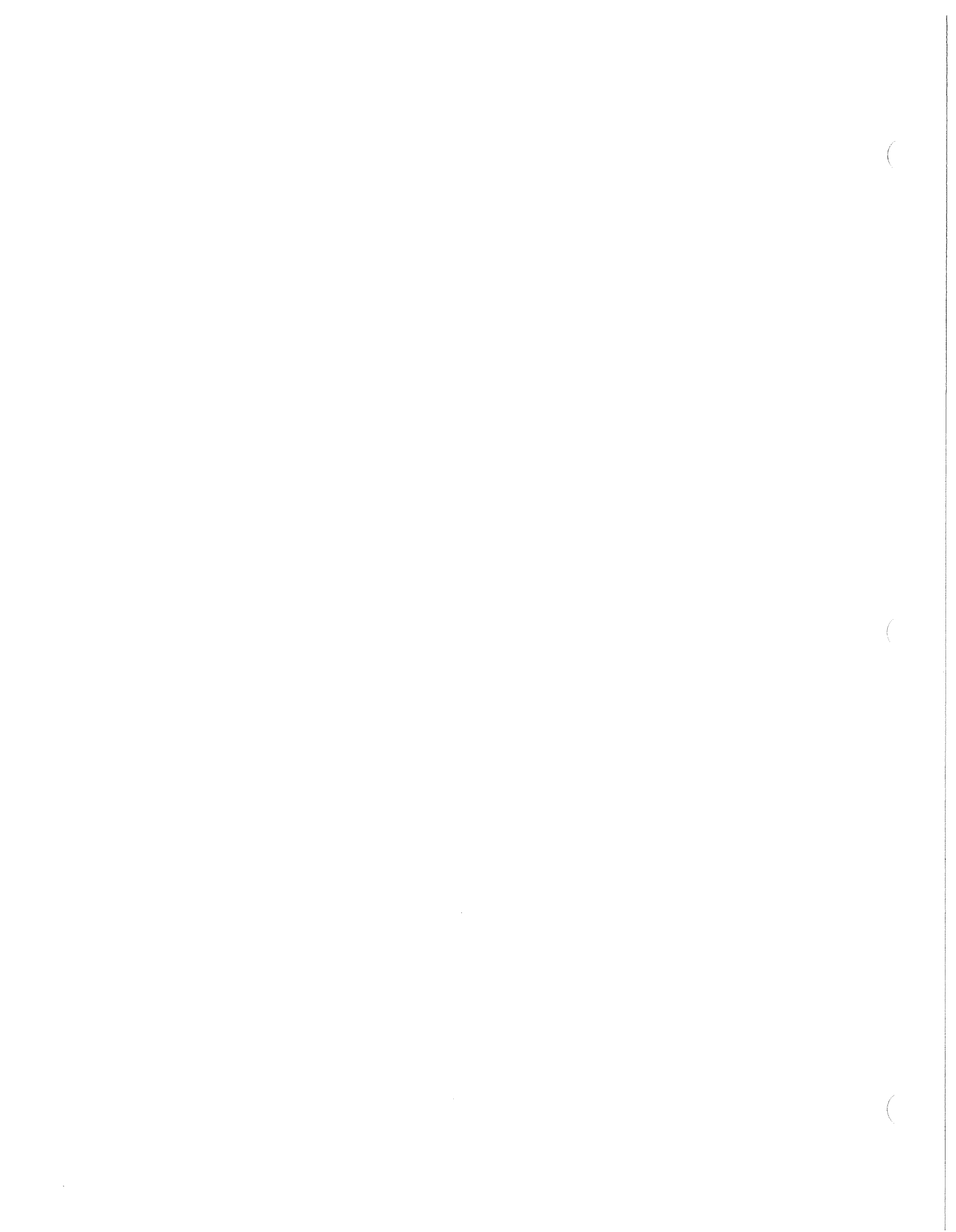
NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

Campbell County
184-435

SCHEDULE OF MORTGAGES, BONDS, NOTES, AND
OTHER INDEBTEDNESS



Northern Kentucky Water District

Bonds Payable and Current Portion

					As of July 1, 2006
Account No.	Description	Bond Payable Jan 01 2006	Current Portion Payment 2006	Bond Payable 2006	
220-0007-000	Bonds Payable 1997	\$6,310,000	\$810,000	\$5,500,000	
220-0008-000	Bonds Payable 1998	\$9,805,000	\$255,000	\$9,550,000	
220-0009-000	Rural Development Loan Payable(2000)	\$2,196,000	\$26,000	\$2,170,000	
220-0010-000	2001 Bonds Payable	\$15,335,000	\$215,000	\$15,120,000	
220-0011-000	2002 A Bonds Payable	\$44,430,000	\$370,000	\$44,060,000	
220-0012-000	2002 B Payable-Refunding	\$9,095,000	\$530,000	\$8,565,000	
220-0013-000	2003 A Refunding Bonds Payable	\$1,545,000	\$35,000	\$1,510,000	
220-0014-000	Series 2003 B Bonds Payable	\$28,600,000	\$860,000	\$27,740,000	
220-0015-000	2003 C Refunding Bonds Payable	\$21,200,000	\$1,180,000	\$20,020,000	
220-0016-000	Series 2004 A Bonds Payable	\$10,185,000	\$275,000	\$9,910,000	
	Total Long Term Debt	\$148,701,000	\$4,556,000	\$144,145,000	
232-0100-000	Note Payable City of Taylor Mill			\$2,125,000	
232-0007-000	2005 BAN			\$17,980,000	
232-0006-000	2004 BAN			\$3,605,000	
	Total BAN's and Notes			\$23,710,000	
	Grand Total			\$ 167,855,000	

(

(

(



80000 SERIES
30% P.C.W.

Case No. 2006-____
Exhibit G

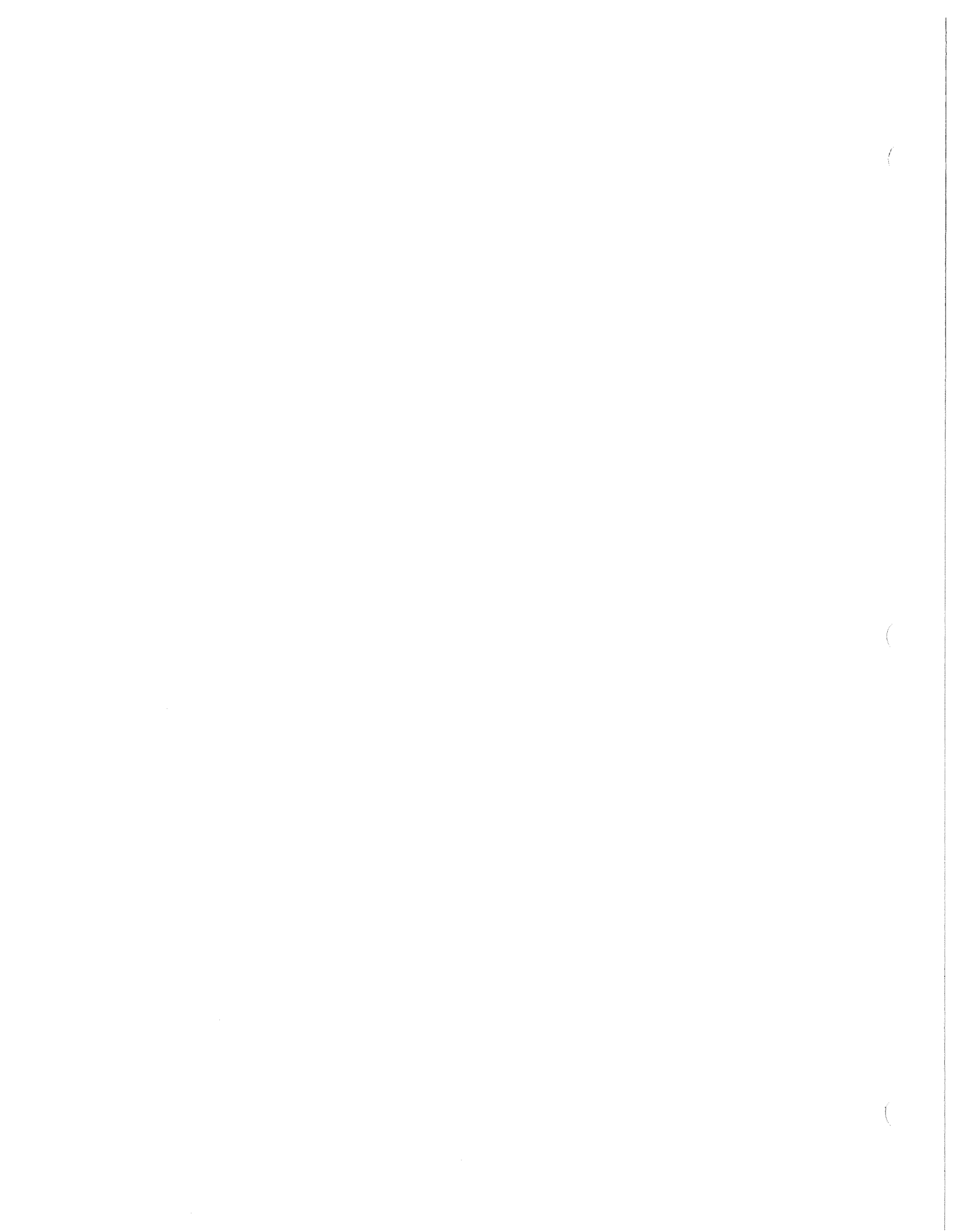
NORTHERN KENTUCKY
WATER DISTRICT

Project

Memorial Parkway Treatment Plant Improvements

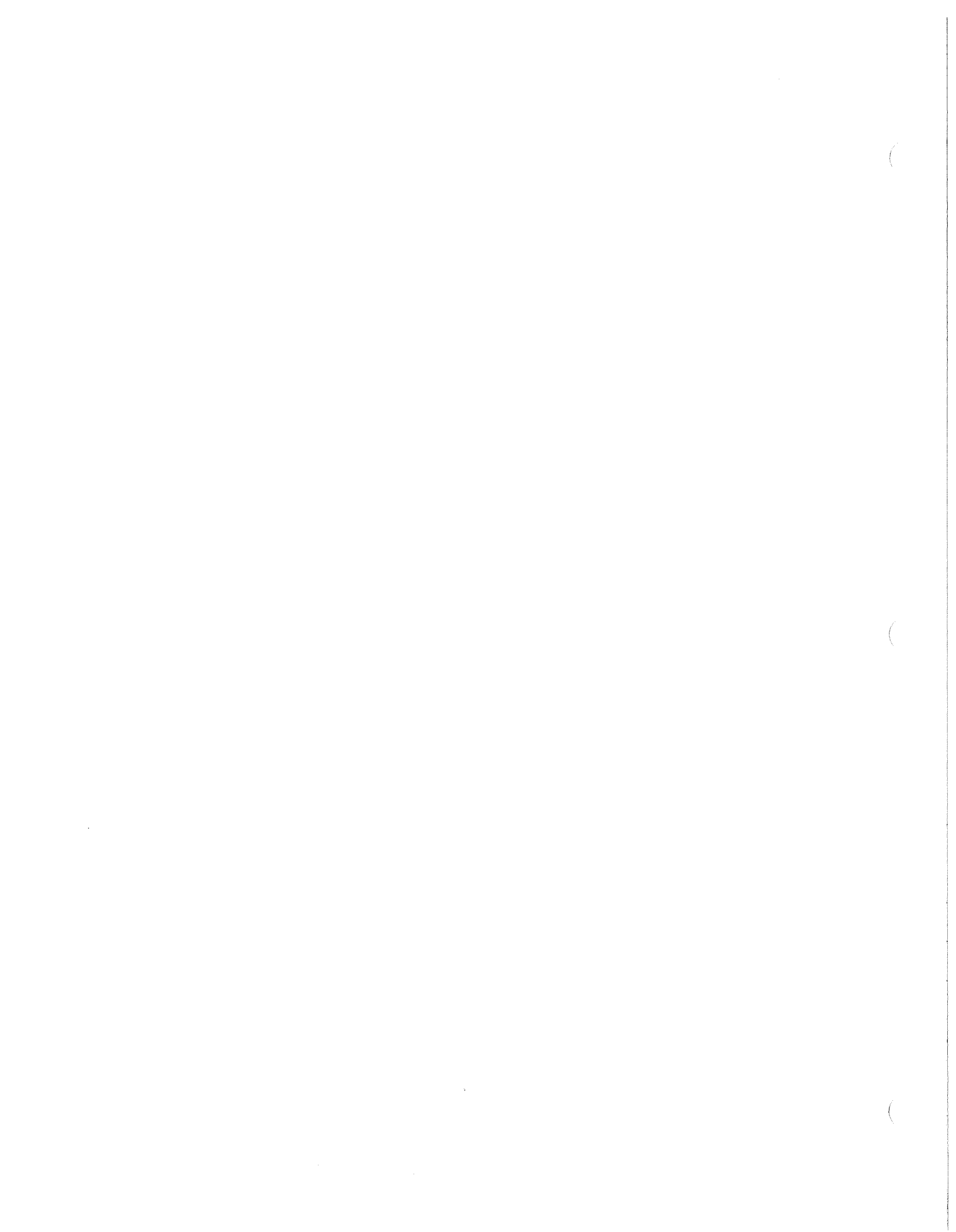
Campbell County
184-435

CURRENT BALANCE SHEET AND INCOME
STATEMENT



**Northern Kentucky Water District
Balance Sheet
As of July 31, 2006**

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,694,676	3,744,796
Accounts Receivable		
Customers	3,219,219	3,072,836
Unbilled Customers	4,900,000	4,900,000
Other	261,299	423,328
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,091,590	1,203,558
Prepaid Expenses	1,829,217	883,745
TOTAL CURRENT ASSETS	\$ 16,033,768	14,265,514
RESTRICTED ASSETS		
Bond Proceeds Fund	\$ 10,983,437	22,669,998
Debt Service Reserve Account	12,509,316	12,511,360
Debt Service Account	5,541,905	1,539,684
Improvement, Repair & Replacement	1,533,145	4,140,970
Boone/Florence Settlement Account	3,362,682	3,721,205
TOTAL RESTRICTED ASSETS	\$ 33,930,485	44,583,217
NONCURRENT ASSETS		
Miscellaneous Deferred Charges	\$ 9,202,522	10,074,102
Capital Assets:		
Land, System, Buildings and Equipment	\$ 255,272,079	248,250,684
Construction in Progress	26,613,044	14,350,035
Total Capital Assets before accumulated depreciation	\$ 281,885,123	262,600,719
Less Accumulated Depreciation	(57,716,007)	(52,532,453)
Total capital assets, net of accumulated depreciation	\$ 224,169,116	210,068,266
TOTAL NONCURRENT ASSETS	\$ 233,371,638	220,142,368
TOTAL ASSETS	\$ 283,335,891	278,991,099



**Northern Kentucky Water District
Balance Sheet
As of July 31, 2006**

	<u>2006</u>	<u>2005</u>
LIABILITIES AND RETAINED EARNINGS		
CURRENT LIABILITIES		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,629,398	1,472,995
Accrued Payroll & Liabilities	326,505	290,544
Other Accrued Liabilities	86,944	91,532
TOTAL CURRENT LIABILITIES	\$ 7,009,847	6,661,071
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Accounts Payable	\$ 708,668	354,575
Accrued Interest Payable	3,267,044	177,837
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 3,975,712	532,412
LONG-TERM DEBT		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,145,000
Bond Anticipation Notes Payable	21,585,000	21,585,000
Note Payable - Taylor Mill Purchase	2,125,000	2,125,000
Deferred Note Payable	100,000	100,000
TOTAL LONG-TERM DEBT	\$ 163,238,000	167,955,000
TOTAL LIABILITIES	\$ 174,223,559	175,148,483
RETAINED EARNINGS	\$ 109,112,332	103,842,616
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 283,335,891	278,991,099

**Northern Kentucky Water District
Income Report Actual to Actual
For the Seven Months Ending July 31, 2006**

Description	July 2006	July 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 2,554,501	\$ 2,604,018	(1.9%)	\$ 17,550,730	\$ 17,618,836	(0.4%)	
Forfeited Discounts	59,190	61,311	(3.5%)	370,292	410,337	(9.8%)	
Rents from Water Property	34,182	29,517	15.8%	252,057	324,655	(22.4%)	
Other Water Revenues	68,415	35,380	93.4%	259,917	210,105	23.7%	
Total Operating Revenues	\$2,716,288	\$2,730,226	(0.5%)	\$18,432,996	\$18,563,933	(0.7%)	
Non-Operating Income (Expense)							
Interest Income	\$166,892	\$136,498	22.3%	\$1,225,537	\$873,255	40.3%	Higher YTD interest income from better rates than anticipated.
Miscellaneous	9,145	\$20,373	(55.1%)	117,414	102,549	14.5%	
Total Non-Operating Income	\$176,037	\$156,871	12.2%	\$1,342,951	\$975,804	37.6%	
TOTAL INCOME	\$2,892,325	\$2,887,097	0.2%	\$19,775,947	\$19,539,737	1.2%	

