

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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**PUBLIC SERVICE
COMMISSION**

IN THE MATTER OF:

THE APPLICATION OF THE MARTIN COUNTY)
WATER DISTRICT FOR THE APPROVAL OF) CASE NO.
THE PROPOSED INCREASE IN RATES FOR) 2010-00300
WATER SERVICE)

STATEMENT AND NOTICE

The Martin County Water District ("Martin District"), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, and KRS 278.300, petitions the Commission for the approval of the proposed increase in the rates and charges. In support of its application, Martin District respectfully states as follows:

1. Martin District is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. Martin District's principal office and mailing address is 387 East Main Street, Suite 140, Inez Kentucky 41224.

2. Martin District is engaged in the distribution and sale of water. As reported in its "Annual Report to the Public Service Commission for the Year Ending December 31, 2008," Martin District provided water service to approximately 3,266 residential customers, 298 commercial customers, 2 industrial customers, and 1 public authority in Martin County, Kentucky.

3. The proposed increase in the rates and charges is necessary for Martin District to meet continuing demand for adequate service. An increase in its rates is

essential for Martin District to maintain a reasonable level of service, to meet the expanding needs of its service area, and to cover its debt service.

4. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, Martin District has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2008.

5. Martin District's annual reports, including the annual report for 2009, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

6. Martin District hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 in the filing requirements. The proposed rates will result in an increase in annual operating revenues from water sales of \$294,346, an increase of approximately 15.82 percent over normalized revenues from water sales of \$1,860,810. The proposed increase in rates is supported by a Cost-of-Service study.

7. The proposed tariffs (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are identified as Exhibit No. 2 in the filing requirements.

8. Martin District has complied with 807 KAR 5:011, Section 9, (2) and 807 KAR 5:001, Section 10, (3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit No. 13 in the filing requirements, for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications has been made within (7) days of the date the Application is filed with the Commission.

9. As required by 807 KAR 5:001, Section 10, (4), (f), Martin District will post a copy of its Customer Notices (Exhibit No. 13) at its place of business on the date the Application is filed with the Commission, and it will remain posted until the Public Service Commission has determined Martin District's rates.

10. We are proposing to eliminate the 6" Meter and 8" Meter rates, because these sized meters are not supplying water to any customer at this time and Martin District does not see any customers needing these sized meters in the foreseeable future. We are also proposing a rate design change to reflect the minimum usage as reflected in the AWWA M1 Manual which the Commission has accepted in prior cases.

11. The lists of the documents filed in support of Martin District's application for approval of the proposed adjustment of rates or the explanations for their absence is contained in the Filing Requirement Index.

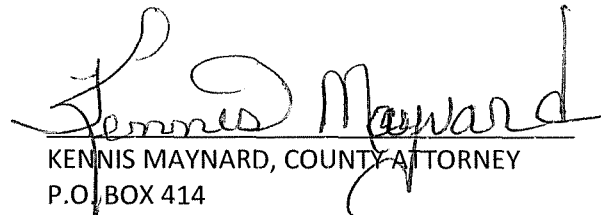
WHEREFORE, the Applicant, Martin County Water District requests the Public Service Commission of Kentucky to find that the proposed rates are fair, just, and reasonable pursuant to KRS 278.030(1).

Dated at Martin District, Kentucky this September 2, 2010.

Respectfully submitted,

MARTIN COUNTY WATER DISTRICT

By:

A handwritten signature in black ink that reads "Kennis Maynard". The signature is written in a cursive style with a large initial "K".

KENNIS MAYNARD, COUNTY ATTORNEY
P.O. BOX 414
INEZ, KY 41224
(606) 298-2815

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|--|--|---|
| 807 KAR 5:001 Section 8(1) | Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval. | Application at 1. |
| 807 KAR 5:001 Section 8(2) | The original and 10 copies of application plus copy for anyone named as interested party. | The correct number of applications has been filed. |
| 807 KAR 5:001 Section 10(1)(b)(1) | Reason adjustment is required. | Application at 1. |
| 807 KAR 5:001 Section 10(1)(b)(2) | Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1) | Application at 2. |
| 807 KAR 5:001 Section 10(1)(b)(3) & (5) | If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed. | Application at 1. |
| 807 KAR 5:001 Section 10(1)(b)(4) & (5) | If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed. | N/A – Martin District is not a limited partnership. |
| 807 KAR 5:001 Section 10(1)(b)(6) | Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary. | N/A – Martin District has never used an assumed name. |
| 807 KAR 5:001 Section 10(1)(b)(7) | Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed. | Exhibit 1. |
| 807 KAR 5:001 Section 10(1)(b)(8) | Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff. | Exhibit 2. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|--|---|--|
| 807 KAR 5:001 Section 10(1)(b)(9) | Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy. | Application at 2 and 3. Customer Notice Exhibit 9. |
| 807 KAR 5:001 Section 10(2) | If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period. | Exhibit 11. |
| 807 KAR 5:001 Section 10 (6)(a) | Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment. | Exhibit 4. |
| 807 KAR 5:001 Section 10 (6)(b) & (c) | If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony. | Commission Staff assisted with Martin District in preparing its application and therefore, prepared testimony will not be submitted. |
| 807 KAR 5:001 Section 10 (6)(d) | Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease. | Application at 2 and Exhibit 7. |
| 807 KAR 5:001 Section 10 (6)(e) | If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply. | Exhibit 6. |
| 807 KAR 5:001 Section 10 (6)(f) | If local exchange company, effect upon the average bill for 807 each customer class for change in basic local service. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)(g) | Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class. | Exhibit 5. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|-------------------------------------|---|--|
| 807 KAR 5:001 Section 10 (6)(h) | Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules. | Martin District's revenue requirement is based on debt service coverage. Exhibit 6. |
| 807 KAR 5:001 Section 10 (6)(i) | Reconciliation of rate base and capital used to determine revenue requirements. | N/A – Revenue Requirement reflects Debt Service. |
| 807 KAR 5:001 Section 10 (6)(j): | Current chart of accounts if more detailed than the Uniform System of Accounts. | N/A – A more detailed system is not used. |
| 807 KAR 5:001 Section 10 (6)(k) | Independent auditor's annual opinion report, with any written communication from auditor, which indicates existence of material weakness in internal controls. | The 2008 Audit has not been completed. A copy will be submitted when approved by the Commission. |
| 807 KAR 5:001 Section 10 (6)(l): | The most recent FERC or FCC audit reports. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)m | The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone). | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)(n) | Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style. | Exhibit 8. |
| 807 KAR 5:00 Section 10 (6)(o) | List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program. | Excel Word Adobe Reader |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|--|--|
| 807 KAR 5:001 Section 10 (6)(p) | Prospectuses of most recent stock or bond offerings. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)(q) | Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)(r) | Monthly managerial reports providing financial results for 12 months in test period. | Exhibit 9. |
| 807 KAR 5:001 Section 10 (6)(s) | SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (6)(t) | <p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable; | N/A – There are no affiliate allocations. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|--|--|
| 807 KAR 5:001 Section 10 (6)(u) | If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period. | Exhibit 6. |
| 807 KAR 5:001 Section 10 (6)(v) | <p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies to support pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access: <ol style="list-style-type: none"> (a) Based on current and reliable data from a single time period; and (b) Using generally recognized fully allocated, embedded, or incremental cost principles. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10 (7)(a) | Detailed income statement and balance sheet reflecting impact of all proposed adjustments | Exhibit 3. A balance sheet is not included because there are no pro forma adjustments that directly impact that financial statement. |
| 807 KAR 5:001 Section 10 (7)(b) | Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions. | N/A – Construction of Martin District's proposed plant additions have been completed. |

**Filing Requirement Index
Historical Test Period Rate Case**

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|--|---|
| 807 KAR 5:001 Section 10 (7)(c) | <p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> 1. Starting date of the construction of each major component of plant; 2. Proposed in-service date; 3. Total estimated cost of construction at completion; 4. Amount contained in construction work in progress at end of test period; 5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement; 6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions; 7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and 8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements; | N/A – There are no pro forma adjustments that relate to future plant additions. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|---|--|
| 807 KAR 5:001 Section 10(7)(d) | Operating budget for each month of the period encompassing the pro forma adjustments; | N/A – Martin District does not prepare monthly operating budgets. |
| 807 KAR 5:001 Section 10 (7)(e) | Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers. | N/A – There are no projections for the number of customers that would be added to the system. Post test period plant will not result in new customers. |
| 807 KAR 5:001 Section 10(3)(a) | Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply. | Exhibit 6. The percentage is for meter size. |
| 807 KAR 5:001 Section 10(3)(b) | Present and proposed rates for each customer class to which change would apply. | Exhibit 6. The comparison is provided for meter size. |
| 807 KAR 5:001 Section 10(3)(c) | Electric, gas, water and sewer utilities - effect upon average bill for each customer class to which change will apply. | Exhibit 6. Martin District can not show the effect for each customer – the impact is by meter size. |
| 807 KAR 5:001 Section 10(3)(d) | Local exchange companies include effect upon average bill for each customer class for change in basic local service. | N/A – Martin District is a Water District. |
| 807 KAR 5:001 Section 10(4) | If copy of public notice included, did it meet requirements?* | Exhibit 10. |

Exhibit Index

| <u>Exhibit Title</u> | <u>Exhibit Number</u> |
|---|------------------------------|
| Proposed Tariff | 1 |
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| Pro Forma Adjustment Descriptions | 4 |
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| Impact on Average Bill by Customer Classification | 6 |
| Cost-of-Service Study | 6 |
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| Customer Notification | 10 |
| Written Notification of Intent | 11 |

EXHIBIT NO. 1
PROPOSED TARIFF

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Martin County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

5/8" x 3/4" Meter

| | | | | | |
|-------|-------|---------|----|-------|---------------|
| First | 2,000 | Gallons | \$ | 26.50 | Minimum |
| Over | 2,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

1" Meter

| | | | | | |
|-------|-------|---------|----|-------|---------------|
| First | 5,000 | Gallons | \$ | 46.60 | Min. Bill |
| Over | 5,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

1 1/2" Meter

| | | | | | |
|-------|--------|---------|----|-------|---------------|
| First | 10,000 | Gallons | \$ | 80.10 | Min. Bill |
| Over | 10,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

2" Meter

| | | | | | |
|-------|--------|---------|----|--------|---------------|
| First | 20,000 | Gallons | \$ | 147.10 | Min. Bill |
| Over | 20,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

3" Meter

| | | | | | |
|-------|--------|---------|----|--------|---------------|
| First | 30,000 | Gallons | \$ | 214.10 | Min. Bill |
| Over | 30,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

4" Meter

| | | | | | |
|-------|--------|---------|----|--------|---------------|
| First | 50,000 | Gallons | \$ | 348.10 | Min. Bill |
| Over | 50,000 | Gallons | \$ | 6.70 | Per 1,000 Gal |

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

EXHIBIT NO. 2

**COMPARISON –
PROPOSED & CURRENT
TARRIFFS**

| Current Rates | | | | | Proposed Rates | | | | |
|--------------------------|--------------------|---------|-----------------------|---------------|--------------------------|--------|---------|-----------|---------------|
| <u>5/8" x 3/4" Meter</u> | | | | | <u>5/8" x 3/4" Meter</u> | | | | |
| First | 2,000 | Gallons | \$ 20.00 | Minimum | First | 2,000 | Gallons | \$ 26.50 | Minimum |
| Over | 2,000 | Gallons | \$ 6.70 | Per 1,000 Gal | Over | 2,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>1" Meter</u> | | | | | <u>1" Meter</u> | | | | |
| First | 3,000 | Gallons | \$ 26.55 | Min. Bill | First | 5,000 | Gallons | \$ 46.60 | Min. Bill |
| Over | 3,000 | Gallons | \$ 6.55 | Per 1,000 Gal | Over | 5,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>1 1/2" Meter</u> | | | | | <u>1 1/2" Meter</u> | | | | |
| First | 4,000 | Gallons | \$ 33.10 | Min. Bill | First | 10,000 | Gallons | \$ 80.10 | Min. Bill |
| Over | 4,000 | Gallons | \$ 6.55 | Per 1,000 Gal | Over | 10,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>2" Meter</u> | | | | | <u>2" Meter</u> | | | | |
| First | 6,000 | Gallons | \$ 46.20 | Min. Bill | First | 20,000 | Gallons | \$ 147.10 | Min. Bill |
| Over | 6,000 | Gallons | \$ 6.55 | Per 1,000 Gal | Over | 20,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>3" Meter</u> | | | | | <u>3" Meter</u> | | | | |
| First | 12,000 | Gallons | \$ 86.50 | Min. Bill | First | 30,000 | Gallons | \$ 214.10 | Min. Bill |
| Over | 12,000 | Gallons | \$ 6.55 | Per 1,000 Gal | Over | 30,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>4" Meter</u> | | | | | <u>4" Meter</u> | | | | |
| First | 25,000 | Gallons | \$ 170.65 | Min. Bill | First | 50,000 | Gallons | \$ 348.10 | Min. Bill |
| Over | 25,000 | Gallons | \$ 6.55 | Per 1,000 Gal | Over | 50,000 | Gallons | \$ 6.70 | Per 1,000 Gal |
| <u>6" Meter</u> | | | | | <u>6" Meter</u> | | | | |
| First | 112,000 | Gallons | \$ 740.50 | Min. Bill | | | | | |
| Over | 112,000 | Gallons | \$ 6.55 | Per 1,000 Gal | | | | | |
| <u>8" Meter</u> | | | | | <u>8" Meter</u> | | | | |
| First | 494,000 | Gallons | \$3,242.60 | Min. Bill | | | | | |
| Over | 494,000 | Gallons | \$ 6.55 | Per 1,000 Gal | | | | | |

Martin District is proposing to eliminate the 6" Meter and 8" Meter rates. Martin District does not have these sized meters supplying water to any customer at this time and do not see any customers needing these sized meters in the foreseeable future.

Martin District is proposing in this case a rate design change to reflect the minimum usage as reflected in the AWWA M1 Manual which has been accepted by the Commission in the past.

EXHIBIT NO. 3

**PRO FORMA
FINANCIAL STATEMENTS**

| | Test-Period Operations | Pro Forma Adjustments | Adj. Ref | Pro Forma Operations |
|---------------------------------------|---------------------------|--------------------------|-------------|-------------------------|
| Operating Revenues: | | | | |
| Revenues - Metered Water Sales | \$ 1,840,977 | 19,833 | (a) | 1,860,810 |
| Other Operating Revenues: | | | | |
| Forfeited Discounts | \$ 0 | 0 | | \$ 0 |
| Miscellaneous Service Revenues | 6,110 | 0 | | 6,110 |
| Other Water Revenues | 69,939 | 0 | | 69,939 |
| Total Other Operating Revenues | \$ 76,049 | 0 | | 76,049 |
| Total Operating Revenues | \$ 1,917,026 | \$ 19,833 | | \$ 1,936,859 |
| Operating Expenses: | | | | |
| Operation & Maintenance: | | | | |
| Salaries & Wages | \$ 496,041 | \$ 39,301 | (b) | \$ 535,342 |
| Employee Pension & Benefits | 148,997 | 60,707 | (c) | 209,704 |
| Purchased Water | 2,429 | (1,322) | (d) | 1,107 |
| Purchased Power | 243,866 | (130,592) | (e) | 113,274 |
| Chemicals | 65,484 | (35,568) | (f) | 29,916 |
| Materials & Supplies | 146,074 | (33,199) | (g) | 112,875 |
| Contractual Services - Accounting | 39,000 | 0 | | 39,000 |
| Contractual Services - Mgt. | 4,525 | 0 | | 4,525 |
| Contractual Services - Water Testing | 26,092 | 0 | | 26,092 |
| Contractual Services - Other | 18,963 | 0 | | 18,963 |
| Rent - Building/Real. Property | 5,500 | 0 | | 5,500 |
| Transportation | 49,439 | 0 | | 49,439 |
| Insurance - Vehicle | 9,258 | (2,975) | (h) | 6,283 |
| Insurance - Gen. Liability | 15,834 | 647 | (h) | 16,481 |
| Insurance - Worker's Compensation | 14,143 | 7,301 | (h) | 21,444 |
| Insurance - Other | 4,081 | (4,081) | (h) | 0 |
| Advertising | 3,714 | 0 | | 3,714 |
| Bad Debt | 55,012 | 0 | | 55,012 |
| Miscellaneous | 29,531 | 0 | | 29,531 |
| Total Operation & Maintenance | \$ 1,377,983 | \$ (99,781) | | \$ 1,278,202 |
| Depreciation | 599,760 | 115,409 | (i) | 715,169 |
| Amortization | 0 | 1,015 | (j) | 1,015 |
| Taxes Other Than Income: | | | | |
| Public Service Com. Assessment | 0 | 0 | | 0 |
| Payroll Taxes | 39,927 | 3,753 | (k) | 43,680 |
| Utility Operating Expenses | \$ 2,017,670 | \$ 20,396 | | \$ 2,038,066 |
| Net Utility Operating Income | \$ (100,644) | \$ (563) | | \$ (101,207) |
| Other Income & Deductions: | | | | |
| Interest Income | 16,627 | 0 | | 16,627 |
| Net Income Available for Debt Service | \$ (117,271) | \$ (563) | | \$ (117,834) |

EXHIBIT 4

**PRO FORMA
ADJUSTMENT DESCRIPTIONS**

Utility: Martin County Water District
Title: Index of Pro Forma Adjustments - Income Statement

| <u>Adj. Ref.</u> | <u>Adjustment Description</u> |
|------------------|--|
| (a) | <u>Revenue from Water Sales:</u> This adjustment reflects the results of Commission Staff's billing analysis and the current tariffed rate. |
| (b) | <u>Salaries & Wages - Employees:</u> This adjustment reflects the test period actual hours, the current wage rates, and the new crew as recommended by the management audit. |
| (c) | <u>Employee Pensions & Benefits:</u> This adjustment reflects the current retirement contribution rate, the current employee insurance premiums, and the employee benefits for the new crew. |
| (d) | <u>Purchased Water:</u> This adjustment eliminates the cost of water purchased in excess of the Commission's allowable lines loss limitation of 15 percent. |
| (e) | <u>Purchased Power:</u> This adjustment eliminates the electricity cost incurred to produce water in excess of the Commission's allowable lines loss limitation of 15 percent. |
| (f) | <u>Chemicals:</u> This adjustment eliminates the chemical cost incurred to produce water in excess of the Commission's allowable lines loss limitation of 15 percent. |
| (g) | <u>Materials and Supplies:</u> This adjustment removes capital and nonrecurring expenditures that were incorrectly expensed in the test period. |
| (h) | <u>Insurance:</u> These adjustments reflect the current insurance premiums for general liability, property, automobile, and workers compensation. |
| (i) | <u>Depreciation:</u> This adjustment: (1) includes a full year depreciation on test-period plant additions; (2) reflects depreciation on plant placed in service after the test period; and (3) depreciates capital expenditures that were removed from test-period operating expenses. |
| (j) | <u>Amortization:</u> This adjustment reflects amortizing the nonrecurring expenditures that were removed from test-period operating expenses. |
| (k) | <u>Taxes Other than Income Taxes:</u> This adjustment computes payroll taxes using the normalized payroll. |

Utility: Martin County Water District
Adjustment: (a) Revenue from Water Sales

| | <u>Bills</u> | <u>Gallons</u> | <u>Amount</u> |
|---|--------------|----------------|------------------|
| Normalized Revenue from Water Sales | 3,559 | 226,177,212 | \$ 1,860,810 |
| Less: Reported Revenue from Water Sales | | | <u>1,840,977</u> |
| Pro Forma Adjustment | | | <u>\$ 19,833</u> |

Utility: **Martin County Water District**
 Workpaper: **(b) Salaries & Wages**

| Employee No. | Payment Method | Date Hired | 2009 Wages | | 2009 Hours | | Pro Forma Salaries & Wages | | |
|-----------------------------------|----------------|------------|-------------|----------|------------|----------|----------------------------|------------------|-------------------|
| | | | Regular | Overtime | Regular | Overtime | Regular | Overtime | Total |
| Employee No. 1 | Hourly | 7/15/04 | \$ 17.89 | \$ 26.84 | 2,261.25 | 358.25 | \$ 40,454 | \$ 9,615 | \$ 50,069 |
| Employee No. 2 | Hourly | 7/15/04 | \$ 16.48 | \$ 24.72 | 2,081.75 | 248.00 | 34,307 | 6,131 | 40,438 |
| Employee No. 3 | Hourly | 7/15/04 | \$ 16.48 | \$ 24.72 | 2,118.75 | 362.00 | 34,917 | 8,949 | 43,866 |
| Employee No. 4 | Salary | 8/13/04 | \$ 41.83 | N/A | N/A | N/A | 19,288 | 0 | 19,288 |
| Employee No. 5 | Hourly | 8/28/07 | | | | | 0 | 0 | 0 |
| Employee No. 6 | Hourly | 9/15/08 | | | 1,330.50 | 52.50 | 0 | 0 | 0 |
| Employee No. 7 | Hourly | 9/4/07 | \$ 9.88 | \$ 14.82 | 1,676.00 | 18.52 | 16,559 | 274 | 16,833 |
| Employee No. 8 | Hourly | 6/18/09 | \$ 7.25 | \$ 10.88 | 2,080.00 | 0.00 | 15,080 | 0 | 15,080 |
| Employee No. 9 | Salary | 7/15/04 | \$ 2,289.77 | N/A | N/A | N/A | 59,534 | 0 | 59,534 |
| Employee No. 10 | Hourly | 3/6/06 | | | 1,542.25 | 30.75 | 0 | 0 | 0 |
| Employee No. 11 | Hourly | 3/28/08 | \$ 7.46 | \$ 11.19 | 883.50 | 0.00 | 6,591 | 0 | 6,591 |
| Employee No. 12 | Hourly | 12/1/08 | \$ 9.88 | \$ 14.82 | 117.25 | 3.50 | 1,158 | 52 | 1,210 |
| Employee No. 13 | Hourly | 7/15/04 | \$ 10.26 | \$ 15.39 | 2,169.00 | 311.50 | 22,254 | 4,794 | 27,048 |
| Employee No. 14 | Hourly | 10/15/07 | \$ 10.18 | \$ 15.27 | 2,297.00 | 127.25 | 23,383 | 1,943 | 25,326 |
| Employee No. 15 | Hourly | 7/15/04 | \$ 13.27 | \$ 19.91 | 2,143.00 | 157.75 | 28,438 | 3,141 | 31,579 |
| Employee No. 16 | Hourly | 5/5/08 | \$ 10.18 | \$ 15.27 | 1,198.50 | 6.00 | 12,201 | 92 | 12,293 |
| Employee No. 17 | Hourly | 7/15/04 | \$ 16.48 | \$ 24.72 | 2,092.50 | 343.50 | 34,484 | 8,491 | 42,975 |
| Employee No. 18 | Hourly | 10/17/07 | \$ 10.18 | \$ 15.27 | 2,153.25 | 109.50 | 21,920 | 1,672 | 23,592 |
| Employee No. 19 | Hourly | 7/15/04 | \$ 10.18 | \$ 15.27 | | | 0 | 0 | 0 |
| Employee No. 20 | Hourly | 7/15/04 | \$ 10.26 | \$ 15.39 | 2,184.50 | 138.75 | 22,413 | 2,135 | 24,548 |
| Employee No. 21 | Salary | 5/16/05 | \$ 477.80 | N/A | N/A | N/A | 12,423 | 0 | 12,423 |
| Employee No. 22 | Hourly | 3/17/08 | \$ 10.18 | \$ 15.27 | 1,575.50 | 52.00 | 16,039 | 794 | 16,833 |
| New 3 Man Crew | Hourly | | \$ 9.88 | \$ 14.82 | 6,240.00 | 281.01 | 61,651 | 4,165 | 65,816 |
| | | | | | | | <u>\$ 483,094</u> | <u>\$ 52,248</u> | <u>\$ 535,342</u> |
| Pro Forma Salaries and Wages | | | | | | | | | \$ 535,342 |
| Less: Reported Salaries and Wages | | | | | | | | | 496,041 |
| Pro Forma Adjustment | | | | | | | | | <u>\$ 39,301</u> |

Utility:
Workpaper:

Martin County Water District
(c) Employee Pension and Benefits

| Employee No. | Pro Forma | Employee Insurance Benefits | | | | | CERS | Totals |
|-----------------|-------------------|-----------------------------|-----------|----------|----------|-------------------|------------------|-------------------|
| | Sal. & Wages | Health MO | Dental MO | Eye MO | Life MO | Annual | 16.16% | |
| Employee No. 1 | \$ 50,069 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | \$ 11,900 | \$ 8,091 | \$ 19,991 |
| Employee No. 2 | 40,438 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 11,900 | 6,535 | 18,435 |
| Employee No. 3 | 43,866 | \$ 307.25 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 4,380 | 7,089 | 11,469 |
| Employee No. 4 | 19,288 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 7 | 16,833 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 8 | 15,080 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 9 | 59,534 | \$ - | \$ - | \$ - | \$ - | 0 | 9,621 | 9,621 |
| Employee No. 11 | 6,591 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 12 | 1,210 | \$ 307.25 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 4,380 | 196 | 4,576 |
| Employee No. 13 | 27,048 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 11,900 | 4,371 | 16,271 |
| Employee No. 14 | 25,326 | \$ 810.84 | \$ 25.82 | \$ 6.47 | \$ 8.00 | 10,214 | 4,093 | 14,307 |
| Employee No. 15 | 31,579 | \$ 559.68 | \$ 25.82 | \$ 6.47 | \$ 10.75 | 7,233 | 5,103 | 12,336 |
| Employee No. 16 | 12,293 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 17 | 42,975 | \$ 559.68 | \$ 25.82 | \$ 6.47 | \$ 10.75 | 7,233 | 6,945 | 14,178 |
| Employee No. 18 | 23,592 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 11,900 | 3,812 | 15,712 |
| Employee No. 19 | 0 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 11,900 | 0 | 11,900 |
| Employee No. 20 | 24,548 | \$ 933.87 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 11,900 | 3,967 | 15,867 |
| Employee No. 21 | 12,423 | \$ - | \$ - | \$ - | \$ - | 0 | 0 | 0 |
| Employee No. 22 | 16,833 | \$ 307.25 | \$ 25.82 | \$ 6.47 | \$ 25.50 | 4,380 | 2,720 | 7,100 |
| New 3 Man Crew | 65,816 | \$ 2,113.79 | \$ 77.46 | \$ 19.41 | \$ 64.75 | 27,305 | 10,636 | 37,941 |
| | <u>\$ 535,342</u> | | | | | <u>\$ 136,525</u> | <u>\$ 73,179</u> | <u>\$ 209,704</u> |

Pro Forma Employee Pension and Benefits

\$ 209,704

Less: Reported Employee Pension and Benefits

148,997

Pro Forma Adjustment

\$ 60,707

Utility: Martin County Water District
 Adjustment: (d) Purchased Water

| Purchase Month | Test-Period Water - Gallons | | |
|----------------|-----------------------------|-------------|-------------|
| | Purchased | Produced | Total |
| Jan-08 | 259,000 | 53,578,000 | 53,837,000 |
| Feb-08 | 2,000 | 50,118,000 | 50,120,000 |
| Mar-08 | 0 | 51,953,000 | 51,953,000 |
| Apr-08 | 0 | 49,653,000 | 49,653,000 |
| May-08 | 0 | 53,026,000 | 53,026,000 |
| Jun-08 | 0 | 50,459,000 | 50,459,000 |
| Jul-08 | 0 | 53,555,000 | 53,555,000 |
| Aug-08 | 0 | 53,841,000 | 53,841,000 |
| Sep-08 | 0 | 52,101,000 | 52,101,000 |
| Oct-08 | 0 | 53,458,000 | 53,458,000 |
| Nov-08 | 0 | 51,962,000 | 51,962,000 |
| Dec-08 | 143,000 | 54,396,000 | 54,539,000 |
| Annual Totals | 404,000 | 628,100,000 | 628,504,000 |

Unaccounted for Water Loss Percentage

| | |
|---|--------------------|
| Water Produced/Purchased | 628,504,000 |
| Water Sales - Staff's Billing Analysis | 226,177,212 |
| Water Treatment Plant | 18,330,000 |
| System Flushing | 2,106,000 |
| Fire Department | 512,000 |
| Other | 218,000 |
| Total Water Sold and Used | 247,343,212 |
| Unaccounted for Water Loss - Gallons | 381,160,788 |
| Percentage of Unaccounted for Water Loss | 60.646% |
| Percentage Water Loss in Excess of 15 Percent | 45.646% |

Determination of Pro Forma Purchased Water

| | |
|--|-------------|
| Pro Forma Water Sales | 226,177,212 |
| Add: System Flushing | 18,330,000 |
| Subtotal | 244,507,212 |
| Divided by: 15% Line Loss Reciprocal | 85.00% |
| Allowable Purchases/Production | 287,655,544 |
| Test-Period Purchases | 404,000 |
| Divided by: Water Produced/Purchased | 628,504,000 |
| Percentage of Purchases | 0.064% |
| Allowable Purchases/Production | 287,655,544 |
| Multiplied by: Percentage of Purchases | 0.064% |
| Allowable Purchases | 184,100 |

Purchased Water Cost per 1,000 Gal

| | |
|---|------------|
| Test Period Purchased Water | \$ 2,429 |
| Divided by: Water Purchased | 404,000 |
| Purchased Water Cost per 1,000 Gallons | \$ 6.012 |
| Allowable Purchases | 184,100 |
| Multiplied by: Purchased Water Cost per 1,000 Gallons | \$ 6.012 |
| Pro Forma Purchased Water Expense | 1,107 |
| Less: Actual Test-period Expense | 2,429 |
| Pro Forma Adjustment | \$ (1,322) |

Utility: Martin County Water District
 Adjustment: (e) Purchased Power

| Purchase Month | Test-Period Water - Gallons | | |
|----------------|-----------------------------|-------------|-------------|
| | Purchased | Produced | Total |
| Jan-08 | 259,000 | 53,578,000 | 53,837,000 |
| Feb-08 | 2,000 | 50,118,000 | 50,120,000 |
| Mar-08 | 0 | 51,953,000 | 51,953,000 |
| Apr-08 | 0 | 49,653,000 | 49,653,000 |
| May-08 | 0 | 53,026,000 | 53,026,000 |
| Jun-08 | 0 | 50,459,000 | 50,459,000 |
| Jul-08 | 0 | 53,555,000 | 53,555,000 |
| Aug-08 | 0 | 53,841,000 | 53,841,000 |
| Sep-08 | 0 | 52,101,000 | 52,101,000 |
| Oct-08 | 0 | 53,458,000 | 53,458,000 |
| Nov-08 | 0 | 51,962,000 | 51,962,000 |
| Dec-08 | 143,000 | 54,396,000 | 54,539,000 |
| Annual Totals | 404,000 | 628,100,000 | 628,504,000 |

Unaccounted for Water Loss Percentage

| | |
|---|--------------------|
| Water Produced/Purchased | 628,504,000 |
| Water Sales - Staff's Billing Analysis | 226,177,212 |
| Water Treatment Plant | 18,330,000 |
| System Flushing | 2,106,000 |
| Fire Department | 512,000 |
| Other | 218,000 |
| Total Water Sold and Used | 247,343,212 |
| Unaccounted for Water Loss - Gallons | 381,160,788 |
| Percentage of Unaccounted for Water Loss | 60.646% |
| Percentage Water Loss in Excess of 15 Percent | 45.646% |

Determination of Pro Forma Purchased Water

| | |
|--------------------------------------|-------------|
| Pro Forma Water Sales | 226,177,212 |
| Add: System Flushing | 18,330,000 |
| Subtotal | 244,507,212 |
| Divided by: 15% Line Loss Reciprocal | 85.00% |
| Allowable Purchases | 287,655,544 |

Electric Cost per 1,000 Gal

| | |
|---|--------------|
| Electric - Source of Supply Pumping | \$ 85,526 |
| Electric - Water Treatment | 61,726 |
| Electric - Transmission and Distribution | 93,800 |
| Electric - Water Treatment & Distribution | \$ 241,052 |
| Divided by: Water Purchased/produced | 628,504 |
| Electric Cost per 1,000 Gallons | \$ 0.384 |
| Allowable Purchases | 287,655.544 |
| Multiplied by: Electric Cost per 1,000 Gallons | \$ 0.384 |
| Pro Forma Electric Cost to treat & Transmit Water | \$ 110,460 |
| Less: Actual Test-period Expense | 241,052 |
| Pro Forma Adjustment | \$ (130,592) |

Utility: Martin County Water District
Adjustment: (f) Chemicals

| Purchase Month | Test-Period Water - Gallons | | |
|----------------|-----------------------------|-------------|-------------|
| | Purchased | Produced | Total |
| Jan-08 | 259,000 | 53,578,000 | 53,837,000 |
| Feb-08 | 2,000 | 50,118,000 | 50,120,000 |
| Mar-08 | 0 | 51,953,000 | 51,953,000 |
| Apr-08 | 0 | 49,653,000 | 49,653,000 |
| May-08 | 0 | 53,026,000 | 53,026,000 |
| Jun-08 | 0 | 50,459,000 | 50,459,000 |
| Jul-08 | 0 | 53,555,000 | 53,555,000 |
| Aug-08 | 0 | 53,841,000 | 53,841,000 |
| Sep-08 | 0 | 52,101,000 | 52,101,000 |
| Oct-08 | 0 | 53,458,000 | 53,458,000 |
| Nov-08 | 0 | 51,962,000 | 51,962,000 |
| Dec-08 | 143,000 | 54,396,000 | 54,539,000 |
| Annual Totals | 404,000 | 628,100,000 | 628,504,000 |

Unaccounted for Water Loss Percentage

| | |
|---|-------------|
| Water Produced/Purchased | 628,504,000 |
| Water Sales - Staff's Billing Analysis | 226,177,212 |
| Water Treatment Plant | 18,330,000 |
| System Flushing | 2,106,000 |
| Fire Department | 512,000 |
| Other | 218,000 |
| Total Water Sold and Used | 247,343,212 |
| Unaccounted for Water Loss - Gallons | 381,160,788 |
| Percentage of Unaccounted for Water Loss | 60.646% |
| Percentage Water Loss in Excess of 15 Percent | 45.646% |

Determination of Pro Forma Purchased Water

| | |
|--------------------------------------|-------------|
| Pro Forma Water Sales | 226,177,212 |
| Add: System Flushing | 18,330,000 |
| Subtotal | 244,507,212 |
| Divided by: 15% Line Loss Reciprocal | 85.00% |
| Allowable Purchases | 287,655,544 |

Chemical Cost per 1,000 Gal

| | |
|--------------------------------------|-----------|
| Test Period Chemical Cost | \$ 65,484 |
| Divided by: Water Purchased/produced | 628,504 |
| Chemical Cost per 1,000 Gallons | \$ 0.104 |

| | |
|--|-------------|
| Allowable Purchases | 287,655.544 |
| Multiplied by: Chemical Cost per 1,000 Gallons | \$ 0.104 |
| Pro Forma Chemical Expense | 29,916 |
| Less: Actual Test-period Expense | 65,484 |
| Pro Forma Adjustment | \$ (35,568) |

Utility: **Martin County Water District**
 Adjustment: **(g) Materials & Supplies**

| Vendor | Description | Amount |
|------------------------------|----------------------------------|--------------------|
| USA Bluebook | Horizontal Boring | \$ (1,809) |
| CI Thornburg | 3" Water line Extension & valves | (4,842) |
| CI Thornburg | 2" Meter & Parts | (534) |
| CI Thornburg | 3" Meter & Parts | (2,576) |
| CI Thornburg | Parts to relocate Line | (2,004) |
| CI Thornburg | Prefab Meter Boxes | (2,800) |
| CI Thornburg | Handheld Radio/Read Device | (4,007) |
| CI Thornburg | Prefab Meter Boxes | (1,500) |
| CI Thornburg | Precision Digital Trident Meter | (2,500) |
| CI Thornburg | Prefab Meter Boxes | (1,520) |
| CI Thornburg | Plant Master Meter | (1,000) |
| CI Thornburg | 50 Senus Meters | (2,063) |
| Tri-State Directional Boring | Road Boring | (3,000) |
| Lexington Herald Leader | Advertisement - Contract Bids | (1,845) |
| Lexington Herald Leader | Advertisement - Contract Bids | (1,199) |
| Pro Forma Adjustment | | <u>\$ (33,199)</u> |

Utility: Martin County Water
Adjustment: District
 (h) Insurance

| Insurance | Policy Period | | Premium | Reported | Pro Forma Adjustment |
|---|---------------|----------|------------------|------------------|-------------------------|
| | From | To | | | |
| Key Risk Ins. Fund - Vehicles | 07/23/09 | 07/23/10 | \$ 6,283 | \$ 9,258 | \$ (2,975) |
| Key Risk Ins. Fund - General Liability | 07/23/09 | 07/23/10 | 16,481 | 15,834 | 647 |
| Key Risk Ins. Fund - Workers Compensation | 07/15/09 | 07/15/10 | 21,444 | 14,143 | 7,301 |
| Earthquake Insurance | 07/01/08 | 07/01/09 | 0 | 4,081 | (4,081) |
| Totals | | | <u>\$ 44,208</u> | <u>\$ 43,316</u> | <u>\$ 892</u> |

Utility: Martin County Water District
 Adjustment: (i) Depreciation

| | Date Acquired | Cost | Depreciation | | | Adjustment |
|---|------------------|--------------|--------------|------|-----------|-------------------|
| | | | Reported | Life | Pro Forma | |
| (1) Normalized Depreciation (Full Year): | | | | | | |
| 556 08-002 Pump | 10/15/08 | \$ 33,324 | \$ 1,666 | 5 | \$ 6,665 | \$ 4,999 |
| 557 08-003 Clarifier Improvements | 01/02/08 | \$ 40,878 | \$ 818 | 35 | \$ 1,168 | 350 |
| 558 08-004 Clear Well Tanks | 10/23/08 | \$ 1,417,982 | \$ 4,727 | 40 | \$ 35,450 | 30,723 |
| 566 08-012 Water Line Extension | 10/13/08 | \$ 2,579 | \$ 20 | 33 | \$ 78 | 58 |
| 563 08-009 Water Line replacement | 11/21/08 | \$ 16,250 | \$ 41 | 33 | \$ 492 | 451 |
| 567 08-013 Portable Submersible Pump | 06/18/08 | \$ 614 | \$ 61 | 5 | \$ 123 | 62 |
| 568 08-01 Samsung Copier | 01/14/08 | \$ 1,249 | \$ 250 | 5 | \$ 250 | 0 |
| 569 08-015 Software Master Meters | 08/23/08 | \$ 3,870 | \$ 258 | 5 | \$ 774 | 516 |
| 570 08-016 Laser Jet Printer | 10/22/08 | \$ 938 | \$ 31 | 5 | \$ 188 | 157 |
| 571 08-017 2008 F-350 | 09/22/08 | \$ 52,853 | \$ 2,643 | 5 | \$ 10,571 | 7,928 |
| 575 08-021 08 Ford Ranger | 09/24/08 | \$ 23,744 | \$ 1,187 | 5 | \$ 4,749 | 3,562 |
| 572 08-018 Cell Phones | 02/15/08 | \$ 1,546 | \$ 202 | 7 | \$ 221 | 19 |
| 573 08-019 CM 200 Radios | 05/21/08 | \$ 3,740 | \$ 312 | 7 | \$ 534 | 222 |
| 574 08-020 Kenwood TK 8160 Radio | 09/17/08 | \$ 1,008 | \$ 36 | 7 | \$ 144 | 108 |
| (2) New Construction:: | | | | | | |
| Rehab Clarifier #2 | | \$ 500,000 | | 35 | | 14,286 |
| New Clarifier #3 | | \$ 1,500,000 | | 35 | | 42,857 |
| Excavator | | \$ 52,000 | | 7 | | 7,429 |
| (3) Items Expensed in Test-Period: | | | | | | |
| Horizontal Boring | | \$ 1,809 | | 33 | | 55 |
| 3" Water line Extension & valves | | \$ 4,842 | | 33 | | 147 |
| 2" Meter & Parts | | \$ 534 | | 15 | | 36 |
| 3" Meter & Parts | | \$ 2,576 | | 15 | | 172 |
| Parts to relocate Line | | \$ 2,004 | | 33 | | 61 |
| Prefab Meter Boxes | | \$ 2,800 | | 33 | | 85 |
| Handheld Radio/Read Device | | \$ 4,007 | | 7 | | 572 |
| Prefab Meter Boxes | | \$ 1,500 | | 33 | | 45 |
| Precision Digital Trident Meter | | \$ 2,500 | | 15 | | 167 |
| Prefab Meter Boxes | | \$ 1,520 | | 33 | | 46 |
| Plant Master Meter | | \$ 1,000 | | 15 | | 67 |
| 50 Sensus Meters | | \$ 2,063 | | 15 | | 138 |
| Road Boring | | \$ 3,000 | | 33 | | 91 |
| Pro Forma Adjustment | | | | | | <u>\$ 115,409</u> |

Utility: Martin County Water
Adjustment: District
 (j) Amortization

| | <u>Cost</u> | <u>Amortization</u> | |
|-------------------------------|-------------|---------------------|-----------------|
| | | <u>Life</u> | <u>Expense</u> |
| Nonrecurring Expenditures: | | | |
| Advertisement - Contract Bids | \$ 1,845 | 3 | \$ 615 |
| Advertisement - Contract Bids | \$ 1,199 | 3 | 400 |
| Pro Forma Adjustment | | | <u>\$ 1,015</u> |

Utility:
Adjustment:

Martin County Water District
(k) Payroll Taxes

| Employee No. | Pro Forma Payroll | St. Unemp. \$ 7,000 0.80% | Fed. Unemp \$ 8,000 1.00% | FICA \$ 76,000 7.65% | Total Payroll Taxes |
|------------------|----------------------|---------------------------------|---------------------------------|----------------------------|---------------------------|
| Employee No. 1 | \$ 50,069 | \$ 56 | \$ 80 | \$ 3,830 | \$ 3,966 |
| Employee No. 2 | 40,438 | 56 | 80 | 3,094 | 3,230 |
| Employee No. 3 | 43,866 | 56 | 80 | 3,356 | 3,492 |
| Employee No. 4 | 19,288 | 56 | 80 | 1,476 | 1,612 |
| Employee No. 5 | 0 | 0 | 0 | 0 | 0 |
| Employee No. 6 | 0 | 0 | 0 | 0 | 0 |
| Employee No. 7 | 16,833 | 56 | 80 | 1,288 | 1,424 |
| Employee No. 8 | 15,080 | 56 | 80 | 1,154 | 1,290 |
| Employee No. 9 | 59,534 | 56 | 80 | 4,554 | 4,690 |
| Employee No. 10 | 0 | 0 | 0 | 0 | 0 |
| Employee No. 11 | 6,591 | 53 | 66 | 504 | 623 |
| Employee No. 12 | 1,210 | 10 | 12 | 93 | 115 |
| Employee No. 13 | 27,048 | 56 | 80 | 2,069 | 2,205 |
| Employee No. 14 | 25,326 | 56 | 80 | 1,937 | 2,073 |
| Employee No. 15 | 31,579 | 56 | 80 | 2,416 | 2,552 |
| Employee No. 16 | 12,293 | 56 | 80 | 940 | 1,076 |
| Employee No. 17 | 42,975 | 56 | 80 | 3,288 | 3,424 |
| Employee No. 18 | 23,592 | 56 | 80 | 1,805 | 1,941 |
| Employee No. 19 | 0 | 0 | 0 | 0 | 0 |
| Employee No. 20 | 24,548 | 56 | 80 | 1,878 | 2,014 |
| Employee No. 21 | 12,423 | 56 | 80 | 950 | 1,086 |
| Employee No. 22 | 16,833 | 56 | 80 | 1,288 | 1,424 |
| New 3 Man Crew | 65,816 | 168 | 240 | 5,035 | 5,443 |
| Pro Forma Totals | <u>\$ 535,342</u> | <u>\$ 1,127</u> | <u>\$ 1,598</u> | <u>\$ 40,955</u> | <u>\$ 43,680</u> |

Pro Forma Payroll Taxes

\$ 43,680

Less: Test Period Payroll Taxes

39,927

Pro Forma
Adjustment

\$ 3,753

EXHIBIT 5

**BILLING ANALYSIS
CURRENT TARIFFED RATES
AND
PROPOSED RATES**

Current Rates

Test Period From: January through December 2008

| Meter Size | Bills | Gallons Sold | Revenue |
|------------|--------|--------------|----------------|
| 5/8 inch | 41971 | 192,905,212 | 1,632,009.30 |
| 3/4 inch | 0 | 0 | 0.00 |
| 1 inch | 306 | 7,737,000 | 54,085.65 |
| 1.5 inch | 103 | 1,051,000 | 8,773.75 |
| 2 inch | 282 | 13,919,000 | 95,748.35 |
| 3 inch | 35 | 4,465,000 | 30,155.35 |
| 4 inch | 12 | 6,100,000 | 40,037.80 |
| Totals | 42,709 | 226,177,212 | \$1,860,810.20 |

Meter Size: 5/8 inch

| | USAGE | BILLS | GALLONS | FIRST 2,000 | OVER 2,000 |
|-------|-------|-------|-------------|----------------|---------------|
| FIRST | 2,000 | 15053 | 18,063,212 | 18,063,212 | |
| OVER | 2,000 | 26918 | 174,842,000 | 53,836,000 | 121,006,000 |
| TOTAL | | 41971 | 192,905,212 | 71,899,212 | 121,006,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|-------|-------|-------------|---------|----------------|
| FIRST | 2,000 | 41971 | 71,899,212 | \$20.00 | \$839,420.00 |
| OVER | 2,000 | | 121,006,000 | 6.55 | 792,589.30 |
| TOTAL | | 41971 | 192,905,212 | | \$1,632,009.30 |

Meter Size: 1 inch

| | USAGE | BILLS | GALLONS | FIRST 3,000 | OVER 3,000 |
|-------|-------|-------|-----------|----------------|---------------|
| FIRST | 3,000 | 98 | 96,000 | 96,000 | |
| OVER | 3,000 | 208 | 7,641,000 | 624,000 | 7,017,000 |
| TOTAL | | 306 | 7,737,000 | 720,000 | 7,017,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|-------|-------|-----------|---------|-------------|
| FIRST | 3,000 | 306 | 720,000 | \$26.55 | \$8,124.30 |
| OVER | 3,000 | | 7,017,000 | 6.55 | 45,961.35 |
| TOTAL | | 306 | 7,737,000 | | \$54,085.65 |

Meter Size: 1.5 inch

| | USAGE | BILLS | GALLONS | FIRST 4,000 | OVER 4,000 |
|-------|-------|-------|-----------|----------------|---------------|
| FIRST | 4,000 | 54 | 36,000 | 36,000 | |
| OVER | 4,000 | 49 | 1,015,000 | 196,000 | 819,000 |
| TOTAL | | 103 | 1,051,000 | 232,000 | 819,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|-------|-------|-----------|---------|------------|
| FIRST | 4,000 | 103 | 232,000 | \$33.10 | \$3,409.30 |
| OVER | 4,000 | | 819,000 | 6.55 | 5,364.45 |
| TOTAL | | 103 | 1,051,000 | | \$8,773.75 |

Meter Size: 2 inch

| | USAGE | BILLS | GALLONS | FIRST 6,000 | OVER 6,000 |
|-------|-------|-------|------------|----------------|---------------|
| FIRST | 6,000 | 93 | 156,000 | 156,000 | |
| OVER | 6,000 | 189 | 13,763,000 | 1,134,000 | 12,629,000 |
| TOTAL | | 282 | 13,919,000 | 1,290,000 | 12,629,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|-------|-------|------------|---------|-------------|
| FIRST | 6,000 | 282 | 1,290,000 | \$46.20 | \$13,028.40 |
| OVER | 6,000 | | 12,629,000 | 6.55 | 82,719.95 |
| TOTAL | | 282 | 13,919,000 | | \$95,748.35 |

Meter Size: 3 inch

| | USAGE | BILLS | GALLONS | FIRST 12,000 | OVER 12,000 |
|-------|--------|-------|-----------|-----------------|----------------|
| FIRST | 12,000 | 11 | 30,000 | 30,000 | |
| OVER | 12,000 | 24 | 4,435,000 | 288,000 | 4,147,000 |
| TOTAL | | 35 | 4,465,000 | 318,000 | 4,147,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|-----------|---------|-------------|
| FIRST | 12,000 | 35 | 318,000 | \$85.50 | \$2,992.50 |
| OVER | 12,000 | | 4,147,000 | 6.55 | 27,162.85 |
| TOTAL | | 35 | 4,465,000 | | \$30,155.35 |

Meter Size: 4 inch

| | USAGE | BILLS | GALLONS | FIRST 25,000 | OVER 25,000 |
|-------|--------|-------|-----------|-----------------|----------------|
| FIRST | 25,000 | 0 | 0 | 0 | |
| OVER | 25,000 | 12 | 6,100,000 | 300,000 | 5,800,000 |
| TOTAL | | 12 | 6,100,000 | 300,000 | 5,800,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|-----------|----------|-------------|
| FIRST | 25,000 | 12 | 300,000 | \$170.65 | \$2,047.80 |
| OVER | 25,000 | | 5,800,000 | 6.55 | 37,990.00 |
| TOTAL | | 12 | 6,100,000 | | \$40,037.80 |

Proposed Rates

Billing Analysis for: MARTIN COUNTY WATER DISTRICT
Test Period From: January through December 2008

| Meter Size | Bills | Gallons Sold | Revenue |
|---------------|---------------|--------------------|-----------------------|
| 5/8 inch | 41971 | 192,905,212 | 1,922,971.70 |
| 3/4 inch | 0 | 0 | 0.00 |
| 1 inch | 306 | 7,737,000 | 58,553.30 |
| 1.5 inch | 103 | 1,051,000 | 12,116.20 |
| 2 inch | 282 | 13,919,000 | 110,244.30 |
| 3 inch | 35 | 4,465,000 | 32,384.00 |
| 4 inch | 12 | 6,100,000 | 41,027.20 |
| Totals | 42,709 | 226,177,212 | \$2,177,296.70 |

Meter Size: 5/8 inch

| | USAGE | BILLS | GALLONS | FIRST 2,000 | OVER 2,000 |
|--------------|-------|--------------|--------------------|-------------------|--------------------|
| FIRST | 2,000 | 15053 | 18,063,212 | 18,063,212 | |
| OVER | 2,000 | 26918 | 174,842,000 | 53,836,000 | 121,006,000 |
| TOTAL | | 41971 | 192,905,212 | 71,899,212 | 121,006,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|--------------|-------|--------------|--------------------|---------|-----------------------|
| FIRST | 2,000 | 41971 | 71,899,212 | \$26.50 | \$1,112,231.50 |
| OVER | 2,000 | | 121,006,000 | 6.70 | 810,740.20 |
| TOTAL | | 41971 | 192,905,212 | | \$1,922,971.70 |

Meter Size: 1 inch

| | USAGE | BILLS | GALLONS | FIRST 5,000 | NEXT 5,000 |
|--------------|-------|------------|------------------|------------------|------------------|
| FIRST | 5,000 | 117 | 181,000 | 181,000 | |
| NEXT | 5,000 | 189 | 7,556,000 | 945,000 | 6,611,000 |
| TOTAL | | 306 | 7,737,000 | 1,126,000 | 6,611,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|--------------|-------|------------|------------------|---------|--------------------|
| FIRST | 5,000 | 306 | 1,126,000 | \$46.60 | \$14,259.60 |
| NEXT | 5,000 | | 6,611,000 | 6.70 | 44,293.70 |
| TOTAL | | 306 | 7,737,000 | | \$58,553.30 |

Meter Size: 1.5 inch

| | USAGE | BILLS | GALLONS | FIRST 10,000 | OVER 10,000 |
|-------|--------|-------|-----------|-----------------|----------------|
| FIRST | 10,000 | 73 | 174,000 | 174,000 | |
| OVER | 10,000 | 30 | 877,000 | 300,000 | 577,000 |
| TOTAL | | 103 | 1,051,000 | 474,000 | 577,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|-----------|---------|-------------|
| FIRST | 10,000 | 103 | 474,000 | \$80.10 | \$8,250.30 |
| OVER | 10,000 | | 577,000 | 6.70 | 3,865.90 |
| TOTAL | | 103 | 1,051,000 | | \$12,116.20 |

Meter Size: 2 inch

| | USAGE | BILLS | GALLONS | FIRST 20,000 | OVER 20,000 |
|-------|--------|-------|------------|-----------------|----------------|
| FIRST | 20,000 | 139 | 796,000 | 796,000 | |
| OVER | 20,000 | 143 | 13,123,000 | 2,860,000 | 10,263,000 |
| TOTAL | | 282 | 13,919,000 | 3,656,000 | 10,263,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|------------|----------|--------------|
| FIRST | 20,000 | 282 | 3,656,000 | \$147.10 | \$41,482.20 |
| OVER | 20,000 | | 10,263,000 | 6.70 | 68,762.10 |
| TOTAL | | 282 | 13,919,000 | | \$110,244.30 |

Meter Size: 3 inch

| | USAGE | BILLS | GALLONS | FIRST 30,000 | OVER 30,000 |
|-------|--------|-------|-----------|-----------------|----------------|
| FIRST | 30,000 | 11 | 30,000 | 30,000 | |
| OVER | 30,000 | 24 | 4,435,000 | 720,000 | 3,715,000 |
| TOTAL | | 35 | 4,465,000 | 750,000 | 3,715,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|-----------|----------|-------------|
| FIRST | 30,000 | 35 | 750,000 | \$214.10 | \$7,493.50 |
| OVER | 30,000 | | 3,715,000 | 6.70 | 24,890.50 |
| TOTAL | | 35 | 4,465,000 | | \$32,384.00 |

Meter Size: 4 inch

| | USAGE | BILLS | GALLONS | FIRST 50,000 | OVER 50,000 |
|-------|--------|-------|-----------|-----------------|----------------|
| FIRST | 50,000 | 0 | 0 | 0 | |
| OVER | 50,000 | 12 | 6,100,000 | 600,000 | 5,500,000 |
| TOTAL | | 12 | 6,100,000 | 600,000 | 5,500,000 |

REVENUE BY RATE INCREMENT

| | | BILLS | GALLONS | RATE | REVENUE |
|-------|--------|-------|-----------|----------|-------------|
| FIRST | 50,000 | 12 | 600,000 | \$348.10 | \$4,177.20 |
| OVER | 50,000 | | 5,500,000 | 6.70 | 36,850.00 |
| TOTAL | | 12 | 6,100,000 | | \$41,027.20 |

Exhibit No. 6

**Cost of Service Study
and
Impact on Average Bill
by Customer Classification**

| Allocation of Plant Value | | | | |
|--------------------------------------|---------------------|------------------|---------------------|------------------|
| | Total | Commodity | Demand | Customer |
| Land & Land Rights | 209,714 | | 209,714 | |
| Structures and Improvements | 225,349 | | 225,349 | |
| Collecting & Impounding Res. | 340,855 | | 340,855 | |
| Lakes, Rivers & Other Intakes | 828,994 | | 828,994 | |
| Pumping Equipment | 172,919 | | 172,919 | |
| Water Treatment Equipment | 1,418,612 | | 1,418,612 | |
| Distribution Reservoirs & Standpipes | 3,091,871 | | 3,091,871 | |
| Transmission & Distribution Mains | 16,605,738 | | 16,605,738 | |
| Meters & Meter Installations | 477,341 | | | \$477,341 |
| Hydrants | 2,969 | | | 2,969 |
| Subtotal | \$23,374,362 | | \$22,894,052 | \$480,310 |
| | | | | |
| | | | | |
| Allocation Percentages | | | 97.9% | 2.1% |
| | | | | |
| Other Plant & Misc Equipment | \$802,353 | | \$785,504 | \$16,849 |
| Office Furniture & Equipment | 166,365 | | 162,871 | 3,494 |
| Transportation Equipment | 340,850 | | 333,692 | 7,158 |
| Tools, Shop & Garage Equipment | 29,134 | | 28,522 | 612 |
| Power Operated Equipment | 43,193 | | 42,286 | 907 |
| Laboratory Equipment | 14,402 | | 14,100 | 302 |
| Communication Equipment | 16,897 | | 16,542 | 355 |
| Subtotal | \$610,841 | | \$598,013 | \$12,828 |
| | | | | |
| Total | \$23,985,203 | | \$23,492,065 | \$493,138 |
| | | | | |
| Allocation Percentages | 100% | | 97.9% | 2.1% |

Source: 2008 PSC Annual Report

| Allocation of Depreciation | | | | |
|-----------------------------------|--------------------|------------------|--------------------|------------------|
| | Total | Commodity | Demand | Customer |
| Structures & Improvements | \$50,646 | | \$50,646 | |
| Collecting & Impounding | 56,184 | | 56,184 | |
| Lake, River & Other intakes | 432,852 | | 432,852 | |
| Pumping Equipment | 104,544 | | 104,544 | |
| Water Treatment Equipment | 954,718 | | 954,718 | |
| Dist. Reservoirs & Standpipes | 516,933 | | 516,933 | |
| Transmission & Distribution Mains | 4,803,212 | | 4,803,212 | |
| Meters and Meter Installations | 114,677 | | | \$114,677 |
| Hydrants | 1,398 | | | 1,398 |
| Subtotal | \$7,035,164 | | \$6,919,089 | \$116,075 |
| Allocation Percentages | 100% | | 98.4% | 1.6% |
| Other Plant & Misc Equipment | 695,926 | | 684,791.18 | \$1,857.20 |
| Office Furniture & Equipment | \$140,694 | | \$138,443 | \$2,251 |
| Transportation Equipment | 241,175 | | 237,316 | 3,859 |
| Tools, Shop & Garage Equip | 28,710 | | 28,251 | 459 |
| Laboratory Equipment | 13,649 | | 13,431 | 218 |
| Power Operated Equipment | 21,102 | | 20,764 | 338 |
| Communication Equipment | 5,085 | | 5,004 | 81 |
| Subtotal | \$450,415 | | \$443,209 | \$7,206 |
| Total | \$7,485,579 | | \$7,362,298 | \$123,281 |
| Allocation Percentages | 100% | | 98.4% | 1.6% |

Source: 2008 PSC Annual Report

| Allocation of Operation & Maintenance Expense | | | | |
|---|------------------|---------------|----------------|----------------|
| | Total | Commodity | Demand | Customer |
| Salaries | \$475,808 | | \$405,593 | \$70,215 |
| Employee Pensions & Benefits | 200,083 | | \$187,747 | \$12,336 |
| Purchased Water | 1,107 | 1,107 | | |
| Purchased Power | 113,274 | | \$110,460 | \$2,814 |
| Chemicals | 29,916 | 29,916 | | |
| Materials and Supplies | 105,694 | | 90,348 | 15,346 |
| Contractual Services - OTHER | 18,963 | | | 18,963 |
| Contractual Services - Water Testing | 26,092 | 26,092 | | |
| Transportation Expense | 45,187 | | 35,371 | 9,816 |
| Insurance Workers Comp | 19,085 | | 16,297 | 2,788 |
| Bad Debt | 55,012 | | | 55,012 |
| Misc. Expense | 15,864 | | 14,656 | 1,208 |
| SUBTOTAL | 1,106,085 | 57,115 | 860,472 | 188,498 |
| Less Commodity | 57,115 | | | |
| Allocation Totals | \$1,048,970 | | \$860,472 | \$188,498 |
| Allocation Percentages | 100% | | 82.0% | 18.0% |
| Salaries & Wages-Admin | \$59,534 | | \$48,818 | \$10,716 |
| Employee Pension & Benefits | 9,621 | | 7,889 | 1,732 |
| Contract Services - Accounting | 39,000 | | 31,980 | 7,020 |
| Contract Services - Mgmt | 4,525 | | 3,711 | 815 |
| Transportation Admin & General | 4,252 | | 3,487 | 765 |
| Rental of Bldg/Real Property | 5,500 | | 4,510 | 990 |
| Insurance | | | | |
| Vehicle | 6,283 | | 5,152 | 1,131 |
| General Liability | 16,481 | | 13,514 | 2,967 |
| Workers Comp | 2,359 | | 1,934 | 425 |
| Materials & Supplies - Admin & General | 7,181 | | 5,888 | 1,293 |
| Advertising Expense | 3,714 | | 3,045 | 669 |
| Misc Expense | 13,667 | | 11,207 | 2,460 |
| Taxes other than Income | 43,680 | | 35,818 | 7,862 |
| Amortization | 1,015 | | 832 | 183 |
| Subtotal | 216,812 | | 177,785 | 39,028 |
| Total Operating Expenses | \$1,322,897 | \$57,115 | \$1,038,257 | \$227,526 |

| Allocation of Cost of Service | | | | |
|--|--------------------|-----------------|--------------------|------------------|
| | Total | Commodity | Demand | Customer |
| Operation & Maintenance | \$1,322,897 | \$57,115 | \$1,038,257 | \$227,526 |
| Debt Service ¹ | 210,781 | | 206,355 | 4,426 |
| Depreciation ² | 715,169 | | 703,726 | 11,443 |
| General Water Service Cost | \$2,248,847 | \$57,115 | \$1,948,338 | \$243,395 |
| Less: | | | | |
| Other Operating Revenue | (\$69,939) | | | (\$69,939) |
| Misc. Service Revenues | (6,110) | | | (6,110) |
| Revenue Required from Water Rates | \$2,172,798 | \$57,115 | \$1,948,338 | \$167,346 |

NOTES:

¹Debt Service has been allocated based upon the Allocation Percentage from plant value allocation sheet.

²Depreciation has been allocated based upon the Allocation Percentage from depreciation allocation sheet.

| Calculation of Water Rates | | | |
|---------------------------------|-------------|---------------------|--------------------|
| | Total | First 2,000 gallons | Over 2,000 gallons |
| Actual Water Sales: | | | |
| Thousand Gallons | 226,177,212 | 73,104,212 | 153,073,000 |
| Percent | 100% | 32.3% | 67.7% |
| Weighted Sales for Demand: | | 2 | 1 |
| Thousand Gallons | 299,281,424 | 146,208,424 | 153,073,000 |
| Percent | 100% | 48.9% | 51.1% |
| Allocation of Volumetric Costs: | | | |
| Commodity | \$57,115 | \$18,448 | \$38,667 |
| Demand | 1,948,338 | 952,737 | 995,601 |
| Customer | 167,346 | 167,346 | |
| Total | \$2,172,799 | \$1,138,531 | \$1,034,268 |
| Number of Bills | 42,709 | | |
| Cost of Service Rates | | \$26.66 | \$6.76 |

| Verification of Cost of Service Rates | | | | |
|---------------------------------------|---------------|--------------------|-------------|--------------------|
| | Bills | Gallons | Rate | Revenue |
| First 2,000 gallons | 42,709 | 73,104,212 | \$26.66 | \$1,138,622 |
| Over 2,000 gallons | | 153,073,000 | 6.76 | 1,034,773 |
| | | | | |
| Total Revenue from Rates | | | | \$2,173,395 |
| Other Income: | | | | |
| Other Operating Revenue | | | | 69,939 |
| Interest Income | | | | 12,149 |
| | | | | |
| Total Operating Revenue | 42,709 | 226,177,212 | | \$2,255,483 |

| Comparison of Rates | | | | |
|---------------------|---------------|-----------------------|----------|------------|
| Gallon Usage | Current Rates | Cost of Service Rates | Increase | Percentage |
| 2,000 | \$20.00 | \$26.66 | \$6.66 | 33.3% |
| 3,000 | 26.55 | 33.42 | 6.87 | 25.9% |
| 4,000 | 33.10 | 40.18 | 7.08 | 21.4% |
| 5,000 | 39.65 | 46.94 | 7.29 | 18.4% |
| 6,000 | 46.20 | 53.70 | 7.50 | 16.2% |
| 7,000 | 52.75 | 60.46 | 7.71 | 14.6% |
| 8,000 | 59.30 | 67.22 | 7.92 | 13.4% |
| 9,000 | 65.85 | 73.98 | 8.13 | 12.3% |
| 10,000 | 72.40 | 80.74 | 8.34 | 11.5% |
| 15,000 | 105.15 | 114.54 | 9.39 | 8.9% |
| 20,000 | 137.90 | 148.34 | 10.44 | 7.6% |
| 25,000 | 170.65 | 182.14 | 11.49 | 6.7% |
| 30,000 | 203.40 | 215.94 | 12.54 | 6.2% |
| 35,000 | 236.15 | 249.74 | 13.59 | 5.8% |
| 40,000 | 268.90 | 283.54 | 14.64 | 5.4% |
| 50,000 | 334.40 | 351.14 | 16.74 | 5.0% |
| 75,000 | 498.15 | 520.14 | 21.99 | 4.4% |
| 100,000 | 661.90 | 689.14 | 27.24 | 4.1% |
| 150,000 | 989.40 | 1,027.14 | 37.74 | 3.8% |
| 200,000 | 1,316.90 | 1,365.14 | 48.24 | 3.7% |
| 250,000 | 1,644.40 | 1,703.14 | 58.74 | 3.6% |
| 300,000 | 1,971.90 | 2,041.14 | 69.24 | 3.5% |
| 350,000 | 2,299.40 | 2,379.14 | 79.74 | 3.5% |

| Comparison of Rates | | |
|---------------------|---------------|-----------------------|
| Block Usage | Current Rates | Cost of Service Rates |
| First 2,000 gallons | \$20.00 | \$26.66 |
| Over 2,000 gallons | 6.55 | 6.76 |

| Effect on Customer Average Bill - 5,000 Gallons Usage | | | |
|---|-----------------------|-----------------|------------|
| Current Rates | Cost of Service Rates | Amount Increase | % Increase |
| \$39.65 | \$46.94 | \$7.29 | 18.40% |

EXHIBIT 7

**REVENUE REQUIREMENT
DETERMINATION**

Revenue Requirement

| | Average | | | | |
|---------------------------------------|---------------------|-----------------|---|---|--------------------------|
| | <u>Debt Service</u> | <u>Coverage</u> | | | <u>Requirement</u> |
| Debt Service Coverage - RD & GMAC | \$ 161,503 | x 0.2 | = | | \$ 32,301 |
| Debt Service Coverage - KACO | \$ 15,433 | x 0.1 | = | | <u>1,543</u> |
| Debt Service Coverage | | | | | 33,844 |
| Debt Service - Existing Bonds | | | | | 176,937 |
| Add: Pro Forma Operating Expenses | | | | | 1,278,202 |
| Depreciation | | | | | 715,169 |
| Taxes Other Than Income | | | | + | <u>43,680</u> |
| Total Revenue Requirement | | | | | \$ 2,247,832 |
| Less: Other Income & Deductions | | | | | <u>- 16,627</u> |
| Revenue Requirement from Operations | | | | | \$ 2,231,205 |
| Less: Other Operating Revenues | | | | | <u>- 76,049</u> |
| Revenue Requirement from Water Sales | | | | | \$ 2,155,156 |
| Less: Pro Forma Revenue - Water Sales | | | | | <u>- 1,860,810</u> |
| Requested/Recommended Increase | | | | | <u>\$ 294,346</u> |
| Percentage Increase | | | | | <u>15.818%</u> |

Cash Flow

| | |
|------------------------------------|--------------------------|
| Total Revenue Requirement | \$ 2,247,832 |
| Less: Operating Expenses | <u>- 2,038,066</u> |
| Net Operating Income | \$ 209,766 |
| Add: Depreciation & Amortization | <u>+ 715,169</u> |
| Sub-total | \$ 924,935 |
| Less: Line Loss Costs - Disallowed | 167,482 |
| Less: Debt Service | <u>- 176,937</u> |
| Net Cash Flow | <u><u>\$ 580,516</u></u> |

**Martin County Water District
3 Year Average Debt Service Payments**

| <u>Series</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>Totals</u> | <u>3 Year Averages</u> |
|---------------|----------------------|----------------------|----------------------|---------------|----------------------------|
| RD 1 | \$ 30,830.00 | \$ 30,402.50 | \$ 30,975.00 | \$ 92,207.50 | \$ 30,735.83 |
| RD 5 | 33,254.50 | 33,272.00 | 33,271.50 | \$ 99,798.00 | 33,266.00 |
| RD 8 | 49,812.50 | 49,375.00 | 49,937.50 | \$ 149,125.00 | 49,708.33 |
| RD 10 | 13,845.00 | 13,710.00 | 13,575.00 | \$ 41,130.00 | 13,710.00 |
| GMAC | <u>33,700.00</u> | <u>34,450.00</u> | <u>34,100.00</u> | \$ 102,250.00 | <u>34,083.33</u> |
| Totals | <u>\$ 161,442.00</u> | <u>\$ 161,209.50</u> | <u>\$ 161,859.00</u> | | <u>\$ 161,503.49</u> |
| | | | | | |
| KACO | <u>\$ 12,489.91</u> | <u>\$ 17,102.66</u> | <u>\$ 16,706.75</u> | \$ 46,299.52 | <u>\$ 15,433.17</u> |

EXHIBIT 8

**ANALYSIS OF
DEPRECIATION**

MARTIN COUNTY WATER DISTRICT

Depreciation Schedule

December 31, 2008

600 - MARTIN COUNTY WATER DISTRICT

303 - Land - Land rights

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Price | Current Method | Life |
|--------|------------|-------------------------------------|------------|------------|------------|-------|----------------|------|
| 1 | 21 | Land | | 1/1/1970 | 19,950.00 | | NONE | 99 |
| 9 | 9 | Land | | 1/1/1970 | 350.00 | | NONE | 99 |
| 11 | 11 | Land | | 1/1/1970 | 4,500.00 | | NONE | 99 |
| 2 | 2 | Land | | 1/1/1973 | 1,000.00 | | NONE | 99 |
| 333 | 414 | Land | | 1/1/1977 | 500.00 | | NONE | 99 |
| 334 | 415 | Right of Ways | | 1/1/1977 | 1,652.00 | | NONE | 99 |
| 335 | 416 | Right of Way Murphy | | 6/28/1984 | 2,186.42 | | NONE | 99 |
| 12 | 12 | Land - Spears | | 1/1/1985 | 3,000.00 | | NONE | 99 |
| 3 | 3 | Land - intake - Mills | | 1/1/1994 | 8,364.00 | | NONE | 99 |
| 336 | 417 | Right of Way | | 12/24/1994 | 20,129.46 | | NONE | 99 |
| 4 | 4 | Land | | 1/1/1995 | 614.00 | | NONE | 99 |
| 337 | 418 | Right of Way | | 6/30/1996 | 3,192.50 | | NONE | 99 |
| 6 | 6 | Land reservoir | | 8/28/1996 | 6,000.00 | | NONE | 99 |
| 5 | 5 | Land reservoir | | 11/30/1996 | 14,200.00 | | NONE | 99 |
| 7 | 7 | Land - reservoir legal costs | | 12/31/1996 | 10,019.00 | | NONE | 99 |
| 10 | 10 | Land - Lonnie Crum | | 7/8/1997 | 50,000.00 | | NONE | 99 |
| 338 | 419 | Land From Coleman OH | | 7/1/1998 | 5,000.00 | | NONE | 99 |
| 8 | 8 | Land - Don Mills | | 7/16/1999 | 3,500.00 | | NONE | 99 |
| 339 | 420 | Land From Don Mills | | 7/16/1999 | 3,500.00 | | NONE | 99 |
| 340 | 427 | Right of Way (Bowen Property) | | 5/16/2000 | 700.00 | | NONE | 99 |
| 14 | 608 | Land | | 9/25/2001 | 3,000.00 | | NONE | 99 |
| 15 | 607 | Land | | 10/12/2001 | 1,500.00 | | NONE | 99 |
| 348 | 02-002 | Land - Kermit Bowen | | 5/14/2002 | 6,000.00 | | NONE | 99 |
| 347 | 02-001 | Easement-Grover Murphy | | 5/29/2002 | 1,500.00 | | NONE | 99 |
| 369 | 03-001 | Land Survey-Buffalo Horn Tank | | 8/12/2003 | 3,167.13 | | NONE | 99 |
| 386 | 04-001 | Easement - Busk Creek (Effie Allen) | | 11/2/2004 | 6,517.15 | | NONE | 99 |
| 502 | 06-0022 | Clear Well Tank Site | | 10/17/2006 | 8,019.00 | | NONE | 99 |
| 523 | 07-001 | John & Icie Copley Property | | 9/20/2007 | 18,575.17 | | NONE | 99 |
| 555 | 08-001 | Land - James W Copley | | 6/26/2008 | 3,078.00 | | NONE | 99 |
| | | | | | 209,713.83 | 0.00 | 0.00 | |

304 - Structures

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Price | Current Method | Life |
|--------|------------|--------------------------------------|------------|------------|------------|-----------|----------------|------|
| 91 | 30 | Improvements | P | 1/1/1970 | 31,986.00 | 23,993.00 | 640.00 SL | 50 |
| 100 | 36 | Blacktop | | 1/1/1987 | 650.00 | 650.00 | SL | 10 |
| 240 | 178 | Septic Tank | P | 1/1/1987 | 767.00 | 767.00 | SL | 50 |
| 104 | 40 | Paving Parking Lot | P | 1/1/1990 | 5,350.00 | 5,350.00 | SL | 10 |
| 191 | 132 | New Office | P | 1/1/1993 | 15,731.00 | 9,122.00 | 629.00 SL | 25 |
| 361 | 02-015 | Plant Electrical System Improvements | | 12/1/2002 | 11,547.22 | 1,174.00 | 231.00 SL | 50 |
| 387 | 04-002 | Warehouse | | 9/27/2004 | 11,878.62 | 773.00 | 238.00 SL | 50 |
| 428 | 05-001 | Structure Improvements | | 1/6/2005 | 2,500.00 | 150.00 | 50.00 SL | 50 |
| 429 | 05-002 | Structure Improvement - Engineering | | 12/21/2005 | 12,125.00 | 484.00 | 242.00 SL | 50 |
| 481 | 06-001 | Engineering | | 3/27/2006 | 45,050.00 | 1,577.00 | 901.00 SL | 50 |
| 503 | 06-023 | Grant Administration | | 6/26/2006 | 1,625.00 | 48.00 | 32.00 SL | 50 |
| 504 | 06-024 | Grant Administration | | 9/18/2006 | 2,125.00 | 53.00 | 42.00 SL | 50 |
| 505 | 06-025 | Engineering and Design | | 11/28/2006 | 84,013.48 | 1,820.00 | 1,680.00 SL | 50 |
| | | | | | 225,348.32 | 45,961.00 | 4,685.00 | |

305 - Collecting & impounding reservoirs

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Price | Current Method | Life |
|--------|------------|----------------------------|------------|------------|------------|-----------|----------------|------|
| 15 | 21 | Landfill dam | | 1/1/1970 | 210,488.00 | | NONE | 99 |
| 16 | 22 | Concrete spillway | P | 1/1/1970 | 72,180.00 | 34,139.00 | 1,444.00 SL | 50 |
| 370 | 03-002 | Reservoir Dam Improvements | | 8/1/2003 | 5,534.65 | 490.00 | 111.00 SL | 50 |
| | | | | | 288,202.65 | 34,629.00 | 1,555.00 | |

306 - Lakes, rivers & intakes

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Price | Current Method | Life |
|--------|------------|--------------------------|------------|------------|------------|------------|----------------|------|
| 17 | 23 | River project | P | 1/1/1988 | 752,546.00 | 402,731.00 | 15,051.00 SL | 50 |
| 18 | 24 | River pump modifications | P | 1/1/1991 | 9,822.00 | 4,371.00 | 196.00 SL | 50 |
| 19 | 25 | River pump modifications | P | 1/1/1992 | 3,950.00 | 1,642.00 | 79.00 SL | 50 |
| 20 | 26 | Myers submersible pump | P | 6/30/1996 | 8,246.00 | 2,436.00 | 163.00 SL | 50 |
| 388 | 04-003 | Turkey Pumping Station | | 8/18/2004 | 10,297.97 | 687.00 | 206.00 SL | 50 |
| 430 | 05-003 | Tug Fork Intake | | 4/13/2005 | 3,073.86 | 170.00 | 62.00 SL | 50 |
| 432 | 05-004 | Tug Fork Intake | | 10/7/2005 | 17,256.30 | 776.00 | 345.00 SL | 50 |
| 433 | 05-003 | Tug Fork Intake | | 12/21/2005 | 32,319.30 | 1,292.00 | 646.00 SL | 50 |
| 482 | 06-002 | Raw Water Intake | | 2/23/2006 | 17,585.28 | 643.00 | 352.00 SL | 50 |
| 483 | 06-003 | Raw Water Intake | | 3/15/2006 | 888.00 | 33.00 | 13.00 SL | 50 |
| 524 | 07-002 | PR Valves | | 1/1/2007 | 9,095.76 | 182.00 | 182.00 SL | 50 |
| 525 | 07-003 | Raw Water Intake | | 1/31/2007 | 4,228.00 | 78.00 | 85.00 SL | 50 |

| | | | | | | |
|------------|-------------------------|-----------|--------------|------------|-----------|----|
| 487 06-007 | Grant Administration | 5/9/2006 | 5,000.00 | 167.00 | 100.00 SL | 50 |
| 531 07-009 | Auto Switch Chlorinator | 6/19/2007 | 12,328.00 | 123.00 | 247.00 SL | 50 |
| 557 08-003 | Clarifier Improvements | 1/2/2008 | 40,878.00 | | 318.00 SL | 50 |
| | | | 1,418,611.81 | 930,352.00 | 24,366.00 | |

330 - Distribution reservoir & standpipes

| System ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|-----------|------------|----------------------------------|------------|------------|--------------|------------|----------------|------|
| 26 | 46 | Storage tanks | P | 1/1/1970 | 49,721.00 | 37,288.00 | 994.00 SL | 50 |
| 341 | 320 | Water Tank # 1 | P | 1/1/1977 | 71,915.00 | 44,585.00 | 1,438.00 SL | 50 |
| 342 | 321 | Water Tank # 2 | P | 1/1/1977 | 66,524.00 | 41,242.00 | 1,330.00 SL | 50 |
| 27 | 47 | Storage tanks | P | 1/1/1981 | 200,601.00 | 108,342.00 | 4,012.00 SL | 50 |
| 346 | 48b | Storage Tank | P | 1/1/1988 | 136,440.75 | 62,851.00 | 2,729.00 SL | 50 |
| 343 | 322 | Refurbish Watertanks | P | 12/7/1990 | 10,633.00 | 4,919.00 | 288.00 SL | 37 |
| 344 | 323 | Water Tank (Extension) | | 12/15/1994 | 331,001.00 | 86,612.00 | 6,620.00 SL | 50 |
| 78 | 215 | Water storage facilities & tanks | | 12/1/2001 | 600,058.25 | 73,006.00 | 12,001.00 SL | 50 |
| 356 | 02-010 | Engineering - Airport Tank | | 3/20/2002 | 38,682.00 | 4,450.00 | 774.00 SL | 50 |
| 357 | 02-011 | Engineering-Eden Tank | | 3/20/2002 | 30,650.00 | 3,525.00 | 613.00 SL | 50 |
| 358 | 02-12 | Airport Tank - KY Glass Line | | 7/31/2002 | 29,930.17 | 3,244.00 | 599.00 SL | 50 |
| 376 | 03-008 | Inez Tank Improvements-TDM | | 7/17/2003 | 1,716.03 | 150.00 | 34.00 SL | 50 |
| 377 | 03-009 | Turkey Hill Tank Improvements | | 7/17/2003 | 1,066.22 | 93.00 | 21.00 SL | 50 |
| 378 | 03-010 | Buffalo Horn Tank Improvements | | 8/12/2003 | 20,433.22 | 1,806.00 | 409.00 SL | 50 |
| 379 | 03-011 | Lick Branch Improvements | | 8/13/2003 | 18,743.20 | 1,656.00 | 375.00 SL | 50 |
| 380 | 03-012 | Airport Project Engineering | | 11/26/2003 | 1,204.00 | 98.00 | 24.00 SL | 50 |
| 381 | 03-013 | Twin Tanks Improvements | | 12/8/2003 | 25,090.00 | 2,042.00 | 500.00 SL | 50 |
| 392 | 04-007 | Twin Tanks | | 6/1/2004 | 34,767.50 | 2,491.00 | 695.00 SL | 50 |
| 393 | 04-008 | Buffalo Horn Tank | | 6/1/2004 | 2,080.70 | 150.00 | 42.00 SL | 50 |
| 488 | 06-008 | Fence 292 Tank Site | | 2/3/2006 | 2,700.00 | 104.00 | 54.00 SL | 50 |
| 558 | 08-004 | Clearwell Tanks | | 10/23/2008 | 1,417,982.15 | | 4,727.00 SL | 50 |
| | | | | | 3,091,871.19 | 478,654.00 | 38,279.00 | |

331 - Transmission & distribution mains

| System ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|-----------|------------|----------------------|------------|------------|------------|------------|----------------|------|
| 34 | 54 | Water lines | P | 1/1/1970 | 423,124.00 | 423,124.00 | SL | 33.3 |
| 35 | 55 | Water lines & meters | P | 1/1/1972 | 4,063.00 | 4,063.00 | SL | 33.3 |
| 36 | 56 | Lines & meters | P | 1/1/1972 | 8,101.00 | 8,101.00 | SL | 33.3 |

| | | | | | | | | |
|-----|-----|---------------------------------------|---|----------|--------------|------------|--------------|------|
| 37 | 57 | Lines & meters | P | 1/1/1974 | 11,170.00 | 11,170.00 | SL | 33.3 |
| 38 | 58 | Lines & meters | P | 1/1/1975 | 27,025.00 | 26,362.00 | 663.00 SL | 33.3 |
| 39 | 59 | Lanes | P | 1/1/1975 | 4,142.00 | 4,036.00 | 106.00 SL | 33.3 |
| 40 | 60 | Lines & meters | P | 1/1/1975 | 2,229.00 | 2,208.00 | 21.00 SL | 33.3 |
| 41 | 61 | Lines & meters | P | 1/1/1976 | 35,173.00 | 33,775.00 | 1,056.00 SL | 33.3 |
| 42 | 62 | Lines & meters | P | 1/1/1976 | 25,785.00 | 23,600.00 | 774.00 SL | 33.3 |
| 154 | 310 | Water Lines | P | 1/1/1977 | 1,240,628.00 | 833,102.00 | 37,593.00 SL | 33 |
| 43 | 63 | Lines | P | 1/1/1978 | 36,176.00 | 32,024.00 | 1,086.00 SL | 33.3 |
| 44 | 64 | Lines & meters | P | 1/1/1979 | 25,097.00 | 21,473.00 | 754.00 SL | 33.3 |
| 45 | 65 | Lines & meters | P | 1/1/1980 | 20,882.00 | 17,233.00 | 627.00 SL | 33.3 |
| 46 | 66 | Lines & meters | P | 1/1/1981 | 21,855.00 | 17,384.00 | 656.00 SL | 33.3 |
| 163 | 59 | Pump and Pole | P | 1/1/1981 | 11,423.00 | 11,423.00 | SL | 33 |
| 47 | 67 | Lines | P | 1/1/1982 | 20,113.00 | 15,393.00 | 604.00 SL | 33.3 |
| 48 | 68 | Meters | P | 1/1/1982 | 1,252.00 | 963.00 | 38.00 SL | 33.3 |
| 50 | 70 | Meters | P | 1/1/1982 | 1,751.00 | 1,294.00 | 53.00 SL | 33.3 |
| 49 | 69 | Lines | P | 1/1/1983 | 20,883.00 | 15,355.00 | 627.00 SL | 33.3 |
| 51 | 71 | Lines | P | 1/1/1984 | 16,235.00 | 11,455.00 | 488.00 SL | 33.3 |
| 97 | 33 | Pump Motor | P | 1/1/1984 | 3,543.00 | 3,543.00 | SL | 33 |
| 98 | 34 | Pump Motor Improvements | P | 1/1/1984 | 3,737.00 | 3,737.00 | SL | 33 |
| 99 | 35 | Pump Motor Improvements | P | 1/1/1984 | 9,579.00 | 9,579.00 | SL | 33 |
| 53 | 73 | Lines and meters | P | 1/1/1985 | 10,401.00 | 7,021.00 | 312.00 SL | 33.3 |
| 52 | 72 | Line pump - Copley Hollow | P | 1/1/1986 | 429.18 | 429.00 | SL | 10 |
| 54 | 74 | Lines and meters | P | 1/1/1986 | 2,736.00 | 1,764.00 | 82.00 SL | 33.3 |
| 55 | 75 | Lines and meters | P | 1/1/1987 | 27,173.00 | 16,720.00 | 816.00 SL | 33.3 |
| 22 | 42 | Concrete testing | P | 1/1/1988 | 171.00 | 62.00 | 3.00 SL | 50 |
| 24 | 48 | Mains | P | 1/1/1988 | 457,342.25 | 226,695.00 | 13,253.00 SL | 33 |
| 56 | 76 | Lines and meters | P | 1/1/1988 | 28,611.00 | 16,744.00 | 859.00 SL | 33.3 |
| 101 | 37 | Survey fence | P | 1/1/1988 | 185.00 | 163.00 | 6.00 SL | 33 |
| 57 | 77 | Lines and meters | P | 1/1/1989 | 17,698.00 | 9,824.00 | 531.00 SL | 33.3 |
| 102 | 38 | Fencing | P | 1/1/1989 | 7,864.00 | 6,438.00 | 238.00 SL | 33 |
| 58 | 78 | Auxier KY 3 Project | P | 1/1/1990 | 110,795.00 | 58,202.00 | 3,327.00 SL | 33.3 |
| 59 | 79 | Rockcastle Creek Project lines-meters | P | 1/1/1990 | 18,541.00 | 9,742.00 | 557.00 SL | 33.3 |
| 60 | 80 | Hydrants | P | 1/1/1990 | 23,810.00 | 12,507.00 | 715.00 SL | 33.3 |
| 61 | 81 | Lines and meters | P | 1/1/1991 | 42,591.00 | 21,097.00 | 1,279.00 SL | 33.3 |

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|--|------------|------------|--------------|------------|----------------|------|
| 62 | 82 | Lines, meters and hydrants | P | 1/1/1992 | 21,305.00 | 9,916.00 | 640.00 SL | 33.3 |
| 63 | 83 | Auxiler KY 3 Project lines meters | P | 1/1/1992 | 7,276.00 | 3,384.00 | 218.00 SL | 33.3 |
| 64 | 84 | Hydrants | P | 1/1/1993 | 34,990.00 | 15,217.00 | 1,051.00 SL | 33.3 |
| 65 | 85 | Lines and meters | P | 1/1/1994 | 32,224.00 | 13,064.00 | 968.00 SL | 33.3 |
| 66 | 86 | Industry Development Project | P | 1/1/1994 | 751,768.00 | 304,720.00 | 22,576.00 SL | 33.3 |
| 161 | 317 | Waterlines Extension | P | 12/15/1994 | 2,128,815.00 | 666,708.00 | 64,510.00 SL | 33 |
| 67 | 87 | Lines and meters | P | 1/1/1995 | 25,760.00 | 9,797.00 | 774.00 SL | 33.3 |
| 68 | 88 | Lines, meters and taps | P | 6/30/1996 | 40,734.00 | 14,065.00 | 1,223.00 SL | 33.3 |
| 29 | 49 | Glass lined tanks | | 6/30/1997 | 162,716.81 | 34,167.00 | 3,254.00 SL | 50 |
| 32 | 52 | Pumps | | 6/30/1997 | 5,561.74 | 5,561.00 | SL | 10 |
| 69 | 89 | Waterlines | P | 6/30/1997 | 702,277.00 | 221,436.00 | 21,089.00 SL | 33.3 |
| 70 | 90 | Waterlines | P | 6/30/1997 | 855,203.90 | 266,458.00 | 25,682.00 SL | 33.3 |
| 30 | 50 | Asphalt tank site | P | 11/11/1997 | 7,156.08 | 7,156.00 | SL | 10 |
| 31 | 51 | Security fence | | 11/11/1997 | 3,695.00 | 1,881.00 | 185.00 SL | 20 |
| 73 | 93 | Lines and meters | | 7/20/1999 | 4,655.50 | 1,178.00 | 140.00 SL | 33.3 |
| 33 | 53 | Pump improvements | | 9/21/1999 | 782.00 | 644.00 | 78.00 SL | 10 |
| 85 | 222 | Meters | P | 9/30/2000 | 7,106.00 | 1,545.00 | 213.00 SL | 33.3 |
| 75 | 211 | Line relocation-Elk Creek 17440/18202 | P | 10/31/2000 | 35,642.00 | 7,669.00 | 1,070.00 SL | 33.3 |
| 90 | 611 | Transmitter | | 5/15/2001 | 1,248.62 | 833.00 | 125.00 SL | 10 |
| 79 | 216 | Raw water intake & pump station | | 6/30/2001 | 1,665,131.00 | 216,469.00 | 33,303.00 SL | 50 |
| 80 | 217 | Raw water transmission main project | | 6/30/2001 | 817,966.00 | 106,334.00 | 16,359.00 SL | 50 |
| 81 | 218 | Engineering fees for construction projects | | 6/30/2001 | 305,900.00 | 39,767.00 | 6,118.00 SL | 50 |
| 77 | 214 | Main lines and extensions | | 8/31/2001 | 1,715,331.00 | 217,278.00 | 34,307.00 SL | 50 |
| 82 | 219 | Engineering fees for construction projects | | 8/31/2001 | 334,796.00 | 42,408.00 | 6,696.00 SL | 50 |
| 83 | 220 | Construction legal fees | | 12/1/2001 | 18,249.49 | 2,220.00 | 365.00 SL | 50 |
| 88 | 609 | Water extension & tank | | 12/1/2001 | 258,218.43 | 31,414.00 | 5,164.00 SL | 50 |
| 353 | 02-007 | 2 Chart Recorders | P | 11/15/2002 | 3,343.50 | 516.00 | 101.00 SL | 33 |
| 359 | 02-013 | Distribution equipment | | 12/15/2002 | 46,188.87 | 7,117.00 | 1,400.00 SL | 33 |
| 382 | 03-14 | Line Improvements and extensions | | 4/1/2003 | 51,721.30 | 7,443.00 | 1,567.00 SL | 33 |
| 394 | 04-009 | Telemetry | | 5/28/2004 | 318,951.75 | 34,633.00 | 9,665.00 SL | 33 |
| 395 | 04-010 | KY RT 40 Line Relocation | | 6/1/2004 | 82,343.90 | 8,962.00 | 2,301.00 SL | 33 |
| 396 | 04-011 | Line Relocation | | 6/1/2004 | 12,098.86 | 1,315.00 | 367.00 SL | 33 |
| 397 | 04-012 | Pressure Recorder | | 9/14/2004 | 1,847.75 | 187.00 | 56.00 SL | 33 |
| 398 | 04-013 | Capital Improvements - AWS | | 9/16/2004 | 124,247.95 | 12,236.00 | 3,763.00 SL | 33 |

| | | | | | | |
|------------|--------------------------------------|------------|------------|-----------|--------------|----|
| 377 04-014 | Side Hollow - Line Extension | 11/22/2004 | 23,200.00 | 1,775.00 | 770.00 SL | 33 |
| 400 04-015 | Eastern Line Extension | 11/22/2004 | 11,256.00 | 1,051.00 | 341.00 SL | 33 |
| 401 04-016 | Eastern & Side Hollow Line Extension | 11/22/2004 | 24,744.00 | 2,312.00 | 750.00 SL | 33 |
| 402 04-017 | Line Extension Design | 11/22/2004 | 6,625.00 | 620.00 | 201.00 SL | 33 |
| 403 04-018 | Meadhouse Line Extension Design | 11/22/2004 | 8,925.00 | 833.00 | 270.00 SL | 33 |
| 437 05-010 | Trans & Dist Engineering | 1/1/2005 | 10,854.60 | 987.00 | 329.00 SL | 33 |
| 438 05-011 | Trans & Dist - Grant Admin | 1/6/2005 | 4,050.00 | 369.00 | 123.00 SL | 33 |
| 439 05-012 | Mains Construction | 1/10/2005 | 120,342.20 | 10,941.00 | 3,647.00 SL | 33 |
| 440 05-013 | Trans & Dist Engineering | 1/24/2005 | 6,179.40 | 546.00 | 187.00 SL | 33 |
| 441 05-014 | Mains Construction | 1/24/2005 | 29,250.00 | 2,584.00 | 886.00 SL | 33 |
| 442 05-015 | Trans mains | 3/15/2005 | 10,453.51 | 898.00 | 317.00 SL | 33 |
| 443 05-016 | Trans & Dist Engineering | 5/9/2005 | 19,502.00 | 1,576.00 | 591.00 SL | 33 |
| 444 05-017 | Trans Mains | 5/13/2005 | 1,255.00 | 101.00 | 38.00 SL | 33 |
| 445 05-018 | Trans & Dist Mains Grant Admin | 5/26/2005 | 1,050.00 | 83.00 | 32.00 SL | 33 |
| 446 05-019 | Mains Construction & Materials | 6/27/2005 | 70,229.51 | 5,520.00 | 2,128.00 SL | 33 |
| 447 05-020 | PRV | 6/30/2005 | 2,158.00 | 163.00 | 65.00 SL | 33 |
| 448 05-021 | Telemetry | 7/18/2005 | 69,587.78 | 5,097.00 | 2,109.00 SL | 33 |
| 449 05-022 | Trans & Dist Materials | 7/30/2005 | 2,510.89 | 184.00 | 76.00 SL | 33 |
| 450 05-023 | Mains construction & materials | 10/4/2005 | 387,950.30 | 26,451.00 | 11,756.00 SL | 33 |
| 451 05-024 | Trans & Dist Engineering | 10/4/2005 | 53,476.00 | 3,645.00 | 1,620.00 SL | 33 |
| 452 05-025 | Mains construction | 10/4/2005 | 9,590.00 | 655.00 | 291.00 SL | 33 |
| 453 05-026 | Trans & Dist Engineering | 11/10/2005 | 6,625.00 | 435.00 | 201.00 SL | 33 |
| 454 05-027 | Mains construction | 11/28/2005 | 39,519.24 | 2,496.00 | 1,198.00 SL | 33 |
| 455 05-028 | Trans & Dist Engineering | 12/1/2005 | 81,122.00 | 5,121.00 | 2,458.00 SL | 33 |
| 456 05-029 | Trans & Dist Grant Administration | 12/1/2005 | 4,625.00 | 292.00 | 140.00 SL | 33 |
| 457 05-030 | Trans & Dist Engineering | 12/1/2005 | 3,975.00 | 250.00 | 120.00 SL | 33 |
| 458 05-031 | Mains construction & materials | 12/8/2005 | 255,574.30 | 16,767.00 | 8,048.00 SL | 33 |
| 459 05-032 | Trans & Dist Engineering | 12/8/2005 | 11,879.50 | 750.00 | 360.00 SL | 33 |
| 460 05-033 | Mains Construction | 12/16/2005 | 6,597.50 | 400.00 | 200.00 SL | 33 |
| 461 05-034 | Trans & Dist Grant Administration | 12/31/2005 | 3,000.00 | 182.00 | 91.00 SL | 33 |
| 462 05-035 | Trans & Dist Mains construction | 12/31/2005 | 1,750.00 | 106.00 | 53.00 SL | 33 |
| 489 06-009 | | 1/1/2006 | 103.57 | 6.00 | 3.00 SL | 33 |
| 507 06-027 | Meters | 1/1/2006 | 2,016.00 | 122.00 | 61.00 SL | 33 |
| 490 06-010 | Mains | 1/12/2006 | 166,706.80 | 10,104.00 | 5,052.00 SL | 33 |

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|------------------------------------|------------|------------|------------|----------|----------------|------|
| | | | | | 1,000.00 | 58.00 | 30.00 SL | 33 |
| 491 | 06-011 | Engineering | | 2/6/2006 | | | | |
| 492 | 06-012 | Mains | | 3/7/2006 | 132,835.95 | 7,379.00 | 4,025.00 SL | 33 |
| 493 | 06-013 | Grant Administration | | 3/7/2006 | 3,450.00 | 192.00 | 105.00 SL | 33 |
| 494 | 06-014 | Engineering | | 3/29/2006 | 30,836.70 | 1,638.00 | 936.00 SL | 33 |
| 495 | 06-015 | Telemetry | | 3/29/2006 | 48,881.97 | 2,502.00 | 1,481.00 SL | 33 |
| 508 | 06-028 | Engineering and Design | | 5/17/2006 | 17,901.55 | 858.00 | 542.00 SL | 33 |
| 509 | 06-029 | Waterline Construction | | 6/26/2006 | 24,130.76 | 1,097.00 | 731.00 SL | 33 |
| 510 | 06-030 | Engineering and Design | | 6/30/2006 | 3,992.07 | 181.00 | 121.00 SL | 33 |
| 498 | 06-018 | KY 40 Contract 20 Mains | | 7/5/2006 | 165,891.23 | 7,541.00 | 5,027.00 SL | 33 |
| 499 | 06-019 | Mains | | 7/24/2006 | 11,835.00 | 508.00 | 359.00 SL | 33 |
| 511 | 06-031 | Waterline Construction | | 8/5/2006 | 70,005.00 | 3,005.00 | 2,121.00 SL | 33 |
| 512 | 06-032 | Engineering and Design | | 8/10/2006 | 72,983.07 | 3,134.00 | 2,212.00 SL | 33 |
| 518 | 06-038 | Grant Administration | | 9/18/2006 | 3,000.00 | 114.00 | 91.00 SL | 33 |
| 500 | 06-020 | Grant Administration | | 9/19/2006 | 4,500.00 | 170.00 | 136.00 SL | 33 |
| 513 | 06-033 | Waterline Construction | | 10/2/2006 | 60,534.33 | 2,634.00 | 2,107.00 SL | 33 |
| 514 | 06-034 | Grant Administration | | 11/1/2006 | 4,300.00 | 152.00 | 130.00 SL | 33 |
| 515 | 06-035 | Waterline Construction | | 11/15/2006 | 55,715.09 | 1,969.00 | 1,688.00 SL | 33 |
| 516 | 06-036 | Engineering and Design | | 11/28/2006 | 62,000.00 | 2,036.00 | 1,879.00 SL | 33 |
| 517 | 06-037 | Maintenance | | 12/13/2006 | 11,691.00 | 354.00 | 354.00 SL | 33 |
| 532 | 07-010 | Repair Booster Pump | | 1/1/2007 | 2,765.00 | 84.00 | 84.00 SL | 33 |
| 533 | 07-011 | Creek Crossing | | 1/1/2007 | 390.00 | 12.00 | 12.00 SL | 33 |
| 534 | 07-012 | Tri State Directional Boring | | 1/18/2007 | 49,100.00 | 1,364.00 | 1,488.00 SL | 33 |
| 535 | 07-013 | Tri State Directional Boring | | 3/2/2007 | 3,000.00 | 76.00 | 91.00 SL | 33 |
| 536 | 07-014 | G&W Const | | 3/20/2007 | 6,850.80 | 156.00 | 208.00 SL | 33 |
| 537 | 07-015 | O'Brien & Gere & Kinder | | 4/19/2007 | 16,617.80 | 336.00 | 504.00 SL | 33 |
| 538 | 07-016 | Consolidated - Pipes | | 5/2/2007 | 1,927.08 | 39.00 | 58.00 SL | 33 |
| 539 | 07-017 | G&W Construction | | 6/5/2007 | 7,486.84 | 132.00 | 227.00 SL | 33 |
| 540 | 07-018 | O'Brien & Gere | | 6/5/2007 | 4,583.28 | 81.00 | 139.00 SL | 33 |
| 541 | 07-019 | Kinder Const | | 7/31/2007 | 23,500.00 | 297.00 | 712.00 SL | 33 |
| 542 | 07-020 | Line Replacement | | 8/23/2007 | 3,900.00 | 39.00 | 118.00 SL | 33 |
| 543 | 07-021 | Line Replacement Eng & Const | | 8/27/2007 | 21,767.88 | 220.00 | 660.00 SL | 33 |
| 544 | 07-022 | O'Brien & Gere Eng Line Extensions | | 10/24/2007 | 6,025.89 | 30.00 | 183.00 SL | 33 |
| 545 | 07-023 | Tri State - Line Extensions | | 11/6/2007 | 205,331.00 | 1,037.00 | 6,222.00 SL | 33 |
| 546 | 07-024 | O'Brien & Gere - Engineering | | 12/13/2007 | 46,000.00 | 116.00 | 1,394.00 SL | 33 |

| | | | | | | |
|------------|--------------------------------------|------------|---------------|--------------|------------|----|
| 548 07-026 | O'Brien & Gere - Engineering | 12/27/2007 | 47,840.00 | | | |
| 559 08-005 | Water Line Upgrade KY645 | 2/12/2008 | 80,092.78 | 1,450.00 SL | | 33 |
| 562 08-008 | Water Line Upgrades - O&G | 2/21/2008 | 26,930.00 | 2,225.00 SL | | 33 |
| 564 08-010 | Water Line Extension | 4/28/2008 | 3,710.45 | 680.00 SL | | 33 |
| 560 08-006 | Water Mains - Master Meters | 5/16/2008 | 86,410.28 | 75.00 SL | | 33 |
| 565 08-011 | Water Line Extension - Little Laurel | 3/25/2008 | 1,000.00 | 1,527.00 SL | | 33 |
| 561 08-007 | Water Line Extension 292 | 10/7/2008 | 88,957.45 | 10.00 SL | | 33 |
| 566 08-012 | Water Line Extension - Modern Con | 10/13/2008 | 2,579.20 | 674.00 SL | | 33 |
| 563 08-009 | Water Line Replacement - BSAD | 11/21/2008 | 16,250.00 | 20.00 SL | | 33 |
| | | | | 41.00 SL | | 33 |
| | | | 16,605,737.98 | 4,374,030.00 | 429,182.00 | |

334 - Meters & meter installation

| Sys ID | Asset Code | Description | Retired OK | In Service | Cost | Prior | Current Method | Life |
|--------|------------|------------------------|------------|------------|-----------|-----------|----------------|------|
| 272 | 324 | Meters | P | 1/7/1977 | 19,189.00 | 17,947.00 | 581.00 SL | 33 |
| 303 | 323 | Meters | P | 1/1/1979 | 1,987.00 | 1,708.00 | 60.00 SL | 33 |
| 276 | 328 | Meter Installation | P | 1/1/1980 | 5,321.00 | 4,917.00 | 161.00 SL | 33 |
| 275 | 327 | 4" Meter (Kernit) Line | P | 9/19/1980 | 1,629.00 | 1,339.00 | 49.00 SL | 33 |
| 277 | 329 | 5/8 x 3/4 Meters | P | 1/1/1981 | 231.00 | 185.00 | 7.00 SL | 33 |
| 278 | 330 | Meter Installation | P | 1/1/1981 | 4,070.00 | 3,256.00 | 123.00 SL | 33 |
| 279 | 331 | Meters | P | 1/1/1982 | 2,650.00 | 1,960.00 | 80.00 SL | 33 |
| 280 | 332 | Meter Installation | P | 1/1/1982 | 6,555.00 | 4,856.00 | 199.00 SL | 33 |
| 281 | 333 | Installation of Meters | P | 1/1/1983 | 4,385.00 | 3,248.00 | 133.00 SL | 33 |
| 282 | 334 | Installation of Meters | P | 1/1/1983 | 120.00 | 91.00 | 4.00 SL | 33 |
| 283 | 335 | Meters | P | 1/1/1983 | 3,044.00 | 2,253.00 | 92.00 SL | 33 |
| 284 | 336 | Meters | P | 1/3/1984 | 1,196.65 | 849.00 | 36.00 SL | 33 |
| 285 | 337 | Installation | P | 1/1/1984 | 3,660.00 | 2,656.00 | 111.00 SL | 33 |
| 286 | 338 | Meters | P | 1/1/1985 | 2,721.00 | 1,849.00 | 82.00 SL | 33 |
| 289 | 341 | Meter Installation | P | 1/1/1986 | 2,285.00 | 1,485.00 | 69.00 SL | 33 |
| 290 | 342 | Meters | P | 2/1/1987 | 175.50 | 107.00 | 5.00 SL | 33 |
| 291 | 343 | Meter Installation | P | 2/1/1987 | 1,772.00 | 1,101.00 | 54.00 SL | 33 |
| 292 | 344 | Meter Installation | P | 1/1/1988 | 3,910.00 | 2,306.00 | 118.00 SL | 33 |
| 295 | 347 | Meter Installation | P | 1/1/1991 | 4,145.00 | 2,138.00 | 126.00 SL | 33 |
| 71 | 91 | Meters | P | 6/30/1997 | 62,030.57 | 19,646.00 | 1,880.00 SL | 33 |
| 299 | 351 | 27 Meters | P | 6/30/1998 | 10,798.32 | 3,094.00 | 327.00 SL | 33 |

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| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|--------------------------|------------|------------|------------|------------|----------------|------|
| 72 | 92 | Meters | P | 9/30/1998 | 25,052.50 | 7,270.00 | 789.00 SL | 33 |
| 74 | 94 | Meter replacements | P | 12/1/1999 | 7,482.00 | 1,829.00 | 227.00 SL | 33 |
| 301 | 353 | Replacement Meters | P | 12/1/1999 | 4,987.00 | 1,217.00 | 151.00 SL | 33 |
| 84 | 221 | Meter replacements | | 12/1/2001 | 12,332.82 | 2,275.00 | 374.00 SL | 33 |
| 86 | 604 | Meters | P | 12/1/2001 | 15,555.00 | 2,861.00 | 471.00 SL | 33 |
| 89 | 610 | Meter replacements | | 12/1/2001 | 17,677.84 | 3,261.00 | 536.00 SL | 33 |
| 404 | 04-019 | 1,000 Water Meters | | 10/15/2004 | 31,000.00 | 3,052.00 | 939.00 SL | 33 |
| 463 | 05-036 | 2 inch meter | | 1/11/2005 | 2,238.29 | 204.00 | 68.00 SL | 33 |
| 464 | 05-037 | Meter installations | | 12/1/2005 | 1,505.00 | 96.00 | 46.00 SL | 33 |
| 549 | 07-027 | CI - Meters | | 2/16/2007 | 1,008.00 | 25.00 | 31.00 SL | 33 |
| 550 | 07-028 | CI - Meters | | 4/19/2007 | 80,818.02 | 1,633.00 | 2,449.00 SL | 33 |
| 551 | 07-029 | Vanguard - Master Meters | | 12/21/2007 | 134,789.72 | | 4,085.00 SL | 33 |
| | | | | | 477,341.05 | 100,214.00 | 14,463.00 | |

335 - Hydrants

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|-------------|------------|------------|----------|----------|----------------|------|
| 345 | 85h | Hydrants | P | 1/1/1993 | 2,969.00 | 1,309.00 | 89.00 SL | 33.3 |
| | | | | | 2,969.00 | 1,309.00 | 89.00 | |

339 - Other plant & misc. equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|--|------------|------------|------------|------------|----------------|------|
| 92 | 28 | Water Treatment Equipment (Plant Building) | P | 1/1/1970 | 216,852.00 | 216,852.00 | SL | 5 |
| 93 | 29 | Improvements | | 1/1/1970 | 27,562.00 | 27,562.00 | SL | 5 |
| 165 | 354 | Hydraulics | P | 1/1/1977 | 423.28 | 397.00 | 13.00 SL | 33 |
| 306 | 410 | Booster Station | P | 1/1/1977 | 28,818.00 | 17,874.00 | 576.00 SL | 50 |
| 136 | 364 | DC Water Pump | | 1/1/1978 | 325.00 | 325.00 | SL | 5 |
| 273 | 325 | Meters | P | 1/1/1978 | 950.00 | 847.00 | 29.00 SL | 33 |
| 274 | 326 | Cost of Setting Meters | P | 1/1/1978 | 2,806.00 | 2,457.00 | 85.00 SL | 33 |
| 166 | 355 | Hydraulics | P | 2/16/1978 | 416.38 | 373.00 | 13.00 SL | 33 |
| 137 | 365 | 3 HP Water Pump | | 1/1/1979 | 329.00 | 329.00 | SL | 5 |
| 155 | 311 | Water Lines | P | 1/1/1979 | 4,389.01 | 2,503.00 | 88.00 SL | 50 |
| 95 | 31 | Improvement | P | 1/1/1980 | 230,095.00 | 230,095.00 | SL | 5 |
| 156 | 312 | Water Lines | P | 1/1/1980 | 3,328.92 | 1,833.00 | 67.00 SL | 50 |
| 302 | 422 | Meters | P | 1/1/1980 | 893.00 | 741.00 | 27.00 SL | 33 |
| 139 | 367 | Pipe Pusher | | 11/7/1980 | 1,631.00 | 1,631.00 | SL | 5 |
| 96 | 32 | Improvements | P | 1/1/1981 | 6,645.00 | 6,645.00 | SL | 5 |

| | | | | | | | |
|---------|------------------------|---|------------|-----------|-----------|-------------|----|
| 157 313 | Water Lines | P | 1/1/1981 | 6,366.43 | 3,309.00 | 127.00 SL | 50 |
| 309 421 | Leasehold Improvements | | 1/1/1981 | 6,478.00 | 6,478.00 | SL | 7 |
| 142 370 | Wayne Water Pump | | 1/1/1982 | 323.00 | 323.00 | SL | 5 |
| 158 314 | Water Lines | P | 1/1/1983 | 16,091.46 | 7,886.00 | 322.00 SL | 50 |
| 307 411 | Pump | P | 4/27/1984 | 1,807.00 | 855.00 | 36.00 SL | 50 |
| 308 412 | Pump | | 4/27/1984 | 1,649.00 | 781.00 | 33.00 SL | 50 |
| 287 339 | Installation | P | 1/1/1985 | 4,800.00 | 3,263.00 | 145.00 SL | 33 |
| 143 371 | Gas Pump | | 5/16/1985 | 323.00 | 323.00 | SL | 5 |
| 288 340 | Meters | P | 1/1/1986 | 759.00 | 494.00 | 23.00 SL | 33 |
| 145 373 | Meter Test Bench | | 3/5/1986 | 3,395.46 | 3,395.00 | SL | 10 |
| 159 315 | Bone Hollow | P | 1/1/1988 | 585.00 | 250.00 | 12.00 SL | 50 |
| 242 180 | Testing Bench | P | 1/1/1988 | 4,216.00 | 4,113.00 | 103.00 SL | 20 |
| 243 181 | Reservoir Sign | P | 1/1/1988 | 125.00 | 120.00 | 5.00 SL | 20 |
| 167 356 | Hydrant | P | 6/30/1988 | 984.00 | 582.00 | 30.00 SL | 33 |
| 168 357 | Hydrant-Bone Hollow | P | 10/6/1988 | 955.00 | 543.00 | 28.00 SL | 33 |
| 169 316 | Water Lines Samplings | P | 10/7/1988 | 700.00 | 254.00 | 14.00 SL | 50 |
| 223 161 | Stone Settings | P | 1/1/1989 | 876.00 | 813.00 | 63.00 SL | 20 |
| 226 164 | Suction Hose | | 1/1/1989 | 594.00 | 594.00 | SL | 5 |
| 293 345 | Meter Installation | P | 1/1/1989 | 1,647.50 | 924.00 | 50.00 SL | 33 |
| 231 169 | Utility Marker Posts | P | 1/1/1990 | 593.00 | 593.00 | SL | 10 |
| 169 358 | Hydrant-Warfield Curve | P | 2/16/1990 | 90.00 | 50.00 | 3.00 SL | 33 |
| 294 346 | Meter Installation | P | 6/30/1990 | 1,680.00 | 891.00 | 51.00 SL | 33 |
| 234 172 | Chlorine Gas Mask | | 1/1/1991 | 210.00 | 210.00 | SL | 5 |
| 235 173 | Bench Model | P | 1/1/1991 | 703.00 | 703.00 | SL | 10 |
| 170 359 | Hydrant-Pigeon Roost | P | 2/15/1991 | 120.00 | 64.00 | 4.00 SL | 33 |
| 244 182 | Border | P | 1/1/1992 | 5,498.00 | 5,498.00 | SL | 10 |
| 296 348 | Meter & Installation | P | 6/30/1992 | 3,360.00 | 1,579.00 | 102.00 SL | 33 |
| 151 379 | Backhoe | | 7/10/1992 | 9,350.00 | 9,350.00 | SL | 10 |
| 250 188 | Cabinet | P | 1/1/1993 | 194.00 | 144.00 | 10.00 SL | 20 |
| 251 189 | Chemical Tank | P | 1/1/1993 | 797.00 | 580.00 | 40.00 SL | 20 |
| 297 349 | Meter Installations | P | 6/30/1993 | 4,420.00 | 1,942.00 | 134.00 SL | 33 |
| 257 195 | Laboratory Turbine | P | 1/1/1994 | 1,388.00 | 1,388.00 | SL | 10 |
| 298 350 | LMI Meters | P | 12/15/1994 | 59,814.60 | 23,716.00 | 1,813.00 SL | 33 |

| | | | | | | | |
|------------|----------------------------|---|------------|------------|------------|-----------|------|
| 162 318 | Waterlines Extension | P | 1/1/1995 | 19,865.79 | 5,425.00 | 397.00 SL | 50 |
| 239 197 | Water Quality Lab | P | 1/1/1995 | 2,964.00 | 2,964.00 | SL | 10 |
| 163 319 | Waterlines Addition | P | 6/30/1996 | 5,211.90 | 1,198.00 | 104.00 SL | 50 |
| 261 199 | Chlorine Analyser | | 6/30/1996 | 2,539.00 | 2,539.00 | SL | 10 |
| 262 200 | Lab Strainer | | 6/30/1996 | 2,218.00 | 2,218.00 | SL | 10 |
| 260 198 | Metering Pumps | | 10/8/1996 | 3,901.00 | 3,901.00 | SL | 10 |
| 264 202 | SCBA Air Apparatus | | 7/8/1997 | 2,624.00 | 2,624.00 | SL | 7 |
| 265 203 | Equipment | P | 10/14/1997 | 1,957.00 | 1,957.00 | SL | 10 |
| 267 205 | Backhoe | P | 12/9/1997 | 47,393.00 | 47,393.00 | SL | 10 |
| 105 41 | Turbidity Machine | P | 3/10/1998 | 1,525.74 | 1,525.00 | SL | 5 |
| 269 207 | Fencing | | 4/3/1998 | 1,250.00 | 1,219.60 | 31.00 SL | 10 |
| 270 208 | Paving | | 11/17/1998 | 2,350.00 | 2,135.00 | 215.00 SL | 10 |
| 164 413 | Pump | | 2/16/1999 | 7,349.33 | 1,298.00 | 147.00 SL | 50 |
| 309 352 | Master Meters | P | 2/16/1999 | 2,614.00 | 691.00 | 78.00 SL | 33.3 |
| 271 209 | Gate & Fencing | P | 6/22/1999 | 335.00 | 283.00 | 33.00 SL | 10 |
| 305 426 | Meters | | 9/30/2000 | 4,712.00 | 1,029.00 | 142.00 SL | 33.3 |
| 304 425 | Meter Replacements | | 12/1/2001 | 5,427.79 | 998.00 | 164.00 SL | 33 |
| 91 612 | Turbidimeter | P | 12/15/2001 | 12,592.00 | 12,592.00 | SL | 5 |
| 383 03-15 | Unit Air Conditioner - Lab | | 4/1/2003 | 970.21 | 922.00 | 48.00 SL | 5 |
| 465 05-038 | Trencher & Trailer | | 2/23/2005 | 416.15 | 235.00 | 83.00 SL | 5 |
| 466 05-039 | Leak Detector | | 7/1/2005 | 2,360.84 | 1,180.00 | 472.00 SL | 5 |
| 480 05-055 | Dehumidifier | P | 8/10/2005 | 2,699.24 | 1,306.00 | 540.00 SL | 5 |
| 519 06-039 | Concrete Sew | | 6/2/2006 | 969.95 | 307.00 | 194.00 SL | 5 |
| 520 06-040 | 3000 Redmax | | 6/2/2006 | 449.00 | 142.00 | 90.00 SL | 5 |
| 552 07-030 | Kinetrol 120 Vac | | 10/24/2007 | 208.98 | 7.00 | 42.00 SL | 5 |
| 567 08-013 | Portable Submersible Pump | | 6/18/2008 | 613.74 | | 61.00 SL | 5 |
| | | | | 892,353.11 | 689,039.00 | 6,887.00 | |

340 - Office furniture & equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|------------------|------------|------------|--------|--------|----------------|------|
| 115 | 104 | Office Equipment | | 1/1/1971 | 472.00 | 472.00 | SL | 10 |
| 116 | 105 | Calculator | | 1/1/1973 | 221.00 | 221.00 | SL | 10 |
| 117 | 106 | Office Equipment | | 1/1/1978 | 498.00 | 498.00 | SL | 10 |
| 118 | 107 | Office Equipment | | 1/1/1979 | 748.00 | 748.00 | SL | 5 |
| 310 | 382 | File Cabinet | | 1/1/1979 | 172.43 | 172.00 | SL | 5 |

Office Furniture & Equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|---------------------------|------------|------------|----------|----------|----------------|------|
| | | | | 1/1/1979 | 880.00 | 880.00 | SL | 5 |
| 311 | 383 | IBM Typewriter | | 1/1/1980 | 206.00 | 206.00 | SL | 5 |
| 119 | 108 | Office Equipment | | 1/1/1980 | 568.00 | 568.00 | SL | 5 |
| 120 | 109 | Carpeting | | 1/1/1980 | 157.00 | 157.00 | SL | 5 |
| 121 | 110 | Ceiling | | 1/1/1980 | 270.00 | 270.00 | SL | 5 |
| 122 | 111 | Paneling | | 7/25/1980 | 181.00 | 181.00 | SL | 5 |
| 312 | 384 | 2 Office Chairs | P | 1/1/1981 | 489.00 | 489.00 | SL | 10 |
| 123 | 112 | Filing Cabinets | | 1/1/1981 | 470.00 | 470.00 | SL | 10 |
| 124 | 113 | Desk | | 1/1/1981 | 147.00 | 147.00 | SL | 5 |
| 313 | 385 | Desk Organizer | | 1/1/1981 | 209.00 | 209.00 | SL | 5 |
| 314 | 386 | Calculator | | 1/1/1981 | 269.00 | 269.00 | SL | 5 |
| 315 | 387 | Visible Card File | | 1/1/1982 | 828.00 | 828.00 | SL | 5 |
| 125 | 114 | Typewriter | | 1/1/1982 | 237.00 | 237.00 | SL | 5 |
| 316 | 388 | Visible Card Cabinet | | 1/1/1982 | 211.00 | 211.00 | SL | 5 |
| 317 | 389 | 4 Dr File Cabinet | | 1/1/1982 | 1,204.00 | 1,204.00 | SL | 5 |
| 318 | 390 | Credenza & Desk | | 1/1/1982 | 294.00 | 294.00 | SL | 5 |
| 319 | 391 | Sweeper | | 1/1/1982 | 315.00 | 315.00 | SL | 5 |
| 320 | 392 | Office Furniture | | 1/1/1982 | 108.00 | 108.00 | SL | 5 |
| 321 | 393 | Drafting Stool | | 1/1/1982 | 160.00 | 160.00 | SL | 5 |
| 322 | 394 | Chair | | 1/1/1983 | 3,386.00 | 3,386.00 | SL | 5 |
| 323 | 395 | Purchase of Computer | | 1/1/1983 | 1,000.00 | 1,000.00 | SL | 5 |
| 324 | 396 | Purchase of Software | | 1/1/1983 | 474.00 | 474.00 | SL | 5 |
| 325 | 397 | Purchase of Furniture | | 1/1/1983 | 189.00 | 189.00 | SL | 5 |
| 174 | 115 | Calculator | | 2/28/1983 | 450.00 | 450.00 | SL | 5 |
| 326 | 398 | Office Carpet | | 4/25/1983 | 803.00 | 803.00 | SL | 5 |
| 327 | 399 | Air Conditioner | | 1/1/1986 | 159.00 | 159.00 | SL | 5 |
| 175 | 116 | Sharp Calculator | | 1/1/1986 | 630.00 | 630.00 | SL | 10 |
| 176 | 117 | Rainbow Vacuum | | 1/2/1986 | 405.00 | 405.00 | SL | 8 |
| 331 | 403 | File Cabinet | | 4/14/1986 | 1,903.00 | 1,903.00 | SL | 8 |
| 329 | 401 | NP15V Cannon Copier | | 11/11/1986 | 5,479.00 | 5,479.00 | SL | 8 |
| 330 | 402 | IBM PC 640 KB Processor | | 12/18/1986 | 495.00 | 495.00 | SL | 8 |
| 332 | 404 | Computer Software Install | | 12/24/1986 | 326.00 | 326.00 | SL | 8 |
| 328 | 400 | Chair | | 1/1/1987 | 795.00 | 795.00 | SL | 5 |
| 177 | 118 | Typewriter | | 1/1/1987 | 260.00 | 260.00 | SL | 5 |
| 178 | 119 | Time Clock | | | | | | |

| | | | | | | | | |
|-----|-----|----------------------------|---|-----------|----------|----------|----------|----|
| 179 | 120 | Desk | P | 1/1/1987 | 624.00 | 624.00 | SL | 20 |
| 180 | 121 | Maxplan II Phone | | 1/1/1988 | 662.00 | 662.00 | SL | 10 |
| 181 | 122 | File Cabinets | P | 1/1/1988 | 188.00 | 179.00 | 9.00 SL | 20 |
| 182 | 123 | File Cabinets | P | 1/1/1988 | 169.00 | 160.00 | 8.00 SL | 20 |
| 183 | 124 | Sharp Calculators | | 1/1/1988 | 189.00 | 189.00 | SL | 5 |
| 208 | 210 | File Cabinet | P | 1/1/1988 | 414.00 | 406.00 | 8.00 SL | 20 |
| 107 | 96 | Cleaner Air Wagon | | 1/1/1989 | 140.00 | 140.00 | SL | 10 |
| 109 | 98 | Billing Software | | 1/1/1989 | 1,500.00 | 1,500.00 | SL | 5 |
| 111 | 100 | File Cabinet | | 1/1/1989 | 169.00 | 152.00 | 17.00 SL | 20 |
| 224 | 162 | First Aid Cabinet | | 1/1/1989 | 139.00 | 139.00 | SL | 5 |
| 108 | 97 | File Cabinet | P | 1/1/1990 | 442.00 | 385.00 | 22.00 SL | 20 |
| 112 | 101 | Answering Machine | P | 1/1/1990 | 130.00 | 130.00 | SL | 10 |
| 113 | 102 | Shredder | P | 1/1/1990 | 235.00 | 235.00 | SL | 10 |
| 114 | 103 | Time Clock | P | 1/1/1990 | 280.00 | 280.00 | SL | 10 |
| 110 | 99 | Bulletin Board | P | 1/1/1991 | 320.00 | 320.00 | SL | 10 |
| 229 | 167 | Water Manual | | 1/1/1991 | 1,000.00 | 1,000.00 | SL | 5 |
| 184 | 125 | Computer Printer | | 1/1/1992 | 2,037.00 | 2,037.00 | SL | 5 |
| 185 | 126 | Phone | P | 1/1/1992 | 180.00 | 180.00 | SL | 10 |
| 186 | 127 | Calculator | | 1/1/1992 | 199.00 | 199.00 | SL | 5 |
| 187 | 128 | Computer Work Station | P | 1/1/1992 | 530.00 | 411.00 | 26.00 SL | 20 |
| 188 | 129 | Copier | | 1/1/1992 | 1,595.00 | 1,595.00 | SL | 5 |
| 189 | 130 | Calculators | | 1/1/1992 | 298.00 | 298.00 | SL | 5 |
| 190 | 131 | Mon Chair | P | 1/1/1992 | 544.00 | 544.00 | SL | 10 |
| 248 | 186 | Eye Wash Station | | 1/1/1992 | 685.00 | 685.00 | SL | 5 |
| 126 | 405 | Executive Filing Cabinet | | 1/24/1992 | 458.00 | 458.00 | SL | 8 |
| 127 | 406 | IBM Wheelwriter Typewriter | | 5/8/1992 | 947.00 | 947.00 | SL | 8 |
| 128 | 407 | Fan Panafax | | 11/6/1992 | 695.00 | 695.00 | SL | 8 |
| 192 | 133 | Stack Chairs | P | 1/1/1993 | 278.00 | 278.00 | SL | 10 |
| 193 | 134 | Printer | | 1/1/1993 | 499.00 | 499.00 | SL | 5 |
| 194 | 135 | File Cabinet | P | 1/1/1993 | 356.00 | 261.00 | 18.00 SL | 20 |
| 195 | 136 | Table | P | 1/1/1993 | 126.00 | 92.00 | 6.00 SL | 20 |
| 196 | 137 | Paging System | P | 1/1/1994 | 165.00 | 109.00 | 8.00 SL | 20 |
| 197 | 138 | Monroc Calculator | | 1/1/1994 | 249.00 | 249.00 | SL | 5 |
| 198 | 139 | Monroc Calculator | P | 1/1/1994 | 149.00 | 149.00 | SL | 5 |

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|---------------------------|------------|------------|-----------|-----------|----------------|------|
| 254 | 192 | Anel Prins | P | 1/1/1994 | 3,350.00 | 3,350.00 | SL | 5 |
| 256 | 194 | Panafax Systems | P | 1/1/1994 | 595.00 | 595.00 | SL | 5 |
| 199 | 140 | 7.5 Heater | P | 1/1/1995 | 492.00 | 492.00 | SL | 5 |
| 200 | 141 | Time Clock | P | 1/1/1995 | 248.00 | 248.00 | SL | 5 |
| 139 | 408 | Equipment | P | 6/30/1996 | 499.19 | 499.00 | SL | 8 |
| 153 | 381 | Equipment | P | 6/30/1996 | 7,023.00 | 7,023.00 | SL | 5 |
| 201 | 142 | Computer and 2 Printers | | 11/12/1996 | 2,488.00 | 2,488.00 | SL | 5 |
| 202 | 143 | Battery Back Up | | 11/12/1996 | 302.00 | 302.00 | SL | 5 |
| 263 | 201 | Radio System | P | 8/12/1997 | 1,964.00 | 1,964.00 | SL | 5 |
| 266 | 204 | Safe | P | 11/11/1997 | 714.00 | 714.00 | SL | 5 |
| 268 | 206 | Water Dispenser | P | 12/9/1997 | 757.00 | 757.00 | SL | 5 |
| 106 | 95 | Brown Chair | P | 1/1/1998 | 277.00 | 277.00 | SL | 10 |
| 204 | 143 | Fax Machine | P | 10/1/1998 | 222.57 | 222.00 | SL | 7 |
| 263 | 144 | Copier | | 12/15/1998 | 2,995.00 | 2,995.00 | SL | 7 |
| 265 | 146 | Stack Chairs | | 5/19/1999 | 480.00 | 412.00 | 48.00 SL | 10 |
| 130 | 409 | Air Conditioner | | 8/17/1999 | 644.38 | 644.00 | SL | 7 |
| 206 | 147 | Computers | P | 9/21/1999 | 3,412.00 | 3,412.00 | SL | 5 |
| 21 | 27 | Equip Improvements | P | 10/22/1999 | 2,975.48 | 2,975.00 | SL | 5 |
| 207 | 148 | Carpet | | 11/16/1999 | 611.35 | 493.00 | 61.00 SL | 10 |
| 131 | 424 | Office Furniture | P | 2/15/2000 | 4,014.60 | 3,142.00 | 401.00 SL | 10 |
| 269 | 212 | Computer | P | 5/5/2000 | 1,618.00 | 1,618.00 | SL | 7 |
| 87 | 606 | Utility station | P | 1/1/2001 | 18,000.00 | 18,000.00 | SL | 5 |
| 210 | 605 | Computer | P | 3/21/2001 | 10,703.00 | 6,936.00 | 1,070.00 SL | 10 |
| 349 | 02-003 | Carpet | | 4/16/2002 | 431.57 | 431.00 | SL | 5 |
| 362 | 02-16 | Office Equipment | | 12/1/2002 | 5,773.61 | 5,773.00 | SL | 5 |
| 364 | 03-016 | Insotech Billing Software | | 4/1/2003 | 8,799.01 | 8,360.00 | 439.00 SL | 5 |
| 385 | 03-017 | Dell Computer - Billing | | 5/12/2003 | 1,324.02 | 1,237.00 | 87.00 SL | 5 |
| 405 | 04-020 | Office Jet Printer 7110 | | 9/8/2004 | 399.99 | 267.00 | 80.00 SL | 5 |
| 409 | 04-021 | Executive Chair | | 9/8/2004 | 259.98 | 173.00 | 52.00 SL | 5 |
| 407 | 04-022 | File Cabinet | | 9/10/2004 | 639.96 | 427.00 | 128.00 SL | 5 |
| 408 | 04-023 | File Cabinet | | 9/10/2004 | 179.99 | 120.00 | 36.00 SL | 5 |
| 409 | 04-024 | Executive Chair | | 9/21/2004 | 129.99 | 84.00 | 26.00 SL | 5 |
| 410 | 04-025 | Folding Chairs | | 9/21/2004 | 49.98 | 32.00 | 10.00 SL | 5 |
| 411 | 04-026 | Cash Box | | 9/21/2004 | 9.99 | 7.00 | 2.00 SL | 5 |

| | | | | | | | |
|-----|--------|-----------------------------|------------|------------|------------|-------------|---|
| 413 | 04-028 | Work Table | 9/24/2004 | 159.98 | 104.00 | 32.00 SL | 5 |
| 414 | 04-029 | Corner Connector | 9/24/2004 | 69.98 | 45.00 | 14.00 SL | 5 |
| 415 | 04-030 | Work Table | 9/24/2004 | 149.98 | 97.00 | 30.00 SL | 5 |
| 416 | 04-031 | Corner Work Table | 9/24/2004 | 199.98 | 130.00 | 40.00 SL | 5 |
| 417 | 04-032 | Storage Bins | 9/28/2004 | 460.51 | 299.00 | 92.00 SL | 5 |
| 418 | 04-033 | Poweredge 400SC Server | 9/29/2004 | 2,699.09 | 1,755.00 | 540.00 SL | 5 |
| 419 | 04-034 | Monitor | 9/29/2004 | 179.00 | 117.00 | 36.00 SL | 5 |
| 420 | 04-035 | Memory Upgrade - Gateway | 9/29/2004 | 279.94 | 182.00 | 56.00 SL | 5 |
| 421 | 04-036 | Windows XP Pro | 9/29/2004 | 278.00 | 182.00 | 56.00 SL | 5 |
| 422 | 04-037 | Dell 3000 Computer System | 9/29/2004 | 1,473.00 | 959.00 | 295.00 SL | 5 |
| 423 | 04-038 | Shelf | 10/6/2004 | 158.33 | 104.00 | 32.00 SL | 5 |
| 424 | 04-039 | Pallet Truck | 10/6/2004 | 346.48 | 224.00 | 69.00 SL | 5 |
| 425 | 04-040 | Kodak Digital Camera | 10/13/2004 | 129.99 | 84.00 | 26.00 SL | 5 |
| 467 | 05-040 | Cannon Copier | 7/22/2005 | 7,378.42 | 3,567.00 | 1,476.00 SL | 5 |
| 468 | 05-041 | Dell Notebook & Projector | 10/12/2005 | 2,850.50 | 1,282.00 | 570.00 SL | 5 |
| 501 | 06-021 | Nikon Camera | 9/19/2006 | 241.60 | 60.00 | 48.00 SL | 5 |
| 553 | 07-031 | Tech 2007 - Billing Program | 4/19/2007 | 17,869.82 | 2,383.00 | 3,574.00 SL | 5 |
| 568 | 08-014 | Samsung Copier | 1/14/2008 | 1,249.50 | | 250.00 SL | 5 |
| 569 | 08-015 | Software for Master Meters | 8/23/2008 | 3,869.95 | | 258.00 SL | 5 |
| 570 | 08-016 | Laser Jet Printer | 10/22/2008 | 938.00 | | 31.00 SL | 5 |
| | | | | 166,365.04 | 130,539.00 | 10,155.00 | |

341 - Transportation equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|-------------------|------------|------------|-----------|-----------|----------------|------|
| 211 | 149 | Ford Pickup | | 1/1/1978 | 4,581.00 | 4,581.00 | SL | 3 |
| 212 | 150 | Hoist | | 1/1/1981 | 2,109.00 | 2,109.00 | SL | 5 |
| 214 | 152 | 86 Pickup | | 1/1/1986 | 8,986.00 | 8,986.00 | SL | 3 |
| 213 | 151 | 83 Pickup | | 1/1/1988 | 8,288.00 | 8,288.00 | SL | 3 |
| 215 | 153 | Vehicle Radios | | 1/1/1988 | 344.00 | 344.00 | SL | 3 |
| 152 | 360 | 89 S10 Pickup GMC | P | 6/21/1989 | 9,584.00 | 9,584.00 | SL | 5 |
| 216 | 154 | JD3100 Backhoe | | 1/1/1990 | 30,947.00 | 30,947.00 | SL | 5 |
| 217 | 155 | 90 Pickup | | 1/1/1991 | 10,680.00 | 10,680.00 | SL | 3 |
| 218 | 156 | Tool Box | | 1/1/1991 | 285.00 | 285.00 | SL | 3 |
| 219 | 157 | Tanker Truck | | 1/1/1992 | 27,201.00 | 27,201.00 | SL | 5 |

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|-----------------------------------|------------|------------|------------|------------|----------------|------|
| 220 | 158 | Ford Pickup | | 1/1/1992 | 21,992.00 | 21,992.00 | SL | 5 |
| 221 | 159 | Truck Tank | | 1/1/1993 | 3,378.00 | 3,378.00 | SL | 5 |
| 222 | 160 | 96 Ford Pickup | | 1/1/1995 | 25,321.00 | 25,321.00 | SL | 5 |
| 133 | 361 | Equipment | P | 1/27/1996 | 5,022.00 | 5,022.00 | SL | 10 |
| 134 | 362 | 96 Ford Truck | | 3/31/1996 | 14,837.00 | 14,837.00 | SL | 5 |
| 135 | 363 | Equipment | P | 6/30/1996 | 3,682.00 | 3,682.00 | SL | 5 |
| 426 | 04-041 | Chevy S-10 Pickup | 9/15/2008 | 7/16/2004 | 3,000.00 | 2,050.00 | 400.00 SL | 5 |
| 469 | 05-042 | 2005 Chevrolet 2500 HD Pick Up | | 7/8/2005 | 23,893.00 | 11,947.00 | 4,779.00 SL | 5 |
| 470 | 05-043 | 2005 Chevrolet Pick Up 4X4 Silver | | 7/11/2005 | 16,610.63 | 8,305.00 | 3,322.00 SL | 5 |
| 471 | 05-044 | 2005 Chevrolet Pick Up 1500 | | 7/19/2005 | 19,147.80 | 9,254.00 | 3,829.00 SL | 5 |
| 472 | 05-045 | 2005 Chevrolet 1500 Extended Cab | | 7/19/2005 | 25,676.25 | 12,410.00 | 5,135.00 SL | 5 |
| 473 | 05-046 | 5'X8' Box Trailer | | 9/7/2005 | 1,688.60 | 789.00 | 338.00 SL | 5 |
| 571 | 08-017 | 2008 F-350 | | 9/22/2008 | 52,853.00 | | 2,643.00 SL | 5 |
| 575 | 08-021 | 08 Ford Ranger Extended Cab | | 9/24/2008 | 23,743.51 | | 1,187.00 SL | 5 |
| | | | | | 343,849.79 | 221,992.00 | 21,653.00 | |

343 - Tools

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|------------------------|------------|------------|----------|----------|----------------|------|
| 138 | 366 | Metal Detector | | 8/21/1980 | 420.00 | 420.00 | SL | 5 |
| 141 | 369 | Kerosene Heater | | 1/1/1981 | 250.00 | 250.00 | SL | 5 |
| 236 | 174 | Fuel Tank | | 1/1/1983 | 4,019.00 | 4,019.00 | SL | 5 |
| 237 | 175 | Pipe Wrenches | | 1/1/1985 | 525.00 | 525.00 | SL | 5 |
| 144 | 372 | Wood Ester | | 7/10/1985 | 241.00 | 241.00 | SL | 5 |
| 146 | 374 | Generator | | 1/16/1986 | 625.00 | 625.00 | SL | 5 |
| 147 | 375 | Pipesetter | | 9/4/1986 | 228.00 | 228.00 | SL | 5 |
| 238 | 176 | Signs | | 1/1/1987 | 423.00 | 423.00 | SL | 5 |
| 239 | 177 | Waders | | 1/1/1987 | 269.00 | 269.00 | SL | 5 |
| 241 | 179 | Lawn Mower | | 1/1/1988 | 149.00 | 149.00 | SL | 5 |
| 149 | 377 | Pipe & Tapping Machine | | 4/12/1988 | 171.00 | 171.00 | SL | 5 |
| 148 | 376 | Woodcutter | | 7/7/1988 | 261.00 | 261.00 | SL | 5 |
| 225 | 163 | Sand Blaster | | 1/1/1989 | 502.00 | 502.00 | SL | 5 |
| 227 | 165 | Scars Mower | | 1/1/1990 | 1,267.00 | 1,267.00 | SL | 5 |
| 228 | 166 | Weed Ester | | 1/1/1990 | 297.00 | 297.00 | SL | 5 |
| 230 | 168 | Caution Sign | | 1/1/1991 | 162.00 | 162.00 | SL | 5 |
| 232 | 170 | Magnetic Locator | | 1/1/1991 | 452.00 | 452.00 | SL | 5 |

| | | | | | | | | |
|-----|--------|-----------------------|---|------------|-----------|-----------|-----------|---|
| 245 | 183 | Compressor | | 1/1/1992 | 8,546.00 | 8,546.00 | SL | 5 |
| 246 | 184 | Leak Detector | | 1/1/1992 | 1,300.00 | 1,300.00 | SL | 5 |
| 247 | 185 | Beacon | | 1/1/1992 | 162.00 | 162.00 | SL | 5 |
| 150 | 373 | Homelite Concrete Saw | | 7/2/1992 | 265.00 | 265.00 | SL | 5 |
| 152 | 380 | Detector | | 12/11/1992 | 1,348.00 | 1,348.00 | SL | 5 |
| 249 | 187 | Safety Equipment | P | 1/1/1993 | 918.00 | 918.00 | SL | 5 |
| 252 | 190 | Battery Charger | P | 1/1/1993 | 300.00 | 300.00 | SL | 5 |
| 253 | 191 | Battery Equipment | P | 1/1/1993 | 338.00 | 338.00 | SL | 5 |
| 255 | 193 | Drill Machines | | 1/1/1994 | 715.00 | 715.00 | SL | 5 |
| 258 | 196 | Brush | P | 1/1/1995 | 699.00 | 699.00 | SL | 5 |
| 76 | 213 | Airpack | P | 6/20/2000 | 1,755.00 | 1,755.00 | SL | 5 |
| 474 | 05-047 | Tapping Tool | | 1/5/2005 | 2,128.17 | 1,278.00 | 426.00 SL | 5 |
| | | | | | 29,134.17 | 28,284.00 | 426.00 | |

344 - Lab equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|-----------------------------|------------|------------|-----------|-----------|----------------|------|
| 363 | 02-017 | Lab Equipment | | 4/16/2002 | 6,048.20 | 6,048.00 | SL | 5 |
| 364 | 02-018 | Lab Equipment | | 5/29/2002 | 4,005.22 | 4,005.00 | SL | 5 |
| 365 | 02-019 | Lab Equipment - So East Lab | | 9/3/2002 | 1,839.89 | 1,839.00 | SL | 5 |
| 475 | 05-048 | Lab Testing Equipment | | 7/15/2005 | 2,509.50 | 1,255.00 | 502.00 SL | 5 |
| | | | | | 14,402.81 | 13,147.00 | 502.00 | |

345 - Power operated equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|----------------------------|------------|------------|-----------|-----------|----------------|------|
| 476 | 05-049 | inverter | | 7/6/2005 | 1,827.91 | 652.00 | 261.00 SL | 7 |
| 477 | 05-050 | Kubota Excavator & Trailer | | 7/18/2005 | 41,365.00 | 14,280.00 | 5,909.00 SL | 7 |
| | | | | | 43,192.91 | 14,932.00 | 6,170.00 | |

346 - Communications equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Prior | Current Method | Life |
|--------|------------|-------------------|------------|------------|----------|----------|----------------|------|
| 427 | 04-042 | Phone System | P | 9/13/2004 | 1,341.00 | 640.00 | 192.00 SL | 7 |
| 478 | 05-051 | Radios | | 7/22/2005 | 4,207.37 | 1,452.00 | 601.00 SL | 7 |
| 479 | 05-052 | Radios | | 10/11/2005 | 550.20 | 178.00 | 79.00 SL | 7 |
| 521 | 06-041 | Telephone System | | 11/7/2006 | 4,251.00 | 708.00 | 607.00 SL | 7 |
| 522 | 06-042 | Radio | | 11/8/2006 | 253.00 | 42.00 | 36.00 SL | 7 |
| 573 | 08-018 | Cell Phones | | 2/15/2008 | 1,546.14 | | 202.00 SL | 7 |
| 573 | 08-019 | CM 200 Radios (8) | | 5/21/2008 | 3,740.17 | | 312.00 SL | 7 |

370 - Communications equipment

| Sys ID | Asset Code | Description | Retired OR | In Service | Cost | Price | Current Method | Life |
|--------|------------|--------------------------|------------|------------|-----------|----------|----------------|------|
| 374 | 08-020 | Kenwood TK-8160 HK Radio | | 9/17/2008 | 1,008.00 | | 36.00 SL | 7 |
| | | | | | 16,896.88 | 3,020.00 | 2,065.00 | |

| | | | |
|---|----------------------|---------------------|-------------------|
| 303 - Land - Land rights | 209,713.83 | 0.00 | 0.00 |
| 304 - Structures | 225,348.32 | 45,961.00 | 4,685.00 |
| 305 - Collecting & impounding reservoirs | 288,202.65 | 54,629.00 | 1,555.00 |
| 306 - Lakes, rivers & intakes | 881,646.22 | 415,218.00 | 17,634.00 |
| 311 - Pumping equipment | 172,919.75 | 82,875.00 | 21,669.00 |
| 320 - Water treatment equipment | 1,418,611.81 | 930,352.00 | 24,366.00 |
| 330 - Distribution reservoir & standpipes | 3,091,871.19 | 478,654.00 | 38,279.00 |
| 331 - Transmission & distribution mains | 16,605,737.98 | 4,374,030.00 | 429,182.00 |
| 334 - Meters & meter installation | 477,341.03 | 100,214.00 | 14,463.00 |
| 335 - Hydrants | 2,969.00 | 1,309.00 | 89.00 |
| 339 - Other plant & misc. equipment | 802,353.11 | 689,039.00 | 6,887.00 |
| 340 - Office furniture & equipment | 166,365.04 | 130,539.00 | 10,155.00 |
| 341 - Transportation equipment | 343,849.79 | 221,992.00 | 21,633.00 |
| 343 - Tools | 29,134.17 | 28,284.00 | 426.00 |
| 344 - Lab equipment | 14,402.81 | 13,147.00 | 502.00 |
| 345 - Power operated equipment | 43,192.91 | 14,932.00 | 6,170.00 |
| 346 - Communications equipment | 16,896.88 | 3,020.00 | 2,065.00 |
| | <u>24,790,556.49</u> | <u>7,584,195.00</u> | <u>599,760.00</u> |

Combined

| | Cost | Prior | Current |
|---|----------------------|---------------------|-------------------|
| 303 - Land - Land rights | 209,713.83 | 0.00 | 0.00 |
| 304 - Structures | 225,348.32 | 45,961.00 | 4,685.00 |
| 305 - Collecting & impounding reservoirs | 288,202.65 | 54,629.00 | 1,555.00 |
| 306 - Lakes, rivers & intakes | 881,646.22 | 415,218.00 | 17,634.00 |
| 311 - Pumping equipment | 172,919.75 | 82,875.00 | 21,669.00 |
| 320 - Water treatment equipment | 1,418,611.81 | 930,352.00 | 24,366.00 |
| 330 - Distribution reservoir & standpipes | 3,091,871.19 | 478,654.00 | 38,279.00 |
| 331 - Transmission & distribution mains | 16,605,737.98 | 4,374,030.00 | 429,182.00 |
| 334 - Meters & meter installation | 477,341.03 | 100,214.00 | 14,463.00 |
| 335 - Hydrants | 2,969.00 | 1,309.00 | 89.00 |
| 339 - Other plant & misc. equipment | 802,353.11 | 689,039.00 | 6,887.00 |
| 340 - Office furniture & equipment | 166,365.04 | 130,539.00 | 10,155.00 |
| 341 - Transportation equipment | 343,849.79 | 221,992.00 | 21,633.00 |
| 343 - Tools | 29,134.17 | 28,284.00 | 426.00 |
| 344 - Lab equipment | 14,402.81 | 13,147.00 | 502.00 |
| 345 - Power operated equipment | 43,192.91 | 14,932.00 | 6,170.00 |
| 346 - Communications equipment | 16,896.88 | 3,020.00 | 2,065.00 |
| | <u>24,790,556.49</u> | <u>7,584,195.00</u> | <u>599,760.00</u> |

EXHIBIT 9

**MONTHLY MANAGERIAL
REPORTS**

**Martin County Water District
Management Report
January 7, 2008**

- **RD Project (Clear well Tank) is progressing smoothly. Base of tank has been poured and the contractors are ready to begin with the tank. (Continuing)**
- **292 South Project - Water lines has been laid and are being pressurized January 7, 2008. (Continuing)**

- **Work Orders Completed this period will be addressed at January's regular meeting.**
 - Meter read-in ()
 - Meter read-out ()
 - Meter sets ()
 - Meter Shut off ()
 - New Taps ()
 - Meter change out ()
 - Leaks ()
 - Meter pulls ()
 - Meter Re-reads ()
 - Miscellaneous ()
 - Cheater Bar ()

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment..**

- **Department of Highways**
 - **Water line relocation has been completed at the Intersection of 645 and 3.**

- **PSC Audit**
 - **First Progress Report due December 2007 was e-mailed December 31, 2008.**

- **Extended Hours – Friday (Hours 8:00 am to 6:00 pm)**
 - **I suggest that the District discontinue the extended office hours program due to not enough customers participating.**

- **Clarifier – Met with Todd Jones of Tech Coat concerning repairs to #1 Filter.**
 - **Tech Coat Company completed work on #1 Clarifier December 13, 2007.**

**Martin County Water District
Management Report
February 25, 2008**

- **RD Project (Clear well Tank) Tank #1 has been completed. The laying of the water line to the tank site should begin this week.**
- **292 South Project - 292 South Project is complete.**
- **Work Orders Completed as of February, 2008 total 135**
 - Meter read-in 14
 - Meter read-out 15
 - Meter sets 19
 - Meter Shut off 0
 - New Taps 9
 - Meter change out 5
 - Leaks 11
 - Meter pulls 12
 - Meter Re-reads 5
 - Miscellaneous 38
 - Cheater Bar 0
 - Complaints 7
- **Meter Pulls**
 - This District will continue the policy of pulling meters for non-payment.
- **Trace Fork Project – I took Julie Roney and B J Bland, Division of Water, to the Trace Fork Area concerning the residents’ desire to have a water line extended to that area. A conventional water system in the area is not feasible.**
- **Vanguard Construction – In-Line Meters**
 - All fourteen In-Line Meters has been installed and the Radio Read devices has been installed.
 - Clean up of each site will be completed when the weather permits according to the contractors.
- **Replacement of 40 East and 40 West Pump Stations**
 - Funding is in place for the design and replacement of both pump stations.
- **Little Laurel – Line Extension**
 - Bob Taylor will prepare the plans to send to the Division of Water for approval.

**Martin County Water District
Management Report
March 24, 2008**

- **RD Project (Clear well Tank) Tank #1** has been completed. The 14" water line to the tank is being installed.
- **Raw Water Intake** – Due to the Reservoir being full the Tug River Pump Station is shut down. Cleaning the bottom floor is in progress.
- **Work Orders Completed as of March, 2008 total 151**
 - Meter read-in 18
 - Meter read-out 16
 - Meter sets 21
 - Meter Shut off 0
 - New Taps 6
 - Meter change out 17
 - Leaks 16
 - Meter pulls 40
 - Meter Re-reads 1
 - Miscellaneous 15
 - Cheater Bar 0
 - Complaints 1
- **Meter Pulls**
 - This District will continue the policy of pulling meters for non-payment.
- **Trace Fork Project** – Received a Quote from Paintsville Utilities regarding the Water Station at a Price of \$13800.00. Greta Ward or George Meginnis has not contacted the Water District concerning their plans.
- **Vanguard Construction – In-Line Meters**
 - All fourteen In-Line Meters has been installed and the Radio Read devices has been installed.
 - Clean up of each site will be completed when the weather permits according to the contractors.
- **Replacement of 40 East and 40 West Pump Stations**
 - Funding is in place for the design and replacement of both pump stations.
- **Little Laurel – Line Extension**
 - Bob Taylor will prepare the plans to send to the Division of Water for approval. Awaiting approval from DOW.

Martin County Water District
Management Report
April 24, 2008

- **RD Project (Clear well Tank) Tank #1** has been completed. The 14" water line has been connected to the existing line. The new line has been pressured tested, sanitized, flushed, and a good sample received from the lab. The new tank is being filled at present and will be sanitized Wednesday.

- **Raw Water Intake** – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.

- **Work Orders Completed as of April 2008 total 209**
 - Meter read-in 22
 - Meter read-out 22
 - Meter sets 52
 - Meter Shut off 0
 - New Taps 6
 - Meter change out 15
 - Leaks 17
 - Meter pulls 39
 - Meter Re-reads 3
 - Miscellaneous 31
 - Cheater Bar 1
 - Complaints 1

- **Meter Pulls**
 - This District will continue the policy of pulling meters for non-payment.

- **In-Line Meters**
 - The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located.

- **Replacement of 40 East and 40 West Pump Stations**
 - Funding is in place for the design and replacement of both pump stations.

- **Personnel Training**
 - Maurice Mills and Harley Hammonds were sent for distribution training and examination. Hopefully they both passed????

**Martin County Water District
Management Report
May 11, 2008**

- **RD Project – Construction of the 2nd Clear well Tank is underway and should be finished within 3 to 4 weeks, weather permitting.**

- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.**

- **Work Orders Completed as of June 6, 2008 total 201**
 - Meter read-in 26
 - Meter read-out 25
 - Meter sets 45
 - Meter Shut off 0
 - New Taps 8
 - Meter change out 15
 - Leaks 11
 - Meter pulls 34
 - Meter Re-reads 4
 - Miscellaneous 33
 - Cheater Bar 0
 - Complaints 0

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**

- **In-Line Meters**
 - **The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located. Software update has been completed and next meeting we hopefully will have data to report to the Board.**

- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. (Awaiting approval)**

- **Personnel Training**
 - **Maurice Mills passed his Class IIA, Distribution Certification.**
 - **Tom Alley attended training for his Class IV, Treatment Certification.**

**Martin County Water District
Management Report
June 11 thru June 23, 2008**

- **RD Project – Construction of the 2nd Clear well Tank is underway and should be finished this week.**
- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second motor at the Raw Water Intake. The motor and pump installed should cost approximately \$36500.00. (Motor cost \$29000.00; Installation \$4500.00; Crane cost \$3000.00)**
- **Work Orders – No report on Work Orders at this time.**
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **In-Line Meters**
 - **The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located. Software update has been completed and next meeting we hopefully will have data to report to the Board.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. (Awaiting approval)**
- **Personnel Training**
 - **Tom Alley attended training for his Class IV, Treatment Certification. Tom passed his test and is now certified for a Class IV Treatment Plant.**
- **KIA – John Covington**
 - **John wants to set up an automatic DEBIT to the District's Checking Account (see attached schedule).**

**Martin County Water District
Management Report
July 28, 2008**

- **RD Project – #2 Clear Well Tank is completed, sanitized, and operational. (Effective July 28, 2008.)**
- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.**
- **Work Orders Completed as of July 28, 2008 total 154**
 - Meter read-in 6
 - Meter read-out 9
 - Meter sets 25
 - Meter Shut off 0
 - New Taps 13
 - Meter change out 6
 - Leaks 21
 - Meter pulls 20
 - Meter Re-reads 4
 - Miscellaneous 11
 - Meter pulls NP 37
 - Complaints 2
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been sent to the Division of Water for their approval.**
- **Employee of the Month – I recommend Harley Hammonds and Jeremy Preece for Employees of the Month for July 2008. Harley and Jeremy dug up a flower box covering a meter box and found a cheater bar. \$841.19 was received for the past due account. The END..**

**Martin County Water District
Management Report
August 31, 2008**

- **Raw Water Intake – The motor and pump at the Raw Water is doing great. #2 Motor has been ordered and should arrive last week of September 2008.**

- **Work Orders Completed as of August 31, 2008 total 184.**
 - Meter read-in 13
 - Meter read-out 13
 - Meter sets 36
 - Meter Shut off 0
 - New Taps 7
 - Meter change out 10
 - Leaks 48
 - Meter pulls 24
 - Meter Re-reads 7
 - Miscellaneous 18
 - Meter pulls NP 0
 - Complaints 8

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**

- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting. Maurice is still in the process of fine tuning the customers with the Master Meters. Discussion with O/G concerning low flow measuring of water passing thru the meters.**

- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been sent to the Division of Water for their approval.**

**Martin County Water District
Management Report
September 30, 2008**

- **Raw Water Intake – The motor for the second pump at the Raw Water Intake has been installed.**
- **Work Orders – No report was prepared since we had a meeting September 5, 2008.**
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting. Maurice is still in the process of fine tuning the customers with the Master Meters. Discussion with O/G concerning low flow measuring of water passing thru the meters.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been approved by DOW and bids will be received October 15, 2008.**

Martin County Water District

Management Report

October 1st – December 19, 2008

- Clear Well Tank Fencing is complete as of 10/27/08
 1. OBG contacted Fence Co. to revisit stability of back fence

- Work Orders Completed as of 12/19/08 total 188
 1. Meter Pulls 15
 2. Meter Read Inn's 20
 3. Meter Read Out's 20
 4. Meter Sets 30
 5. Meter Shut Off's 0
 6. Taps 8
 7. Change Out's 7
 8. Leaks 33
 9. Re-Reads 17
 10. Misc. 9
 11. Meter Pull – NP 16
 12. Complaints 3
 13. Cheater Bars 1
 14. Line Locates 2
 15. Meter Set Back's 7

- Meter Pulls
 1. The District will continue the policy of pulling meter for non-payment.

- In Line Meters
 1. Rod with CI tested Little Peter Cave and 292 Master Meters on Friday; Little Peter Cave tested 100% and 292 could not be tested. Rodney determined the 292 Master Meter is damaged due to tampering, it is not registering water. Cost for repairs are estimated at \$460.00.

- Replacement of 40 East and 40 West Pump Stations
 1. Waiting on Contractor to begin work.

EXHIBIT 10

CUSTOMER NOTIFICATION

NOTICE

Notice is hereby given that the Martin County Water District seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates in the total amount of \$294,346 on an annual basis. The percentage of increase will approximate 15.8 percent to the Martin County Water District.

Current

5/8" x 3/4" Meter

| | | |
|-------|---------------|------------------------|
| First | 2,000 gallons | \$20.00 Minimum Bill |
| Over | 2,000 gallons | 6.55 per 1,000 gallons |

1" Meter

| | | |
|-------|---------------|------------------------|
| First | 3,000 gallons | \$26.55 Minimum Bill |
| Over | 3,000 gallons | 6.55 per 1,000 gallons |

1 1/2" Meter

| | | |
|-------|---------------|------------------------|
| First | 4,000 gallons | \$33.10 Minimum Bill |
| Over | 4,000 gallons | 6.55 per 1,000 gallons |

2" Meter

| | | |
|-------|---------------|------------------------|
| First | 6,000 gallons | \$46.20 Minimum Bill |
| Over | 6,000 gallons | 6.55 per 1,000 gallons |

3" Meter

| | | |
|-------|----------------|------------------------|
| First | 12,000 gallons | \$85.50 Minimum Bill |
| Over | 12,000 gallons | 6.55 per 1,000 gallons |

4" Meter

| | | |
|-------|----------------|------------------------|
| First | 25,000 gallons | \$170.65 Minimum Bill |
| Over | 25,000 gallons | 6.55 per 1,000 gallons |

Proposed

5/8" x 3/4" Meter

| | | |
|-------|---------------|--------------------------|
| First | 2,000 gallons | \$26.50 Minimum Bill |
| Over | 2,000 gallons | \$6.70 per 1,000 gallons |

1" Meter

| | | |
|-------|---------------|--------------------------|
| First | 5,000 gallons | \$46.60 Minimum Bill |
| Over | 5,000 gallons | \$6.70 per 1,000 gallons |

1 1/2" Meter

| | | |
|-------|----------------|--------------------------|
| First | 10,000 gallons | \$80.10 Minimum Bill |
| Over | 10,000 gallons | \$6.70 per 1,000 gallons |

2" Meter
First 20,000 gallons \$147.10 Minimum Bill
Over 20,000 gallons \$6.70 per 1,000 gallons

3" Meter
First 30,000 gallons \$214.10 Minimum Bill
Over 30,000 gallons \$6.70 per 1,000 gallons

4" Meter
First 50,000 gallons \$348.10 Minimum Bill
Over 50,000 gallons \$6.70 per 1,000 gallons

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$6.95 from \$39.65 to \$46.60 or 17.53%.

The rates contained in this notice are the rates proposed by Martin County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice.

Any corporation, association, body politic or person may request leave to intervene by motion within 30 days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the application and testimony by contacting Martin County Water District at Kentucky Route 908, Lick Branch Road, Inez, Kentucky, 41224 (606) 298-3885, or the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, (502) 564-3940. A copy of the application and testimony shall be available for public inspection at the utility's offices.

Martin County Water District

Exhibit No. 11

**Written Notification
of Intent**

Martin County Water District

387 EAST MAIN STREET, SUITE 140, INEZ KENTUCKY 41224

Case No. 2010-00300

606 - 298 - 3885

July 12, 2010

Jeff R. Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

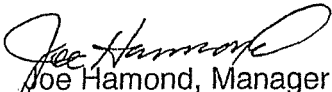
JUL 16 2010

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

Martin County Water District hereby notifies the Public Service Commission, pursuant to 807 KAR 5:001, Section 10(2) and 807 KAR 5:011, Section 8(1) of its intention to file an application for a general adjustment of water rates, using a historical test period, no sooner than (4) weeks following your receipt of this notice. A copy of this shall be served upon the Attorney General, Utility and Rate Division.

Sincerely,


Joe Hamond, Manager
Martin County Water District

Cc: Attorney General, Utility and Rate Division

**Martin County Water District
Management Report
January 7, 2008**

- **RD Project (Clear well Tank) is progressing smoothly. Base of tank has been poured and the contractors are ready to begin with the tank. (Continuing)**
- **292 South Project - Water lines has been laid and are being pressurized January 7, 2008. (Continuing)**
- **Work Orders Completed this period will be addressed at January's regular meeting.**
 - Meter read-in ()
 - Meter read-out ()
 - Meter sets ()
 - Meter Shut off ()
 - New Taps ()
 - Meter change out ()
 - Leaks ()
 - Meter pulls ()
 - Meter Re-reads ()
 - Miscellaneous ()
 - Cheater Bar ()
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment..**
- **Department of Highways**
 - **Water line relocation has been completed at the Intersection of 645 and 3.**
- **PSC Audit**
 - **First Progress Report due December 2007 was e-mailed December 31, 2008.**
- **Extended Hours – Friday (Hours 8:00 am to 6:00 pm)**
 - **I suggest that the District discontinue the extended office hours program due to not enough customers participating.**
- **Clarifier – Met with Todd Jones of Tech Coat concerning repairs to #1 Filter.**
 - **Tech Coat Company completed work on #1 Clarifier December 13, 2007.**

**Martin County Water District
Management Report
February 25, 2008**

- **RD Project (Clear well Tank) Tank #1 has been completed. The laying of the water line to the tank site should begin this week.**
- **292 South Project - 292 South Project is complete.**
- **Work Orders Completed as of February, 2008 total 135**
 - Meter read-in 14
 - Meter read-out 15
 - Meter sets 19
 - Meter Shut off 0
 - New Taps 9
 - Meter change out 5
 - Leaks 11
 - Meter pulls 12
 - Meter Re-reads 5
 - Miscellaneous 38
 - Cheater Bar 0
 - Complaints 7
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **Trace Fork Project – I took Julie Roney and B J Bland, Division of Water, to the Trace Fork Area concerning the residents’ desire to have a water line extended to that area. A conventional water system in the area is not feasible.**
- **Vanguard Construction – In-Line Meters**
 - **All fourteen In-Line Meters has been installed and the Radio Read devices has been installed.**
 - **Clean up of each site will be completed when the weather permits according to the contractors.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations.**
- **Little Laurel – Line Extension**
 - **Bob Taylor will prepare the plans to send to the Division of Water for approval.**

**Martin County Water District
Management Report
March 24, 2008**

- **RD Project (Clear well Tank) Tank #1** has been completed. The 14" water line to the tank is being installed.
- **Raw Water Intake – Due to the Reservoir being full the Tug River Pump Station is shut down. Cleaning the bottom floor is in progress.**
- **Work Orders Completed as of March, 2008 total 151**
 - Meter read-in 18
 - Meter read-out 16
 - Meter sets 21
 - Meter Shut off 0
 - New Taps 6
 - Meter change out 17
 - Leaks 16
 - Meter pulls 40
 - Meter Re-reads 1
 - Miscellaneous 15
 - Cheater Bar 0
 - Complaints 1
- **Meter Pulls**
 - This District will continue the policy of pulling meters for non-payment.
- **Trace Fork Project – Received a Quote from Paintsville Utilities regarding the Water Station at a Price of \$13800.00. Greta Ward or George McGinnis has not contacted the Water District concerning their plans.**
- **Vanguard Construction – In-Line Meters**
 - All fourteen In-Line Meters has been installed and the Radio Read devices has been installed.
 - Clean up of each site will be completed when the weather permits according to the contractors.
- **Replacement of 40 East and 40 West Pump Stations**
 - Funding is in place for the design and replacement of both pump stations.
- **Little Laurel – Line Extension**
 - Bob Taylor will prepare the plans to send to the Division of Water for approval. Awaiting approval from DOW.

**Martin County Water District
Management Report
April 24, 2008**

- **RD Project (Clear well Tank) Tank #1** has been completed. The 14" water line has been connected to the existing line. The new line has been pressured tested, sanitized, flushed, and a good sample received from the lab. The new tank is being filled at present and will be sanitized Wednesday.

- **Raw Water Intake** – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.

- **Work Orders Completed as of April 2008 total 209**
 - Meter read-in 22
 - Meter read-out 22
 - Meter sets 52
 - Meter Shut off 0
 - New Taps 6
 - Meter change out 15
 - Leaks 17
 - Meter pulls 39
 - Meter Re-reads 3
 - Miscellaneous 31
 - Cheater Bar 1
 - Complaints 1

- **Meter Pulls**
 - This District will continue the policy of pulling meters for non-payment.

- **In-Line Meters**
 - The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located.

- **Replacement of 40 East and 40 West Pump Stations**
 - Funding is in place for the design and replacement of both pump stations.

- **Personnel Training**
 - Maurice Mills and Harley Hammonds were sent for distribution training and examination. Hopefully they both passed?????

**Martin County Water District
Management Report
May 11, 2008**

- **RD Project -- Construction of the 2nd Clear well Tank is underway and should be finished within 3 to 4 weeks, weather permitting.**
- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.**
- **Work Orders Completed as of June 6, 2008 total 201**
 - Meter read-in 26
 - Meter read-out 25
 - Meter sets 45
 - Meter Shut off 0
 - New Taps 8
 - Meter change out 15
 - Leaks 11
 - Meter pulls 34
 - Meter Re-reads 4
 - Miscellaneous 33
 - Cheater Bar 0
 - Complaints 0
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **In-Line Meters**
 - **The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located. Software update has been completed and next meeting we hopefully will have data to report to the Board.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. (Awaiting approval)**
- **Personnel Training**
 - **Maurice Mills passed his Class IIA, Distribution Certification.**
 - **Tom Alley attended training for his Class IV, Treatment Certification.**

**Martin County Water District
Management Report
June 11 thru June 23, 2008**

- **RD Project – Construction of the 2nd Clear well Tank is underway and should be finished this week.**

- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second motor at the Raw Water Intake. The motor and pump installed should cost approximately \$36500.00. (Motor cost \$29000.00; Installation \$4500.00; Crane cost \$3000.00)**

- **Work Orders – No report on Work Orders at this time.**

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**

- **In-Line Meters**
 - **The billing software is in the process of being changed to report the difference between customer usage vs water supplied to each customer. This will hopefully show where our greatest water loss is located. Software update has been completed and next meeting we hopefully will have data to report to the Board.**

- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. (Awaiting approval)**

- **Personnel Training**
 - **Tom Alley attended training for his Class IV, Treatment Certification. Tom passed his test and is now certified for a Class IV Treatment Plant.**

- **KIA – John Covington**
 - **John wants to set up an automatic DEBIT to the District's Checking Account (see attached schedule).**

**Martin County Water District
Management Report
July 28, 2008**

- **RD Project – #2 Clear Well Tank is completed, sanitized, and operational. (Effective July 28, 2008.**

- **Raw Water Intake – The motor and pump at the Raw Water is doing great. We need to begin looking at a new motor for the second pump at the Raw Water Intake.**

- **Work Orders Completed as of July 28, 2008 total 154**
 - Meter read-in 6
 - Meter read-out 9
 - Meter sets 25
 - Meter Shut off 0
 - New Taps 13
 - Meter change out 6
 - Leaks 21
 - Meter pulls 20
 - Meter Re-reads 4
 - Miscellaneous 11
 - Meter pulls NP 37
 - Complaints 2

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**

- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting.**

- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been sent to the Division of Water for their approval.**

- **Employee of the Month – I recommend Harley Hammonds and Jeremy Preece for Employees of the Month for July 2008. Harley and Jeremy dug up a flower box covering a meter box and found a cheater bar. \$841.19 was received for the past due account. The END..**

**Martin County Water District
Management Report
August 31, 2008**

- **Raw Water Intake – The motor and pump at the Raw Water is doing great. #2 Motor has been ordered and should arrive last week of September 2008.**

- **Work Orders Completed as of August 31, 2008 total 184.**
 - Meter read-in 13
 - Meter read-out 13
 - Meter sets 36
 - Meter Shut off 0
 - New Taps 7
 - Meter change out 10
 - Leaks 48
 - Meter pulls 24
 - Meter Re-reads 7
 - Miscellaneous 18
 - Meter pulls NP 0
 - Complaints 8

- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**

- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting. Maurice is still in the process of fine tuning the customers with the Master Meters. Discussion with O/G concerning low flow measuring of water passing thru the meters.**

- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been sent to the Division of Water for their approval.**

**Martin County Water District
Management Report
September 30, 2008**

- **Raw Water Intake – The motor for the second pump at the Raw Water Intake has been installed.**
- **Work Orders – No report was prepared since we had a meeting September 5, 2008.**
- **Meter Pulls**
 - **This District will continue the policy of pulling meters for non-payment.**
- **In-Line Meters**
 - **The billing software is in place for the Master Meters. Maurice is aligning customers with each Master Meter and will have a report ready for next meeting. Maurice is still in the process of fine tuning the customers with the Master Meters. Discussion with O/G concerning low flow measuring of water passing thru the meters.**
- **Replacement of 40 East and 40 West Pump Stations**
 - **Funding is in place for the design and replacement of both pump stations. The Design work has been approved by DOW and bids will be received October 15, 2008.**

Martin County Water District

Management Report

October 1st – December 19, 2008

- Clear Well Tank Fencing is complete as of 10/27/08
 1. OBG contacted Fence Co. to revisit stability of back fence

- Work Orders Completed as of 12/19/08 total 188
 1. Meter Pulls 15
 2. Meter Read Inn's 20
 3. Meter Read Out's 20
 4. Meter Sets 30
 5. Meter Shut Off's 0
 6. Taps 8
 7. Change Out's 7
 8. Leaks 33
 9. Re-Reads 17
 10. Misc. 9
 11. Meter Pull – NP 16
 12. Complaints 3
 13. Cheater Bars 1
 14. Line Locates 2
 15. Meter Set Back's 7

- Meter Pulls
 1. The District will continue the policy of pulling meter for non-payment.

- In Line Meters
 1. Rod with CI tested Little Peter Cave and 292 Master Meters on Friday; Little Peter Cave tested 100% and 292 could not be tested. Rodney determined the 292 Master Meter is damaged due to tampering, it is not registering water. Cost for repairs are estimated at \$460.00.

- Replacement of 40 East and 40 West Pump Stations
 1. Waiting on Contractor to being work.