



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

March 1, 2011

RECEIVED

MAR 3 1 2011

PUBLIC SERVICE
COMMISSION

John Pierce
General Manager
Garrison-Quincy-Ky-O-Heights Water District
P.O. Box 279
Garrison, KY 40114

The Order issued by the Kentucky Public Service Commission on Case No. 2007-00476 dated February 4, 2008 stipulates the following:

- Three years from the date of this Order, Garrison-Quincy shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rate approved is sufficient to meet its operating expenses and annual debt service.

Please consider this letter notification that we have not received this information and it is past due. Please submit the information immediately or contact me if you have any questions.

Sincerely,

Linda Faulkner
Division Director Filings

(Please See Attached)

Garrison-Quincy-KY-O-Heights Water District
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUND

For The Years Ended December 31, 2010, 2009 and 2008

	2010	2009	2008
OPERATING INCOME			
Water Operating Revenues	\$ 434,751	\$ 437,232	\$ 382,283
Surcharge	-	22,627	22,165
Total Operating Income	434,751	459,859	404,448
OPERATING EXPENSES			
Salaries	159,748	148,817	127,308
Retirement Expense	31,300	23,005	15,559
Purchased Water	23,977	21,754	24,405
Purchased Power	32,759	29,605	23,725
Chemicals and Salt	6,687	6,279	2,984
Materials and Supplies	40,182	20,601	26,383
Contracted Services	14,655	10,561	9,689
Maintenance Expense	8,850	12,247	11,197
Insurance	28,931	22,266	22,283
Regulatory Commission Expense	693	631	569
Taxes Other Than Income	11,632	11,293	10,037
Miscellaneous	37,181	14,307	19,576
Total Operating Expenses	396,595	321,366	293,715
OPERATING INCOME BEFORE DEPRECIATION	38,156	138,493	110,733
DEPRECIATION	137,499	134,145	130,988
OPERATING INCOME	(99,343)	4,348	(20,255)
NONOPERATING INCOME (EXPENSES)			
Interest Income	1,301	935	11,583
Interest Expense	(41,038)	(41,038)	(41,814)
Customer Tap Fees	54,918	11,965	2,500
Gain on Sale of Assets	-	-	14,000
Capital Grants	3,410,311	-	786,833
INCREASE (DECREASE) IN NET ASSETS	3,326,149	(23,790)	752,847
NET ASSETS, Beginning of Year	3,055,101	3,078,891	2,326,044
NET ASSETS, End of Year	\$ 6,381,250	\$ 3,055,101	\$ 3,078,891

See Accompanying Accountant's Report and Notes to the Financial Statements

ADDITIONAL INFORMATION SHEET
(Revised 2/1/05)

Name of RD Borrower: Garrison Water District

Name of Current Contact Person & Telephone Number:
John Pierce 606-757-4898

Governing Body:

<u>Name</u>	<u>Address & Telephone No.</u>	<u>Expiration/Term of Office</u>
<u>President/Chairman/Mayor:</u>	<u>Richard Christy P.O. Box 21 Garrison, Ky 41141</u>	<u>12/31/2011</u>
<u>Secretary/Clerk:</u>	<u>Karin Collier P.O. Box 9 Garrison, Ky 41141</u>	<u>12/31/2011</u>

Number of Full-Time Employees (n/a for WWD): 5

Total Number of Members (recreation loans only): _____

BREAKDOWN OF FAMILIES/USERS IN THE PRIMARY SERVICE AREA:
(breakdown only the system (or systems) in which RD funds are involved)

DATE VERIFIED: _____

Number of Users: (WATER)

Number of Users: (WASTE)

FAMILIES: (CF)

Res: 1070
Non-Res: 5

Res: _____
Non-Res: _____

Res: _____
Non-Res: _____

DATE VERIFIED: _____

RACIAL CATEGORIES:

ETHNIC CATEGORIES:

Number of:
White _____
Black/African American 3
American Indian/Alaskan Native _____
Native Hawaiian/Pacific Islander _____
Asian 1
Multiple _____
Other _____

Number of:
Hispanic/Latino _____
Not Hispanic/Latino _____

(ATTACHMENT 4)
(FOR CF & RUS Borrowers)

(This form may be used in lieu of "Supplemental Data," Schedule I, Page 2, of Form RD 442-2, to provide evidence of insurance and bond coverage.)

I certify that the insurance and bond coverage shown below is currently in effect and that copies of the insurance policies are on file with our office.

Date _____

President/Chairperson/Mayor/Secretary/Clerk

EVIDENCE OF INSURANCE

Liability Insurance:

Policy #	Insurance Co. & Address	Amount of Coverage	Expiration Date
GWRK 0132500	Arch Ins Co 1 Liberty Plaza 53 New York NY 10006	1,000,000 / 3,000,000	07-01-2011

Workman's Compensation:

Policy #	Insurance Co. & Address	Amount of Coverage	Expiration Date
	Insurers of Ky Harrison RA 19044		07-01-2011

Floodplain Insurance:

Policy #	Insurance Co. & Address	Amount of Coverage	Expiration Date

Property Insurance:

Property Description	Policy #	Insurance Co. & Address	Amount of Coverage	Expiration Date
Buildings	GWRK 0132500	Arch Ins Co	1,661,000	07-01-2011
Auto	"	" " "	38,056	07-01-2011

Fidelity Bond Coverage:

Position Bonded	Policy #	Insurance Co. & Address	Amount of Coverage	Expiration Date
Employer	CRP 1334841 10	State Auto Ins Co 518 E Broad St Columbus OH 43215	300,000	01-01-2007