

District's responses to PSC second data request of July 30, 2010

Q1a. State whether NKWD provides an "automobile allowance" to any of its employees.

A1a. Yes.

Q1b. If the response to 1(a) is yes, list each employee that receives an automobile allowance, the amount of the allowance that he or she receives, the reason for the allowance, and the expense account in which the allowance is recorded.

A1b. President and CEO

The allowance is \$1,500 per month as approved by the Board of Commissioners. The allowance is part of the overall compensation package approved by the Board and also is in lieu of furnishing a District owned vehicle, maintenance, other transportation expenses related to such a vehicle in order to attend numerous meetings and community activities related to his job duties.

The expense is recorded in account number 601-8100-072 Executive Management Labor.

District's responses to PSC second data request of July 30, 2010

Q2. Refer to Prefiled Testimony of Keith Brock. In response to Question 13, Mr. Brock states, "Yes, see schedule." Identify the schedule that reflects the cost of the 2011 Bond Anticipation Notes.

A2. See attached schedule.

**Northern Kentucky Water District  
Revenue Bond Anticipation Notes, Series 2009  
(Final Schedules)**

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**Distribution of Funds  
Northern Kentucky Water District  
Revenue Bond Anticipation Notes, Series 2009**

**(Distribution of Funds Schedule)**

Priced: October 22, 2009  
Dated Date: November 12, 2009  
Delivery Date: November 12, 2009

**Sources of Funds:**

|  |                |                               |
|--|----------------|-------------------------------|
| <b>From Purchaser</b>                      |                |                               |
| <i>Par Amount of Bonds</i>                 |                | \$29,160,000.00               |
| <i>Add Accrued Interest</i>                |                | \$0.00                        |
| <i>Net Bid Premium (Discount)</i>          |                | (\$275,362.00)                |
| <i>Original Issue Premium (Discount)</i>   | \$0.00         |                               |
| <i>Underwriter's Discount</i>              | (\$275,362.00) |                               |
| <i>Less: Good Faith Deposit</i>            |                | (\$291,600.00)                |
| <b>Total Due From Purchaser at Closing</b> |                | <b>\$28,592,838.00</b>        |
| <i>Add Back: Good Faith Deposit</i>        |                | \$291,600.00                  |
| <b>Total Sources:</b>                      |                | <b><u>\$28,884,438.00</u></b> |

**Uses of Funds:**

|   |                 |                               |
|---|-----------------|-------------------------------|
| <b>Bond Funds</b>   |                 |                               |
| <i>Deposit to Construction Fund</i>   | \$27,730,000.00 |                               |
| <i>Deposit Rounding Amount to the Construction Fund</i>   | \$15,373.00     |                               |
| <i>Deposit to Capitalized Interest Fund</i>   | \$1,071,225.00  |                               |
| <b>Cost of Issuance</b>   |                 |                               |
| <i>Remit to Russ, Stachura &amp; Associates their Financial Advisor Fees (includes Verification Fees)</i> | \$43,740.00     |                               |
| <i>Remit to Peck Shaffer their Bond Counsel Fees</i>  | \$15,000.00     |                               |
| <i>Remit to Moody's their Rating Fees</i>   | \$1,900.00      |                               |
| <i>Remit to The Bank of New York their upfront Trustee Fees</i>   | \$7,000.00      |                               |
| <b>Total Uses:</b>  |                 | <b><u>\$28,884,438.00</u></b> |

**Northern Kentucky Water District**

**Revenue Bond Anticipation Notes, Series 2009**

**FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09**

**Sources & Uses**

**Dated 11/12/2009 | Delivered 11/12/2009**

**Sources Of Funds**

|                      |                        |
|----------------------|------------------------|
| Par Amount of Bonds  | \$29,160,000.00        |
| <b>Total Sources</b> | <b>\$29,160,000.00</b> |

**Uses Of Funds**

|  |                        |
|--|------------------------|
| Total Underwriter's Discount (0.945%)      | 275,562.00             |
| Financial Advisor (Includes out of Pocket) | 43,740.00              |
| Bond Counsel                               | 15,000.00              |
| Calculation Agent for BAB's                | 1,000.00               |
| Paying Agent/Registrar                     | 900.00                 |
| Rating Agency Fee                          | 7,000.00               |
| Deposit to Capitalized Interest (CIF) Fund | 1,071,225.00           |
| Deposit to Project Construction Fund       | 27,730,000.00          |
| Rounding Amount                            | 15,573.00              |
| <b>Total Uses</b>                          | <b>\$29,160,000.00</b> |

2008 BAN | Balance (Allocation of \$ | 10/30/2009 | 1:14 PM

**Ross, Sinclaire & Associates, LLC**  
Public Finance - RBarrow

**Northern Kentucky Water District**

**Revenue Bond Anticipation Notes, Series 2009**

**FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09**

**Pricing Summary**

| <b>Maturity</b> | <b>Type of Bond</b> | <b>Coupon</b> | <b>Yield</b> | <b>Maturity Value</b>  | <b>Price</b> | <b>Dollar Price</b>    |
|-----------------|---------------------|---------------|--------------|------------------------|--------------|------------------------|
| 11/01/2011      | Serial Coupon       | 2.500%        | 2.500%       | 29,160,000.00          | 100.000%     | 29,160,000.00          |
| <b>Total</b>    | -                   | -             | -            | <b>\$29,160,000.00</b> | -            | <b>\$29,160,000.00</b> |

**Bid Information**

|                                       |                        |
|---------------------------------------|------------------------|
| Par Amount of Bonds                   | \$29,160,000.00        |
| Gross Production                      | \$29,160,000.00        |
| Total Underwriter's Discount (0.945%) | \$(275,562.00)         |
| Bid (99.055%)                         | 28,884,438.00          |
| <b>Total Purchase Price</b>           | <b>\$28,884,438.00</b> |
| Bond Year Dollars                     | \$57,429.00            |
| Average Life                          | 1.969 Years            |
| Average Coupon                        | 1.6250000%             |
| Net Interest Cost (NIC)               | 2.1048307%             |
| True Interest Cost (TIC)              | 2.1175680%             |

2009 BAN | Sellance (Allocation of \$ | 10/30/2009 | 1:14 PM

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**Northern Kentucky Water District**

**Revenue Bond Anticipation Notes, Series 2009**

**FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09**

**Net Debt Service Schedule**

| <b>Date</b>  | <b>Principal</b>       | <b>Coupon</b> | <b>Interest</b>       | <b>Federal Pmt.</b> | <b>Total P+I</b>       | <b>CIF</b>            | <b>Net New D/S</b>     |
|--------------|------------------------|---------------|-----------------------|---------------------|------------------------|-----------------------|------------------------|
| 05/01/2010   | -                      | -             | 342,225.00            | (119,778.75)        | 222,446.25             | (342,225.00)          | (119,778.75)           |
| 11/01/2010   | -                      | -             | 364,500.00            | (127,575.00)        | 236,925.00             | (364,500.00)          | (127,575.00)           |
| 05/01/2011   | -                      | -             | 364,500.00            | (127,575.00)        | 236,925.00             | (364,500.00)          | (127,575.00)           |
| 11/01/2011   | 29,160,000.00          | 2.500%        | 364,500.00            | (127,575.00)        | 29,396,925.00          | -                     | 29,396,925.00          |
| <b>Total</b> | <b>\$29,160,000.00</b> | <b>-</b>      | <b>\$1,435,725.00</b> | <b>(502,503.75)</b> | <b>\$30,093,221.25</b> | <b>(1,071,225.00)</b> | <b>\$29,021,996.25</b> |

**Northern Kentucky Water District**

Revenue Bond Anticipation Notes, Series 2009

FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09

**Net Debt Service Schedule**

| Date         | Principal              | Coupon   | Interest              | Federal Pmt.        | Total P+I              | CIF                   | Net New D/S            |
|--------------|------------------------|----------|-----------------------|---------------------|------------------------|-----------------------|------------------------|
| 12/31/2009   | -                      | -        | -                     | -                   | -                      | -                     | -                      |
| 12/31/2010   | -                      | -        | 706,725.00            | (247,353.75)        | 459,371.25             | (706,725.00)          | (247,353.75)           |
| 12/31/2011   | 29,160,000.00          | 2.500%   | 729,000.00            | (255,150.00)        | 29,633,850.00          | (364,500.00)          | 29,269,350.00          |
| <b>Total</b> | <b>\$29,160,000.00</b> | <b>-</b> | <b>\$1,435,725.00</b> | <b>(502,503.75)</b> | <b>\$30,093,221.25</b> | <b>(1,071,225.00)</b> | <b>\$29,021,996.25</b> |

2009 BAN | Balance (Allocation of \$ | 10/30/2009 | 1:14 PM

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**Northern Kentucky Water District**

**Revenue Bond Anticipation Notes, Series 2009**

**FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09**

**Proof Of Bond Yield @ 1.6250971%**

| <b>Date</b>  | <b>Cashflow</b>        | <b>PV Factor</b> | <b>Present Value</b>   | <b>Cumulative PV</b> |
|--------------|------------------------|------------------|------------------------|----------------------|
| 11/12/2009   | -                      | 1.000000x        | -                      | -                    |
| 05/01/2010   | 222,446.25             | 0.9924307x       | 220,762.49             | 220,762.49           |
| 11/01/2010   | 236,925.00             | 0.9844317x       | 233,236.48             | 453,998.97           |
| 05/01/2011   | 236,925.00             | 0.9764972x       | 231,356.60             | 685,355.57           |
| 11/01/2011   | 29,396,925.00          | 0.9686266x       | 28,474,644.43          | 29,160,000.00        |
| <b>Total</b> | <b>\$30,093,231.25</b> | <b>-</b>         | <b>\$29,160,000.00</b> | <b>-</b>             |

**Derivation Of Target Amount**

|                         |                 |
|-------------------------|-----------------|
| Par Amount of Bonds     | \$29,160,000.00 |
| Original Issue Proceeds | \$29,160,000.00 |

**Northern Kentucky Water District**

**Revenue Bond Anticipation Notes, Series 2009**

**FINAL: Sold to Morgan Keegan & Co., Inc. on 10.22.09; Date & Delivery 11.12.09**

**Derivation Of Form 8038 Yield Statistics**

| <b>Maturity</b> | <b>Issuance Value</b>  | <b>Price</b> | <b>Issuance PRICE</b>  | <b>Exponent</b> | <b>Bond Years</b>      |
|-----------------|------------------------|--------------|------------------------|-----------------|------------------------|
| 11/12/2009      | -                      | -            | -                      | -               | -                      |
| 11/01/2011      | 29,160,000.00          | 100.000%     | 29,160,000.00          | 1.9694444x      | 57,429,000.00          |
| <b>Total</b>    | <b>\$29,160,000.00</b> | <b>-</b>     | <b>\$29,160,000.00</b> | <b>-</b>        | <b>\$57,429,000.00</b> |

**IRS Form 8038**

|   |                    |
|---|--------------------|
| <b>Weighted Average Maturity = Bond Years/Issue Price</b> | <b>1.969 Years</b> |
| <b>Total Interest from Debt Service</b>                   | <b>933,221.25</b>  |
| <b>Total Interest</b>                                     | <b>933,221.25</b>  |
| <b>NIC = Interest / (Issue Price * Average Maturity)</b>  | <b>1.6250000%</b>  |
| <b>Bond Yield for Arbitrage Purposes</b>                  | <b>1.6250971%</b>  |

2009 SAN | Balance (Allocation of \$ | 10/30/2009 | 1:14 PM

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District's responses to PSC second data request of July 30, 2010

At page 2 of his Pre-filed Testimony, C. Ronald Lovan states, "The adjustment is based upon a comprehensive cost of service study prepared by Gannett Fleming. A two year phase in of the rate is proposed."

Q3a. List and describe each rate methodology that NKWD considered before selecting its two-year phase approach. For each methodology considered and not chosen, explain why the methodology was not chosen.

A3a. These methodologies are exhibited in the Informal Conference Memo posted to the electronic case filing on June 1, 2010 and it discusses the proceedings of the May 19, 2010 informal conference where these were discussed. The methodologies are as follows:

**Aggressive Revenue Strategy**

This scenario included payoff of current BAN and subsequent long term debt servicing as well as debt service for all proposed Advanced Treatment Projects.

Not selected because it did not meet our objectives for rate gradualization and preventing rate shock for our customer base.

**Moderate Revenue Strategy**

This scenario pushed off all the Advanced Treatment Debt Service until next case.

Not selected as it would push off any debt service of Advanced Treatment until the next case and would require filing another case more quickly.

**Minimal Revenue Strategy (Delay KIA Debt Service)**

This scenario pushed off current KIA debt service and all Advanced Treatment until the next case.

Not selected due to the fact it would put us in a undesirable position with our revenues and coverage that would affect our rating and the cost of borrowing.

**Minimal Revenue Strategy (Delay BAN Payoff)**

This scenario pushed off current BAN payoff and subsequent debt service and all Advanced Treatment until the next case.

Not selected due to the fact it would put us in a undesirable position with our revenues and coverage that would affect our rating and the cost of borrowing.

**Minimal Revenue Strategy (Delay Bonds Treatment Plants)**

This scenario pushed off current BAN payoff and subsequent debt service as well as the scheduling of Advanced Treatment until another case.

Not selected due to the fact it would put us in a undesirable position with our revenues and coverage that would affect our rating and the cost of borrowing and the need to file an additional case with the associated costs.

**Minimal Revenue Strategy (Lowest Initial Increase)**

This scenario pushed off current KIA debt service, BAN payoff and subsequent debt service as well as the scheduling of Advanced Treatment until another case.

Not selected due to the fact it would put us in a undesirable position with our revenues and coverage that would affect our rating and the cost of borrowing and the need to file an additional case with the associated costs.

**Aggressive Revenue Strategy (With Two Year Phase In)**

This scenario included payoff of current BAN and subsequent long term debt servicing as well as debt service for all proposed Advanced Treatment Projects.

Not selected because it did not meet our objectives for rate gradualization and preventing rate shock for our customer base even using the phase in approach.

**Selected Approach**

The District selected a Moderate Revenue Strategy (With a Two Year Phase In) including the Memorial Parkway Advanced Treatment project debt service that is known at this time. The two year phase in was selected to assist our customers by gradually implementing the rate increase and reducing the rate shock of the increases understanding the economic conditions of our customer base.

District's responses to PSC second data request of July 30, 2010

At page 2 of his Pre-filed Testimony, C. Ronald Lovan states, "The adjustment is based upon a comprehensive cost of service study prepared by Gannett Fleming. A two year phase in of the rate is proposed."

Q3b. Provide all correspondence between NKWD and Gannett Fleming regarding the preparation or review of the cost of service study and the proposed rate phase-in set forth in NKWD's petition.

A3b. See attached

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Monday, January 25, 2010 10:17 AM  
**To:** Jack Bragg  
**Subject:** Cost of Service Study

Jack,

Since we are through December, I am starting to work on the bill analysis related to the cost of service study. I spoke to Vince on Friday and he will be getting me the additional information that I need regarding the billing data through the end of the year.

I will also need the actual monthly revenue collection by customer class for 2009 to check my figures. Who should I contact for this information?

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

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**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Tuesday, January 26, 2010 9:06 AM  
**To:** Jack Bragg  
**Subject:** RE: Cost of Service Study

I would like to have what you booked as revenue each month by class if possible. If that is too difficult, I can use what was booked by class for the entire year, including consumption if available.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

---

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Tuesday, January 26, 2010 8:59 AM  
**To:** Heppenstall, Constance E.  
**Subject:** RE: Cost of Service Study

Connie:

Vince and I were talking about this data and wanted to make sure that we could get you what you needed. Are you asking for monthly cash collections by customer class or just what the accounts receivable balance is at each month end/ Vince can get the data by class but it will take some time.

JB

---

**From:** Heppenstall, Constance E. [mailto:cheppenstall@GFNET.com]  
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Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

---

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Thursday, January 28, 2010 8:14 AM  
**To:** Jack Bragg  
**Subject:** RE: Cost of Service Study

Thanks – this looks perfect.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

---

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Thursday, January 28, 2010 8:12 AM  
**To:** Heppenstall, Constance E.  
**Subject:** RE: Cost of Service Study

Connie:

This is a better version produced from our accounting system.

JB

---

**From:** Heppenstall, Constance E. [mailto:cheppenstall@GFNET.com]  
**Sent:** Tuesday, January 26, 2010 9:06 AM  
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JB

---

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**Sent:** Monday, January 25, 2010 10:17 AM  
**To:** Jack Bragg  
**Subject:** Cost of Service Study

Jack,

8/6/2010



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I will also need the actual monthly revenue collection by customer class for 2009 to check my figures. Who should I contact for this information?

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

## Jack Bragg

---

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Tuesday, March 16, 2010 11:18 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** Cost of Service Study - Items still needed

Jack,

We still need a couple of items from our original list of data requests.

We need the average daily sendout from 1998 to 2009, including maximum daily usage for each year (with actual date listed) and maximum hourly usage on the maximum day (with actual maximum hour listed). I think this was prepared this but we did not receive it.

We also need the number of hydrants and the size of nozzle and nozzle configuration. Also, we need the estimated population served by the District as well as any ISO rating (related to fire service) the District may have.

Finally, do you have a record of the top 25 customers (including resale customers). We would need the customer name, meter size and monthly usage as well as the size of the main that the service line is connected to.

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Tuesday, April 27, 2010 10:38 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** May 12th

Paul and I will be able to attend the meeting on May 12<sup>th</sup>. Our flight arrives in Cincinnati at 8:45am.

As we discussed, we will need the breakdown of Construction Work in Progress, and the projects funded by the outstanding borrowings and proposed borrowings. I will let you know any other items that I need.

Also, I am working with Vince on some revenue issues that I have come across.

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]

**Sent:** Tuesday, April 27, 2010 2:09 PM

**To:** Jack Bragg

**Subject:** Meeting on 5/12

Paul and I were looking to book a return flight that day. Do you have feel as to how long the meeting should last?

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]

**Sent:** Wednesday, April 28, 2010 9:43 AM

**To:** Jack Bragg

**Subject:** 2002 Demand Study

The Black and Veatch Cost of Service Study references a 2002 Demand Data. Can we get a copy of this?

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Monday, May 03, 2010 3:15 PM  
**To:** Jack Bragg  
**Subject:** CWIP  
**Attachments:** CWIP.xls

I see now that I have the breakdown of the CIP in the Trial Balances.

In the attached file, I have categorized for cost of service purposes the CIP by water treatment, mains, pumping, storage, metering, and general. There are some that I cannot categorize that I have a "?" by and are highlighted in yellow. The items are Sub District G – Kenton County and Sub District H and I projects. Can you tell what these projects entail?

Also, for the items categorized as Mains – can you tell me what the predominant main size is for these projects? Some are self evident by the description but we need a description for the others.

Finally, can you give me a breakdown of the projects funded by Contributions in Aid of Construction, Account 271? Again, we will need that for cost of service purposes.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

**From:** Heppenstall, Constance E.  
**Sent:** Tuesday, April 27, 2010 10:38 AM  
**To:** 'Jack Bragg'  
**Cc:** Herbert, Paul R.  
**Subject:** May 12th

Paul and I will be able to attend the meeting on May 12<sup>th</sup>. Our flight arrives in Cincinnati at 8:45am.

As we discussed, we will need the breakdown of Construction Work in Progress, and the projects funded by the outstanding borrowings and proposed borrowings. I will let you know any other items that I need.

Also, I am working with Vince on some revenue issues that I have come across.

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Friday, May 14, 2010 9:23 AM  
**To:** Jack Bragg  
**Subject:** RE: Boone florence

Thanks.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Friday, May 14, 2010 9:21 AM  
**To:** Heppenstall, Constance E.  
**Subject:** Boone florence

Connie:

The amount we transfer each year from the Boone Florence Settlement is \$438,584 to the IRR fund.

JB

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Friday, May 21, 2010 11:41 AM  
**To:** Jack Bragg  
**Subject:** RE: known and measurable

Jack,

For the Salaries adjustment, should I prorate that on across all labor accounts?

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Friday, May 21, 2010 8:51 AM  
**To:** Heppenstall, Constance E.  
**Subject:** known and measureables

Connie:

Here are the known increases from the 2009 test year for 2010.

JB



**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Monday, May 24, 2010 9:47 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** Cost of Service with Financing Options  
**Attachments:** COS with Financing options.PDF

Attached is the cost of service summary schedules which reflect the changes in financing options.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Monday, May 24, 2010 4:26 PM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** RE: Cost of Service with Financing Options  
**Attachments:** Rev COS for financing options.PDF

Here is the cost of service with the adjusted consumption for residential customers.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Monday, May 24, 2010 3:26 PM  
**To:** Heppenstall, Constance E.  
**Subject:** RE: Cost of Service with Financing Options

Here is the item.

**From:** Heppenstall, Constance E. [mailto:cheppenstall@GFNET.com]  
**Sent:** Monday, May 24, 2010 9:47 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** Cost of Service with Financing Options

Attached is the cost of service summary schedules which reflect the changes in financing options.

Connie Heppenstall  
cheppenstall@gfnet.com  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Wednesday, May 26, 2010 9:05 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** Proposed Rates  
**Attachments:** Proposed Rates - Step 1.PDF; Proposed Rates - Step 2.PDF

Attached is a draft of the proposed rates, Step 1 and Step 2 for discussion. We have included a residential bill comparison highlighting the quarterly bill at 2400 CF or approximately 18,000 gallons per quarter or 6,000 gallons per month.

Thanks

Connie

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

---

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Tuesday, June 01, 2010 7:37 AM  
**To:** Jack Bragg  
**Subject:** RE: Tuesday Conference call

Jack,  
Can you also add Paul Herbert to the call? He can be reached at 717-418-1176.

Thanks.  
Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

---

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Monday, May 31, 2010 10:00 AM  
**To:** Richard Harrison; Ron Lovan; Heppenstall, Constance E.; JNHughes  
**Subject:** Tuesday Conference call

Guys:  
We will have a conference call tomorrow at 10:00 A.M. to discuss our timeline to complete the filing of the case by Friday, June 4. Attached is a timeline we must follow to accomplish this task. NKWD will call Connie and Jack and add them to the call tomorrow at approximately 10:00.

Jack

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Thursday, June 03, 2010 2:40 PM  
**To:** Jack Bragg; JNHughes  
**Cc:** Herbert, Paul R.  
**Subject:** Cost of Service Study  
**Attachments:** Cost of Service Study Exhibit N.pdf

Attached is the Cost of Service study. We will be sending a hard copy overnight.

Thanks.

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

**Jack Bragg**

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Friday, June 04, 2010 7:50 AM  
**To:** Jack Bragg  
**Subject:** RE: Cost of Service Study

We sent it overnight with the hard copy of the Cost of Service study. We sent the notarization separately to be attached to the end of the testimony – hope that works.

Connie  
717-763-7212x2261  
cheppenstall@gfnet.com

**From:** Jack Bragg [mailto:JBragg@nkywater.org]  
**Sent:** Friday, June 04, 2010 7:48 AM  
**To:** Heppenstall, Constance E.  
**Subject:** RE: Cost of Service Study

Connie;

I think all we need is Paul's signed and notarized testimony. We are coming down the home stretch.

JB

**From:** Heppenstall, Constance E. [mailto:cheppenstall@GFNET.com]  
**Sent:** Thursday, June 03, 2010 2:40 PM  
**To:** Jack Bragg; JNHughes  
**Cc:** Herbert, Paul R.  
**Subject:** Cost of Service Study

Attached is the Cost of Service study. We will be sending a hard copy overnight.

Thanks.

Connie Heppenstall  
cheppenstall@gfnet.com  
Gannett Fleming, Inc.  
717-763-7212 x2261

District's responses to PSC second data request of July 30, 2010

At page 2 of his Pre-filed Testimony, C. Ronald Lovan states, "The adjustment is based upon a comprehensive cost of service study prepared by Gannett Fleming. A two year phase in of the rate is proposed."

Q3c. Provide all studies and analyses that NKWD performed or commissioned of the alternative plans if considered.

A3c. See attached

| Debt service Options                        | 2010       | 2011       | 2012       | 3-Year<br>Average |
|---|------------|------------|------------|-------------------|
| Scenario 1 - Aggressive - 2011 debt service | 15,423,237 | 18,972,932 | 20,907,243 | 18,434,471        |
| Scenario 2 - Moderate                       | 15,423,237 | 17,099,548 | 18,403,334 | 16,975,373        |
| Scenario 3 - Minimal Delay KIA              | 15,423,237 | 16,142,718 | 17,446,504 | 16,337,486        |
| Scenario 4 - Minimum Delay BAN Payoff       | 15,423,237 | 16,382,088 | 16,377,420 | 16,060,915        |
| Scenario 6 - Minimal Lowest                 | 15,423,237 | 15,425,258 | 15,420,590 | 15,423,028        |
| Scenario 8 - Moderate Phase In              | 15,423,237 | 17,608,632 | 18,912,417 | 17,314,762        |



NORTHERN KENTUCKY WATER DISTRICT  
**Scenario 1 - Aggressive - 2011 debt service**

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service        |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase    |                     |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|----------------------|---------------------|
|                            | Amount<br>(Schedule B) | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount               | Percent<br>Increase |
| (1)                        | (2)                    | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                  | (9)                 |
| Residential                | \$ 31,220,170          | 62.4%         | \$ 23,716,320           | 60.2%         | \$ 31,220,170            | 62.4%         | \$ 7,503,851         | 31.6%               |
| Commercial/Multi-Family    | 11,505,926             | 23.0%         | 9,332,035               | 23.7%         | 11,505,926               | 23.0%         | 2,173,891            | 23.3%               |
| Industrial                 | 3,633,320              | 7.3%          | 3,160,060               | 8.0%          | 3,633,320                | 7.3%          | 473,260              | 15.0%               |
| Public Authority           | 2,297,121              | 4.6%          | 1,948,183               | 5.0%          | 2,297,121                | 4.6%          | 348,938              | 17.9%               |
| Wholesale                  | <u>1,337,755</u>       | <u>2.7%</u>   | <u>1,200,418</u>        | <u>3.1%</u>   | <u>1,337,755</u>         | <u>2.7%</u>   | <u>137,337</u>       | <u>11.4%</u>        |
| Total Sales                | 49,994,292             | <u>100.0%</u> | 39,357,016              | <u>100.0%</u> | 49,994,292               | <u>100.0%</u> | 10,637,277           | 27.0%               |
| Other Revenues             | <u>4,860,364</u>       |               | <u>4,834,006</u>        |               | <u>4,860,364</u>         |               | <u>26,358</u>        |                     |
| Total                      | <u>\$ 54,854,656</u>   |               | <u>44,191,021</u>       |               | <u>\$ 54,854,656</u>     |               | <u>\$ 10,663,635</u> | 24.1%               |

**NORTHERN KENTUCKY WATER DISTRICT**  
**Scenario 2 - Moderate**

**COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES**  
**FOR THE TEST YEAR ENDED DECEMBER 31, 2009**

| Customer<br>Classification | Cost of Service      |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |             |
|----------------------------|----------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|-------------|
|                            | Amount               | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent     |
|                            | (Schedule B)         | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)         |
| (1)                        | (2)                  | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)         |
| Residential                | \$ 30,154,237        | 62.4%         | \$ 23,716,320           | 60.2%         | \$ 30,154,237            | 62.4%         | \$ 6,437,917        | 27.1%       |
| Commercial/Multi-Family    | 11,089,186           | 23.0%         | 9,332,035               | 23.7%         | 11,089,186               | 23.0%         | 1,757,151           | 18.8%       |
| Industrial                 | 3,500,070            | 7.3%          | 3,160,060               | 8.0%          | 3,500,070                | 7.3%          | 340,010             | 10.8%       |
| Public Authority           | 2,212,835            | 4.6%          | 1,948,183               | 5.0%          | 2,212,835                | 4.6%          | 264,652             | 13.6%       |
| Wholesale                  | <u>1,287,048</u>     | <u>2.7%</u>   | <u>1,200,418</u>        | <u>3.1%</u>   | <u>1,287,048</u>         | <u>2.7%</u>   | <u>86,629</u>       | <u>7.2%</u> |
| Total Sales                | 48,243,375           | <u>100.0%</u> | 39,357,016              | <u>100.0%</u> | 48,243,375               | <u>100.0%</u> | 8,886,360           | 22.6%       |
| Other Revenues             | <u>4,860,364</u>     |               | <u>4,834,006</u>        |               | <u>4,860,364</u>         |               | <u>26,358</u>       |             |
| Total                      | <u>\$ 53,103,739</u> |               | <u>44,191,021</u>       |               | <u>\$ 53,103,739</u>     |               | <u>\$ 8,912,718</u> | 20.2%       |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 3 - Minimal Delay KIA

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification<br>(1) | Cost of Service               |                | Revenues, Present Rates |                | Revenues, Proposed Rates |                | Proposed Increase   |                            |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--------------------------|----------------|---------------------|----------------------------|
|                                   | Amount<br>(Schedule B)<br>(2) | Percent<br>(3) | Amount<br>(4)           | Percent<br>(5) | Amount<br>(6)            | Percent<br>(7) | Amount<br>(8)       | Percent<br>Increase<br>(9) |
|                                   | Residential                   | \$ 29,688,288  | 62.5%                   | \$ 23,716,320  | 60.2%                    | \$ 29,688,288  | 62.5%               | \$ 5,971,969               |
| Commercial/Multi-Family           | 10,907,019                    | 23.0%          | 9,332,035               | 23.7%          | 10,907,019               | 23.0%          | 1,574,984           | 16.9%                      |
| Industrial                        | 3,441,602                     | 7.2%           | 3,160,060               | 8.0%           | 3,441,602                | 7.2%           | 281,542             | 8.9%                       |
| Public Authority                  | 2,176,229                     | 4.6%           | 1,948,183               | 5.0%           | 2,176,229                | 4.6%           | 228,046             | 11.7%                      |
| Wholesale                         | <u>1,264,773</u>              | <u>2.7%</u>    | <u>1,200,418</u>        | <u>3.1%</u>    | <u>1,264,773</u>         | <u>2.7%</u>    | <u>64,354</u>       | <u>5.4%</u>                |
| Total Sales                       | 47,477,911                    | <u>100.0%</u>  | 39,357,016              | <u>100.0%</u>  | 47,477,911               | <u>100.0%</u>  | 8,120,896           | 20.6%                      |
| Other Revenues                    | <u>4,860,364</u>              |                | <u>4,834,006</u>        |                | <u>4,860,364</u>         |                | <u>26,358</u>       |                            |
| Total                             | <u>\$ 52,338,275</u>          |                | <u>44,191,021</u>       |                | <u>\$ 52,338,275</u>     |                | <u>\$ 8,147,254</u> | 18.4%                      |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 4 - Minimum Delay BAN Payoff

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification<br>(1) | Cost of Service               |                | Revenues, Present Rates |                | Revenues, Proposed Rates |                | Proposed Increase   |                            |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--------------------------|----------------|---------------------|----------------------------|
|                                   | Amount<br>(Schedule B)<br>(2) | Percent<br>(3) | Amount<br>(4)           | Percent<br>(5) | Amount<br>(6)            | Percent<br>(7) | Amount<br>(8)       | Percent<br>Increase<br>(9) |
| Residential                       | \$ 29,485,982                 | 62.5%          | \$ 23,716,320           | 60.2%          | \$ 29,485,982            | 62.5%          | \$ 5,769,662        | 24.3%                      |
| Commercial/Multi-Family           | 10,828,180                    | 23.0%          | 9,332,035               | 23.7%          | 10,828,180               | 23.0%          | 1,496,145           | 16.0%                      |
| Industrial                        | 3,416,252                     | 7.2%           | 3,160,060               | 8.0%           | 3,416,252                | 7.2%           | 256,192             | 8.1%                       |
| Public Authority                  | 2,160,254                     | 4.6%           | 1,948,183               | 5.0%           | 2,160,254                | 4.6%           | 212,070             | 10.9%                      |
| Wholesale                         | <u>1,255,359</u>              | <u>2.7%</u>    | <u>1,200,418</u>        | <u>3.1%</u>    | <u>1,255,359</u>         | <u>2.7%</u>    | <u>54,940</u>       | <u>4.6%</u>                |
| Total Sales                       | 47,146,026                    | <u>100.0%</u>  | 39,357,016              | <u>100.0%</u>  | 47,146,026               | <u>100.0%</u>  | 7,789,010           | 19.8%                      |
| Other Revenues                    | <u>4,860,364</u>              |                | <u>4,834,006</u>        |                | <u>4,860,364</u>         |                | <u>26,358</u>       |                            |
| Total                             | <u>\$ 52,006,390</u>          |                | <u>44,191,021</u>       |                | <u>\$ 52,006,390</u>     |                | <u>\$ 7,815,369</u> | 17.7%                      |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 6 - Minimal Lowest

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service      |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |             |
|----------------------------|----------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|-------------|
|                            | Amount               | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent     |
|                            | (Schedule B)         | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)         |
| (1)                        | (2)                  | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)         |
| Residential                | \$ 29,020,277        | 62.5%         | \$ 23,716,320           | 60.2%         | \$ 29,020,277            | 62.5%         | \$ 5,303,958        | 22.4%       |
| Commercial/Multi-Family    | 10,645,768           | 23.0%         | 9,332,035               | 23.7%         | 10,645,768               | 23.0%         | 1,313,733           | 14.1%       |
| Industrial                 | 3,358,028            | 7.2%          | 3,160,060               | 8.0%          | 3,358,028                | 7.2%          | 197,968             | 6.3%        |
| Public Authority           | 2,123,404            | 4.6%          | 1,948,183               | 5.0%          | 2,123,404                | 4.6%          | 175,221             | 9.0%        |
| Wholesale                  | <u>1,233,084</u>     | <u>2.7%</u>   | <u>1,200,418</u>        | <u>3.1%</u>   | <u>1,233,084</u>         | <u>2.7%</u>   | <u>32,665</u>       | <u>2.7%</u> |
| Total Sales                | 46,380,562           | <u>100.0%</u> | 39,357,016              | <u>100.0%</u> | 46,380,562               | <u>100.0%</u> | 7,023,546           | 17.8%       |
| Other Revenues             | <u>4,860,364</u>     |               | <u>4,834,006</u>        |               | <u>4,860,364</u>         |               | <u>26,358</u>       |             |
| Total                      | <u>\$ 51,240,926</u> |               | <u>44,191,021</u>       |               | <u>\$ 51,240,926</u>     |               | <u>\$ 7,049,905</u> | 16.0%       |

**NORTHERN KENTUCKY WATER DISTRICT  
Scenario 8 - Moderate Phase In**

**COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009**

| Customer<br>Classification | Cost of Service      |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |             |
|----------------------------|----------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|-------------|
|                            | Amount               | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent     |
|                            | (Schedule B)         | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)         |
| Residential                | \$ 30,402,126        | 62.4%         | \$ 23,716,320           | 60.2%         | \$ 30,402,126            | 62.4%         | \$ 6,685,807        | 28.2%       |
| Commercial/Multi-Family    | 11,186,241           | 23.0%         | 9,332,035               | 23.7%         | 11,186,241               | 23.0%         | 1,854,207           | 19.9%       |
| Industrial                 | 3,530,934            | 7.3%          | 3,160,060               | 8.0%          | 3,530,934                | 7.3%          | 370,874             | 11.7%       |
| Public Authority           | 2,232,441            | 4.6%          | 1,948,183               | 5.0%          | 2,232,441                | 4.6%          | 284,258             | 14.6%       |
| Wholesale                  | <u>1,298,899</u>     | <u>2.7%</u>   | <u>1,200,418</u>        | <u>3.1%</u>   | <u>1,298,899</u>         | <u>2.7%</u>   | <u>98,481</u>       | <u>8.2%</u> |
| Total Sales                | 48,650,642           | <u>100.0%</u> | 39,357,016              | <u>100.0%</u> | 48,650,642               | <u>100.0%</u> | 9,293,627           | 23.6%       |
| Other Revenues             | <u>4,860,364</u>     |               | <u>4,834,006</u>        |               | <u>4,860,364</u>         |               | <u>26,358</u>       |             |
| Total                      | <u>\$ 53,511,006</u> |               | <u>44,191,021</u>       |               | <u>\$ 53,511,006</u>     |               | <u>\$ 9,319,985</u> | 21.1%       |

**Jack Bragg**

---

**From:** Heppenstall, Constance E. [cheppenstall@GFNET.com]  
**Sent:** Wednesday, May 26, 2010 9:05 AM  
**To:** Jack Bragg  
**Cc:** Herbert, Paul R.  
**Subject:** Proposed Rates  
**Attachments:** Proposed Rates - Step 1.PDF; Proposed Rates - Step 2.PDF

Attached is a draft of the proposed rates, Step 1 and Step 2 for discussion. We have included a residential bill comparison highlighting the quarterly bill at 2400 CF or approximately 18,000 gallons per quarter or 6,000 gallons per month.

Thanks

Connie

Connie Heppenstall  
[cheppenstall@gfnet.com](mailto:cheppenstall@gfnet.com)  
Gannett Fleming, Inc.  
717-763-7212 x2261

NORTHERN KENTUCKY WATER DISTRICT

SUMMARY OF PRESENT AND PROPOSED RATES - STEP 1

|                                    | <u>Present<br/>Rates</u> | <u>Proposed<br/>Rates</u> | <u>Percentage<br/>Increase</u> |
|------------------------------------|--------------------------|---------------------------|--------------------------------|
| <b><u>Monthly</u></b>              |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 12.54                 | \$ 12.77                  | 1.83%                          |
| 3/4"                               | 12.96                    | 13.20                     | 1.85%                          |
| 1"                                 | 14.15                    | 14.41                     | 1.84%                          |
| 1 1/2"                             | 15.93                    | 16.22                     | 1.82%                          |
| 2"                                 | 20.13                    | 20.50                     | 1.84%                          |
| 3"                                 | 48.61                    | 49.50                     | 1.83%                          |
| 4"                                 | 60.89                    | 62.01                     | 1.84%                          |
| 6"                                 | 90.16                    | 91.82                     | 1.84%                          |
| 8"                                 | 121.75                   | 123.99                    | 1.84%                          |
| 10" and Larger                     | 161.91                   | 164.88                    | 1.83%                          |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 1,500 CF                     | \$ 3.31 Per 100 CF       | \$ 3.67 Per 100 CF        | 10.88%                         |
| Next 163,500 CF                    | 2.88 Per 100 CF          | 3.08 Per 100 CF           | 6.94%                          |
| Over 165,000 CF                    | 2.55 Per 100 CF          | 2.58 Per 100 CF           | 1.18%                          |
| <b><u>Quarterly</u></b>            |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 18.97                 | \$ 22.49                  | 18.56%                         |
| 3/4"                               | 19.99                    | 23.70                     | 18.56%                         |
| 1"                                 | 22.98                    | 27.24                     | 18.54%                         |
| 1 1/2"                             | 27.08                    | 32.10                     | 18.54%                         |
| 2"                                 | 38.07                    | 45.13                     | 18.54%                         |
| 3"                                 | 118.45                   | 140.40                    | 18.53%                         |
| 4"                                 | 148.45                   | 175.96                    | 18.53%                         |
| 6"                                 | 219.44                   | 260.10                    | 18.53%                         |
| 8"                                 | 299.79                   | 355.34                    | 18.53%                         |
| 10" and Larger                     | 391.47                   | 464.01                    | 18.53%                         |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 4,500 CF                     | \$ 3.31 Per 100 CF       | \$ 3.67 Per 100 CF        | 10.88%                         |
| Next 490,500 CF                    | 2.88 Per 100 CF          | 3.08 Per 100 CF           | 6.94%                          |
| Over 495,000 CF                    | 2.55 Per 100 CF          | 2.58 Per 100 CF           | 1.18%                          |
| <b><u>Wholesale Customers</u></b>  |                          |                           |                                |
| Consumption Charge                 | \$ 2.22 Per 100 CF       | 2.28 Per 100 CF           | 2.70%                          |
| <b>Bulk Loading Customers</b>      | 3.500 per 1000 gallons   | 4.900 per 1000 gallons    | 40.00%                         |



NORTHERN KENTUCKY WATER DISTRICT

Bill Comparisons

Residential Quarterly - Step 1

| Consumption<br>CF | Present<br>Rates<br>Payment | Proposed<br>Rates<br>Payment | Difference | Percentage<br>Difference | Proposed<br>Payment<br>Per month |
|-------------------|-----------------------------|------------------------------|------------|--------------------------|----------------------------------|
| -                 | 18.97                       | 22.49                        | 3.52       | 18.6%                    | 7.50                             |
| 300               | 28.90                       | 33.50                        | 4.60       | 15.9%                    | 11.17                            |
| 600               | 38.83                       | 44.51                        | 5.68       | 14.6%                    | 14.84                            |
| 800               | 45.45                       | 51.85                        | 6.40       | 14.1%                    | 17.28                            |
| 900               | 48.76                       | 55.52                        | 6.76       | 13.9%                    | 18.51                            |
| 1,200             | 58.69                       | 66.53                        | 7.84       | 13.4%                    | 22.18                            |
| 1,500             | 68.62                       | 77.54                        | 8.92       | 13.0%                    | 25.85                            |
| 1,800             | 78.55                       | 88.55                        | 10.00      | 12.7%                    | 29.52                            |
| 2,100             | 88.48                       | 99.56                        | 11.08      | 12.5%                    | 33.19                            |
| 2,400             | 98.41                       | 110.57                       | 12.16      | 12.4%                    | 36.86                            |
| 2,700             | 108.34                      | 121.58                       | 13.24      | 12.2%                    | 40.53                            |
| 3,000             | 118.27                      | 132.59                       | 14.32      | 12.1%                    | 44.20                            |
| 3,300             | 128.20                      | 143.60                       | 15.40      | 12.0%                    | 47.87                            |
| 3,600             | 138.13                      | 154.61                       | 16.48      | 11.9%                    | 51.54                            |
| 3,900             | 148.06                      | 165.62                       | 17.56      | 11.9%                    | 55.21                            |
| 4,200             | 157.99                      | 176.63                       | 18.64      | 11.8%                    | 58.88                            |
| 4,500             | 167.92                      | 187.64                       | 19.72      | 11.7%                    | 62.55                            |
| 4,800             | 176.56                      | 196.88                       | 20.32      | 11.5%                    | 65.63                            |
| 5,100             | 185.20                      | 206.12                       | 20.92      | 11.3%                    | 68.71                            |
| 5,400             | 193.84                      | 215.36                       | 21.52      | 11.1%                    | 71.79                            |
| 5,700             | 202.48                      | 224.60                       | 22.12      | 10.9%                    | 74.87                            |
| 6,000             | 211.12                      | 233.84                       | 22.72      | 10.8%                    | 77.95                            |
| 6,300             | 219.76                      | 243.08                       | 23.32      | 10.6%                    | 81.03                            |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 8 - Moderate Phase In

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 1  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer Classification<br>(1) | Cost of Service               |                | Revenues, Present Rates |                | Revenues, Proposed Rates |                | Proposed Increase   |                            |
|--------------------------------|-------------------------------|----------------|-------------------------|----------------|--------------------------|----------------|---------------------|----------------------------|
|                                | Amount<br>(Schedule B)<br>(2) | Percent<br>(3) | Amount<br>(4)           | Percent<br>(5) | Amount<br>(6)            | Percent<br>(7) | Amount<br>(8)       | Percent<br>Increase<br>(9) |
| Residential                    | \$ 30,875,400                 | 63.5%          | \$ 24,719,009           | 61.3%          | \$ 27,788,899            | 62.4%          | \$ 3,069,890        | 12.4%                      |
| Commercial/Multi-Family        | 10,906,775                    | 22.4%          | 9,332,035               | 23.1%          | 10,120,501               | 22.7%          | 788,466             | 8.4%                       |
| Industrial                     | 3,428,943                     | 7.0%           | 3,160,060               | 7.8%           | 3,298,782                | 7.4%           | 138,722             | 4.4%                       |
| Public Authority               | 2,172,386                     | 4.5%           | 1,948,183               | 4.8%           | 2,072,697                | 4.7%           | 124,513             | 6.4%                       |
| Wholesale                      | 1,262,195                     | 2.6%           | 1,200,418               | 3.0%           | 1,232,831                | 2.8%           | 32,413              | 2.7%                       |
| Total Sales                    | 48,645,700                    | <u>100.0%</u>  | 40,359,705              | <u>100.0%</u>  | 44,513,710               | <u>100.0%</u>  | 4,154,005           | 10.3%                      |
| Other Revenues                 | 4,865,306                     |                | 4,834,006               |                | 4,865,306                |                | 31,301              |                            |
| Total                          | <u>\$ 53,511,006</u>          |                | <u>45,193,710</u>       |                | <u>\$ 49,379,016</u>     |                | <u>\$ 4,185,306</u> | 9.3%                       |

NORTHERN KENTUCKY WATER DISTRICT

SUMMARY OF PRESENT AND PROPOSED RATES - STEP 2

|                                    | <u>Present<br/>Rates</u> | <u>Proposed<br/>Rates</u> | <u>Percentage<br/>Increase</u> |
|------------------------------------|--------------------------|---------------------------|--------------------------------|
| <b><u>Monthly</u></b>              |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 12.54                 | \$ 13.00                  | 3.67%                          |
| 3/4"                               | 12.96                    | 13.44                     | 3.70%                          |
| 1"                                 | 14.15                    | 14.67                     | 3.67%                          |
| 1 1/2"                             | 15.93                    | 16.51                     | 3.64%                          |
| 2"                                 | 20.13                    | 20.87                     | 3.68%                          |
| 3"                                 | 48.61                    | 50.39                     | 3.66%                          |
| 4"                                 | 60.89                    | 63.12                     | 3.66%                          |
| 6"                                 | 90.16                    | 93.47                     | 3.67%                          |
| 8"                                 | 121.75                   | 126.22                    | 3.67%                          |
| 10" and Larger                     | 161.91                   | 167.85                    | 3.67%                          |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 1,500 CF                     | \$ 3.31 Per 100 CF       | \$ 4.03 Per 100 CF        | 21.75%                         |
| Next 163,500 CF                    | 2.88 Per 100 CF          | 3.28 Per 100 CF           | 13.89%                         |
| Over 165,000 CF                    | 2.55 Per 100 CF          | 2.60 Per 100 CF           | 1.96%                          |
| <b><u>Quarterly</u></b>            |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 18.97                 | \$ 26.00                  | 37.06%                         |
| 3/4"                               | 19.99                    | 27.40                     | 37.07%                         |
| 1"                                 | 22.98                    | 31.50                     | 37.08%                         |
| 1 1/2"                             | 27.08                    | 37.12                     | 37.08%                         |
| 2"                                 | 38.07                    | 52.18                     | 37.06%                         |
| 3"                                 | 118.45                   | 162.35                    | 37.06%                         |
| 4"                                 | 148.45                   | 203.46                    | 37.06%                         |
| 6"                                 | 219.44                   | 300.76                    | 37.06%                         |
| 8"                                 | 299.79                   | 410.89                    | 37.06%                         |
| 10" and Larger                     | 391.47                   | 536.54                    | 37.06%                         |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 4,500 CF                     | \$ 3.31 Per 100 CF       | \$ 4.03 Per 100 CF        | 21.75%                         |
| Next 490,500 CF                    | 2.88 Per 100 CF          | 3.28 Per 100 CF           | 13.89%                         |
| Over 495,000 CF                    | 2.55 Per 100 CF          | 2.60 Per 100 CF           | 1.96%                          |
| <b><u>Wholesale Customers</u></b>  |                          |                           |                                |
| Consumption Charge                 | \$ 2.22 Per 100 CF       | \$ 2.34 Per 100 CF        | 5.41%                          |
| <b>Bulk Loading Customers</b>      | 3.500 per 1000 gallons   | 5.400 per 1000 gallons    | 54.29%                         |

NORTHERN KENTUCKY WATER DISTRICT

Bill Comparisons

Residential Quarterly - Step 2

| Consumption<br>CF | Present<br>Rates<br>Payment | Proposed<br>Rates<br>Payment | Difference | Percentage<br>Difference | Proposed<br>Payment<br>Per month |
|-------------------|-----------------------------|------------------------------|------------|--------------------------|----------------------------------|
| -                 | 18.97                       | 26.00                        | 7.03       | 37.1%                    | 8.67                             |
| 300               | 28.90                       | 38.09                        | 9.19       | 31.8%                    | 12.70                            |
| 600               | 38.83                       | 50.18                        | 11.35      | 29.2%                    | 16.73                            |
| 800               | 45.45                       | 58.24                        | 12.79      | 28.1%                    | 19.41                            |
| 900               | 48.76                       | 62.27                        | 13.51      | 27.7%                    | 20.76                            |
| 1,200             | 58.69                       | 74.36                        | 15.67      | 26.7%                    | 24.79                            |
| 1,500             | 68.62                       | 86.45                        | 17.83      | 26.0%                    | 28.82                            |
| 1,800             | 78.55                       | 98.54                        | 19.99      | 25.4%                    | 32.85                            |
| 2,100             | 88.48                       | 110.63                       | 22.15      | 25.0%                    | 36.88                            |
| 2,400             | 98.41                       | 122.72                       | 24.31      | 24.7%                    | 40.91                            |
| 2,700             | 108.34                      | 134.81                       | 26.47      | 24.4%                    | 44.94                            |
| 3,000             | 118.27                      | 146.90                       | 28.63      | 24.2%                    | 48.97                            |
| 3,300             | 128.20                      | 158.99                       | 30.79      | 24.0%                    | 53.00                            |
| 3,600             | 138.13                      | 171.08                       | 32.95      | 23.9%                    | 57.03                            |
| 3,900             | 148.06                      | 183.17                       | 35.11      | 23.7%                    | 61.06                            |
| 4,200             | 157.99                      | 195.26                       | 37.27      | 23.6%                    | 65.09                            |
| 4,500             | 167.92                      | 207.35                       | 39.43      | 23.5%                    | 69.12                            |
| 4,800             | 176.56                      | 217.19                       | 40.63      | 23.0%                    | 72.40                            |
| 5,100             | 185.20                      | 227.03                       | 41.83      | 22.6%                    | 75.68                            |
| 5,400             | 193.84                      | 236.87                       | 43.03      | 22.2%                    | 78.96                            |
| 5,700             | 202.48                      | 246.71                       | 44.23      | 21.8%                    | 82.24                            |
| 6,000             | 211.12                      | 256.55                       | 45.43      | 21.5%                    | 85.52                            |
| 6,300             | 219.76                      | 266.39                       | 46.63      | 21.2%                    | 88.80                            |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 8 - Moderate Phase In

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 2  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service        |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |                     |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|---------------------|
|                            | Amount<br>(Schedule B) | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent<br>Increase |
| (1)                        | (2)                    | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)                 |
| Residential                | \$ 30,875,400          | 63.5%         | \$ 24,719,009           | 61.3%         | \$ 30,848,442            | 63.4%         | \$ 6,129,433        | 24.8%               |
| Commercial/Multi-Family    | 10,906,775             | 22.4%         | 9,332,035               | 23.1%         | 10,906,663               | 22.4%         | 1,574,628           | 16.9%               |
| Industrial                 | 3,428,943              | 7.0%          | 3,160,060               | 7.8%          | 3,431,585                | 7.1%          | 271,525             | 8.6%                |
| Public Authority           | 2,172,386              | 4.5%          | 1,948,183               | 4.8%          | 2,195,260                | 4.5%          | 247,076             | 12.7%               |
| Wholesale                  | <u>1,262,195</u>       | <u>2.6%</u>   | <u>1,200,418</u>        | <u>3.0%</u>   | <u>1,265,110</u>         | <u>2.6%</u>   | <u>64,691</u>       | <u>5.4%</u>         |
| Total Sales                | 48,645,700             | <u>100.0%</u> | 40,359,705              | <u>100.0%</u> | 48,647,059               | <u>100.0%</u> | 8,287,354           | 20.5%               |
| Other Revenues             | <u>4,865,306</u>       |               | <u>4,834,006</u>        |               | <u>4,865,306</u>         |               | <u>31,301</u>       |                     |
| Total                      | <u>\$ 53,511,006</u>   |               | <u>45,193,710</u>       |               | <u>\$ 53,512,365</u>     |               | <u>\$ 8,318,655</u> | 18.4%               |

NORTHERN KENTUCKY WATER DISTRICT

SUMMARY OF PRESENT AND PROPOSED RATES - STEP 1

|                                    | <u>Present<br/>Rates</u> |  | <u>Proposed<br/>Rates</u> |  | <u>Percentage<br/>Increase</u> |
|------------------------------------|--------------------------|--|---------------------------|--|--------------------------------|
| <b><u>Monthly</u></b>              |                          |  |                           |  |                                |
| <b><u>Fixed Service Charge</u></b> |                          |  |                           |  |                                |
| 5/8"                               | \$ 12.54                 |  | \$ 12.77                  |  | 1.83%                          |
| 3/4"                               | 12.96                    |  | 13.20                     |  | 1.85%                          |
| 1"                                 | 14.15                    |  | 14.41                     |  | 1.84%                          |
| 1 1/2"                             | 15.93                    |  | 16.22                     |  | 1.82%                          |
| 2"                                 | 20.13                    |  | 20.50                     |  | 1.84%                          |
| 3"                                 | 48.61                    |  | 49.50                     |  | 1.83%                          |
| 4"                                 | 60.89                    |  | 62.01                     |  | 1.84%                          |
| 6"                                 | 90.16                    |  | 91.82                     |  | 1.84%                          |
| 8"                                 | 121.75                   |  | 123.99                    |  | 1.84%                          |
| 10" and Larger                     | 161.91                   |  | 164.88                    |  | 1.83%                          |
| <b><u>Consumption Charge</u></b>   |                          |  |                           |  |                                |
| First 1,500 CF                     | \$ 3.31 Per 100 CF       |  | \$ 3.67 Per 100 CF        |  | 10.88%                         |
| Next 163,500 CF                    | 2.88 Per 100 CF          |  | 3.08 Per 100 CF           |  | 6.94%                          |
| Over 165,000 CF                    | 2.55 Per 100 CF          |  | 2.58 Per 100 CF           |  | 1.18%                          |
| <b><u>Quarterly</u></b>            |                          |  |                           |  |                                |
| <b><u>Fixed Service Charge</u></b> |                          |  |                           |  |                                |
| 5/8"                               | \$ 18.97                 |  | \$ 22.49                  |  | 18.56%                         |
| 3/4"                               | 19.99                    |  | 23.70                     |  | 18.56%                         |
| 1"                                 | 22.98                    |  | 27.24                     |  | 18.54%                         |
| 1 1/2"                             | 27.08                    |  | 32.10                     |  | 18.54%                         |
| 2"                                 | 38.07                    |  | 45.13                     |  | 18.54%                         |
| 3"                                 | 118.45                   |  | 140.40                    |  | 18.53%                         |
| 4"                                 | 148.45                   |  | 175.96                    |  | 18.53%                         |
| 6"                                 | 219.44                   |  | 260.10                    |  | 18.53%                         |
| 8"                                 | 299.79                   |  | 355.34                    |  | 18.53%                         |
| 10" and Larger                     | 391.47                   |  | 464.01                    |  | 18.53%                         |
| <b><u>Consumption Charge</u></b>   |                          |  |                           |  |                                |
| First 4,500 CF                     | \$ 3.31 Per 100 CF       |  | \$ 3.67 Per 100 CF        |  | 10.88%                         |
| Next 490,500 CF                    | 2.88 Per 100 CF          |  | 3.08 Per 100 CF           |  | 6.94%                          |
| Over 495,000 CF                    | 2.55 Per 100 CF          |  | 2.58 Per 100 CF           |  | 1.18%                          |
| <b><u>Wholesale Customers</u></b>  |                          |  |                           |  |                                |
| Consumption Charge                 | \$ 2.22 Per 100 CF       |  | 2.28 Per 100 CF           |  | 2.70%                          |
| <b>Bulk Loading Customers</b>      | 3.500 per 1000 gallons   |  | 4.900 per 1000 gallons    |  | 40.00%                         |

NORTHERN KENTUCKY WATER DISTRICT

Bill Comparisons

Residential Quarterly - Step 1

| Consumption<br>CF | Present<br>Rates<br>Payment | Proposed<br>Rates<br>Payment | Difference | Percentage<br>Difference | Proposed<br>Payment<br>Per month |
|-------------------|-----------------------------|------------------------------|------------|--------------------------|----------------------------------|
| -                 | 18.97                       | 22.49                        | 3.52       | 18.6%                    | 7.50                             |
| 300               | 28.90                       | 33.50                        | 4.60       | 15.9%                    | 11.17                            |
| 600               | 38.83                       | 44.51                        | 5.68       | 14.6%                    | 14.84                            |
| 800               | 45.45                       | 51.85                        | 6.40       | 14.1%                    | 17.28                            |
| 900               | 48.76                       | 55.52                        | 6.76       | 13.9%                    | 18.51                            |
| 1,200             | 58.69                       | 66.53                        | 7.84       | 13.4%                    | 22.18                            |
| 1,500             | 68.62                       | 77.54                        | 8.92       | 13.0%                    | 25.85                            |
| 1,800             | 78.55                       | 88.55                        | 10.00      | 12.7%                    | 29.52                            |
| 2,100             | 88.48                       | 99.56                        | 11.08      | 12.5%                    | 33.19                            |
| 2,400             | 98.41                       | 110.57                       | 12.16      | 12.4%                    | 36.86                            |
| 2,700             | 108.34                      | 121.58                       | 13.24      | 12.2%                    | 40.53                            |
| 3,000             | 118.27                      | 132.59                       | 14.32      | 12.1%                    | 44.20                            |
| 3,300             | 128.20                      | 143.60                       | 15.40      | 12.0%                    | 47.87                            |
| 3,600             | 138.13                      | 154.61                       | 16.48      | 11.9%                    | 51.54                            |
| 3,900             | 148.06                      | 165.62                       | 17.56      | 11.9%                    | 55.21                            |
| 4,200             | 157.99                      | 176.63                       | 18.64      | 11.8%                    | 58.88                            |
| 4,500             | 167.92                      | 187.64                       | 19.72      | 11.7%                    | 62.55                            |
| 4,800             | 176.56                      | 196.88                       | 20.32      | 11.5%                    | 65.63                            |
| 5,100             | 185.20                      | 206.12                       | 20.92      | 11.3%                    | 68.71                            |
| 5,400             | 193.84                      | 215.36                       | 21.52      | 11.1%                    | 71.79                            |
| 5,700             | 202.48                      | 224.60                       | 22.12      | 10.9%                    | 74.87                            |
| 6,000             | 211.12                      | 233.84                       | 22.72      | 10.8%                    | 77.95                            |
| 6,300             | 219.76                      | 243.08                       | 23.32      | 10.6%                    | 81.03                            |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 8 - Moderate Phase In

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 1  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service      |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |         |
|----------------------------|----------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|---------|
|                            | Amount               | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent |
|                            | (Schedule B)         | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)     |
| Residential                | \$ 30,875,400        | 63.5%         | \$ 24,719,009           | 61.3%         | \$ 27,788,899            | 62.4%         | \$ 3,069,890        | 12.4%   |
| Commercial/Multi-Family    | 10,906,775           | 22.4%         | 9,332,035               | 23.1%         | 10,120,501               | 22.7%         | 788,466             | 8.4%    |
| Industrial                 | 3,428,943            | 7.0%          | 3,160,060               | 7.8%          | 3,298,782                | 7.4%          | 138,722             | 4.4%    |
| Public Authority           | 2,172,386            | 4.5%          | 1,948,183               | 4.8%          | 2,072,697                | 4.7%          | 124,513             | 6.4%    |
| Wholesale                  | 1,262,195            | 2.6%          | 1,200,418               | 3.0%          | 1,232,831                | 2.8%          | 32,413              | 2.7%    |
| Total Sales                | 48,645,700           | <u>100.0%</u> | 40,359,705              | <u>100.0%</u> | 44,513,710               | <u>100.0%</u> | 4,154,005           | 10.3%   |
| Other Revenues             | 4,865,306            |               | 4,834,006               |               | 4,865,306                |               | 31,301              |         |
| Total                      | <u>\$ 53,511,006</u> |               | <u>45,193,710</u>       |               | <u>\$ 49,379,016</u>     |               | <u>\$ 4,185,306</u> | 9.3%    |



NORTHERN KENTUCKY WATER DISTRICT

SUMMARY OF PRESENT AND PROPOSED RATES - STEP 2

|                                    | <u>Present<br/>Rates</u> | <u>Proposed<br/>Rates</u> | <u>Percentage<br/>Increase</u> |
|------------------------------------|--------------------------|---------------------------|--------------------------------|
| <b><u>Monthly</u></b>              |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 12.54                 | \$ 13.00                  | 3.67%                          |
| 3/4"                               | 12.96                    | 13.44                     | 3.70%                          |
| 1"                                 | 14.15                    | 14.67                     | 3.67%                          |
| 1 1/2"                             | 15.93                    | 16.51                     | 3.64%                          |
| 2"                                 | 20.13                    | 20.87                     | 3.68%                          |
| 3"                                 | 48.61                    | 50.39                     | 3.66%                          |
| 4"                                 | 60.89                    | 63.12                     | 3.66%                          |
| 6"                                 | 90.16                    | 93.47                     | 3.67%                          |
| 8"                                 | 121.75                   | 126.22                    | 3.67%                          |
| 10" and Larger                     | 161.91                   | 167.85                    | 3.67%                          |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 1,500 CF                     | \$ 3.31 Per 100 CF       | \$ 4.03 Per 100 CF        | 21.75%                         |
| Next 163,500 CF                    | 2.88 Per 100 CF          | 3.28 Per 100 CF           | 13.89%                         |
| Over 165,000 CF                    | 2.55 Per 100 CF          | 2.60 Per 100 CF           | 1.96%                          |
| <b><u>Quarterly</u></b>            |                          |                           |                                |
| <b><u>Fixed Service Charge</u></b> |                          |                           |                                |
| 5/8"                               | \$ 18.97                 | \$ 26.00                  | 37.06%                         |
| 3/4"                               | 19.99                    | 27.40                     | 37.07%                         |
| 1"                                 | 22.98                    | 31.50                     | 37.08%                         |
| 1 1/2"                             | 27.08                    | 37.12                     | 37.08%                         |
| 2"                                 | 38.07                    | 52.18                     | 37.06%                         |
| 3"                                 | 118.45                   | 162.35                    | 37.06%                         |
| 4"                                 | 148.45                   | 203.46                    | 37.06%                         |
| 6"                                 | 219.44                   | 300.76                    | 37.06%                         |
| 8"                                 | 299.79                   | 410.89                    | 37.06%                         |
| 10" and Larger                     | 391.47                   | 536.54                    | 37.06%                         |
| <b><u>Consumption Charge</u></b>   |                          |                           |                                |
| First 4,500 CF                     | \$ 3.31 Per 100 CF       | \$ 4.03 Per 100 CF        | 21.75%                         |
| Next 490,500 CF                    | 2.88 Per 100 CF          | 3.28 Per 100 CF           | 13.89%                         |
| Over 495,000 CF                    | 2.55 Per 100 CF          | 2.60 Per 100 CF           | 1.96%                          |
| <b><u>Wholesale Customers</u></b>  |                          |                           |                                |
| Consumption Charge                 | \$ 2.22 Per 100 CF       | \$ 2.34 Per 100 CF        | 5.41%                          |
| <b>Bulk Loading Customers</b>      | 3.500 per 1000 gallons   | 5.400 per 1000 gallons    | 54.29%                         |

NORTHERN KENTUCKY WATER DISTRICT

Bill Comparisons

Residential Quarterly - Step 2

| <u>Consumption<br/>CF</u> | <u>Present<br/>Rates<br/>Payment</u> | <u>Proposed<br/>Rates<br/>Payment</u> | <u>Difference</u> | <u>Percentage<br/>Difference</u> | <u>Proposed<br/>Payment<br/>Per month</u> |
|---------------------------|--------------------------------------|---------------------------------------|-------------------|----------------------------------|---|
| -                         | 18.97                                | 26.00                                 | 7.03              | 37.1%                            | 8.67                                      |
| 300                       | 28.90                                | 38.09                                 | 9.19              | 31.8%                            | 12.70                                     |
| 600                       | 38.83                                | 50.18                                 | 11.35             | 29.2%                            | 16.73                                     |
| 800                       | 45.45                                | 58.24                                 | 12.79             | 28.1%                            | 19.41                                     |
| 900                       | 48.76                                | 62.27                                 | 13.51             | 27.7%                            | 20.76                                     |
| 1,200                     | 58.69                                | 74.36                                 | 15.67             | 26.7%                            | 24.79                                     |
| 1,500                     | 68.62                                | 86.45                                 | 17.83             | 26.0%                            | 28.82                                     |
| 1,800                     | 78.55                                | 98.54                                 | 19.99             | 25.4%                            | 32.85                                     |
| 2,100                     | 88.48                                | 110.63                                | 22.15             | 25.0%                            | 36.88                                     |
| 2,400                     | 98.41                                | 122.72                                | 24.31             | 24.7%                            | 40.91                                     |
| 2,700                     | 108.34                               | 134.81                                | 26.47             | 24.4%                            | 44.94                                     |
| 3,000                     | 118.27                               | 146.90                                | 28.63             | 24.2%                            | 48.97                                     |
| 3,300                     | 128.20                               | 158.99                                | 30.79             | 24.0%                            | 53.00                                     |
| 3,600                     | 138.13                               | 171.08                                | 32.95             | 23.9%                            | 57.03                                     |
| 3,900                     | 148.06                               | 183.17                                | 35.11             | 23.7%                            | 61.06                                     |
| 4,200                     | 157.99                               | 195.26                                | 37.27             | 23.6%                            | 65.09                                     |
| 4,500                     | 167.92                               | 207.35                                | 39.43             | 23.5%                            | 69.12                                     |
| 4,800                     | 176.56                               | 217.19                                | 40.63             | 23.0%                            | 72.40                                     |
| 5,100                     | 185.20                               | 227.03                                | 41.83             | 22.6%                            | 75.68                                     |
| 5,400                     | 193.84                               | 236.87                                | 43.03             | 22.2%                            | 78.96                                     |
| 5,700                     | 202.48                               | 246.71                                | 44.23             | 21.8%                            | 82.24                                     |
| 6,000                     | 211.12                               | 256.55                                | 45.43             | 21.5%                            | 85.52                                     |
| 6,300                     | 219.76                               | 266.39                                | 46.63             | 21.2%                            | 88.80                                     |

NORTHERN KENTUCKY WATER DISTRICT  
Scenario 8 - Moderate Phase In

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 2  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service        |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |                     |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|---------------------|
|                            | Amount<br>(Schedule B) | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent<br>Increase |
| (1)                        | (2)                    | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)                 |
| Residential                | \$ 30,875,400          | 63.5%         | \$ 24,719,009           | 61.3%         | \$ 30,848,442            | 63.4%         | \$ 6,129,433        | 24.8%               |
| Commercial/Multi-Family    | 10,906,775             | 22.4%         | 9,332,035               | 23.1%         | 10,906,663               | 22.4%         | 1,574,628           | 16.9%               |
| Industrial                 | 3,428,943              | 7.0%          | 3,160,060               | 7.8%          | 3,431,585                | 7.1%          | 271,525             | 8.6%                |
| Public Authority           | 2,172,386              | 4.5%          | 1,948,183               | 4.8%          | 2,195,260                | 4.5%          | 247,076             | 12.7%               |
| Wholesale                  | <u>1,262,195</u>       | <u>2.6%</u>   | <u>1,200,418</u>        | <u>3.0%</u>   | <u>1,265,110</u>         | <u>2.6%</u>   | <u>64,691</u>       | <u>5.4%</u>         |
| Total Sales                | 48,645,700             | <u>100.0%</u> | 40,359,705              | <u>100.0%</u> | 48,647,059               | <u>100.0%</u> | 8,287,354           | 20.5%               |
| Other Revenues             | <u>4,865,306</u>       |               | <u>4,834,006</u>        |               | <u>4,865,306</u>         |               | <u>31,301</u>       |                     |
| Total                      | <u>\$ 53,511,006</u>   |               | <u>45,193,710</u>       |               | <u>\$ 53,512,365</u>     |               | <u>\$ 8,318,655</u> | 18.4%               |

- Q4. Refer to NKWD's Supplemental Filing of June 14, 2010, Exhibit 6, Summary of Revenue Requirements. NKWD has determined that it requires a "Net Revenue Requirement" of \$48,616,094 and states that it is requesting an increase in revenues of \$8,255,454.<sup>1</sup> State, for each year of the proposed two-year phase-in period, the amount of the rate increase that NKWD is requesting.
- A4. NKWD anticipates an increase in revenues from water rates in year one of \$4,154,005 and an additional increase in year two of \$4,101,449 for a total increase of \$8,255,454.

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<sup>1</sup> Petition, Exhibit N, Schedule A, \$48,615,158 (Revenues Proposed Rates) – \$40,359,705 (Revenues Present Rates) = \$8,255,453.

Q5. Refer to the Petition, Exhibit J, NKWD's 2009 Financial Statements and Independent Auditor's Report at 24. The 1985 General Bond Resolution (as amended November 17, 1987) requires that NKWD's "net annual income and revenues, as adjusted, be equal to at least one and twenty hundredths (1.20) times the maximum debt service."

Q5a List in detail the revenue and expense components and the adjustments that NKWD's bond resolution requires..

A5a.

**Revenue Accounts**

|              |  |
|--------------|--|
| 461-0001-000 | Water Sales-Residential                  |
| 461-0002-000 | Water Sales-Residential-Newport          |
| 461-0003-000 | Water Sales-Commercial                   |
| 461-0004-000 | Water Sales-Commercial Newport           |
| 461-0005-000 | Water Sales-Industrial                   |
| 461-0006-000 | Water Sales-Industrial-Newport           |
| 461-0007-000 | Water Sales-Public Authority             |
| 461-0008-000 | Water Sales-Public Authority Newport     |
| 461-0009-000 | Water Sales-Multi Family                 |
| 461-0010-000 | Water Sales-Multi Family Newport         |
| 461-0011-000 | Water Sales-Bulk Loading                 |
| 461-0012-000 | Water Sales-Bulk Loading Newport         |
| 461-0013-000 | Water Sales-Winston Park                 |
| 461-0100-000 | Water Sales Residential                  |
| 461-0101-000 | Water Sales-Commercial                   |
| 461-0102-000 | Water Sales-Industrial                   |
| 461-0103-000 | Water Sales-Public Authority             |
| 461-0104-000 | Water Sales-Multi Family                 |
| 461-0150-000 | Water Sales Residential-Taylor Mill      |
| 461-0151-000 | Water Sales-Commercial-Taylor Mill       |
| 461-0152-000 | Water Sales-Industrial-Taylor Mill       |
| 461-0153-000 | Water Sales-Public Authority-Taylor Mill |
| 461-0154-000 | Water Sales-Multi Family-Taylor Mill     |
| 462-0001-000 | Water Sales-Fire Lines                   |
| 462-0002-000 | Water Sales-Fire Lines Newport           |
| 462-0003-000 | Water Sales-Muni Hydrants                |
| 462-0015-000 | Water Sales Fire Line                    |
| 462-0155-000 | Water Sales Fire Line-Taylor Mill        |
| 466-0001-000 | Water Sales-Resale                       |
| 466-0002-000 | Water Sales-Resale Newport               |
| 470-0001-000 | Income Penalties                         |
| 470-0002-000 | Income Penalties Newport                 |
| 470-0003-000 | Income Penalties Taylor Mill             |
| 471-0001-000 | Meter Tests                              |
| 471-0002-000 | Income Turn On Fees                      |
| 471-0003-000 | Income Turn On Fees-Newport              |
| 471-0005-000 | Income Turn On Fees-Taylor Mill          |

472-0001-000 Rent Water Property  
472-0002-000 Rent Water Property Newport  
474-0001-000 Water Sales Misc Hydrants  
474-0002-000 Income Returned Check Charges  
419-0001-000 Interest Income  
479-0002-000 Contributed Capital Water Service Applications  
Boone Florence Settlement Annual Amount

#### **Expense Accounts**

601 Salaries and Wages Employees  
604 Employee Pension and Benefits  
615 Purchased Power  
616 Fuel (Gas)  
618 Chemicals  
620 Materials and Supplies  
631 Contractual Services Engineering  
632 Contractual Services Accounting  
633 Contractual Services Legal  
634 Contractual Services Management  
635 Contractual Services  
642 Rental Expenses  
650 Transportation Expenses  
657 Insurance General Liability  
658 Insurance Workers Comp  
659 Insurance Other  
660 Advertising Expense  
667 Regulatory Commission Expense Other  
670 Bad Debt Expense  
675 Miscellaneous Expense  
699 Taxes Other Than Income

Q5b In response to Question No. 9 of his pre-filed testimony, Jack Bragg states, "We are in danger of falling below our mandated coverage limit and must increase our revenues to avoid problems associated with the coverage." Using the guidelines of the 1985 General Bond Resolution as amended, calculate NKWD's debt service coverage in Year One and Year Two if NKWD is not granted its requested rate increases. Your response should include all work papers and state all assumptions used in this calculation.

A5b.

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|  | <b>Year One</b>        | <b>Year Two</b>        |
|--|------------------------|------------------------|
| Revenue As Adjusted                      | \$42,486,874.36        | \$42,486,874.36        |
| Less:                                    |                        |                        |
| Operating Expenses                       | <u>\$24,646,968.90</u> | <u>\$25,139,908.28</u> |
| Net Operating Income before debt service | \$17,839,905.46        | \$17,346,966.08        |
| Maximum Principal & Interest             | \$18,408,004.00        | \$18,408,004.00        |
| Coverage Ratio                           | 0.97                   | 0.94                   |

Assumptions:

O&M expenses escalate by 2% annually  
Revenues remain flat from Test Year  
2009

Q5c Describe the problems that NKWD faces if it fails to meet the coverage limits set forth in its bond ordinances.

A5c. See Attached

Q5d. Provide a detailed calculation showing that, in Year One of NKWD's phase-in approach, its requested revenue requirement is in compliance with the 1985 General Bond Resolution as amended. Your response should include all work papers and state all assumptions used in this calculation.

Witness: Bragg

A5d.

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|  | <b>Year One</b>        |
|--|------------------------|
| Revenue As Adjusted                      | \$46,786,874.36        |
| Less:                                    |                        |
| Operating Expenses                       | <u>\$24,646,968.90</u> |
| Net Operating Income before debt service | \$22,139,905.46        |
| Maximum Principal & Interest             | \$18,408,004.00        |
| Coverage Ratio                           | 1.20                   |

Assumptions:

O&M expenses escalate by 2% annually

Revenues increased by \$4,300,000 Year One

Q5e. Provide a detailed calculation showing that, in Year Two of NKWD's phase-in approach, its requested revenue requirement is in compliance with the 1985 General Bond Resolution as amended. Your response should include all work papers and state all assumptions used in this calculation.

A5e.

|  | <b>Year Two</b>        |
|--|------------------------|
| Revenue As Adjusted                      | \$50,742,328.36        |
| Less:                                    |                        |
| Operating Expenses                       | <u>\$25,139,908.28</u> |
| Net Operating Income before debt service | \$25,602,420.08        |
| Maximum Principal & Interest             | \$18,408,004.00        |
| Coverage Ratio                           | 1.39                   |

Assumptions:

O&M expenses escalate by 2% annually

Fully Implemented Revenue Increase



325 West Main Street  
Suite 300  
Lexington, KY  
40507

859/977-6600  
fax: 859/381-1357

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

August 4, 2010

**VIA EMAIL**

Mr. Jack Bragg  
Northern Kentucky Water Service District  
P.O. Box 18640  
Erlanger, KY 41018-0640  
jbragg@nkywater.org

**RE: Debt Service Coverage Covenant**

Dear Jack:

In responding to your question concerning the ramifications of the District failing to meet its 1.20 times coverage of annual principal, interest and sinking fund requirements (net of all contractual obligations, including maintenance of all reserves, and after payment of operating and maintenance costs of the District), I considered the possible reactions of both current and future bondholders as a result of such an event. As I'm sure you are well aware, this is a situation that we highly recommend the District avoid as it could dramatically increase the District's cost of capital, prohibit it from accessing capital for a prolonged period, and/or restrict its ability to control the daily operations of the system.

Under the District's general bond resolution, several covenants are in place in order to protect bondholders (current and future), including the 1.20 coverage covenant. The resolution also defines the following to be an "Event of Default":

"failure or refusal by the District to comply with the Act pursuant to which the District was created, or default in the performance or observance of any other of the covenants, agreements or conditions contained in the Resolution, any series resolution, any supplemental resolution or the bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the holder of not less than five percent (5%) in principal amount of the outstanding bonds"

The resolution further provides that upon the happening and continuance of any event of default, the holders of not less than 25% in principal amount of the outstanding bonds may seek but are not limited to any of the following remedies:

- enforce by mandamus or other suit, action or proceedings at law the right to require the District to enforce, collect and receive water rates, rentals and charges adequate to carry out the covenants

1219 Assembly Street  
Columbia, SC  
29201  
803/765-1004  
fax: 803/765-1088

700 Walnut Street  
Cincinnati, OH  
45202  
513/381-3939  
fax: 513/381-0124

One Riverfront Plaza  
401 West Main Street,  
Suite 2110  
Louisville, KY  
40202  
502/491-3939  
fax: 502/491-9979

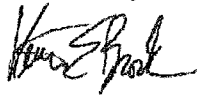
- by action or suit, seek the appointment of a receiver who shall take charge of and administer the affairs of the District
- declare all bonds due and payable
- sell all investments and all other assets of the District and to cause the receiver to take over the public water system and operate the same in the name of the District for the use and benefit of the bondholders

Ultimately, the explanation for and the length of the covenant violation would likely determine what remedy, if any, bondholders pursue.

In addition, a coverage default would likely result in a downgrade in the District's bond rating. The District currently maintains a strong credit rating (Moody's Aa3) which is attributable to many factors including debt service coverage and cash reserves. The bond rating is directly correlated to the District's capital costs and any downgrade would result in higher debt service for future indebtedness. Thus, the District would be forced to raise revenues in order to maintain similar coverage achieved at lower borrowing costs. Depending upon the severity of the default and downgrade, the District would face numerous challenges in restoring its perception to the rating agencies and capital markets. Regardless of the capital markets perception, the District can not issue any additional parity bonds until it certifies it meets the coverage covenant.

I certainly understand the challenges the District faces in managing its capital needs, while minimizing the impact to its rate payers. However, it is important to consider the future financial impact of the decisions made today and find a balance that meets the District's goals and objectives. If you have any questions or need additional information, please let me know.

Yours truly,



Keith Brock

Q6. Listed in the schedule are eight employees' positions that became vacant in the test period or in the calendar year 2010. For each vacant position listed in Table 1 below:

a. If the position has been filled, identify the employee currently in the position, state the date on which the employee was hired, and state his or her actual annualized salary and actual benefit information. Identify the salary and employee benefit cost that is included in NKWD's pro forma operating expenses.

b. If the position is still vacant, state the reason(s) why the position must be filled and explain why the position is currently vacant.

c. State the current status of NKWD's efforts to fill the position and the anticipated hire date.

d. State the total cost of the position included in the pro forma test period (i.e. payroll expenses, payroll capitalized, retirement, payroll taxes, insurance benefits), stated separately, and the accounts to which each amount was charged.

A6. Mark Lofland - V.P. Cust. Accounts

- a) n/a
- b) Position still being analyzed by President at current time
- c) No advertisements have been run nor resumes' pursued at this time
- d) Total cost in proforma labor for 2010
- e) Employee # 85 on file NKWD\_PSCDR2\_6\_Excel\_081710
- f) Account 601

Jackie McKinley - Dist. Clerk (Disability Retirement)

- a) n/a
- b) Request for replacement being analyzed before posting position internally and/or externally
- c) Employee from temporary agency currently performing the duties until a candidate is found
- d) Total cost not included in proforma labor for 2010

Waj Syed - Sr. Accountant

- a) n/a
- b) The District has eliminated this position.
- c) Labor cost not included in Proforma Labor for 2010

Corina Starks - Acct. Service Rep

- a) Replaced by Jennifer Harrison 4/13/09
- b) Employee # 54 on file PSCDR2\_6\_Excel\_081710
- c) Account 601

Amanda Enzweiler - Lab Co-op

- a) Replaced by Lisa Wiesman 9/14/09 and Mark Lucas 9/22/09 who have been replaced by Adam Yeary 5/17/10. Interviews are being scheduled to find one more co-op.
- b) Cost not included in Proforma Labor for 2010

Mike Epling - Meter Reader

- a) n/a
- b) Was a full-time temp Meter Reader who was not replaced
- c) n/a
- d) n/a
- e) Not include in Proforma labor for 2010

Derrick Claybern - Distribution Fieldman

- a)
  - Fieldman position internally filled by Terry Howard, eff. 5/29/09
  - C.S. Fieldman position (vacated by Terry Howard) filled internally by Ryan Halloran, eff. 6/11/09
  - Meter Shop Fieldman position (vacated by Ryan Halloran) filled internally by Les Beckner, eff. 6/25/09
  - Mr. Beckner had been a full-time temp Meter Reader who was not replaced
- c) n/a
- d) n/a
- e) Total cost in proforma labor 2010
- f) Employee # 7 on file NKWD\_PSCDR2\_6\_Excel\_081710

Refer to NKWD\_PSCDR2\_6\_Excel\_081710 for spreadsheet with proforma numbers.

| A  | C | E                                 |                               | 2010<br>Regular Hours<br>Worked | 2010<br>Current<br>OT Rate | F                                       |                  | 2010<br>Percentage<br>Capitalized | 2010<br>Labor<br>Capitalized | Current<br>Total Payroll Expensed<br>and Capitalized | 2010                        | Current                | Current                  | 2010<br>Current<br>Dental Insurance | 2010               | 2010        | 2010<br>Pension<br>1-1 to 6-30<br>16.1600% | 2010        | 2010        |             |
|----|---|-----------------------------------|-------------------------------|---------------------------------|----------------------------|---|------------------|-----------------------------------|------------------------------|--|-----------------------------|------------------------|--------------------------|-------------------------------------|--------------------|-------------|--|-------------|-------------|-------------|
|    |   | 2009<br>Test Period<br>Base Rates | 2010<br>Current<br>Base Rates |                                 |                            | Test Period<br>Overtime Hours<br>Worked | Health Insurance |                                   |                              |  | Life & Disability<br>Yearly | Deferred Comp<br>Match | 7-1 to 12-31<br>16.9300% |                                     | Current<br>Pension |             |  |             |             |             |
| 1  |   | 1/1/2007                          | \$16.03                       | \$16.11                         | 2,080                      | \$24.17                                 | 173              |                                   |                              | \$37,689.35  | \$10,742.71                 |                        | \$333.36                 | \$49.68                             | \$260.00           | \$3,045.30  | \$3,190.40                                 | \$3,190.40  | \$6,235.70  |             |
| 2  |   | 10/14/1977                        | \$22.65                       | \$22.85                         | 2,080                      | \$34.28                                 | 18               |                                   |                              | \$48,144.95  | \$9,875.64                  |                        | \$471.84                 | \$49.68                             |                    | \$3,890.11  | \$4,075.47                                 | \$7,965.58  | \$7,965.58  |             |
| 3  |   | 10/7/2002                         | \$21.00                       | \$22.47                         | 2,080                      | \$30.71                                 | 374.5            | 2.5%                              | \$1,484.0                    | \$59,360.12  | \$9,875.64                  |                        | \$463.68                 | \$49.68                             | \$1,121.64         | \$4,796.30  | \$5,024.83                                 | \$9,821.13  | \$9,821.13  |             |
| 4  |   | 1/2/1990                          | \$19.99                       | \$20.29                         | 2,080                      | \$30.44                                 | 58               |                                   |                              | \$43,968.43  | \$6,021.72                  |                        | \$420.12                 | \$49.68                             | \$1,012.96         | \$3,552.65  | \$3,721.93                                 | \$7,274.58  | \$7,274.58  |             |
| 5  |   | 3/6/2000                          | \$23.08                       | \$24.59                         | 2,080                      | \$36.89                                 | 191.25           |                                   |                              | \$58,201.46  | \$9,875.64                  |                        | \$508.68                 | \$49.68                             | \$1,227.72         | \$4,702.68  | \$4,926.75                                 | \$9,629.43  | \$9,629.43  |             |
| 6  |   | 5/1/1974                          | \$25.75                       | \$25.75                         | 1,198                      | \$38.63                                 |                  |                                   |                              | \$30,848.50  | \$14,897.88                 |                        | \$0.00                   | \$0.00                              |                    | \$2,492.56  | \$2,611.33                                 | \$5,103.88  | \$5,103.88  |             |
| 7  |   | 1/2/2008                          | \$15.26                       | \$15.34                         | 2,080                      | \$23.01                                 | 212              |                                   |                              | \$36,785.32  | \$6,021.72                  |                        | \$316.20                 | \$49.68                             |                    | \$2,972.25  | \$3,113.88                                 | \$6,086.13  | \$6,086.13  |             |
| 8  |   | 2/20/2007                         | \$9.75                        | \$9.75                          | 800                        | \$14.63                                 |                  |                                   |                              | \$7,800.00   | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$630.24    | \$660.27                                   | \$1,290.51  | \$1,290.51  |             |
| 9  |   | 1/6/2003                          | \$17.59                       | \$17.73                         | 2,080                      | \$26.60                                 | 39.5             |                                   |                              | \$37,928.90  | \$6,021.72                  |                        | \$366.00                 | \$49.68                             | \$464.36           | \$3,064.66  | \$3,210.68                                 | \$6,275.34  | \$6,275.34  |             |
| 10 |   | 1/21/2002                         | \$16.75                       | \$16.90                         | 2,080                      | \$25.35                                 | 262.75           |                                   |                              | \$41,812.71  | \$16,620.12                 |                        | \$350.52                 | \$49.68                             |                    | \$3,378.47  | \$3,539.45                                 | \$6,917.91  | \$6,917.91  |             |
| 11 |   | 10/3/2005                         | \$51.92                       | \$52.39                         | 2,080                      | \$78.59                                 |                  |                                   |                              | \$108,971.20   | \$1,200.00                  |                        | \$1,079.52               | \$49.68                             | \$2,615.08         | \$8,804.87  | \$9,224.41                                 | \$18,029.29 | \$18,029.29 |             |
| 12 |   | 5/18/2009                         | \$19.50                       | \$19.63                         | 2,080                      | \$29.45                                 | 213              |                                   |                              | \$47,102.19  | \$10,742.71                 |                        | \$405.00                 | \$49.68                             | \$979.68           | \$3,805.86  | \$3,987.20                                 | \$7,793.06  | \$7,793.06  |             |
| 13 |   | 4/9/2001                          | \$22.05                       | \$22.25                         | 2,080                      | \$33.38                                 | 152              |                                   |                              | \$51,353.00  | \$16,620.12                 |                        | \$460.32                 | \$49.68                             | \$1,110.72         | \$4,149.32  | \$4,347.03                                 | \$8,496.35  | \$8,496.35  |             |
| 14 |   | 3/6/1989                          | \$22.98                       | \$23.19                         | 2,080                      | \$34.79                                 | 78               | 2.5%                              | \$1,273.7                    | \$50,948.43  | \$16,620.12                 |                        | \$480.00                 | \$49.68                             | \$1,157.52         | \$4,116.63  | \$4,312.78                                 | \$8,429.42  | \$8,429.42  |             |
| 15 |   | 10/11/1999                        | \$43.59                       | \$43.97                         | 2,080                      | \$65.96                                 |                  |                                   |                              | \$91,457.60  | \$10,742.71                 |                        | \$907.68                 | \$49.68                             | \$260.00           | \$7,389.77  | \$7,741.89                                 | \$15,131.66 | \$15,131.66 |             |
| 16 |   | 1/5/1998                          | \$43.76                       | \$45.48                         | 2,080                      | \$68.22                                 |                  |                                   |                              | \$94,598.40  | \$10,742.71                 |                        | \$938.40                 | \$49.68                             | \$650.00           | \$7,643.55  | \$8,007.75                                 | \$15,651.31 | \$15,651.31 |             |
| 17 |   | 1/14/2002                         | \$18.13                       | \$18.29                         | 2,080                      | \$27.44                                 | 162              |                                   |                              | \$42,487.67  | \$16,620.12                 |                        | \$379.32                 | \$49.68                             | \$791.96           | \$3,433.00  | \$3,596.58                                 | \$7,029.59  | \$7,029.59  |             |
| 18 |   | 12/26/1994                        | \$19.88                       | \$20.00                         | 2,080                      | \$30.00                                 | 148.25           |                                   |                              | \$46,047.50  | \$1,200.00                  |                        | \$413.88                 | \$49.68                             |                    | \$3,720.64  | \$3,897.92                                 | \$7,618.56  | \$7,618.56  |             |
| 19 |   | 4/17/1984                         | \$20.00                       | \$20.00                         | 1,198                      | \$30.00                                 |                  |                                   |                              | \$23,960.00  | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$1,935.97  | \$2,028.21                                 | \$3,964.18  | \$3,964.18  |             |
| 20 |   | 9/14/1987                         | \$32.28                       | \$32.57                         | 2,080                      | \$48.86                                 |                  |                                   |                              | \$67,745.60  | \$16,620.12                 |                        | \$671.88                 | \$49.68                             | \$1,626.04         | \$5,473.84  | \$5,734.67                                 | \$11,208.51 | \$11,208.51 |             |
| 21 |   | 2/7/1994                          | \$21.41                       | \$21.60                         | 2,080                      | \$32.40                                 | 146.25           | 2.5%                              | \$1,241.7                    | \$49,666.50  | \$16,620.12                 |                        | \$445.08                 | \$49.68                             | \$601.12           | \$4,013.05  | \$4,204.27                                 | \$8,217.32  | \$8,217.32  |             |
| 22 |   | 8/22/2007                         | \$18.34                       | \$18.51                         | 2,080                      | \$27.77                                 | 2.5              |                                   |                              | \$38,570.21  | \$16,620.12                 |                        | \$382.56                 | \$49.68                             |                    | \$3,116.47  | \$3,264.97                                 | \$6,381.44  | \$6,381.44  |             |
| 23 |   | 2/21/2001                         | \$16.27                       | \$16.42                         | 2,080                      | \$24.63                                 | 24.5             |                                   |                              | \$34,757.04  | \$16,620.12                 |                        | \$340.44                 | \$49.68                             | \$587.08           | \$2,808.37  | \$2,942.18                                 | \$5,750.55  | \$5,750.55  |             |
| 24 |   | 3/10/2003                         | \$16.45                       | \$16.60                         | 2,080                      | \$24.90                                 | 51.5             |                                   |                              | \$35,810.35  | \$16,620.12                 |                        | \$343.08                 | \$49.68                             | \$467.48           | \$2,893.48  | \$3,031.35                                 | \$5,924.82  | \$5,924.82  |             |
| 25 |   | 6/16/2003                         | \$17.54                       | \$17.63                         | 2,080                      | \$26.45                                 | 191.75           | 2.5%                              | \$1,043.5                    | \$41,741.23  | \$6,021.72                  |                        | \$364.20                 | \$49.68                             | \$879.84           | \$3,372.69  | \$3,533.40                                 | \$6,906.09  | \$6,906.09  |             |
| 26 |   | 2/10/2003                         | \$16.31                       | \$16.39                         | 2,080                      | \$24.59                                 | 12               |                                   |                              | \$34,396.22  | \$16,620.12                 |                        | \$339.96                 | \$49.68                             | \$260.00           | \$2,778.41  | \$2,910.79                                 | \$5,689.20  | \$5,689.20  |             |
| 27 |   | 2/26/2009                         | \$15.00                       | \$15.22                         | 2,080                      | \$22.83                                 | 131.5            |                                   |                              | \$34,659.75  | \$10,742.71                 |                        | \$314.40                 | \$49.68                             |                    | \$2,800.51  | \$2,933.95                                 | \$5,734.45  | \$5,734.45  |             |
| 28 |   | 6/17/2002                         | \$19.79                       | \$19.89                         | 2,080                      | \$29.84                                 | 191.5            |                                   |                              | \$47,084.60  | \$16,620.12                 |                        | \$411.24                 | \$49.68                             | \$384.28           | \$3,804.44  | \$3,985.71                                 | \$7,790.15  | \$7,790.15  |             |
| 29 |   | 8/1/2003                          | \$21.00                       | \$21.00                         | 2,080                      | \$31.50                                 |                  |                                   |                              | \$43,680.00  | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$3,529.34  | \$3,697.51                                 | \$7,226.86  | \$7,226.86  |             |
| 30 |   | 10/14/1985                        | \$40.44                       | \$41.05                         | 2,080                      | \$61.58                                 |                  |                                   |                              | \$85,384.00  | \$16,620.12                 |                        | \$847.32                 | \$49.68                             | \$1,741.48         | \$6,899.03  | \$7,227.76                                 | \$14,126.78 | \$14,126.78 |             |
| 31 |   | 5/9/2005                          | \$31.33                       | \$31.61                         | 2,080                      | \$47.42                                 |                  |                                   |                              | \$65,748.80  | \$9,875.64                  |                        | \$652.20                 | \$49.68                             |                    | \$5,312.50  | \$5,565.64                                 | \$10,878.14 | \$10,878.14 |             |
| 32 |   | 5/12/2008                         | \$16.90                       | \$17.59                         | 2,080                      | \$26.39                                 | 109.5            |                                   |                              | \$39,476.36  | \$6,021.72                  |                        | \$363.48                 | \$49.68                             | \$744.12           | \$3,189.69  | \$3,341.67                                 | \$6,531.36  | \$6,531.36  |             |
| 33 |   | 6/17/1986                         | \$22.98                       | \$23.19                         | 2,080                      | \$34.79                                 | 286.5            |                                   |                              | \$58,201.10  | \$9,875.64                  |                        | \$480.00                 | \$49.68                             | \$1,158.04         | \$4,702.65  | \$4,926.72                                 | \$9,629.37  | \$9,629.37  |             |
| 34 |   | 1/18/1988                         | \$29.18                       | \$29.44                         | 2,080                      | \$44.16                                 | 63.5             |                                   |                              | \$64,039.36  | \$10,742.71                 |                        | \$608.76                 | \$49.68                             | \$735.80           | \$5,174.38  | \$5,420.93                                 | \$10,595.31 | \$10,595.31 |             |
| 35 |   | 2/4/2008                          | \$13.33                       | \$13.33                         | 2,080                      | \$20.00                                 | 13.33            |                                   |                              | \$27,992.93  | \$6,021.72                  |                        | \$275.40                 | \$49.68                             |                    | \$2,261.83  | \$2,369.60                                 | \$4,631.43  | \$4,631.43  |             |
| 36 |   | 5/19/2008                         | \$12.97                       | \$13.30                         | 2,080                      | \$19.95                                 | 13.3             |                                   |                              | \$27,929.34  | \$16,620.12                 |                        | \$274.80                 | \$49.68                             | \$182.00           | \$2,256.69  | \$2,364.22                                 | \$4,620.91  | \$4,620.91  |             |
| 37 |   | 12/17/1971                        | \$20.00                       | \$20.00                         | 1,198                      | \$30.00                                 |                  |                                   |                              | \$23,960.00  | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$1,935.97  | \$2,028.21                                 | \$3,964.18  | \$3,964.18  |             |
| 38 |   | 11/27/2006                        | \$13.95                       | \$14.08                         | 2,080                      | \$21.12                                 | 72.25            |                                   |                              | \$30,812.32  | \$6,021.72                  |                        | \$291.96                 | \$49.68                             | \$702.52           | \$2,489.64  | \$2,608.26                                 | \$5,097.90  | \$5,097.90  |             |
| 39 |   | 6/13/2002                         | \$17.65                       | \$17.81                         | 2,080                      | \$26.72                                 | 252.25           |                                   |                              | \$43,783.66  | \$9,875.64                  |                        | \$369.24                 | \$49.68                             |                    | \$3,537.72  | \$3,706.29                                 | \$7,244.01  | \$7,244.01  |             |
| 40 |   | 5/29/1989                         | \$22.98                       | \$24.35                         | 2,080                      | \$36.53                                 | 31               |                                   |                              | \$51,780.28  | \$9,875.64                  |                        | \$502.44                 | \$49.68                             |                    | \$4,183.85  | \$4,383.20                                 | \$8,567.05  | \$8,567.05  |             |
| 41 |   | 1/28/2008                         | \$15.05                       | \$15.24                         | 2,080                      | \$22.86                                 | 60.25            |                                   |                              | \$33,076.52  | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$2,672.58  | \$2,799.93                                 | \$5,472.51  | \$5,472.51  |             |
| 42 |   | 7/1/1985                          | \$43.59                       | \$43.98                         | 2,080                      | \$65.97                                 |                  |                                   |                              | \$91,478.40  | \$16,620.12                 |                        | \$907.68                 | \$49.68                             |                    | \$7,391.45  | \$7,743.65                                 | \$15,135.10 | \$15,135.10 |             |
| 43 |   | 7/17/1986                         | \$22.98                       | \$23.32                         | 2,080                      | \$34.98                                 | 308.25           | 2.5%                              | \$1,482.2                    | \$59,288.19  | \$16,620.12                 |                        | \$481.92                 | \$49.68                             | \$917.28           | \$4,790.49  | \$5,018.74                                 | \$9,809.23  | \$9,809.23  |             |
| 44 |   | 12/11/2006                        | \$17.70                       | \$17.86                         | 2,080                      | \$26.79                                 | 198.25           |                                   |                              | \$42,459.92  | \$10,742.71                 |                        | \$370.32                 | \$49.68                             | \$890.76           | \$3,430.76  | \$3,594.23                                 | \$7,024.99  | \$7,024.99  |             |
| 45 |   | 7/24/2006                         | \$13.76                       | \$13.88                         | 2,080                      | \$20.82                                 | 28.2             |                                   |                              | \$29,457.52  | \$16,620.12                 |                        | \$286.44                 | \$49.68                             | \$593.32           | \$2,380.17  | \$2,493.58                                 | \$4,873.75  | \$4,873.75  |             |
| 46 |   | 6/13/2002                         | \$26.93                       | \$27.17                         | 2,080                      | \$40.76                                 |                  |                                   |                              | \$56,513.60  | \$6,021.72                  |                        | \$561.00                 | \$49.68                             | \$1,356.16         | \$4,566.30  | \$4,783.88                                 | \$9,350.18  | \$9,350.18  |             |
| 47 |   | 3/15/1992                         | \$23.30                       | \$23.51                         | 2,080                      | \$35.27                                 | 187              |                                   |                              | \$55,495.36  | \$10,742.71                 |                        | \$484.68                 | \$49.68                             | \$902.20           | \$4,484.02  | \$4,697.68                                 | \$9,181.71  | \$9,181.71  |             |
| 48 |   | 6/1/1992                          | \$22.98                       | \$23.19                         | 2,080                      | \$34.79                                 | 12.5             |                                   |                              | \$48,670.01  | \$9,875.64                  |                        | \$480.00                 | \$49.68                             | \$892.32           | \$3,932.54  | \$4,119.92                                 | \$8,052.45  | \$8,052.45  |             |
| 49 |   | 2/10/2003                         | \$12.75                       | \$12.94                         | 2,080                      | \$19.41                                 | 117.5            |                                   |                              | \$29,195.88  | \$10,742.71                 |                        | \$267.12                 | \$49.68                             | \$260.00           | \$2,359.03  | \$2,471.43                                 | \$4,830.46  | \$4,830.46  |             |
| 50 |   | 4/24/2000                         | \$14.55                       | \$14.68                         | 2,080                      | \$22.02                                 | 207.5            |                                   |                              | \$36,103.55  | \$16,620.12                 |                        | \$303.60                 | \$49.68                             |                    | \$2,836.37  | \$2,971.52                                 | \$5,807.88  | \$5,807.88  |             |
| 51 |   | 1/31/2005                         | \$16.96                       | \$17.21                         | 2,080                      | \$25.82                                 | 235.5            |                                   |                              | \$41,876.23  | \$10,742.71                 |                        | \$355.20                 | \$49.68                             | \$859.04           | \$3,383.60  | \$3,544.82                                 | \$6,928.42  | \$6,928.42  |             |
| 52 |   | 7/3/2002                          | \$9.75                        | \$9.75                          | 50                         | \$14.63                                 |                  |                                   |                              | \$487.50   | \$0.00                      |                        | \$0.00                   | \$0.00                              |                    | \$39.39     | \$41.27                                    | \$80.66     | \$80.66     |             |
| 53 |   | 12/11/2000                        | \$17.21                       | \$17.36                         | 2,080                      | \$26.04                                 | 234              |                                   |                              | \$42,202.16  | \$16,620.12                 |                        | \$360.12                 | \$49.68                             | \$866.84           | \$3,409.93  | \$3,572.41                                 | \$6,982.35  | \$6,982.35  |             |
| 54 |   | 4/13/2009                         | \$12.79                       | \$13.23                         | 2,080                      | \$19.85                                 | 12.5             |                                   |                              | \$27,766.46  | \$10,742.71                 |                        | \$273.96                 | \$49.68                             |                    | \$2,243.53  | \$2,350.43                                 | \$4,593.96  | \$4,593.96  |             |
| 55 |   | 10/17/1988                        | \$61.94                       | \$62.87                         | 2,080                      | \$94.31                                 |                  | 11.0%                             | \$14,384.7                   | \$130,769.60   | \$16,620.12                 |                        | \$1,292.28               | \$49.68                             | \$3,138.72         | \$10,566.18 | \$11,068.65                                | \$21,635.83 | \$21,635.83 |             |
| 56 |   | 1/2/1990                          | \$30.36                       | \$30.63                         | 2,080                      | \$45.95                                 | 341.5            | 50.0%                             | \$39,700.3                   | \$79,400.62  | \$9,875.64                  |                        | \$631.80                 | \$49.68                             |                    | \$325.00    | \$6,415.57                                 | \$6,721.26  | \$13,136.83 | \$13,136.83 |
| 57 |   | 1/12/1998                         | \$17.36                       | \$17.45                         | 2,080                      | \$26.18                                 | 176.75           | 2.5%                              | \$1,023.1                    | \$40,922.43  | \$9,875.64                  |                        | \$361.56                 | \$49.68                             | \$260.00           | \$3,306.53  | \$3,464.08                                 | \$6,770.62  | \$6,770.62  |             |
| 58 |   | 1/23/2006                         | \$17.11                       | \$17.37                         | 2,080                      | \$26.06                                 | 14.25            |                                   |                              | \$36,500.88  | \$16,620.12                 |                        | \$360.24                 | \$49.68                             |                    | \$2,949.27  | \$3,089.80                                 | \$6,039.07  | \$6,039.07  |             |
| 59 |   | 7/21/1986                         | \$30.36                       | \$30.63                         | 2,080                      | \$45.95                                 | 301              |                                   |                              | \$77,539.85  | \$10,742.71                 |                        | \$631.80                 | \$49.68                             | \$1,528.80         | \$6,265.22  | \$6,563.75                                 | \$12,       |             |             |

| A          | C          | E                      | E                  | 2010                 | F                                 | F                      | 2010        | 2010              | Current                                | 2010             | Current                  | Current          | 2010                | 2010                         | 2010                  | 2010        | 2010    | 2010 |
|------------|------------|------------------------|--------------------|----------------------|-----------------------------------|------------------------|-------------|-------------------|--|------------------|--------------------------|------------------|---------------------|------------------------------|-----------------------|-------------|---------|------|
| Employee # | D.O.H.     | Test Period Base Rates | Current Base Rates | Regular Hours Worked | Test Period Overtime Hours Worked | Percentage Capitalized | Capitalized | Labor Capitalized | Total Payroll Expensed and Capitalized | Health Insurance | Life & Disability Yearly | Dental Insurance | Deferred Comp Match | Pension 1-1 to 6-30 16.1600% | 7-1 to 12-31 16.9300% | Pension     | Pension |      |
| 76         | 5/16/1988  | \$25.19                | \$25.42            | 2,080                | 139.5                             | 65.0%                  |             | \$37,825.3        | \$58,192.74                            | \$16,620.12      | \$524.16                 | \$49.68          | \$608.92            | \$4,701.97                   | \$4,926.02            | \$9,627.99  |         |      |
| 77         | 1/6/2003   | \$19.10                | \$19.27            | 2,080                | 211.5                             |                        |             |                   | \$46,195.01                            | \$6,021.72       | \$399.12                 | \$49.68          | \$962.00            | \$3,732.56                   | \$3,910.41            | \$7,642.96  |         |      |
| 78         | 12/31/2001 | \$43.53                | \$45.51            | 2,080                |                                   | 11.0%                  |             | \$10,412.7        | \$94,660.80                            | \$9,875.64       | \$938.52                 | \$49.68          | \$2,271.36          | \$7,648.59                   | \$8,013.04            | \$15,661.63 |         |      |
| 79         | 1/28/1985  | \$22.98                | \$23.32            | 2,080                | 282.5                             |                        |             |                   | \$58,387.45                            | \$6,021.72       | \$481.92                 | \$49.68          |                     | \$4,717.71                   | \$4,942.50            | \$9,660.20  |         |      |
| 80         | 7/12/2004  | \$17.64                | \$17.80            | 2,080                | 74.5                              | 2.5%                   |             | \$975.3           | \$39,013.15                            | \$16,620.12      | \$369.12                 | \$49.68          | \$587.60            | \$3,152.26                   | \$3,302.46            | \$6,454.73  |         |      |
| 81         | 10/7/2003  | \$20.30                | \$20.67            | 2,080                | 37.25                             | 2.5%                   |             | \$1,103.7         | \$44,148.54                            | \$16,620.12      | \$426.00                 | \$49.68          |                     | \$3,567.20                   | \$3,737.17            | \$7,304.38  |         |      |
| 82         | 2/10/2003  | \$22.37                | \$22.48            | 2,080                | 165.75                            |                        |             |                   | \$52,347.49                            | \$16,620.12      | \$464.04                 | \$49.68          |                     | \$4,229.68                   | \$4,431.22            | \$8,660.89  |         |      |
| 83         | 6/26/1995  | \$24.08                | \$24.30            | 2,080                | 389                               | 2.5%                   |             | \$1,618.1         | \$64,723.05                            | \$16,620.12      | \$501.84                 | \$49.68          | \$482.56            | \$5,229.62                   | \$5,478.81            | \$10,708.43 |         |      |
| 84         | 4/30/1980  | \$20.86                | \$20.90            | 2,080                | 201.5                             | 2.5%                   |             | \$1,244.7         | \$49,789.03                            | \$10,742.71      | \$432.96                 | \$49.68          | \$260.00            | \$4,022.95                   | \$4,214.64            | \$8,237.59  |         |      |
| 85         | TBH        | \$50.62                | \$52.61            | 2,080                |                                   |                        |             |                   | \$109,428.80                           | \$16,620.12      | \$1,085.64               | \$49.68          | \$2,625.48          | \$8,841.85                   | \$9,263.15            | \$18,104.99 |         |      |
| 86         | 2/18/1992  | \$28.77                | \$29.03            | 2,080                |                                   |                        |             |                   | \$60,382.40                            | \$16,620.12      | \$599.88                 | \$49.68          | \$260.00            | \$4,878.90                   | \$5,111.37            | \$9,990.27  |         |      |
| 87         | 1/31/2001  | \$105.75               | \$107.34           | 2,080                |                                   |                        |             |                   | \$223,267.20                           | \$16,620.12      | \$3,137.16               | \$49.68          | \$5,279.04          | \$18,039.99                  | \$18,899.57           | \$36,939.56 |         |      |
| 88         | 1/6/2003   | \$14.90                | \$14.98            | 2,080                | 23.75                             |                        |             |                   | \$31,692.06                            | \$9,875.64       | \$310.92                 | \$49.68          | \$366.60            | \$2,560.72                   | \$2,682.73            | \$5,243.45  |         |      |
| 89         | 6/28/2004  | \$19.50                | \$19.60            | 2,080                | 92                                |                        |             |                   | \$43,472.80                            | \$9,875.64       | \$404.28                 | \$49.68          | \$495.04            | \$3,512.60                   | \$3,679.97            | \$7,192.57  |         |      |
| 90         | 6/16/2003  | \$15.61                | \$15.81            | 2,080                | 120.5                             |                        |             |                   | \$35,742.46                            | \$9,875.64       | \$326.52                 | \$49.68          | \$260.00            | \$2,887.99                   | \$3,025.60            | \$5,913.59  |         |      |
| 91         | 7/3/2006   | \$11.87                | \$16.01            | 2,080                | 209.25                            | 2.5%                   |             | \$958.1           | \$38,325.94                            | \$9,875.64       | \$331.56                 | \$49.68          |                     | \$3,096.74                   | \$3,244.29            | \$6,341.03  |         |      |
| 92         | 1/29/2001  | \$15.50                | \$15.64            | 2,080                | 10                                |                        |             |                   | \$32,765.80                            | \$9,875.64       | \$323.40                 | \$49.68          | \$260.00            | \$2,847.48                   | \$2,773.62            | \$5,421.10  |         |      |
| 93         | 1/2/1990   | \$30.17                | \$30.62            | 2,080                |                                   |                        |             |                   | \$63,689.60                            | \$6,021.72       | \$631.80                 | \$49.68          | \$1,326.52          | \$5,146.12                   | \$5,391.32            | \$10,537.44 |         |      |
| 94         | 1/2/1992   | \$22.98                | \$23.32            | 2,080                | 218.5                             |                        |             |                   | \$56,148.73                            | \$10,742.71      | \$481.92                 | \$49.68          | \$1,164.28          | \$4,536.82                   | \$4,752.99            | \$9,289.81  |         |      |
| 95         | 5/26/1992  | \$30.19                | \$30.46            | 2,080                |                                   |                        |             |                   | \$63,356.80                            | \$16,620.12      | \$629.28                 | \$49.68          | \$1,519.96          | \$5,119.23                   | \$5,363.15            | \$10,482.38 |         |      |
| 96         | 6/15/1992  | \$22.46                | \$22.66            | 2,080                | 65                                |                        |             |                   | \$49,342.15                            | \$10,742.71      | \$427.68                 | \$49.68          | \$1,131.00          | \$3,986.85                   | \$4,176.81            | \$8,163.66  |         |      |
| 97         | 11/2/1987  | \$25.15                | \$25.38            | 2,080                |                                   | 65.0%                  |             | \$37,122.4        | \$57,111.35                            | \$6,021.72       | \$523.56                 | \$49.68          |                     | \$4,614.60                   | \$4,834.48            | \$9,449.07  |         |      |
| 98         | 3/12/2007  | \$19.45                | \$19.74            | 2,080                | 113.5                             |                        |             |                   | \$43,043.07                            | \$9,875.64       | \$409.20                 | \$49.68          | \$1,266.72          | \$3,477.88                   | \$3,643.60            | \$7,121.48  |         |      |
| 99         | 9/3/2006   | \$11.00                | \$11.00            | 832                  |                                   |                        |             |                   | \$9,152.00                             | \$0.00           | \$0.00                   | \$0.00           |                     | \$739.48                     | \$774.72              | \$1,514.20  |         |      |
| 100        | 10/20/1988 | \$26.08                | \$26.31            | 2,080                | 285                               |                        |             |                   | \$65,972.33                            | \$16,620.12      | \$542.68                 | \$49.68          | \$1,313.52          | \$5,330.56                   | \$5,584.56            | \$10,915.12 |         |      |
| 101        | 3/21/2005  | \$12.79                | \$12.91            | 2,080                | 96                                |                        |             |                   | \$28,711.84                            | \$9,875.64       | \$266.52                 | \$49.68          |                     | \$2,319.92                   | \$2,430.46            | \$4,750.37  |         |      |
| 102        | 3/3/2008   | \$16.25                | \$16.25            | 1,199                |                                   |                        |             |                   | \$19,483.75                            | \$0.00           | \$0.00                   | \$0.00           |                     | \$1,574.29                   | \$1,649.30            | \$3,223.59  |         |      |
| 103        | 2/13/1989  | \$26.61                | \$26.85            | 2,080                | 36.5                              |                        |             |                   | \$57,318.04                            | \$9,875.64       | \$553.44                 | \$49.68          | \$731.12            | \$4,631.30                   | \$4,851.97            | \$9,483.27  |         |      |
| 104        | 7/17/2000  | \$24.05                | \$24.41            | 2,080                | 194                               |                        |             |                   | \$57,876.11                            | \$16,620.12      | \$503.64                 | \$49.68          |                     | \$4,676.39                   | \$4,899.21            | \$9,575.60  |         |      |
| 105        | 7/10/2006  | \$15.92                | \$16.06            | 2,080                | 414.25                            | 2.5%                   |             | \$1,084.6         | \$43,384.08                            | \$6,021.72       | \$332.28                 | \$49.68          | \$801.84            | \$3,505.43                   | \$3,672.46            | \$7,177.90  |         |      |
| 106        | 10/3/1988  | \$30.09                | \$30.36            | 2,080                | 838.5                             |                        |             |                   | \$101,334.09                           | \$16,620.12      | \$627.84                 | \$49.68          | \$1,515.80          | \$8,187.79                   | \$8,577.93            | \$16,765.73 |         |      |
| 107        | 5/12/1978  | \$22.98                | \$23.32            | 2,080                | 380.5                             |                        |             |                   | \$61,815.49                            | \$6,021.72       | \$481.92                 | \$49.68          |                     | \$4,994.69                   | \$5,232.68            | \$10,227.37 |         |      |
| 108        | 3/29/2004  | \$32.76                | \$33.05            | 2,080                |                                   |                        |             |                   | \$68,744.00                            | \$16,620.12      | \$681.72                 | \$49.68          | \$1,649.96          | \$5,554.52                   | \$5,819.18            | \$11,373.69 |         |      |
| 109        | 5/18/1998  | \$20.32                | \$20.42            | 2,080                | 74.5                              |                        |             |                   | \$44,755.54                            | \$16,620.12      | \$422.04                 | \$49.68          | \$1,019.20          | \$3,616.25                   | \$3,788.56            | \$7,404.80  |         |      |
| 110        | 1/2/1990   | \$24.58                | \$24.80            | 2,080                | 330                               |                        |             |                   | \$63,860.00                            | \$16,620.12      | \$512.04                 | \$49.68          | \$499.72            | \$5,159.89                   | \$5,405.75            | \$10,565.64 |         |      |
| 111        | 2/5/1990   | \$32.26                | \$32.74            | 2,080                |                                   |                        |             |                   | \$68,099.20                            | \$6,021.72       | \$677.04                 | \$49.68          |                     | \$5,502.42                   | \$5,764.60            | \$11,267.01 |         |      |
| 112        | 7/8/1991   | \$21.37                | \$21.56            | 2,080                | 486                               |                        |             |                   | \$60,562.04                            | \$6,021.72       | \$444.60                 | \$49.68          | \$325.00            | \$4,893.41                   | \$5,126.58            | \$10,019.99 |         |      |
| 113        | 1/2/1996   | \$30.81                | \$31.09            | 2,080                |                                   |                        |             |                   | \$64,667.20                            | \$9,875.64       | \$641.40                 | \$49.68          | \$1,215.24          | \$5,225.11                   | \$5,474.08            | \$10,699.19 |         |      |
| 114        | 4/13/1999  | \$19.45                | \$19.63            | 2,080                | 64.5                              |                        |             |                   | \$42,729.60                            | \$6,021.72       | \$405.00                 | \$49.68          | \$979.68            | \$3,452.55                   | \$3,617.06            | \$7,069.61  |         |      |
| 115        | 1/4/2000   | \$19.13                | \$19.23            | 2,080                |                                   |                        |             |                   | \$41,685.83                            | \$16,620.12      | \$396.48                 | \$49.68          |                     | \$3,368.22                   | \$3,528.71            | \$6,896.92  |         |      |
| 116        | 1/13/2003  | \$21.92                | \$22.33            | 2,080                | 392.5                             |                        |             |                   | \$59,593.19                            | \$16,620.12      | \$461.52                 | \$49.68          | \$1,114.88          | \$4,815.13                   | \$5,044.56            | \$9,859.69  |         |      |
| 117        | 5/14/2001  | \$24.87                | \$25.24            | 2,080                | 317                               |                        |             |                   | \$64,500.82                            | \$9,875.64       | \$521.52                 | \$49.68          | \$603.20            | \$5,211.67                   | \$5,459.99            | \$10,671.66 |         |      |
| 118        | 7/29/2004  | \$16.64                | \$16.79            | 2,080                | 463.5                             |                        |             |                   | \$46,596.45                            | \$16,620.12      | \$346.32                 | \$49.68          |                     | \$3,764.99                   | \$3,944.39            | \$7,709.38  |         |      |
| 119        | 4/30/1990  | \$26.40                | \$26.80            | 2,080                | 133.25                            |                        |             |                   | \$61,100.65                            | \$16,620.12      | \$552.84                 | \$49.68          |                     | \$7,181.12                   | \$4,936.93            | \$10,109.10 |         |      |
| 120        | 5/10/1976  | \$36.33                | \$36.66            | 2,080                |                                   |                        |             |                   | \$76,252.80                            | \$16,620.12      | \$757.32                 | \$49.68          | \$1,829.88          | \$6,161.23                   | \$6,454.80            | \$12,616.03 |         |      |
| 121        | 4/25/2007  | \$13.46                | \$13.58            | 2,080                |                                   |                        |             |                   | \$29,320.92                            | \$6,021.72       | \$281.76                 | \$49.68          | \$356.20            | \$2,369.13                   | \$2,482.02            | \$4,851.15  |         |      |
| 122        | 1/11/1999  | \$16.68                | \$16.68            | 2,080                | 16.5                              |                        |             |                   | \$35,107.23                            | \$10,742.71      | \$344.40                 | \$49.68          | \$832.52            | \$2,836.66                   | \$2,971.83            | \$5,808.49  |         |      |
| 123        | 6/13/2002  | \$29.34                | \$29.60            | 2,080                |                                   |                        |             |                   | \$61,568.00                            | \$9,875.64       | \$610.80                 | \$49.68          |                     | \$4,974.69                   | \$5,211.73            | \$10,186.43 |         |      |
| 124        | 6/2/1983   | \$22.98                | \$23.19            | 2,080                |                                   |                        |             |                   | \$55,449.61                            | \$16,620.12      | \$480.00                 | \$49.68          | \$602.68            | \$4,480.33                   | \$4,693.81            | \$9,174.14  |         |      |
| 125        | 7/13/1989  | \$22.56                | \$22.90            | 2,080                | 207.4                             |                        |             |                   | \$47,632.00                            | \$10,742.71      | \$472.92                 | \$49.68          | \$260.00            | \$3,848.67                   | \$4,032.05            | \$7,880.71  |         |      |
| 126        | 7/12/1999  | \$18.64                | \$18.81            | 2,080                |                                   |                        |             |                   | \$45,148.70                            | \$6,021.72       | \$389.64                 | \$49.68          | \$597.48            | \$3,648.02                   | \$3,821.84            | \$7,469.85  |         |      |
| 127        | 4/2/2007   | \$17.75                | \$17.75            | 1,199                |                                   |                        |             |                   | \$21,282.25                            | \$0.00           | \$0.00                   | \$0.00           |                     | \$1,801.54                   | \$3,521.15            |             |         |      |
| 128        | 3/19/2009  | \$20.00                | \$20.00            | 1,198                |                                   |                        |             |                   | \$23,960.00                            | \$0.00           | \$0.00                   | \$0.00           |                     | \$1,935.97                   | \$2,028.21            | \$3,964.18  |         |      |
| 129        | 8/28/2008  | \$14.99                | \$15.24            | 2,080                | 85.75                             |                        |             |                   | \$33,659.45                            | \$6,021.72       | \$314.88                 | \$49.68          |                     | \$2,719.68                   | \$2,849.27            | \$5,568.96  |         |      |
| 130        | 5/11/1987  | \$19.99                | \$20.09            | 2,080                |                                   |                        |             |                   | \$42,585.78                            | \$10,742.71      | \$414.36                 | \$49.68          | \$1,003.08          | \$3,440.93                   | \$3,604.89            | \$7,045.82  |         |      |
| 131        | 11/2/2009  | \$22.84                | \$22.84            | 2,080                |                                   |                        |             |                   | \$47,507.20                            | \$16,620.12      | \$471.72                 | \$49.68          | \$1,140.36          | \$3,838.58                   | \$4,021.48            | \$7,860.07  |         |      |
| 132        | 11/3/1997  | \$20.92                | \$21.11            | 2,080                | 355                               | 40.0%                  |             | \$22,060.0        | \$55,149.88                            | \$16,620.12      | \$435.36                 | \$49.68          |                     | \$4,456.11                   | \$4,668.44            | \$9,124.55  |         |      |
| 133        | 2/22/1990  | \$29.02                | \$29.28            | 2,080                |                                   |                        |             |                   | \$64,229.34                            | \$16,620.12      | \$603.84                 | \$49.68          | \$325.00            | \$5,189.73                   | \$5,437.01            | \$10,626.74 |         |      |
| 134        | 3/10/2004  | \$16.51                | \$16.66            | 2,080                | 531.75                            |                        |             |                   | \$47,941.23                            | \$16,620.12      | \$344.28                 | \$49.68          |                     | \$3,873.65                   | \$4,058.23            | \$7,931.88  |         |      |
| 135        | 2/12/1990  | \$32.84                | \$33.14            | 2,080                |                                   |                        |             |                   | \$68,931.20                            | \$16,620.12      | \$682.92                 | \$49.68          | \$1,654.12          | \$5,569.64                   | \$5,835.03            | \$11,404.67 |         |      |
| 136        | 3/12/1989  | \$22.98                | \$23.32            | 2,080                | 186                               |                        |             |                   | \$55,011.88                            | \$16,620.12      | \$481.92                 | \$49.68          |                     | \$4,444.96                   | \$4,656.76            | \$9,101.72  |         |      |
| 137        | 5/3/2006   | \$25.58                | \$27.26            | 2,080                |                                   |                        |             |                   | \$56,700.80                            | \$10,742.71      | \$562.44                 | \$49.68          | \$1,360.84          | \$4,581.42                   | \$4,799.72            | \$9,381.15  |         |      |
| 138        | 1/28/2008  | \$15.08                | \$15.30            | 2,080                |                                   |                        |             |                   | \$31,824.00                            | \$6,021.72       | \$315.72                 | \$49.68          |                     | \$2,593.90                   | \$2,695.28            | \$5,289.18  |         |      |
| 139        | 6/20/1988  | \$36.27                | \$37.92            | 2,080                |                                   | 50.0%                  |             | \$39,436.8        | \$78,873.60                            | \$16,620.12      | \$781.68                 | \$49.68          | \$873.60            | \$6,372.99                   | \$6,676.65            | \$13,049.64 |         |      |
| 140        | 4/17/2006  | \$16.41                | \$16.66            | 2,080                |                                   |                        |             |                   | \$40,231.82                            | \$9,875.64       | \$344.28                 | \$49.68          | \$831.48            | \$3,250.73                   | \$3,405.62            | \$6,656.35  |         |      |
| 141        | 10/18/1998 | \$22.30                | \$22.63            | 2,080                |                                   |                        |             |                   | \$47,672.92                            | \$16,620.12      | \$468.60                 | \$49.68          | \$619.84            | \$3,851.97                   | \$4,035.51            | \$7,887.49  |         |      |
| 142        | 9/4/1984   | \$22.98                | \$23.19            | 2,080                | 345.5                             |                        |             |                   | \$60,253.42                            | \$16,620.12      | \$480.00                 | \$49.68          | \$1,157.52          | \$4,868.48                   | \$5,100.45            | \$9,968.93  |         |      |
| 143        | 8/7/2006   | \$15.87                | \$16.01            | 2,080                | 334.5                             | 2.5%                   |             | \$1,033.3         | \$41,333.82                            | \$16,620.12      | \$331.56                 | \$49.68          | \$420.68            | \$3,339.77                   | \$3,498.91            | \$6,838.68  |         |      |
| 144        | 1/6/2003   | \$19.26                | \$19.63            | 2,080                | 310                               | 2.5%                   |             | \$1,249.0         |  |                  |                          |                  |                     |                              |                       |             |         |      |

| A            | C          | E                                 |                               |                                 | F                          |   |                                   |                              |  | 2010                                       | Current                                | Current                     | 2010                                      | 2010                                       | 2010                             | 2010                  | 2010 |
|--------------|------------|-----------------------------------|-------------------------------|---------------------------------|----------------------------|---|-----------------------------------|------------------------------|--|--|--|-----------------------------|---|--|----------------------------------|-----------------------|------|
| Employee #   | D.O.H.     | 2009<br>Test Period<br>Base Rates | 2010<br>Current<br>Base Rates | 2010<br>Regular Hours<br>Worked | 2010<br>Current<br>OT Rate | Test Period<br>Overtime Hours<br>Worked | 2010<br>Percentage<br>Capitalized | 2010<br>Labor<br>Capitalized | Current<br>Total Payroll Expensed<br>and Capitalized | 2010<br>Current<br>Net<br>Health Insurance | Current<br>Life & Disability<br>Yearly | Current<br>Dental Insurance | 2010<br>Current<br>Deferred Comp<br>Match | 2010<br>Pension<br>1-1 to 6-30<br>16.1600% | 2010<br>7-1 to 12-31<br>16.9300% | 2010<br>Pension       |      |
| 151          | 3/20/2007  | \$9.75                            | \$9.75                        | 307                             | \$14.63                    |   |                                   | \$2,988.38                   | \$0.00   | \$0.00                                     | \$0.00                                 | \$0.00                      |   | \$241.46                                   | \$252.97                         | \$494.43              |      |
| 152          | 6/19/2007  | \$9.75                            | \$9.75                        | 57                              | \$14.63                    |   |                                   | \$558.19                     | \$0.00   | \$0.00                                     | \$0.00                                 | \$0.00                      |   | \$45.10                                    | \$47.25                          | \$92.35               |      |
| 153          | 3/3/2003   | \$22.75                           | \$23.09                       | 2,080                           | \$34.64                    | 291                                     |                                   | \$58,105.99                  | \$10,742.71  | \$478.20                                   | \$49.68                                | \$715.00                    | \$4,694.96                                | \$4,918.67                                 | \$9,613.64                       |                       |      |
| 154          | 4/28/2002  | \$16.75                           | \$16.75                       | 1,191                           | \$25.13                    |   |                                   | \$19,949.25                  | \$0.00   | \$0.00                                     | \$0.00                                 | \$0.00                      | \$1,611.90                                | \$1,688.70                                 | \$3,300.60                       |                       |      |
| 155          | 2/12/1997  | \$18.42                           | \$18.70                       | 2,080                           | \$28.05                    | 34.75                                   |                                   | \$39,870.74                  | \$6,021.72   | \$385.80                                   | \$49.68                                | \$162.76                    | \$3,221.56                                | \$3,375.06                                 | \$6,596.61                       |                       |      |
| 156          | 1/10/2000  | \$24.76                           | \$24.90                       | 2,080                           | \$37.35                    | 500.25                                  |                                   | \$70,476.34                  | \$16,620.12  | \$513.36                                   | \$49.68                                |                             | \$5,694.49                                | \$5,965.82                                 | \$11,660.31                      |                       |      |
| 157          | 6/9/2008   | \$17.25                           | \$17.69                       | 2,080                           | \$26.54                    | 157                                     |                                   | \$40,961.20                  | \$6,021.72   | \$365.28                                   | \$49.68                                |                             | \$3,309.66                                | \$3,467.37                                 | \$6,777.03                       |                       |      |
| 158          | 5/1/2000   | \$15.81                           | \$16.05                       | 2,080                           | \$24.08                    | 96                                      |                                   | \$35,695.20                  | \$6,021.72   | \$332.16                                   | \$49.68                                | \$801.32                    | \$2,884.17                                | \$3,021.60                                 | \$5,905.77                       |                       |      |
| 159          | 9/7/1999   | \$26.86                           | \$27.10                       | 2,080                           | \$40.65                    |   |                                   | \$56,368.00                  | \$16,620.12  | \$559.80                                   | \$49.68                                | \$1,352.52                  | \$4,554.53                                | \$4,771.55                                 | \$9,326.09                       |                       |      |
| 160          | 11/13/2006 | \$17.53                           | \$17.69                       | 2,080                           | \$26.54                    | 220.5                                   |                                   | \$42,646.17                  | \$16,620.12  | \$365.28                                   | \$49.68                                |                             | \$3,445.81                                | \$3,610.00                                 | \$7,055.81                       |                       |      |
| 161          | 3/25/1988  | \$42.68                           | \$43.32                       | 2,080                           | \$64.98                    |   |                                   | \$90,105.60                  | \$16,620.12  | \$894.96                                   | \$49.68                                | \$384.80                    | \$7,280.53                                | \$7,627.44                                 | \$14,907.97                      |                       |      |
| 162          | 2/29/2000  | \$19.04                           | \$19.21                       | 2,080                           | \$28.82                    | 212.75                                  | 2.5%                              | \$46,087.19                  | \$10,742.71  | \$396.00                                   | \$49.68                                | \$384.80                    | \$619.32                                  | \$3,723.85                                 | \$3,901.28                       | \$7,625.13            |      |
| 163          | 4/13/1992  | \$23.17                           | \$23.38                       | 2,080                           | \$35.07                    | 342.5                                   |                                   | \$60,641.88                  | \$16,620.12  | \$482.76                                   | \$49.68                                | \$957.32                    | \$4,899.86                                | \$5,133.33                                 | \$10,033.20                      |                       |      |
| 164          | 11/6/2000  | \$18.28                           | \$18.44                       | 2,080                           | \$27.66                    | 56                                      |                                   | \$39,904.16                  | \$9,875.64   | \$631.80                                   | \$49.68                                | \$591.24                    | \$3,224.26                                | \$3,377.89                                 | \$6,602.14                       |                       |      |
| 165          | 5/8/1989   | \$30.36                           | \$30.63                       | 2,080                           | \$45.95                    | 512.25                                  |                                   | \$87,245.73                  | \$16,620.12  | \$631.80                                   | \$49.68                                | \$1,528.80                  | \$7,049.45                                | \$7,385.35                                 | \$14,434.81                      |                       |      |
| 166          | 12/19/1988 | \$14.81                           | \$14.94                       | 2,080                           | \$22.41                    | 25.25                                   |                                   | \$31,641.05                  | \$10,742.71  | \$310.32                                   | \$49.68                                | \$745.68                    | \$2,556.60                                | \$2,678.42                                 | \$5,235.01                       |                       |      |
| 167          | 5/6/1991   | \$31.83                           | \$32.31                       | 2,080                           | \$48.47                    |   |                                   | \$67,204.80                  | \$16,620.12  | \$667.56                                   | \$49.68                                | \$1,612.52                  | \$5,430.15                                | \$5,688.89                                 | \$11,119.03                      |                       |      |
| 168          | 5/1/2000   | \$20.41                           | \$20.51                       | 2,080                           | \$30.77                    | 71.5                                    |                                   | \$44,860.50                  | \$16,620.12  | \$423.36                                   | \$49.68                                | \$1,031.16                  | \$3,624.73                                | \$3,797.44                                 | \$7,422.17                       |                       |      |
| 169          | 9/14/2009  | \$9.75                            | \$9.75                        | 158                             | \$14.63                    | 157.5                                   |                                   | \$3,839.06                   | \$0.00   | \$0.00                                     | \$49.68                                |                             | \$310.20                                  | \$324.98                                   | \$635.17                         |                       |      |
| 170          | 3/23/1992  | \$26.40                           | \$26.64                       | 2,080                           | \$39.96                    | 343.75                                  |                                   | \$69,147.45                  | \$16,620.12  | \$550.32                                   | \$49.68                                | \$1,329.64                  | \$5,587.11                                | \$5,853.33                                 | \$11,440.45                      |                       |      |
| 171          | 1/1/1987   | \$52.31                           | \$52.41                       | 2,080                           | \$78.62                    |   |                                   | \$109,012.80                 | \$16,620.12  | \$1,057.80                                 | \$49.68                                | \$2,616.12                  | \$8,808.23                                | \$9,227.93                                 | \$18,036.17                      |                       |      |
| 172          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$0.00   | \$30.84                                    | \$49.68                                |                             |   |  |                                  |                       |      |
| 173          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$10,742.71  | \$80.04                                    | \$49.68                                |                             |   |  |                                  |                       |      |
| 174          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$16,620.12  | \$123.00                                   | \$49.68                                |                             |   |  |                                  |                       |      |
| 175          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$10,742.71  | \$123.00                                   | \$49.68                                |                             |   |  |                                  |                       |      |
| 176          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$0.00   | \$30.84                                    | \$49.68                                |                             |   |  |                                  |                       |      |
| 177          |            | \$6,000.00                        | \$6,000.00                    |                                 |                            |   |                                   | \$6,000.00                   | \$0.00   | \$123.00                                   | \$49.68                                |                             |   |  |                                  |                       |      |
| <b>Total</b> |            |                                   |                               | <b>335,493</b>                  |                            | <b>22,474</b>                           | <b>2010</b>                       | <b>\$229,173.48</b>          | <b>\$8,696,333.55</b>                                | <b>\$1,902,589.68</b>                      | <b>\$77,172.88</b>                     | <b>\$7,899.12</b>           | <b>\$108,399.20</b>                       | <b>\$696,709.65</b>                        | <b>\$729,906.83</b>              | <b>\$1,432,852.19</b> |      |
|              |            |                                   |                               |                                 |                            |   |                                   | <b>Less Capitalized</b>      | <b>\$229,173.48</b>                                  |  |  |                             |   |  |                                  |                       |      |
|              |            |                                   |                               |                                 |                            |   | <b>2010</b>                       | <b>Adj O/M</b>               | <b>\$8,467,160.07</b>                                | <b>1,902,589.68</b>                        | <b>77,172.88</b>                       | <b>7,899.12</b>             | <b>108,399.20</b>                         |  |                                  | <b>1,432,852.19</b>   |      |
|              |            | <b>Total Adj</b>                  | <b>Excluded</b>               | <b>Actual Adj</b>               |                            |   | <b>2009</b>                       | <b>\$</b>                    | <b>8,429,966.47</b>                                  | <b>\$1,754,663.65</b>                      | <b>\$78,234.45</b>                     | <b>\$7,532.00</b>           | <b>\$99,557.42</b>                        |  |                                  | <b>\$1,274,704.64</b> |      |
|              |            | <b>\$37,193.60</b>                |                               | <b>\$37,193.60</b>              |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            | <b>\$147,926.03</b>               | <b>\$38,105.54</b>            | <b>\$109,820.49</b>             |                            |   | <b>ProForma</b>                   | <b>\$37,193.60</b>           | <b>\$147,926.03</b>                                  | <b>\$1,061.57</b>                          | <b>\$367.12</b>                        | <b>\$8,841.78</b>           |   |  |                                  | <b>\$158,147.55</b>   |      |
|              |            | <b>\$1,061.57</b>                 |                               | <b>\$1,061.57</b>               |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            | <b>\$367.12</b>                   |                               | <b>\$367.12</b>                 |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            | <b>\$8,841.78</b>                 |                               | <b>\$8,841.78</b>               |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            | <b>\$158,147.55</b>               |                               | <b>\$158,147.55</b>             |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            | <b>\$353,537.65</b>               |                               | <b>\$315,432.11</b>             |                            |   |                                   |                              |  |  |  |                             |   |  |                                  |                       |      |
|              |            |                                   |                               |                                 |                            |   |                                   |                              | <b>Net</b>   | <b>Life &amp; Disability</b>               | <b>0.00</b>                            | <b>Current</b>              | <b>Pension</b>                            | <b>0.00</b>                                | <b>Current</b>                   |                       |      |
|              |            |                                   |                               |                                 |                            |   |                                   |                              | <b>Health Insurance</b>                              | <b>10,742.71</b>                           | <b>Dental Insurance</b>                | <b>Current</b>              | <b>Deferred Comp</b>                      | <b>1-1 to 6-30</b>                         | <b>7-1 to 12-31</b>              | <b>0.00</b>           |      |
|              |            |                                   |                               |                                 |                            |   |                                   |                              |  |  |  | <b>Match</b>                | <b>0.16</b>                               | <b>0.17</b>                                | <b>Pension</b>                   |                       |      |

District's responses to PSC second data request of July 30, 2010

- Q7. Refer to NKWD's Petition, Exhibit A, "Gross Debt Service Structure Report".
- a. The electronic and the paper copies of the schedule are not legible. Resubmit the Debt Service Schedule in Microsoft Office Excel format.
  - b. Provide an amortization schedule for each loan or bond listed in the Gross Debt Service Structure Report in Microsoft Office Excel format.
- A7. a. Refer to file NKWD\_PSCDR2\_7\_Excel\_081710. CD enclosed.
- b. See 7A.



**Northern Kentucky Water District  
Projected Revenue Bonds, Series 2010  
(Draft Plan of Finance)**

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**Estimated Series 2010 Bond Schedules**

|   |     |
|---|-----|
| Sources and Uses Report                   | 1   |
| Gross Debt Service Schedule (Semi-Annual) | 2-4 |
| Gross Debt Service Schedule (Annual)      | 5   |

**Cumulative Debt Schedules**

|                                     |   |
|-------------------------------------|---|
| Debt Capsule Report                 | 6 |
| Gross Debt Service Structure Graph  | 7 |
| Gross Debt Service Structure Report | 8 |
| Principal Reduction Report          | 9 |

**Northern Kentucky Water Service District**

Taxable Revenue Build America Bonds, Series 2010-EST  
(Projected Following Rate Case)

**Sources & Uses**

Dated 12/01/2010 | Delivered 12/01/2010

**Sources Of Funds**

|                                      |                 |
|--------------------------------------|-----------------|
| Par Amount of Bonds                  | \$32,435,000.00 |
| Transfers from Prior Issue BCF Funds | 364,500.00      |

**Total Sources** **\$32,799,500.00**

**Uses Of Funds**

|   |               |
|---|---------------|
| Original Issue Discount (OID)               | 146,184.20    |
| Total Underwriter's Discount (2.000%)       | 648,700.00    |
| Costs of Issuance                           | 111,400.00    |
| Deposit to Debt Service Reserve Fund (DSRF) | 2,610,677.50  |
| Deposit to Current Refunding Fund           | 29,281,500.00 |
| Rounding Amount                             | 1,038.30      |

**Total Uses** **\$32,799,500.00**

2010 Taxable BAB-EST | 4/28/2010 | 9:57 AM

Ross, Sinclair & Associates, LLC  
Public Finance - KBrock

**Northern Kentucky Water Service District**

Taxable Revenue Build America Bonds, Series 2010-EST  
(Projected Following Rate Case)

**Debt Service Schedule**

Part 1 of 3

| <b>Date</b> | <b>Principal</b> | <b>Coupon</b> | <b>Interest</b> | <b>Federal Pmt.</b> | <b>Total P+I</b> |
|-------------|------------------|---------------|-----------------|---------------------|------------------|
| 02/01/2011  | -                | -             | 275,946.25      | (96,581.18)         | 179,365.07       |
| 08/01/2011  | -                | -             | 827,838.75      | (289,743.56)        | 538,095.19       |
| 02/01/2012  | 955,000.00       | 1.700%        | 827,838.75      | (289,743.56)        | 1,493,095.19     |
| 08/01/2012  | -                | -             | 819,721.25      | (286,902.43)        | 532,818.82       |
| 02/01/2013  | 965,000.00       | 2.300%        | 819,721.25      | (286,902.43)        | 1,497,818.82     |
| 08/01/2013  | -                | -             | 808,623.75      | (283,018.31)        | 525,605.44       |
| 02/01/2014  | 985,000.00       | 2.800%        | 808,623.75      | (283,018.31)        | 1,510,605.44     |
| 08/01/2014  | -                | -             | 794,833.75      | (278,191.81)        | 516,641.94       |
| 02/01/2015  | 1,000,000.00     | 3.250%        | 794,833.75      | (278,191.81)        | 1,516,641.94     |
| 08/01/2015  | -                | -             | 778,583.75      | (272,504.31)        | 506,079.44       |
| 02/01/2016  | 1,025,000.00     | 3.600%        | 778,583.75      | (272,504.31)        | 1,531,079.44     |
| 08/01/2016  | -                | -             | 760,133.75      | (266,046.81)        | 494,086.94       |
| 02/01/2017  | 1,050,000.00     | 4.100%        | 760,133.75      | (266,046.81)        | 1,544,086.94     |
| 08/01/2017  | -                | -             | 738,608.75      | (258,513.06)        | 480,095.69       |
| 02/01/2018  | 1,080,000.00     | 4.300%        | 738,608.75      | (258,513.06)        | 1,560,095.69     |
| 08/01/2018  | -                | -             | 715,388.75      | (250,386.06)        | 465,002.69       |
| 02/01/2019  | 1,110,000.00     | 4.700%        | 715,388.75      | (250,386.06)        | 1,575,002.69     |
| 08/01/2019  | -                | -             | 689,303.75      | (241,256.31)        | 448,047.44       |
| 02/01/2020  | 1,150,000.00     | 5.000%        | 689,303.75      | (241,256.31)        | 1,598,047.44     |
| 08/01/2020  | -                | -             | 660,553.75      | (231,193.81)        | 429,359.94       |
| 02/01/2021  | 1,185,000.00     | 5.000%        | 660,553.75      | (231,193.81)        | 1,614,359.94     |
| 08/01/2021  | -                | -             | 630,928.75      | (220,825.06)        | 410,103.69       |
| 02/01/2022  | 1,225,000.00     | 5.100%        | 630,928.75      | (220,825.06)        | 1,635,103.69     |
| 08/01/2022  | -                | -             | 599,691.25      | (209,891.93)        | 389,799.32       |
| 02/01/2023  | 1,265,000.00     | 5.200%        | 599,691.25      | (209,891.93)        | 1,654,799.32     |
| 08/01/2023  | -                | -             | 566,801.25      | (198,380.43)        | 368,420.82       |
| 02/01/2024  | 1,310,000.00     | 5.375%        | 566,801.25      | (198,380.43)        | 1,678,420.82     |
| 08/01/2024  | -                | -             | 531,595.00      | (186,058.25)        | 345,536.75       |

**Northern Kentucky Water Service District**

Taxable Revenue Build America Bonds, Series 2010-EST  
(Projected Following Rate Case)

**Debt Service Schedule**

Part 2 of 3

| Date         | Principal              | Coupon   | Interest               | Federal Pmt.          | Total P+I              |
|--------------|------------------------|----------|------------------------|-----------------------|------------------------|
| 02/01/2025   | 1,360,000.00           | 5.400%   | 531,595.00             | (186,058.25)          | 1,705,536.75           |
| 08/01/2025   | -                      | -        | 494,875.00             | (173,206.25)          | 321,668.75             |
| 02/01/2026   | 1,405,000.00           | 5.500%   | 494,875.00             | (173,206.25)          | 1,726,668.75           |
| 08/01/2026   | -                      | -        | 456,237.50             | (159,683.12)          | 296,554.38             |
| 02/01/2027   | 1,460,000.00           | 5.600%   | 456,237.50             | (159,683.12)          | 1,756,554.38           |
| 08/01/2027   | -                      | -        | 415,357.50             | (145,375.12)          | 269,982.38             |
| 02/01/2028   | 1,515,000.00           | 5.700%   | 415,357.50             | (145,375.12)          | 1,784,982.38           |
| 08/01/2028   | -                      | -        | 372,180.00             | (130,263.00)          | 241,917.00             |
| 02/01/2029   | 1,570,000.00           | 5.800%   | 372,180.00             | (130,263.00)          | 1,811,917.00           |
| 08/01/2029   | -                      | -        | 326,650.00             | (114,327.50)          | 212,322.50             |
| 02/01/2030   | 1,630,000.00           | 5.900%   | 326,650.00             | (114,327.50)          | 1,842,322.50           |
| 08/01/2030   | -                      | -        | 278,565.00             | (97,497.75)           | 181,067.25             |
| 02/01/2031   | 1,695,000.00           | 6.000%   | 278,565.00             | (97,497.75)           | 1,876,067.25           |
| 08/01/2031   | -                      | -        | 227,715.00             | (79,700.25)           | 148,014.75             |
| 02/01/2032   | 1,765,000.00           | 6.000%   | 227,715.00             | (79,700.25)           | 1,913,014.75           |
| 08/01/2032   | -                      | -        | 174,765.00             | (61,167.75)           | 113,597.25             |
| 02/01/2033   | 1,835,000.00           | 6.100%   | 174,765.00             | (61,167.75)           | 1,948,597.25           |
| 08/01/2033   | -                      | -        | 118,797.50             | (41,579.12)           | 77,218.38              |
| 02/01/2034   | 1,910,000.00           | 6.100%   | 118,797.50             | (41,579.12)           | 1,987,218.38           |
| 08/01/2034   | -                      | -        | 60,542.50              | (21,189.87)           | 39,352.63              |
| 02/01/2035   | 1,985,000.00           | 6.100%   | 60,542.50              | (21,189.87)           | 2,024,352.63           |
| <b>Total</b> | <b>\$32,435,000.00</b> | <b>-</b> | <b>\$25,972,528.75</b> | <b>(9,090,384.92)</b> | <b>\$49,317,143.83</b> |

**Northern Kentucky Water Service District**

Taxable Revenue Build America Bonds, Series 2010-EST  
(Projected Following Rate Case)

**Debt Service Schedule**

Part 3 of 3

**Yield Statistics**

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$462,360.83 |
| Average Life                      | 14.255 Years |
| Average Coupon                    | 3.6512919%   |
| Net Interest Cost (NIC)           | 3.8232105%   |
| True Interest Cost (TIC)          | 3.8479395%   |
| Bond Yield for Arbitrage Purposes | 3.7290494%   |
| All Inclusive Cost (AIC)          | 3.8814608%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 3.7039358%   |
| Weighted Average Maturity | 14.238 Years |

**Northern Kentucky Water Service District**

Taxable Revenue Build America Bonds, Series 2010-EST

(Projected Following Rate Case)

**Debt Service Schedule**

Part 1 of 2

| <b>Date</b>  | <b>Principal</b>       | <b>Coupon</b> | <b>Interest</b>        | <b>Federal Pmt.</b>   | <b>Total P+I</b>       |
|--------------|------------------------|---------------|------------------------|-----------------------|------------------------|
| 12/31/2010   | -                      | -             | -                      | -                     | -                      |
| 12/31/2011   | -                      | -             | 1,103,785.00           | (386,324.74)          | 717,460.26             |
| 12/31/2012   | 955,000.00             | 1.700%        | 1,647,560.00           | (576,645.99)          | 2,025,914.01           |
| 12/31/2013   | 965,000.00             | 2.300%        | 1,628,345.00           | (569,920.74)          | 2,023,424.26           |
| 12/31/2014   | 985,000.00             | 2.800%        | 1,603,457.50           | (561,210.12)          | 2,027,247.38           |
| 12/31/2015   | 1,000,000.00           | 3.250%        | 1,573,417.50           | (550,696.12)          | 2,022,721.38           |
| 12/31/2016   | 1,025,000.00           | 3.600%        | 1,538,717.50           | (538,551.12)          | 2,025,166.38           |
| 12/31/2017   | 1,050,000.00           | 4.100%        | 1,498,742.50           | (524,559.87)          | 2,024,182.63           |
| 12/31/2018   | 1,080,000.00           | 4.300%        | 1,453,997.50           | (508,899.12)          | 2,025,098.38           |
| 12/31/2019   | 1,110,000.00           | 4.700%        | 1,404,692.50           | (491,642.37)          | 2,023,050.13           |
| 12/31/2020   | 1,150,000.00           | 5.000%        | 1,349,857.50           | (472,450.12)          | 2,027,407.38           |
| 12/31/2021   | 1,185,000.00           | 5.000%        | 1,291,482.50           | (452,018.87)          | 2,024,463.63           |
| 12/31/2022   | 1,225,000.00           | 5.100%        | 1,230,620.00           | (430,716.99)          | 2,024,903.01           |
| 12/31/2023   | 1,265,000.00           | 5.200%        | 1,166,492.50           | (408,272.36)          | 2,023,220.14           |
| 12/31/2024   | 1,310,000.00           | 5.375%        | 1,098,396.25           | (384,438.68)          | 2,023,957.57           |
| 12/31/2025   | 1,360,000.00           | 5.400%        | 1,026,470.00           | (359,264.50)          | 2,027,205.50           |
| 12/31/2026   | 1,405,000.00           | 5.500%        | 951,112.50             | (332,889.37)          | 2,023,223.13           |
| 12/31/2027   | 1,460,000.00           | 5.600%        | 871,595.00             | (305,058.24)          | 2,026,536.76           |
| 12/31/2028   | 1,515,000.00           | 5.700%        | 787,537.50             | (275,638.12)          | 2,026,899.38           |
| 12/31/2029   | 1,570,000.00           | 5.800%        | 698,830.00             | (244,590.50)          | 2,024,239.50           |
| 12/31/2030   | 1,630,000.00           | 5.900%        | 605,215.00             | (211,825.25)          | 2,023,389.75           |
| 12/31/2031   | 1,695,000.00           | 6.000%        | 506,280.00             | (177,198.00)          | 2,024,082.00           |
| 12/31/2032   | 1,765,000.00           | 6.000%        | 402,480.00             | (140,868.00)          | 2,026,612.00           |
| 12/31/2033   | 1,835,000.00           | 6.100%        | 293,562.50             | (102,746.87)          | 2,025,815.63           |
| 12/31/2034   | 1,910,000.00           | 6.100%        | 179,340.00             | (62,768.99)           | 2,026,571.01           |
| 12/31/2035   | 1,985,000.00           | 6.100%        | 60,542.50              | (21,189.87)           | 2,024,352.63           |
| <b>Total</b> | <b>\$32,435,000.00</b> | <b>-</b>      | <b>\$25,972,528.75</b> | <b>(9,090,384.92)</b> | <b>\$49,317,143.83</b> |

2010 Taxable BAB-EST | 4/28/2010 | 9:57 AM

Ross, Sinclair & Associates, LLC  
Public Finance - KBrock

***Debt Capsule Summary Report***

| Bond Series                  | Original Par Amount | Amount Outstanding | Interest Rate Range | Final Maturity | Call Information |
|------------------------------|---------------------|--------------------|---------------------|----------------|------------------|
| 1997-REF                     | \$11,225,000        | \$1,855,000        | 4.750 - 4.750%      | 02/01/22       | Feb 2007 @ 102%  |
| 1998                         | \$11,355,000        | \$8,430,000        | 4.750 - 4.875%      | 02/01/28       | Feb 2008 @ 102%  |
| 2000 USDA                    | \$2,287,000         | \$2,054,000        | 5.000%              | 05/01/39       | N/A              |
| 2001                         | \$16,325,000        | \$14,520,000       | 4.200 - 5.000%      | 02/01/26       | Feb 2012 @ 100%  |
| 2002A-REF                    | \$45,485,000        | \$42,440,000       | 4.500 - 5.000%      | 02/01/27       | Feb 2012 @ 100%  |
| 2002B-REF                    | \$10,575,000        | \$5,840,000        | 3.500 - 4.250%      | 02/01/17       | Feb 2013 @ 100%  |
| 2003A-REF                    | \$1,615,000         | \$1,360,000        | 3.000 - 4.600%      | 02/01/32       | Feb 2013 @ 100%  |
| 2003B                        | \$30,270,000        | \$24,110,000       | 2.250 - 4.125%      | 02/01/28       | Aug 2013 @ 100%  |
| 2003C-REF                    | \$23,790,000        | \$14,995,000       | 2.750 - 4.250%      | 02/01/20       | Feb 2014 @ 100%  |
| 2003-KIA                     | N/A                 | \$3,125,000        | 3.000%              | 06/01/28       | N/A              |
| 2004                         | \$10,455,000        | \$8,735,000        | 2.625 - 4.500%      | 02/01/29       | Aug 2014 @ 100%  |
| 2006                         | \$29,000,000        | \$26,455,000       | 4.000 - 4.375%      | 02/01/31       | Aug 2016 @ 100%  |
| 2007-KIA                     | \$4,000,000         | \$3,785,980        | 3.000%              | 06/01/28       | N/A              |
| 2009                         | \$29,290,000        | \$27,645,000       | 3.750 - 6.150%      | 02/01/33       | Feb 2019 @ 100%  |
| <b><i>*Proposed Debt</i></b> |                     |                    |                     |                |                  |
| 2010-KIA                     | \$4,000,000         | \$4,000,000        | 1.000%              | 06/01/30       | N/A              |
| 2010-AMR                     | \$6,000,000         | \$6,000,000        | 3.000%              | 06/01/20       | N/A              |
| 2010-BAB                     | \$32,435,000        | \$32,435,000       | 1.700 - 6.100%      | 02/01/35       | Aug 2020 @ 100%  |
| Totals:                      | \$268,107,000       | \$227,784,980      | ---                 | ---            | ---              |

Principal Reduction Report

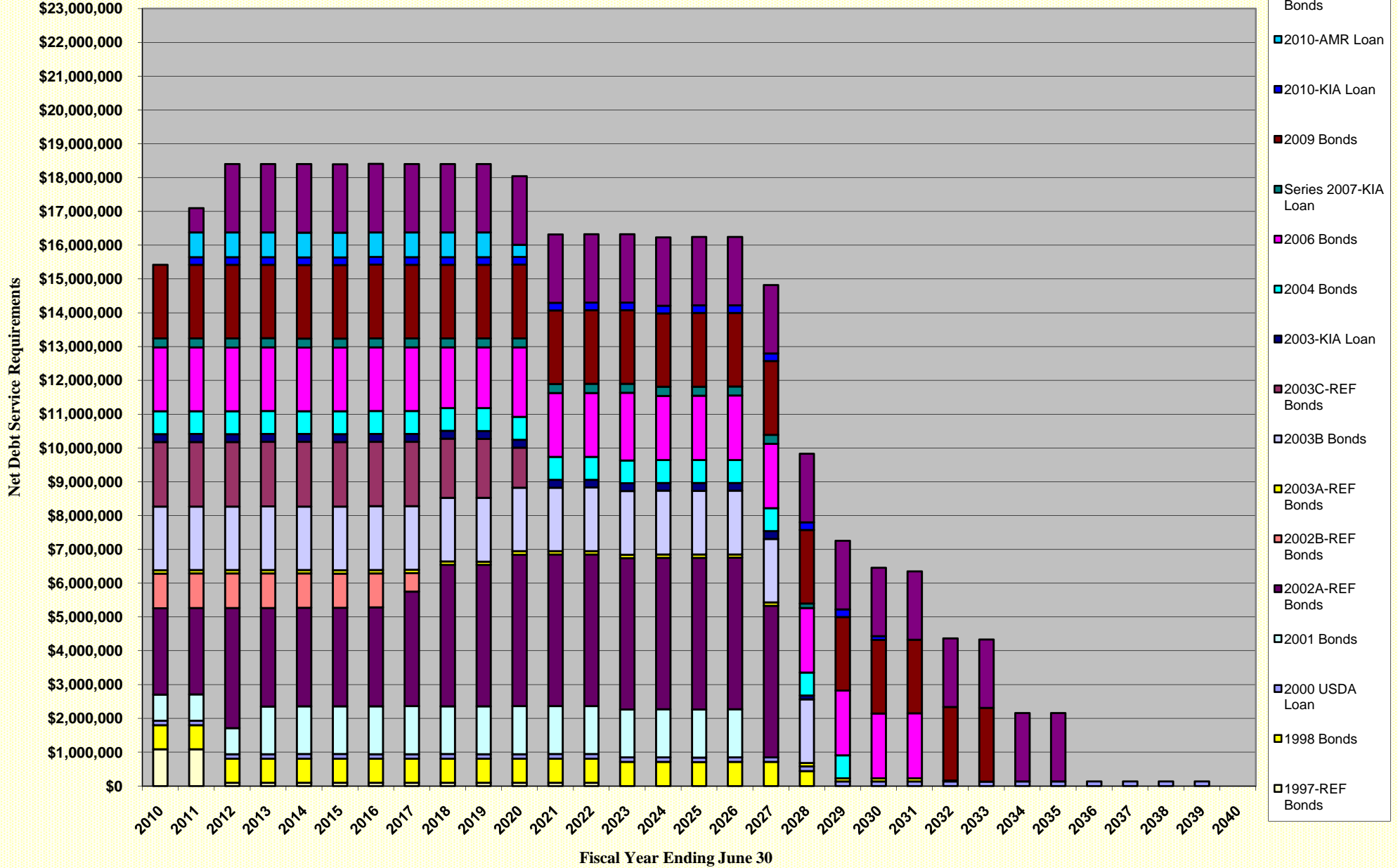
| FY Ending Dec 31st | Series 1997-REF Bonds | Series 1998 Bonds | Series 2000 USDA Loan | Series 2001 Bonds | Series 2002A-REF Bonds | Series 2002B-REF Bonds | Series 2003A-REF Bonds | Series 2003B Bonds | Series 2003C-REF Bonds | Series 2003-KIA Loan | Series 2004 Bonds | Series 2006 Bonds | Series 2007-KIA Loan | Series 2009 Bonds | -----Estimated-----  |                      |                       | Outstanding Principal | Debt Retirement (10 Years) |
|--------------------|-----------------------|-------------------|-----------------------|-------------------|------------------------|------------------------|------------------------|--------------------|------------------------|----------------------|-------------------|-------------------|----------------------|-------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------------|
|                    |                       |                   |                       |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   | Series 2010-KIA Loan | Series 2010-AMR Loan | Series 2010-BAB Bonds |                       |                            |
| 2010               | \$975,000             | \$295,000         | \$31,000              | \$75,000          | \$465,000              | \$775,000              | \$40,000               | \$940,000          | \$1,305,000            | \$132,433            | \$305,000         | \$775,000         | \$155,736            | \$645,000         | \$0                  | \$0                  | \$0                   | \$227,306,297         | 45.64%                     |
| 2011               | \$1,025,000           | \$310,000         | \$33,000              | \$80,000          | \$485,000              | \$805,000              | \$40,000               | \$965,000          | \$1,350,000            | \$136,436            | \$315,000         | \$805,000         | \$160,443            | \$670,000         | \$186,754            | \$554,671            | \$0                   | \$219,384,993         | 48.65%                     |
| 2012               | \$60,000              | \$325,000         | \$34,000              | \$80,000          | \$1,530,000            | \$835,000              | \$40,000               | \$995,000          | \$1,395,000            | \$140,560            | \$325,000         | \$835,000         | \$165,293            | \$695,000         | \$188,627            | \$571,436            | \$945,000             | \$210,225,078         | 51.83%                     |
| 2013               | \$60,000              | \$340,000         | \$36,000              | \$735,000         | \$950,000              | \$870,000              | \$45,000               | \$1,030,000        | \$1,445,000            | \$144,808            | \$335,000         | \$870,000         | \$170,289            | \$720,000         | \$190,517            | \$588,707            | \$960,000             | \$200,734,756         | 55.50%                     |
| 2014               | \$65,000              | \$360,000         | \$38,000              | \$770,000         | \$990,000              | \$900,000              | \$45,000               | \$1,060,000        | \$1,505,000            | \$149,185            | \$345,000         | \$900,000         | \$175,436            | \$750,000         | \$192,427            | \$606,501            | \$975,000             | \$190,908,207         | 59.69%                     |
| 2015               | \$70,000              | \$375,000         | \$40,000              | \$810,000         | \$1,035,000            | \$930,000              | \$45,000               | \$1,095,000        | \$1,565,000            | \$153,694            | \$360,000         | \$940,000         | \$180,738            | \$780,000         | \$194,357            | \$624,832            | \$995,000             | \$180,714,586         | 64.59%                     |
| 2016               | \$70,000              | \$395,000         | \$42,000              | \$845,000         | \$1,100,000            | \$965,000              | \$50,000               | \$1,135,000        | \$1,625,000            | \$158,340            | \$375,000         | \$980,000         | \$186,201            | \$815,000         | \$196,305            | \$643,718            | \$1,015,000           | \$170,118,022         | 70.36%                     |
| 2017               | \$75,000              | \$415,000         | \$44,000              | \$890,000         | \$1,625,000            | \$535,000              | \$50,000               | \$1,175,000        | \$1,690,000            | \$163,126            | \$390,000         | \$1,020,000       | \$191,829            | \$850,000         | \$198,273            | \$663,174            | \$1,040,000           | \$159,102,620         | 76.33%                     |
| 2018               | \$80,000              | \$435,000         | \$46,000              | \$930,000         | \$2,520,000            |                        | \$55,000               | \$1,225,000        | \$1,595,000            | \$168,056            | \$405,000         | \$970,000         | \$197,627            | \$895,000         | \$200,261            | \$683,219            | \$1,070,000           | \$147,627,458         | 80.06%                     |
| 2019               | \$80,000              | \$455,000         | \$49,000              | \$980,000         | \$2,640,000            |                        | \$55,000               | \$1,275,000        | \$1,665,000            | \$173,136            | \$425,000         | \$1,010,000       | \$203,600            | \$940,000         | \$202,268            | \$703,869            | \$1,100,000           | \$135,670,585         | 82.71%                     |
| 2020               | \$85,000              | \$480,000         | \$51,000              | \$1,030,000       | \$3,080,000            |                        | \$60,000               | \$1,325,000        | \$1,160,000            | \$178,369            | \$440,000         | \$1,320,000       | \$209,754            | \$990,000         | \$204,296            | \$359,873            | \$1,140,000           | \$123,557,294         | 85.41%                     |
| 2021               | \$90,000              | \$505,000         | \$54,000              | \$1,080,000       | \$3,240,000            |                        | \$60,000               | \$1,380,000        |                        | \$183,760            | \$460,000         | \$1,205,000       | \$216,094            | \$1,040,000       | \$206,344            |                      | \$1,175,000           | \$112,662,096         | 88.97%                     |
| 2022               | \$95,000              | \$530,000         | \$56,000              | \$1,135,000       | \$3,405,000            |                        | \$65,000               | \$1,440,000        |                        | \$189,314            | \$485,000         | \$1,255,000       | \$222,625            | \$1,100,000       | \$208,413            |                      | \$1,215,000           | \$101,260,744         | 91.53%                     |
| 2023               |                       | \$555,000         | \$59,000              | \$1,190,000       | \$3,580,000            |                        | \$65,000               | \$1,500,000        |                        | \$195,036            | \$505,000         | \$1,420,000       | \$229,354            | \$1,160,000       | \$210,502            |                      | \$1,255,000           | \$89,336,852          | 94.90%                     |
| 2024               |                       | \$585,000         | \$62,000              | \$1,255,000       | \$3,765,000            |                        | \$70,000               | \$1,565,000        |                        | \$200,931            | \$530,000         | \$1,375,000       | \$236,286            | \$1,225,000       | \$212,612            |                      | \$1,300,000           | \$76,955,023          | 96.67%                     |
| 2025               |                       | \$610,000         | \$65,000              | \$1,320,000       | \$3,960,000            |                        | \$75,000               | \$1,630,000        |                        | \$207,004            | \$555,000         | \$1,440,000       | \$243,428            | \$1,300,000       | \$214,744            |                      | \$1,345,000           | \$63,989,847          | 99.24%                     |
| 2026               |                       | \$645,000         | \$68,000              | \$1,390,000       | \$4,160,000            |                        | \$75,000               | \$1,700,000        |                        | \$213,261            | \$580,000         | \$1,505,000       | \$250,786            | \$1,375,000       | \$216,896            |                      | \$1,395,000           | \$50,415,904          | 99.26%                     |
| 2027               |                       | \$675,000         | \$72,000              |                   | \$4,375,000            |                        | \$80,000               | \$1,770,000        |                        | \$219,707            | \$605,000         | \$1,570,000       | \$258,366            | \$1,460,000       | \$219,071            |                      | \$1,445,000           | \$37,666,761          | 99.33%                     |
| 2028               |                       | \$435,000         | \$75,000              |                   |                        |                        | \$85,000               | \$1,845,000        |                        | \$112,331            | \$635,000         | \$1,640,000       | \$132,097            | \$1,550,000       | \$221,267            |                      | \$1,500,000           | \$29,436,067          | 99.56%                     |
| 2029               |                       |                   | \$79,000              |                   |                        |                        | \$85,000               |                    |                        |                      | \$665,000         | \$1,720,000       |                      | \$1,645,000       | \$223,485            |                      | \$1,555,000           | \$23,463,581          | 100.00%                    |
| 2030               |                       |                   | \$83,000              |                   |                        |                        | \$90,000               |                    |                        |                      |                   | \$1,795,000       |                      | \$1,745,000       | \$112,581            |                      | \$1,615,000           | \$18,023,000          |                            |
| 2031               |                       |                   | \$87,000              |                   |                        |                        | \$95,000               |                    |                        |                      |                   | \$1,880,000       |                      | \$1,855,000       |                      |                      | \$1,680,000           | \$12,426,000          |                            |
| 2032               |                       |                   | \$92,000              |                   |                        |                        | \$30,000               |                    |                        |                      |                   |                   |                      | \$1,975,000       |                      |                      | \$1,750,000           | \$8,579,000           |                            |
| 2033               |                       |                   | \$96,000              |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      | \$2,110,000       |                      |                      | \$1,820,000           | \$4,553,000           |                            |
| 2034               |                       |                   | \$102,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      | \$1,890,000           | \$2,561,000           |                            |
| 2035               |                       |                   | \$107,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      | \$1,970,000           | \$484,000             |                            |
| 2036               |                       |                   | \$112,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      |                       | \$372,000             |                            |
| 2037               |                       |                   | \$118,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      |                       | \$254,000             |                            |
| 2038               |                       |                   | \$124,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      |                       | \$130,000             |                            |
| 2039               |                       |                   | \$130,000             |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      |                       | \$0                   |                            |
| 2040               |                       |                   |                       |                   |                        |                        |                        |                    |                        |                      |                   |                   |                      |                   |                      |                      |                       | \$0                   |                            |
| Totals:            | \$2,830,000           | \$8,725,000       | \$2,085,000           | \$14,595,000      | \$42,905,000           | \$6,615,000            | \$1,400,000            | \$25,050,000       | \$16,300,000           | \$3,219,487          | \$9,040,000       | \$27,230,000      | \$3,785,980          | \$28,290,000      | \$4,000,000          | \$6,000,000          | \$32,150,000          | ---                   | ---                        |



Gross Debt Service Structure Report

| FY<br>Ending<br>Dec 31st | -----Estimated-----         |                         |                             |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             | Less<br>2010-BAB<br>Payment | Debt<br>Service |
|--------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|----------------------------|-------------------------|-------------------------|----------------------------|-------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------|
|                          | Series<br>1997-REF<br>Bonds | Series<br>1998<br>Bonds | Series<br>2000 USDA<br>Loan | Series<br>2001<br>Bonds | Series<br>2002A-REF<br>Bonds | Series<br>2002B-REF<br>Bonds | Series<br>2003A-REF<br>Bonds | Series<br>2003B<br>Bonds | Series<br>2003C-REF<br>Bonds | Series<br>2003-KIA<br>Loan | Series<br>2004<br>Bonds | Series<br>2006<br>Bonds | Series<br>2007-KIA<br>Loan | Series<br>2009<br>Bonds | Series<br>2010-KIA<br>Loan | Series<br>2010-AMR<br>Loan | Series<br>2010-BAB<br>Bonds |                             |                 |
| 2010                     | \$1,086,269                 | \$711,830               | \$134,475                   | \$773,878               | \$2,554,353                  | \$1,025,675                  | \$100,685                    | \$1,884,488              | \$1,905,031                  | \$235,999                  | \$676,869               | \$1,888,588             | \$268,156                  | \$2,176,944             | \$0                        | \$0                        | \$0                         | \$0                         | \$15,423,237    |
| 2011                     | \$1,088,769                 | \$712,461               | \$134,875                   | \$775,545               | \$2,552,978                  | \$1,025,044                  | \$99,315                     | \$1,882,088              | \$1,908,519                  | \$235,665                  | \$677,569               | \$1,886,988             | \$268,156                  | \$2,177,288             | \$226,289                  | \$730,542                  | \$1,103,785                 | (\$386,325)                 | \$17,099,548    |
| 2012                     | \$98,000                    | \$712,380               | \$134,200                   | \$772,105               | \$3,552,640                  | \$1,022,244                  | \$97,865                     | \$1,882,066              | \$1,907,169                  | \$235,322                  | \$677,563               | \$1,884,188             | \$268,156                  | \$2,176,694             | \$226,289                  | \$730,542                  | \$2,602,560                 | (\$576,646)                 | \$18,403,334    |
| 2013                     | \$95,150                    | \$711,501               | \$134,450                   | \$1,409,583             | \$2,916,840                  | \$1,023,144                  | \$101,259                    | \$1,885,425              | \$1,907,469                  | \$234,967                  | \$676,628               | \$1,885,088             | \$268,156                  | \$2,175,163             | \$226,289                  | \$730,542                  | \$2,593,345                 | (\$569,921)                 | \$18,405,076    |
| 2014                     | \$97,181                    | \$714,611               | \$134,600                   | \$1,411,840             | \$2,913,190                  | \$1,017,744                  | \$99,504                     | \$1,882,769              | \$1,912,081                  | \$234,603                  | \$674,938               | \$1,879,688             | \$268,156                  | \$2,176,663             | \$226,289                  | \$730,542                  | \$2,588,458                 | (\$561,210)                 | \$18,401,644    |
| 2015                     | \$98,975                    | \$711,741               | \$134,650                   | \$1,416,675             | \$2,911,851                  | \$1,011,144                  | \$97,704                     | \$1,883,413              | \$1,910,681                  | \$234,227                  | \$676,700               | \$1,882,888             | \$268,156                  | \$2,175,575             | \$226,289                  | \$730,542                  | \$2,573,418                 | (\$550,696)                 | \$18,393,930    |
| 2016                     | \$95,650                    | \$712,972               | \$134,600                   | \$1,414,438             | \$2,926,663                  | \$1,007,641                  | \$100,755                    | \$1,885,756              | \$1,906,881                  | \$233,840                  | \$677,000               | \$1,884,488             | \$268,156                  | \$2,177,169             | \$226,289                  | \$730,542                  | \$2,563,718                 | (\$538,551)                 | \$18,408,004    |
| 2017                     | \$97,206                    | \$713,228               | \$134,450                   | \$1,419,288             | \$3,386,944                  | \$546,369                    | \$98,655                     | \$1,882,394              | \$1,905,581                  | \$233,441                  | \$676,700               | \$1,884,488             | \$268,156                  | \$2,174,663             | \$226,289                  | \$730,542                  | \$2,548,743                 | (\$524,560)                 | \$18,402,574    |
| 2018                     | \$98,525                    | \$712,509               | \$134,200                   | \$1,416,063             | \$4,183,500                  |                              | \$101,355                    | \$1,884,394              | \$1,744,881                  | \$233,030                  | \$675,800               | \$1,794,688             | \$268,156                  | \$2,177,100             | \$226,289                  | \$730,542                  | \$2,533,998                 | (\$508,899)                 | \$18,406,129    |
| 2019                     | \$94,725                    | \$710,816               | \$134,825                   | \$1,420,700             | \$4,180,950                  |                              | \$98,880                     | \$1,884,394              | \$1,748,641                  | \$232,607                  | \$679,200               | \$1,795,088             | \$268,156                  | \$2,176,225             | \$226,289                  | \$730,542                  | \$2,514,693                 | (\$491,642)                 | \$18,405,086    |
| 2020                     | \$95,806                    | \$713,025               | \$134,325                   | \$1,422,963             | \$4,481,250                  |                              | \$101,293                    | \$1,881,566              | \$1,184,650                  | \$232,171                  | \$675,800               | \$2,057,663             | \$268,156                  | \$2,177,356             | \$226,289                  | \$365,271                  | \$2,499,858                 | (\$472,450)                 | \$18,044,989    |
| 2021                     | \$96,650                    | \$714,016               | \$134,700                   | \$1,421,500             | \$4,483,250                  |                              | \$98,593                     | \$1,880,775              |                              | \$231,722                  | \$675,550               | \$1,890,584             | \$268,156                  | \$2,174,688             | \$226,289                  |                            | \$2,476,483                 | (\$452,019)                 | \$16,320,935    |
| 2022                     | \$97,256                    | \$713,788               | \$133,950                   | \$1,421,125             | \$4,482,125                  |                              | \$100,780                    | \$1,882,613              |                              | \$231,259                  | \$679,288               | \$1,889,847             | \$268,156                  | \$2,177,825             | \$226,289                  |                            | \$2,455,620                 | (\$430,717)                 | \$16,329,202    |
| 2023                     |                             | \$712,341               | \$134,075                   | \$1,418,000             | \$4,482,500                  |                              | \$97,839                     | \$1,881,975              |                              | \$230,782                  | \$677,013               | \$1,999,675             | \$268,156                  | \$2,176,363             | \$226,289                  |                            | \$2,431,493                 | (\$408,272)                 | \$16,328,226    |
| 2024                     |                             | \$714,553               | \$134,050                   | \$1,421,875             | \$4,483,875                  |                              | \$99,768                     | \$1,883,759              |                              | \$230,291                  | \$678,725               | \$1,897,028             | \$268,156                  | \$2,174,550             | \$226,289                  |                            | \$2,408,396                 | (\$384,439)                 | \$16,236,876    |
| 2025                     |                             | \$710,425               | \$133,875                   | \$1,422,500             | \$4,485,750                  |                              | \$101,469                    | \$1,882,863              |                              | \$229,785                  | \$679,313               | \$1,903,969             | \$268,156                  | \$2,177,263             | \$226,289                  |                            | \$2,386,470                 | (\$359,265)                 | \$16,248,860    |
| 2026                     |                             | \$714,834               | \$133,550                   | \$1,424,750             | \$4,482,750                  |                              | \$98,056                     | \$1,884,181              |                              | \$229,263                  | \$678,775               | \$1,907,288             | \$268,156                  | \$2,175,356             | \$226,289                  |                            | \$2,356,113                 | (\$332,889)                 | \$16,246,472    |
| 2027                     |                             | \$712,659               | \$134,050                   |                         | \$4,484,375                  |                              | \$99,530                     | \$1,882,613              |                              | \$228,726                  | \$677,113               | \$1,906,944             | \$268,156                  | \$2,177,025             | \$226,289                  |                            | \$2,331,595                 | (\$305,058)                 | \$14,824,016    |
| 2028                     |                             | \$445,603               | \$133,375                   |                         |                              |                              | \$100,755                    | \$1,883,053              |                              | \$114,156                  | \$679,213               | \$1,908,731             | \$134,078                  | \$2,176,725             | \$226,289                  |                            | \$2,302,538                 | (\$275,638)                 | \$9,828,878     |
| 2029                     |                             |                         | \$133,525                   |                         |                              |                              | \$96,845                     |                          |                              |                            | \$679,963               | \$1,917,331             |                            | \$2,175,875             | \$226,289                  |                            | \$2,268,830                 | (\$244,591)                 | \$7,254,067     |
| 2030                     |                             |                         | \$133,475                   |                         |                              |                              | \$97,820                     |                          |                              |                            |                         | \$1,916,516             |                            | \$2,174,175             | \$113,144                  |                            | \$2,235,215                 | (\$211,825)                 | \$6,458,520     |
| 2031                     |                             |                         | \$133,225                   |                         |                              |                              | \$98,565                     |                          |                              |                            |                         | \$1,921,125             |                            | \$2,176,175             |                            |                            | \$2,201,280                 | (\$177,198)                 | \$6,353,172     |
| 2032                     |                             |                         | \$133,750                   |                         |                              |                              | \$30,690                     |                          |                              |                            |                         |                         |                            | \$2,176,338             |                            |                            | \$2,167,480                 | (\$140,868)                 | \$4,367,390     |
| 2033                     |                             |                         | \$133,050                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            | \$2,178,575             |                            |                            | \$2,128,563                 | (\$102,747)                 | \$4,337,441     |
| 2034                     |                             |                         | \$134,100                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            | \$2,089,340                 | (\$62,769)                  | \$2,160,671     |
| 2035                     |                             |                         | \$133,875                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            | \$2,045,543                 | (\$21,190)                  | \$2,158,228     |
| 2036                     |                             |                         | \$133,400                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             |                             | \$133,400       |
| 2037                     |                             |                         | \$133,650                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             |                             | \$133,650       |
| 2038                     |                             |                         | \$133,600                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             |                             | \$133,600       |
| 2039                     |                             |                         | \$133,250                   |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             |                             | \$133,250       |
| 2040                     |                             |                         |                             |                         |                              |                              |                              |                          |                              |                            |                         |                         |                            |                         |                            |                            |                             |                             | \$0             |
| Totals:                  | \$3,240,163                 | \$13,275,293            | \$4,020,175                 | \$22,182,825            | \$67,945,783                 | \$7,679,003                  | \$2,217,978                  | \$35,780,581             | \$19,941,584                 | \$4,301,854                | \$13,549,716            | \$41,782,875            | \$4,960,889                | \$52,231,769            | \$4,412,627                | \$6,940,146                | \$58,407,529                | (\$9,090,385)               | \$353,780,404   |

### Northern Kentucky Water District Gross Debt Service Structure Graph



*Debt Service Reserve Fund Summary Report*

| Original Bond Series | Original Par Amount | DSR Requirement | DSR Deposit  | Bond Yield | Investment Rate | Financial Institution | Termination Date |
|----------------------|---------------------|-----------------|--------------|------------|-----------------|-----------------------|------------------|
| 1992A                | \$36,090,000        | \$0             | \$3,121,422  | N/A        | 6.68%           | BofA                  | 2/1/2017         |
| 1992B                | \$11,405,000        | \$0             | \$1,111,600  | N/A        | 6.68%           | Wachovia              | 2/1/2017         |
| 1993A                | \$2,150,000         | \$0             | \$160,733    | N/A        | 6.68%           | Wachovia              | 2/1/2017         |
| 1995A                | \$7,315,000         | \$0             | \$566,208    | N/A        | 6.68%           | Wachovia              | 2/1/2019         |
| 1995B                | \$16,885,000        | \$0             | \$1,271,483  | N/A        | 6.68%           | Wachovia              | 2/1/2020         |
| 1995C                | \$1,621,000         | \$0             | \$102,590    | N/A        | 6.68%           | Wachovia              | 2/1/2017         |
| 1997-REF             | \$11,225,000        | \$1,088,769     | \$1,090,850  | 6.68%      | 6.68%           | BofA                  | 2/1/2022         |
| 1998                 | \$11,355,000        | \$714,834       | \$732,136    | 6.68%      | 6.68%           | Wachovia              | 2/1/2028         |
| 2000 USDA            |                     | \$0             | \$0          | N/A        | N/A             | N/A                   | N/A              |
| 2001                 | \$16,325,000        | \$1,424,750     | \$978,981    | 4.95%      | 4.95%           | Lehman Bros           | 2/1/2026         |
| 2002A-REF            |                     | \$4,485,750     | \$0          |            |                 |                       |                  |
| 2002B-REF            |                     | \$1,025,675     | \$0          |            |                 |                       |                  |
| 2003A-REF            |                     | \$101,469       | \$0          |            |                 |                       |                  |
| 2003B                | \$30,270,000        | \$1,885,756     | \$2,279,844  | 3.10%      | 3.10%           | Wachovia              | 8/1/2019         |
| 2003C-REF            |                     | \$1,912,081     | \$0          |            |                 |                       |                  |
| 2003-KIA             |                     | \$0             | \$0          | N/A        | N/A             | N/A                   | N/A              |
| 2004                 | \$10,455,000        | \$679,963       | \$679,963    | 4.53%      | 4.53%           | BofA                  | 8/1/2028         |
| 2006                 | \$29,000,000        | \$2,057,663     | \$697,095    | Variable   | Variable        | 5/3                   |                  |
| *2010-EST            |                     | \$2,602,560     | \$5,186,365  |            |                 |                       |                  |
| Totals:              | \$184,096,000       | \$17,979,269    | \$17,979,269 | ---        | ---             | ---                   | ---              |

Q8. Refer to NKWD's Petition, Exhibit A, "Principle Reduction Report." The electronic and the paper copies of the schedule are not legible. Resubmit the Principle Reduction Report in Microsoft Office Excel format.

A8. Please refer to file "NKWD\_PSCDR2\_7\_Excel\_081710" and/or documents in response to Q7.

Q9. Refer to NKWD's Supplemental Filing of June 14, 2010, Exhibit 6, Summary of Revenue Requirements.

Q9a In calculating its revenue requirement, NKWD uses an annual debt service of \$17,314,762. Provide a detailed schedule showing how NKWD calculated its annual debt service of \$17,314,762.

A9a. The following calculation was made based on the debt service numbers provided by Keith Brock of Ross, Sinclaire and Associates . The debt service was calculated as a three year average of 2010, 2011, and 2010.

|       |              |
|-------|--------------|
| 2010  | \$15,423,237 |
| 2011  | \$17,608,632 |
| 2012  | \$18,912,417 |
| Total | \$51,944,286 |
| Avg.  | \$17,314,762 |

Q9b NKWD includes \$201,120 amortization of acquisition adjustment in its revenue requirement calculation. Provide a complete description of this \$201,120 amortization of acquisition adjustment expense and list all rate adjustment proceedings in which the Kentucky Public service Commission has authorized the inclusion of the amortization in NKWD's revenue requirement.

A9b. The amount amortized is related to the acquisition of the Newport system as referenced in the order for Case 2002-00066 dated April 16, 2002. The current book amortization is for \$16,760 per month or \$201,120 annually

- Q10. Refer to NKWD's Supplemental Filing of June 14, 2010, Exhibit 6, Summary of Revenue Requirements; Annual Report of NKWD to the Public Service Commission for the Calendar Year Ended December 31, 2009 ("2009 Annual Report") at 25. In its revenue requirement calculation, NKWD includes taxes other than income tax expense of \$663,941 but reports the taxes other than income tax expense in its 2009 Annual Report of \$600,166. Explain the discrepancy.
- A10. The difference of \$63,775 is the PSC Annual Assessment (Account 667-8000-081) that is grouped with the payroll taxes in Exhibit 6.

District's responses to PSC second data request of July 30, 2010

Q11. Refer to NKWD's Supplemental Filing of June 14, 2010, Exhibit 6, Summary of Revenue Requirements; 2009 Annual Report at 11 and 27. In its revenue requirement calculation, NKWD includes other operating revenues of \$4,462,722. Provide a schedule that lists each revenue included in this total and reconcile any difference between these amounts to those listed in the 2009 Annual Report.

A11 See Attached Schedule

| <b>Exhibit 6 06/14/10 Total</b>   |                       |                              |   | NKWD_PSCDR2_11_081710<br>Rate Caes 2010-00094<br>Q11<br>Witness: Bragg |   |
|-----------------------------------|-----------------------|------------------------------|---|--|---|
| <b>Detailed Items</b>             |                       | <b>District G/L NOs.</b>     | <b>Included on Page<br/>27 of Annual Report</b> | <b>Included on Page<br/>10 of Annual Report</b>                        | <b>Notes</b>                                  |
| Penalties                         | \$765,149.00          | 470-0001-000                 | Account 470                                     | Part of Operating Revenues<br>41,046,714 from p. 27                    |   |
| Turn on Fees                      | \$309,380.00          | 471-0002-000<br>471-0005-000 | Account 474                                     | Part of Operating Revenues<br>41,046,714 from p. 27                    |   |
| Rents                             | \$540,702.00          | 472-0001-000<br>472-0002-000 | Account 472                                     | Part of Operating Revenues<br>41,046,714 from p. 27                    |   |
| Lab Test Fees                     | \$34,855.00           | 474-0008-000                 | N/A   | Included in 421 Non Utility  |   |
| Material Sold                     | \$87,023.00           | 474-0010-0000                | N/A   | Included in 421 Non Utility  |   |
| Subdivision Revenue               | \$1,803,434.00        | 242's                        | N/A   | N/A  | Used to offset Interest<br>Expense            |
| Bulk Sales                        | \$88,960.00           | 461-0011-000                 | Account 461.6                                   | Part of Operating Revenues<br>41,046,714 from p. 27                    | Exhibit includes the<br>proposed 54.29% Incr. |
| Interest Earnings                 | \$638,600.00          | 419-0001-000                 | N/A   | Included in 419 Interest &<br>Dividend                                 |   |
| Miscellaneous Revenue             |                       |                              |   |  |   |
| Returned Checks                   | \$10,740.00           | 474-0002-000                 | Account 474                                     | Part of Operating Revenues   |   |
| Water Sales Misc Hydrants         | \$19,619.00           | 474-0001-000                 | Account 462.2                                   | Part of Operating Revenues   |   |
| Bulk Sales                        | \$57,659.00           | 461-0011-000                 | Account 461.11                                  | Part of Operating Revenues   | Included in Error Again                       |
| Meter Tests                       | \$150.00              | 471-0001-000                 | Account 474                                     | Part of Operating Revenues   |   |
| Income Misc                       | \$59,715.00           | 474-0004-000                 | N/A   | Included in 421 Non Utility  |   |
| Commission on Sales Tax           | \$7,549.00            | 474-0009-000                 | N/A   | Included in 421 Non Utility  |   |
| Cash Over (Short)                 | (\$80.00)             | 474-011-000                  | N/A   | Included in 421 Non Utility  |   |
| Miscellaneous Income              | \$3,267.00            | 474-0015-000                 | N/A   | Included in 421 Non Utility  |   |
| <b>Subtotal Misc.</b>             | <b>\$158,619.00</b>   |                              |   |  |   |
| <b>Grand Total Exhibit Detail</b> | <b>\$4,426,722.00</b> |                              |   |  |   |



Q12. Provide NKWD's most current vendor invoice for dental insurance. This invoice shall list all employees individually. If the invoice identifies employees by code number, provide the name for each code number.

A12. See attachment.

**HUMANA**

Specialty Benefits

INVOICE  
For coverage in NKWD\_PSCDR2\_12\_081710  
Rate Case 2010-00094  
Q12  
Witness: Bragg

HBSG6X9BIFHBSG029Q0615201007230000235  
NORTHERN KENTUCKY WATER DISTRI  
BOB BUHRLAGE  
2835 CRESCENT SPRINGS ROAD  
ERLANDGER, KY 41018

**NORTHERN KENTUCKY WATER DISTRI**

**Billing ID**  
675997-001

**Invoice number - Invoice date**  
350860134 - June 14, 2010

**Billing Representative**  
SUE ANDERSON, ext. 8335  
ANCILLARY TEAM 3 ASO

**Payment due**  
July 1, 2010

**New eBilling capabilities coming soon!**

Your online billing experience is going to get even better. Humana's new eBilling offers many of the capabilities you currently use, plus these new features:

- A preference page to view your billing statement online only, as a summary paper bill, or as a detailed paper bill
- Schedule future one-time or recurring payments or set up recurring electronic payments and Humana will donate to the Arbor Day Foundation to plant a tree
- Receive monthly e-mail reminders of your upcoming payment
- Review transactions since your last invoice including payments, adjustments, and balances
- View and receive termination provisions in real-time

**Invoice Summary**

|                              |               |
|------------------------------|---------------|
| Amount due from last invoice | \$1,353.92    |
| Total payments received      | -\$1,353.92   |
| <b>Amount past due</b>       | <b>\$0.00</b> |
| Premiums this period         | \$666.54      |
| Member adjustments           | -\$12.42      |
| Fees and other adjustments   | \$0.00        |
| Please pay total amount due  | \$654.12      |

Register for the employer self service center and gain instant access to these features:

- Enroll your employees and change employee information
- View your bill and make a payment
- View usage and utilization reporting
- Request replacement ID cards, and download enrollment and change forms

continued ▶

## Group Summary

### ► Payments

| Date   | Description                  | Amount    | Balance       |
|--------|------------------------------|-----------|---------------|
|        | Amount due from last invoice |           | \$1,353.92    |
| May 19 | Payment received (thank you) | -\$674.96 | \$678.96      |
| Jun 7  | Payment received (thank you) | -\$678.96 | \$0.00        |
|        | <b>Amount past due</b>       |           | <b>\$0.00</b> |

### ► Premiums by Product Type

| Product type  | QTY       | Employee (EMP)  | QTY       | Employee Plus Spouse (ESP) | QTY       | Employee Plus Children (ECH) | QTY       | Family (FAM)    | Total           |
|---------------|-----------|-----------------|-----------|----------------------------|-----------|------------------------------|-----------|-----------------|-----------------|
| Dental        | 33        | \$136.62        | 36        | \$149.04                   | 14        | \$57.96                      | 78        | \$322.92        | \$666.54        |
| <b>Totals</b> | <b>33</b> | <b>\$136.62</b> | <b>36</b> | <b>\$149.04</b>            | <b>14</b> | <b>\$57.96</b>               | <b>78</b> | <b>\$322.92</b> | <b>\$666.54</b> |

### ► Premiums by Plan Type

| Plan type     | QTY       | Employee (EMP)  | QTY       | Employee Plus Spouse (ESP) | QTY       | Employee Plus Children (ECH) | QTY       | Family (FAM)    | Total           |
|---------------|-----------|-----------------|-----------|----------------------------|-----------|------------------------------|-----------|-----------------|-----------------|
| DTP           | 33        | \$136.62        | 36        | \$149.04                   | 14        | \$57.96                      | 78        | \$322.92        | \$666.54        |
| <b>Totals</b> | <b>33</b> | <b>\$136.62</b> | <b>36</b> | <b>\$149.04</b>            | <b>14</b> | <b>\$57.96</b>               | <b>78</b> | <b>\$322.92</b> | <b>\$666.54</b> |

► Self Funded Plan Summary

|               | QTY        | Employee (EMP)  | QTY        | Employee Plus Spouse (ESP) | QTY       | Employee Plus Children (ECH) | QTY        | Family (FAM)    | Total           |
|---------------|------------|-----------------|------------|----------------------------|-----------|------------------------------|------------|-----------------|-----------------|
| ASD           | 33         | \$136.62        | 36         | \$149.04                   | 14        | \$57.96                      | 78         | \$322.92        | \$666.54        |
| Adjustments   | 205        | -\$4.14         | 223        | -\$4.14                    | 84        | \$0.00                       | 475        | -\$4.14         | -\$12.42        |
| <b>Totals</b> | <b>238</b> | <b>\$132.48</b> | <b>259</b> | <b>\$144.90</b>            | <b>98</b> | <b>\$57.96</b>               | <b>553</b> | <b>\$318.78</b> | <b>\$654.12</b> |

► Self Funded Plan Detail

NORTHERN KENTUCKY WATER DISTRI - NORTHERN KENTUCKY WATER DISTRICT

| 675997-000-11 | QTY        | Employee (EMP)  | QTY        | Employee Plus Spouse (ESP) | QTY       | Employee Plus Children (ECH) | QTY        | Family (FAM)    | Total           |
|---------------|------------|-----------------|------------|----------------------------|-----------|------------------------------|------------|-----------------|-----------------|
| ASD           | 33         | \$136.62        | 36         | \$149.04                   | 14        | \$57.96                      | 78         | \$322.92        | \$666.54        |
| Adjustments   | 205        | -\$4.14         | 223        | -\$4.14                    | 84        | \$0.00                       | 475        | -\$4.14         | -\$12.42        |
| <b>Totals</b> | <b>238</b> | <b>\$132.48</b> | <b>259</b> | <b>\$144.90</b>            | <b>98</b> | <b>\$57.96</b>               | <b>553</b> | <b>\$318.78</b> | <b>\$654.12</b> |

| Plan Type Legend |                              |
|------------------|------------------------------|
| ASD              | DENTAL ASO                   |
| DTP              | DENTAL TRADITIONAL PREFERRED |



► Employee Detail:

**NORTHERN KENTUCKY WATER DISTRI**  
**675997-001**

675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT

| Member Name                              | Member ID Number | Plan | Coverage Type | Premium |         |           | Total Premium |   |
|--|------------------|------|---------------|---------|---------|-----------|---------------|---|
|  |                  |      |               | Medical | Dental  | Specialty |               |   |
| ABBATIELLO, JAMES                        | 003184187        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| ABDON, DAVID                             | 003028282        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| ARMSTRONG, HARLEY                        | 003028276        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| BACH, MARY                               | 003028313        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| BAILEY, MOLLIE                           | 003028236        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| BARROW, RONALD                           | 003036160        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| BECKNER, LESTER                          | 004880852        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| BIELO, MELISSA                           | 003028221        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| BINGHAM, SETH                            | 003028350        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| BRAGG, JACK                              | 003684420        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| BRINKMAN, DANIEL                         | 006975568        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| PROERING, STEPHEN                        | 003028230        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| BUCK, RONALD                             | 003028323        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| BRYANT, CHRIS                            | 003036435        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| BUHRLAGE, ROBERT                         | 003028234        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| CARLISLE, KEVIN                          | 003028309        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| CARTER, DONNY                            | 003028310        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| COLLINSWORTH, RUSTY                      | 003042298        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| COLVIN, ROBBY                            | 003042098        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| COMBS, KELSON<br>TERMINATION: 06/01/2010 | 004251337        | DTP  | FAM           |         | -\$4.14 |           | -\$4.14       | ✓ |
| COOK, SHERRIL                            | 004157251        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| COUCH, CHRISTOPHER                       | 003028338        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| COURTNEY, DAVID                          | 003028279        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| CUNDIFF, JOEL                            | 003028347        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| DELANEY, STEVE                           | 006730005        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| DENNIS, JUSTEN                           | 003028325        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |

675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT (Continued)

| Member Name          | Member ID Number | Plan | Coverage Type | Premium |        |           | Total Premium |   |
|----------------------|------------------|------|---------------|---------|--------|-----------|---------------|---|
|                      |                  |      |               | Medical | Dental | Specialty |               |   |
| DETZEL, DIANE        | 003028263        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| DIERIG, JAMES        | 003028302        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| DIGIROLAMO, VINCE    | 003028229        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| DIRHEIMER, JAMES     | 005304406        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| ELFERS, JOHN         | 003028303        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| ENZWEILER, DAVID     | 003028343        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| FARMER, AIMEE        | 005004518        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| FEINAUER, HOLLY      | 005311476        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| FLETCHER, AMBER      | 003028238        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| FLYNN, MICHAEL       | 003028365        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| FUEHNER, DARREN      | 003028360        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| GIBSON, DON          | 003028271        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| GINDELE, MARK        | 003028342        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| GOSWAMI, STEPHEN     | 003080197        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| GOLDSBERRY, JOANIE   | 003028277        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| GREER, MICHAEL       | 003028346        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| HAAS, JAMES          | 003028341        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HALBERSTADT, JEFFREY | 003028311        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| HALL, KENNETH        | 003028305        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HALL, TONYA          | 003028256        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HALLORAN, RYAN       | 003028314        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HAMPTON, CHARLES     | 003028339        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| HARRISON, JENNIFER   | 006885180        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HARRISON, RICHARD    | 003028251        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HARTHUN, ROBERT      | 003028275        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| HEGGE, JEFF          | 003028289        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| HEHMAN, TRACY        | 003028273        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HENSLEY, VIRGIL      | 003028372        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HILLER, FREDRICK     | 003028327        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |

Inv6X9 -003-006-000235-com

Questions about your invoice? Call SUE ANDERSON, your Billing Representative, at 1-800-233-4013. Don't forget, you can pay your invoice online at [Humana.com](http://Humana.com).



675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT (Continued)

| Member Name           | Member ID Number | Plan | Coverage Type | Premium |        |           | Total Premium |   |
|-----------------------|------------------|------|---------------|---------|--------|-----------|---------------|---|
|                       |                  |      |               | Medical | Dental | Specialty |               |   |
| HINMAN, WARREN        | 003028250        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HOFFMAN, JEREMY       | 003028308        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| HOLTZ, MARK           | 003028252        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| HOPKINS, CHAD         | 004084893        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| HOWARD, TERRY         | 003028345        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HOYLE, CHRISTOPHER    | 005390342        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| HUANG, TAO            | 003028225        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| HUDDLESTON, SCOTT     | 003028226        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| IANIRO, JESSICA       | 003028231        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| JACKSON, FRANK        | 003028224        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| JOHANNEMANN, JONATHAN | 003028329        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| JOSLYN, BARI          | 003028332        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| KELLER, DAVID         | 003028299        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| LY, MICHAEL           | 933975588        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| KIDNEY, TIMOTHY       | 003028337        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| KIRCHER, DEBORAH      | 003028356        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| KOESTER, JOSEPH       | 003028298        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| KRAMER, AMY           | 003028241        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| KRENTZ, GERALD        | 003028281        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| KUPER, BRANDON        | 003028371        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| LAWSON, CHRISTOPHER   | 003028245        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| LEACH, CHARLES        | 003028301        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| LIPPERT, JOSEPH       | 003028306        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| LIST, GEORGE          | 003036489        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| LOFLAND, MARK         | 003028307        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| LONG, GARY            | 003028274        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| LOVAN, CHARLES        | 003042158        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| LYON, SHELLIE         | 003028288        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| MACKE, FRED           | 003042034        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |

675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT (Continued)

| Member Name                                     | Member ID Number | Plan | Coverage Type | Premium |         |           | Total Premium |   |
|---|------------------|------|---------------|---------|---------|-----------|---------------|---|
|   |                  |      |               | Medical | Dental  | Specialty |               |   |
| MANIES, ARIENNE                                 | 003028228        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| MANNING, DENISE                                 | 003042176        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MARKSBERRY, FRED                                | 003028262        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| MARMO, MARIA                                    | 003036594        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MARTIN, TARA                                    | 003028340        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| MATRACIA, AMY                                   | 003028321        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| MCCOMAS, MAX                                    | 003028374        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| MCCORMICK, REBECCA                              | 003028248        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MCGRATH, WILLIAM                                | 003028352        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| MCKINLEY, JACQUELINE<br>TERMINATION: 06/01/2010 | 003028265        | DTP  | ESP           |         | -\$4.14 |           | -\$4.14       |   |
| MEDERT, COLLEEN                                 | 003540279        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| MELCHER, BRYAN                                  | 003028312        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| MESMER, TIMOTHY                                 | 003028283        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MILLER, DAVID                                   | 003028258        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MILLER, JASON                                   | 003028292        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MILLS, JARROD                                   | 003028370        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| MUELLER, WILLIAM                                | 003028363        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| MULLINS, DARRYL                                 | 003036044        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| MURPHY, BRAD                                    | 003028344        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| NAPIER, GREGORY                                 | 003028319        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| NORTHCUTT, BARBARA                              | 003036432        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| OWEN, KEVIN                                     | 003028361        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| PARSONS, LEONARD                                | 003028269        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| PEAT, DAVID                                     | 003028244        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| PENICK, CATHY                                   | 003028268        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| PENNINGTON, WAYNE                               | 003036641        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| PEOPLES, NATHAN                                 | 003028366        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| PICCIRILLO, GEORGE                              | 003028260        | DTP  | ECH           |         | \$4.14  |           | \$4.14        | ✓ |
| POOLE, SCOTT                                    | 003028375        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |

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## 675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT (Continued)

| Member Name                               | Member ID Number | Plan | Coverage Type | Premium |         |           | Total Premium |   |
|---|------------------|------|---------------|---------|---------|-----------|---------------|---|
|   |                  |      |               | Medical | Dental  | Specialty |               |   |
| POWELL, DAVID                             | 003028348        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| PRATHER, EDGAR                            | 003036761        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| PRICE, SHAUNA                             | 004254840        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| PUTTHOFF, KAREN                           | 003028286        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| RAMEY, JOHN                               | 003028336        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| REBHOLZ, NICHOLAS                         | 003028335        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| REUSCH, PRISCILLA                         | 003028223        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| RICHARDSON, SUE                           | 003028242        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| ROBINSON, FRANCES                         | 003042291        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| ROGERS, GERALD<br>TERMINATION: 06/01/2010 | 003028333        | DTP  | EMP           |         | -\$4.14 |           | -\$4.14       | ✓ |
| ROWLETTE, MATTHEW                         | 005625313        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| RUMAGE, CYNTHIA                           | 003028270        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| RYAN, KYLE                                | 007655959        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| RYAN, WALTER                              | 003042064        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| RYMARQUIS, SCOTT                          | 003028320        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SCHAWWE, EDWARD                           | 003042038        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SCHEBEN, JOHN                             | 003028272        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SCHMIADE, JOHN                            | 003028373        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SCHUCHTER, JEFF                           | 003028297        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| SCHWEINZGER, ERNIE                        | 004986120        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| SHEPHERD, SCOTT                           | 003028294        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SIMON, CHAD                               | 003028316        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| SIMPSON, LORI                             | 003028368        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SIPPLE, DOUGLAS                           | 003028254        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SMITH, ADAM                               | 003028237        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SMITH, ANTHONY                            | 004254854        | DTP  | EMP           |         | \$4.14  |           | \$4.14        | ✓ |
| SMITH, RICHARD                            | 003028349        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |
| SOMMERKAMP, PATRICIA                      | 003028280        | DTP  | ESP           |         | \$4.14  |           | \$4.14        | ✓ |
| SPARKS, RODNEY                            | 004290091        | DTP  | FAM           |         | \$4.14  |           | \$4.14        | ✓ |

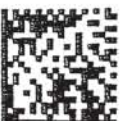
675997-000-001 NORTHERN KENTUCKY WATER DISTRICT - NORTHERN KENTUCKY WATER DISTRICT (Continued)

| Member Name         | Member ID Number | Plan | Coverage Type | Premium |        |           | Total Premium |   |
|---------------------|------------------|------|---------------|---------|--------|-----------|---------------|---|
|                     |                  |      |               | Medical | Dental | Specialty |               |   |
| SPEIER, WILLIAM     | 004443311        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| STANTON, JACQUELINE | 007586621        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| STEWART, WILLIAM    | 003028222        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| SULLENDER, RANDALL  | 003036451        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| TALAREK, LAURA      | 003028246        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| TALBOT, RONALD      | 003170979        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| TISCHNER, MARK      | 003028261        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| TOLIVER, ELZA       | 005391876        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| VERAX, JOAN         | 003028284        | DTP  | EMP           |         | \$4.14 |           | \$4.14        | ✓ |
| VO, KIMPHUONG       | 003036589        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| VOGELPOHL, STEVEN   | 003028359        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WAGNER, DOUGLAS     | 003028330        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| WAGNER, MARY        | 003042085        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WERNER, BRETT       | 003028315        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| WARNKE, GREGORY     | 003028367        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| WEBB, DOUGLAS       | 003028235        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WEBSTER, EUGENE     | 003028255        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WELLS, SHARON       | 003028264        | DTP  | ESP           |         | \$4.14 |           | \$4.14        | ✓ |
| WETHERELL, JOHN     | 003036644        | DTP  | ECH           |         | \$4.14 |           | \$4.14        | ✓ |
| WEYMAN, RONALD      | 003028253        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WREN, JAMES         | 003036606        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |
| WULFECK, WILLIAM    | 003028285        | DTP  | FAM           |         | \$4.14 |           | \$4.14        | ✓ |

► Premiums by Plan Type

| Plan type      | Employee (EMP) |          | Employee Plus Spouse (ESP) |          | Employee Plus Children (ECH) |         | Family (FAM) |          | Total    |
|----------------|----------------|----------|----------------------------|----------|------------------------------|---------|--------------|----------|----------|
| 675997-000-001 | QTY            |          | QTY                        |          | QTY                          |         | QTY          |          |          |
| DTP            | 33             | \$136.62 | 36                         | \$149.04 | 14                           | \$57.96 | 78           | \$322.92 | \$666.54 |
| Totals         | 33             | \$136.62 | 36                         | \$149.04 | 14                           | \$57.96 | 78           | \$322.92 | \$666.54 |

Questions about your invoice? Call SUE ANDERSON, your Billing Representative, at 1-800-233-4013. Don't forget, you can pay your invoice online at [Humana.com](http://Humana.com).



▶ Self Funded Plan Detail

| 675997-000-001 | QTY | Employee (EMP) | QTY | Employee Plus Spouse (ESP) | QTY | Employee Plus Children (ECH) | QTY | Family (FAM) | Total    |
|----------------|-----|----------------|-----|----------------------------|-----|------------------------------|-----|--------------|----------|
| ASD            | 33  | \$136.62       | 36  | \$149.04                   | 14  | \$57.96                      | 78  | \$322.92     | \$666.54 |
| Adjustments    | 205 | -\$4.14        | 223 | -\$4.14                    | 84  | \$0.00                       | 475 | -\$4.14      | -\$12.42 |
| Totals         | 238 | \$132.48       | 259 | \$144.90                   | 98  | \$57.96                      | 553 | \$318.78     | \$654.12 |

Cobra Coverage  
  State Continuation Coverage  
  State Continuation with Subsidy

Q13. Provide NKWD's most current vendor invoice(s) for disability insurance and life insurance. Each invoice shall list all employees individually. If the invoice identifies employees by code number, provide the name for each code number.

A13. See Attachment.

BILLING SUMMARY

The Lincoln National Life Insurance Company  
 P.O. Box 0821  
 Carol Stream IL 60132-0821

NKWD\_PSCDR2\_13\_081710  
 Rate Case 2010-00094  
 Q13  
 Witness: Bragg

\*\*\*\*\* PLEASE PAY AS BILLED. \*\*\*\*\*

GR-AD  
 Attn: Bob Buhrlage  
 Northern Kentucky Water District  
 2835 Crescent Springs Rd  
 Erlanger KY 41018

000000001183880777 0633284 000634216 07012010 0

01-JUL-2010

(Please remove and return top portion with your check made payable to The Lincoln National Life Insurance Company)

|                            |            |            |
|----------------------------|------------|------------|
| Previous Billed Balance    | \$6,342.16 |            |
| Premium Processed          | -6,342.16  |            |
|                            | =====      |            |
| Beginning Balance          |            | \$ .00     |
| Current Period Premium     | \$6,342.16 |            |
| Current Period Adjustments | \$ .00     |            |
|                            | =====      |            |
| Current Billed Balance     |            | \$6,342.16 |

**Total Amount Due** **\$6,342.16**

**PREMIUM PAYMENT INSTRUCTIONS**

Your premium is due in our office on or before the due date listed on your premium statement.

To ensure proper credit on your account, please return **ONLY** the payment coupon and your payment in the envelope enclosed with your statement. **Please Pay As Billed.**

Please **do not** submit enrollment changes with your premium payment

Use the Adjustment Report to make any of the following changes: termination, class, billing location, salary changes (if benefit is salary based), etc.

The following type of changes need a Group Change Form completed and returned before the change can be processed: name, beneficiary, marital status, or change in dependent coverages

These forms and enrollment forms must be received at least 10 days prior to the next bill's draw date for the change to be reflected. Please fax forms to: 877-573-6177 or visit our website:

[www.jpfig.com](http://www.jpfig.com)

If you have any questions, please call your Client Service Representative at 800-423-2765.

The Lincoln National Life Insurance Company

BILLING DETAIL

Attn: Bob Buhrlage  
Northern Kentucky Water District  
2835 Crescent Springs Rd  
Erlanger KY 41018

Account# NKWSD-BL-633284  
Reference# 1819240952  
LIFE Policy# 000010098178 00000  
LIFE Policy# 000010098180 00000  
LTD Policy# 000010098179 00000

Premium Due By: 07/01/2010  
Bill Print Date: 06/11/2010  
Coverage Period: 07/01/2010 - 07/31/2010

Current Premium:

| CERT NO.  | NAME                    | LI VOLUME | LIFE  | AD+D | WI    | LTD   |  |  |  |  |  | TOTAL |
|-----------|-------------------------|-----------|-------|------|-------|-------|--|--|--|--|--|-------|
| xxxxx3339 | Abbatiello, James V.    | 34000     | 5.78  | 1.19 | 13.55 | 7.26  |  |  |  |  |  | 27.78 |
| xxxxx9017 | Abdon, David C.         | 48000     | 8.16  | 1.68 | 19.18 | 10.30 |  |  |  |  |  | 39.32 |
| xxxxx6086 | Armstrong, Harley F.    | 47000     | 7.99  | 1.65 | 18.87 | 10.13 |  |  |  |  |  | 38.64 |
| xxxxx3293 | Bach, Mary H.           | 43000     | 7.31  | 1.51 | 17.05 | 9.14  |  |  |  |  |  | 35.01 |
| xxxxx0111 | Bailey, Mollie E.       | 52000     | 8.84  | 1.82 | 20.65 | 11.08 |  |  |  |  |  | 42.39 |
| xxxxx1553 | Barrow, Ronald J.       | 100000    | 17.00 | 3.50 |       |       |  |  |  |  |  | 20.50 |
| xxxxx7322 | Beckner, Jr., Lester C. | 32000     | 5.44  | 1.12 | 12.88 | 6.91  |  |  |  |  |  | 26.35 |
| xxxxx7390 | Bielo, Melissa A.       | 37000     | 6.29  | 1.30 | 14.91 | 8.00  |  |  |  |  |  | 30.50 |
| xxxxx7810 | Bingham, Seth T.        | 36000     | 6.12  | 1.26 | 14.21 | 7.62  |  |  |  |  |  | 29.21 |
| xxxxx8405 | Bragg, Jack             | 109000    | 18.53 | 3.82 | 44.00 | 23.61 |  |  |  |  |  | 89.96 |
| xxxxx4612 | Brinkman, Daniel J.     | 41000     | 6.97  | 1.44 | 16.49 | 8.85  |  |  |  |  |  | 33.75 |
| xxxxx4055 | Broering, Stephen J.    | 47000     | 7.99  | 1.65 | 18.69 | 10.03 |  |  |  |  |  | 38.36 |
| xxxxx1666 | Bruck, Ronald M.        | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  |  | 40.00 |
| xxxxx6895 | Bryant, Chris           | 92000     | 15.64 | 3.22 | 36.96 | 19.82 |  |  |  |  |  | 75.64 |
| xxxxx6868 | Buhrlage, Robert W.     | 95000     | 16.15 | 3.33 | 38.22 | 20.50 |  |  |  |  |  | 78.20 |
| xxxxx6949 | Carlisle, Kevin W.      | 39000     | 6.63  | 1.37 | 15.37 | 8.24  |  |  |  |  |  | 31.61 |
| xxxxx7104 | Carter, Donny           | 42000     | 7.14  | 1.47 | 16.84 | 9.04  |  |  |  |  |  | 34.49 |
| xxxxx7987 | Collins, Andrew C.      | 50000     | 8.50  | 1.75 |       |       |  |  |  |  |  | 10.25 |
| xxxxx5598 | Collinsworth, Rusty     | 68000     | 11.56 | 2.38 | 27.37 | 14.68 |  |  |  |  |  | 55.99 |
| xxxxx6642 | Colvin, Rob             | 45000     | 7.65  | 1.58 | 18.13 | 9.73  |  |  |  |  |  | 37.09 |
| xxxxx6426 | Combs, Kelson M.        | 39000     | 6.63  | 1.37 | 15.54 | 8.34  |  |  |  |  |  | 31.88 |
| xxxxx3089 | Cook, Sherril H.        | 35000     | 5.95  | 1.23 | 13.79 | 7.40  |  |  |  |  |  | 28.37 |
| xxxxx9401 | Couch, Christopher      | 35000     | 5.95  | 1.23 | 13.93 | 7.48  |  |  |  |  |  | 28.59 |
| xxxxx7398 | Courtney, David C.      | 37000     | 6.29  | 1.30 | 14.81 | 7.95  |  |  |  |  |  | 30.35 |
| xxxxx7049 | Cundiff, Joel C.        | 35000     | 5.95  | 1.23 | 13.76 | 7.39  |  |  |  |  |  | 28.33 |
| xxxxx4731 | Delaney, Steve A.       | 32000     | 5.44  | 1.12 | 12.78 | 6.86  |  |  |  |  |  | 26.20 |
| xxxxx4181 | Dennis, Justen T.       | 42000     | 7.14  | 1.47 | 16.70 | 8.96  |  |  |  |  |  | 34.27 |
| xxxxx4688 | Dierig, James           | 86000     | 14.62 | 3.01 | 34.48 | 18.50 |  |  |  |  |  | 70.61 |
| xxxxx9515 | Digirolamo, Vince L.    | 66000     | 11.22 | 2.31 | 26.57 | 14.25 |  |  |  |  |  | 54.35 |
| xxxxx1030 | Dirheimer, James M.     | 37000     | 6.29  | 1.30 | 14.77 | 7.93  |  |  |  |  |  | 30.29 |

Continued on next page

| CERT NO.  | NAME                     | LI VOLUME | LIFE  | AD+D | WI    | LTD   |  |  |  |  | TOTAL    |
|-----------|--------------------------|-----------|-------|------|-------|-------|--|--|--|--|----------|
| xxxxx9785 | Elfers, John R.          | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  | 40.00 ✓  |
| xxxxx1279 | Enzweiler, David         | 62000     | 10.54 | 2.17 | 24.75 | 13.27 |  |  |  |  | 50.73 ✓  |
| xxxxx1493 | Farmer, Aimee M.         | 28000     | 4.76  | 0.98 | 11.20 | 6.01  |  |  |  |  | 22.95 ✓  |
| xxxxx8899 | Feinauer, Holly M.       | 28000     | 4.76  | 0.98 | 11.17 | 5.99  |  |  |  |  | 22.90 ✓  |
| xxxxx8491 | Fletcher, Amber N.       | 30000     | 5.10  | 1.05 | 11.83 | 6.35  |  |  |  |  | 24.33 ✓  |
| xxxxx7853 | Flynn, Michael B.        | 38000     | 6.46  | 1.33 | 14.95 | 8.03  |  |  |  |  | 30.77 ✓  |
| xxxxx7813 | Fuehner, Darren J.       | 51000     | 8.67  | 1.79 | 20.44 | 10.97 |  |  |  |  | 41.87 ✓  |
| xxxxx9152 | Gibson, Don              | 92000     | 15.64 | 3.22 | 36.96 | 19.82 |  |  |  |  | 75.64 ✓  |
| xxxxx0457 | Gindele, Mark            | 49000     | 8.33  | 1.72 | 19.60 | 10.51 |  |  |  |  | 40.16 ✓  |
| xxxxx3539 | Glass, Stephen C.        | 38000     | 6.46  | 1.33 | 15.02 | 8.05  |  |  |  |  | 30.86 ✓  |
| xxxxx5311 | Goldsberry, Joannie M.   | 29000     | 4.93  | 1.02 | 11.66 | 6.26  |  |  |  |  | 23.87 ✓  |
| xxxxx0183 | Greer, Michael R.        | 57000     | 9.69  | 2.00 | 22.82 | 12.24 |  |  |  |  | 46.75 ✓  |
| xxxxx5797 | Haas, James R.           | 49000     | 8.33  | 1.72 | 19.74 | 10.60 |  |  |  |  | 40.39 ✓  |
| xxxxx4762 | Halberstadt, Jeffrey S.  | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  | 40.00 ✓  |
| xxxxx6937 | Hall, Kenneth R.         | 27000     | 4.59  | 0.95 | 10.89 | 5.83  |  |  |  |  | 22.26 ✓  |
| xxxxx0364 | Hall, Tonya M.           | 31000     | 5.27  | 1.09 | 12.32 | 6.62  |  |  |  |  | 25.30 ✓  |
| xxxxx1320 | Halloran, Ryan G.        | 36000     | 6.12  | 1.26 | 14.46 | 7.76  |  |  |  |  | 29.60 ✓  |
| xxxxx8503 | Hampton, Charles T.      | 37000     | 6.29  | 1.30 | 14.60 | 7.82  |  |  |  |  | 30.01 ✓  |
| xxxxx2366 | Harrison, Jennifer S.    | 28000     | 4.76  | 0.98 | 11.13 | 5.96  |  |  |  |  | 22.83 ✓  |
| xxxxx4728 | Harrison, Richard B.     | 131000    | 22.27 | 4.59 | 52.50 | 28.33 |  |  |  |  | 107.69 ✓ |
| xxxxx5080 | Harthun, Robert          | 64000     | 10.88 | 2.24 | 25.73 | 13.80 |  |  |  |  | 52.65 ✓  |
| xxxxx9166 | Hegge, Jeffrey R.        | 37000     | 6.29  | 1.30 | 14.67 | 7.87  |  |  |  |  | 30.13 ✓  |
| xxxxx8178 | Hehman, Tracy A.         | 37000     | 6.29  | 1.30 | 14.60 | 7.83  |  |  |  |  | 30.02 ✓  |
| xxxxx0365 | Hensley, Virgil R.       | 64000     | 10.88 | 2.24 | 25.73 | 13.80 |  |  |  |  | 52.65 ✓  |
| xxxxx4794 | Hiller, Fredrick         | 51000     | 8.67  | 1.79 | 20.58 | 11.04 |  |  |  |  | 42.08 ✓  |
| xxxxx9483 | Hinman, Warren D.        | 40000     | 6.80  | 1.40 | 15.96 | 8.57  |  |  |  |  | 32.73 ✓  |
| xxxxx3011 | Hoffman, Jeremy L.       | 42000     | 7.14  | 1.47 | 16.94 | 9.09  |  |  |  |  | 34.64 ✓  |
| xxxxx6948 | Holtz, Mark              | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  | 40.00 ✓  |
| xxxxx8509 | Hopkins, Chad M.         | 33000     | 5.61  | 1.16 | 13.09 | 7.03  |  |  |  |  | 26.89 ✓  |
| xxxxx3378 | Howard, Terry            | 47000     | 7.99  | 1.65 | 18.59 | 9.97  |  |  |  |  | 38.20 ✓  |
| xxxxx9971 | Hoyle, Christopher D.    | 32000     | 5.44  | 1.12 | 12.85 | 6.90  |  |  |  |  | 26.31 ✓  |
| xxxxx6799 | Huang, Tao               | 51000     | 8.67  | 1.79 | 20.44 | 10.97 |  |  |  |  | 41.87 ✓  |
| xxxxx9736 | Huddleston, Scott        | 38000     | 6.46  | 1.33 | 14.95 | 8.02  |  |  |  |  | 30.76 ✓  |
| xxxxx3341 | Ianiro, Jessica A.       | 43000     | 7.31  | 1.51 | 17.29 | 9.28  |  |  |  |  | 35.39 ✓  |
| xxxxx9424 | Jackson, Frank E.        | 12500     | 2.13  | 0.44 |       |       |  |  |  |  | 2.57 ✓   |
| xxxxx1715 | Johannemann, Jonathon K. | 36000     | 6.12  | 1.26 | 14.14 | 7.58  |  |  |  |  | 29.10 ✓  |
| xxxxx9207 | Joslyn, Bari             | 124000    | 21.08 | 4.34 | 49.84 | 26.73 |  |  |  |  | 101.99 ✓ |
| xxxxx5648 | Keller, David E.         | 37000     | 6.29  | 1.30 | 14.77 | 7.93  |  |  |  |  | 30.29 ✓  |
| xxxxx2189 | Kelly, Michael P.        | 32000     | 5.44  | 1.12 | 12.60 | 6.75  |  |  |  |  | 25.91 ✓  |
| xxxxx4219 | Kidney, Timothy          | 53000     | 9.01  | 1.86 | 21.35 | 11.46 |  |  |  |  | 43.68 ✓  |
| xxxxx6706 | Kircher, Deborah L.      | 41000     | 6.97  | 1.44 | 16.17 | 8.68  |  |  |  |  | 33.26 ✓  |
| xxxxx9557 | Koester, Joseph          | 32500     | 5.53  | 1.14 |       |       |  |  |  |  | 6.67 ✓   |
| xxxxx0848 | Kramer, Amy K.           | 95000     | 16.15 | 3.33 | 38.22 | 20.51 |  |  |  |  | 78.21 ✓  |
| xxxxx9559 | Krentz, Gerald           | 49000     | 8.33  | 1.72 | 19.60 | 10.51 |  |  |  |  | 40.16 ✓  |

Continued on next page

| CERT NO.  | NAME                    | LI VOLUME | LIFE   | AD+D | WI    | LTD    |  |  |  |  | TOTAL    |
|-----------|-------------------------|-----------|--------|------|-------|--------|--|--|--|--|----------|
| xxxxx2125 | Kuper, Brandon L.       | 38000     | 6.46   | 1.33 | 14.95 | 8.02   |  |  |  |  | 30.76 ✓  |
| xxxxx4481 | Lawson, Christopher S.  | 43000     | 7.31   | 1.51 | 17.36 | 9.32   |  |  |  |  | 35.50 ✓  |
| xxxxx2992 | Leach, Charles T.       | 47000     | 7.99   | 1.65 | 18.90 | 10.13  |  |  |  |  | 38.67 ✓  |
| xxxxx7010 | Lippert, Joseph M.      | 51000     | 8.67   | 1.79 | 20.41 | 10.95  |  |  |  |  | 41.82 ✓  |
| xxxxx4689 | List, George A.         | 44000     | 7.48   | 1.54 | 17.61 | 9.45   |  |  |  |  | 36.08 ✓  |
| xxxxx4592 | Lofland, Mark           | 110000    | 18.70  | 3.85 | 44.21 | 23.71  |  |  |  |  | 90.47 ✓  |
| xxxxx0632 | Long, Gary A.           | 61000     | 10.37  | 2.14 | 24.40 | 13.08  |  |  |  |  | 49.99 ✓  |
| xxxxx2705 | Lovan, Charles R.       | 224000    | 38.08  | 7.84 | 52.50 | 32.50  |  |  |  |  | 130.92 ✓ |
| xxxxx9244 | Lyon, Shellie R.        | 32000     | 5.44   | 1.12 | 12.60 | 6.75   |  |  |  |  | 25.91 ✓  |
| xxxxx2519 | Macke, Fred A.          | 50000     | 8.50   | 1.75 |       |        |  |  |  |  | 10.25 ✓  |
| xxxxx0026 | Manies, Arienne D.      | 41000     | 6.97   | 1.44 | 16.45 | 8.83   |  |  |  |  | 33.69 ✓  |
| xxxxx0213 | Manning, Denise         | 33000     | 5.61   | 1.16 | 13.30 | 7.14   |  |  |  |  | 27.21 ✓  |
| xxxxx8124 | Marksberry, Fred W.     | 34000     | 5.78   | 1.19 | 13.44 | 7.22   |  |  |  |  | 27.63 ✓  |
| xxxxx2929 | Marmo, Maria L.         | 27000     | 4.59   | 0.95 | 10.85 | 5.82   |  |  |  |  | 22.21 ✓  |
| xxxxx8045 | Martin, Tara R.         | 33000     | 5.61   | 1.16 | 13.13 | 7.05   |  |  |  |  | 26.95 ✓  |
| xxxxx8548 | Matracia, Amy S.        | 64000     | 10.88  | 2.24 | 25.73 | 13.80  |  |  |  |  | 52.65 ✓  |
| xxxxx5277 | Mccomas, Max            | 49000     | 8.33   | 1.72 | 19.60 | 10.51  |  |  |  |  | 40.16 ✓  |
| xxxxx8289 | Mccormick, Rebecca L.   | 64000     | 10.88  | 2.24 | 25.59 | 13.73  |  |  |  |  | 52.44 ✓  |
| xxxxx7104 | Mcgrath, William D.     | 31200     | 5.30   | 1.09 | 19.04 | 10.21  |  |  |  |  | 35.64 ✓  |
| xxxxx7928 | Mckinley, Jacqueline S. | 36000     | Waived |      | 14.14 | Waived |  |  |  |  | 14.14 ✓  |
| xxxxx9785 | Medert, Colleen K.      | 42000     | 7.14   | 1.47 | 16.59 | 8.90   |  |  |  |  | 34.10 ✓  |
| xxxxx6245 | Melcher, Bryan          | 53000     | 9.01   | 1.86 | 21.32 | 11.44  |  |  |  |  | 43.63 ✓  |
| xxxxx9859 | Messmer, Timothy        | 55000     | 9.35   | 1.93 | 22.09 | 11.86  |  |  |  |  | 45.23 ✓  |
| xxxxx0356 | Miller, David J.        | 56000     | 9.52   | 1.96 | 22.54 | 12.10  |  |  |  |  | 46.12 ✓  |
| xxxxx4398 | Miller, Jason           | 51000     | 8.67   | 1.79 | 20.51 | 11.00  |  |  |  |  | 41.97 ✓  |
| xxxxx8143 | Mills, Jarrod C.        | 34000     | 5.78   | 1.19 | 13.48 | 7.24   |  |  |  |  | 27.69 ✓  |
| xxxxx2840 | Mueller, William G.     | 64000     | 10.88  | 2.24 | 25.52 | 13.68  |  |  |  |  | 52.32 ✓  |
| xxxxx7380 | Mullins, Darryl         | 49000     | 8.33   | 1.72 | 19.60 | 10.51  |  |  |  |  | 40.16 ✓  |
| xxxxx5912 | Murphy, Brad A.         | 69000     | 11.73  | 2.42 | 27.76 | 14.90  |  |  |  |  | 56.81 ✓  |
| xxxxx8152 | Napier, Gregory W.      | 43000     | 7.31   | 1.51 | 17.15 | 9.20   |  |  |  |  | 35.17 ✓  |
| xxxxx3864 | Northcutt, Barbara E.   | 52000     | 8.84   | 1.82 | 20.83 | 11.18  |  |  |  |  | 42.67 ✓  |
| xxxxx0812 | Owen, Kevin R.          | 69000     | 11.73  | 2.42 | 27.51 | 14.76  |  |  |  |  | 56.42 ✓  |
| xxxxx3844 | Parsons, Leonard T.     | 45000     | 7.65   | 1.58 | 18.10 | 9.72   |  |  |  |  | 37.05 ✓  |
| xxxxx5294 | Peat, David I.          | 65000     | 11.05  | 2.28 | 26.11 | 14.01  |  |  |  |  | 53.45 ✓  |
| xxxxx1807 | Penick, Cathy A.        | 41000     | 6.97   | 1.44 | 16.49 | 8.85   |  |  |  |  | 33.75 ✓  |
| xxxxx8584 | Pennington, Wayne L.    | 40000     | 6.80   | 1.40 | 16.17 | 8.67   |  |  |  |  | 33.04 ✓  |
| xxxxx5265 | Peoples, Nathan C.      | 47000     | 7.99   | 1.65 | 18.76 | 10.06  |  |  |  |  | 38.46 ✓  |
| xxxxx3102 | Piccirillo, George M.   | 53000     | 9.01   | 1.86 | 21.21 | 11.38  |  |  |  |  | 43.46 ✓  |
| xxxxx0001 | Poole, Scott A.         | 35000     | 5.95   | 1.23 | 14.11 | 7.57   |  |  |  |  | 28.86 ✓  |
| xxxxx0208 | Powell, David           | 56000     | 9.52   | 1.96 | 22.51 | 12.08  |  |  |  |  | 46.07 ✓  |
| xxxxx3961 | Prather, Edgar          | 77000     | 13.09  | 2.70 | 30.80 | 16.52  |  |  |  |  | 63.11 ✓  |
| xxxxx8395 | Price, Shauna L.        | 29000     | 4.93   | 1.02 | 11.41 | 6.12   |  |  |  |  | 23.48 ✓  |
| xxxxx4062 | Putthoff, Karen A.      | 35000     | 5.95   | 1.23 | 14.00 | 7.52   |  |  |  |  | 28.70 ✓  |
| xxxxx2102 | Ramey, John D.          | 62000     | 10.54  | 2.17 | 24.85 | 13.34  |  |  |  |  | 50.90 ✓  |

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| CERT NO.  | NAME                    | LI VOLUME | LIFE  | AD+D | WI    | LTD   |  |  |  |  |  | TOTAL |
|-----------|-------------------------|-----------|-------|------|-------|-------|--|--|--|--|--|-------|
| xxxxx6802 | Reholz, Nicholas L.     | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  |  | 40.00 |
| xxxxx4102 | Reusch, Priscilla E.    | 48000     | 8.16  | 1.68 | 19.25 | 10.32 |  |  |  |  |  | 39.41 |
| xxxxx6774 | Richardson, Sue A.      | 40000     | 6.80  | 1.40 | 15.79 | 8.48  |  |  |  |  |  | 32.47 |
| xxxxx7109 | Rowlette, Matthew S.    | 32000     | 5.44  | 1.12 | 12.81 | 6.87  |  |  |  |  |  | 26.24 |
| xxxxx9866 | Rumage, Cynthia L.      | 42000     | 7.14  | 1.47 | 16.87 | 9.05  |  |  |  |  |  | 34.53 |
| xxxxx2931 | Ryan, Kyle A.           | 48000     | 8.16  | 1.68 | 19.18 | 10.29 |  |  |  |  |  | 39.31 |
| xxxxx8913 | Ryan, Walter H.         | 44000     | 7.48  | 1.54 | 17.75 | 9.51  |  |  |  |  |  | 36.28 |
| xxxxx8949 | Rymarquis, Scott D.     | 61000     | 10.37 | 2.14 | 24.61 | 13.20 |  |  |  |  |  | 50.32 |
| xxxxx7263 | Schawe, Edward T.       | 35000     | 5.95  | 1.23 | 14.00 | 7.51  |  |  |  |  |  | 28.69 |
| xxxxx3119 | Scheben, John A.        | 69000     | 11.73 | 2.42 | 27.83 | 14.93 |  |  |  |  |  | 56.91 |
| xxxxx6382 | Schmiade, John          | 49000     | 8.33  | 1.72 | 19.60 | 10.51 |  |  |  |  |  | 40.16 |
| xxxxx6162 | Schuchter, Jeff T.      | 57000     | 9.69  | 2.00 | 22.89 | 12.29 |  |  |  |  |  | 46.87 |
| xxxxx6062 | Schweinzger, Ernie L.   | 32000     | 5.44  | 1.12 | 12.85 | 6.90  |  |  |  |  |  | 26.31 |
| xxxxx8287 | Shepherd, Scott W.      | 79000     | 13.43 | 2.77 | 31.85 | 17.09 |  |  |  |  |  | 65.14 |
| xxxxx5416 | Simon, Chad M.          | 35000     | 5.95  | 1.23 | 14.00 | 7.51  |  |  |  |  |  | 28.69 |
| xxxxx0192 | Simpson, Lori J.        | 48000     | 8.16  | 1.68 | 19.01 | 10.20 |  |  |  |  |  | 39.05 |
| xxxxx9173 | Sipple, Douglas W.      | 49000     | 8.33  | 1.72 | 19.50 | 10.45 |  |  |  |  |  | 40.00 |
| xxxxx2898 | Smith, Adam T.          | 34000     | 5.78  | 1.19 | 13.44 | 7.22  |  |  |  |  |  | 27.63 |
| xxxxx9960 | Smith, Anthony J.       | 33000     | 5.61  | 1.16 | 13.34 | 7.15  |  |  |  |  |  | 27.26 |
| xxxxx5832 | Smith, Richard B.       | 41000     | 6.97  | 1.44 | 16.49 | 8.85  |  |  |  |  |  | 33.75 |
| xxxxx7913 | Sommerkamp, Patricia J. | 12500     | 2.13  | 0.44 |       |       |  |  |  |  |  | 2.57  |
| xxxxx4053 | Sparks, Rodney C.       | 33000     | 5.61  | 1.16 | 13.09 | 7.02  |  |  |  |  |  | 26.88 |
| xxxxx9851 | Speier, William J.      | 52000     | 8.84  | 1.82 | 20.65 | 11.08 |  |  |  |  |  | 42.39 |
| xxxxx0893 | Stanton, Jacqueline R.  | 57000     | 9.69  | 2.00 | 22.68 | 12.18 |  |  |  |  |  | 46.55 |
| xxxxx8411 | Stewart, William R.     | 52000     | 8.84  | 1.82 | 20.65 | 11.08 |  |  |  |  |  | 42.39 |
| xxxxx7524 | Sullender, Randall W.   | 49000     | 8.33  | 1.72 | 19.39 | 10.41 |  |  |  |  |  | 39.85 |
| xxxxx8802 | Talarek, Laura A.       | 39000     | 6.63  | 1.37 | 15.72 | 8.43  |  |  |  |  |  | 32.15 |
| xxxxx4118 | Tischner, Mark J.       | 52000     | 8.84  | 1.82 | 20.90 | 11.22 |  |  |  |  |  | 42.78 |
| xxxxx6399 | Toliver, Elza T.        | 37000     | 6.29  | 1.30 | 14.88 | 7.97  |  |  |  |  |  | 30.44 |
| xxxxx4584 | Verax, Joan M.          | 34000     | 5.78  | 1.19 | 13.48 | 7.23  |  |  |  |  |  | 27.68 |
| xxxxx9415 | Vo, Kimhoung T.         | 57000     | 9.69  | 2.00 | 22.75 | 12.21 |  |  |  |  |  | 46.65 |
| xxxxx9394 | Vogelpohl, Stephen L.   | 37000     | 6.29  | 1.30 | 14.88 | 7.97  |  |  |  |  |  | 30.44 |
| xxxxx0740 | Wagner, Douglas C.      | 50000     | 8.50  | 1.75 |       |       |  |  |  |  |  | 10.25 |
| xxxxx6020 | Wagner, Mary C.         | 91000     | 15.47 | 3.19 | 36.40 | 19.52 |  |  |  |  |  | 74.58 |
| xxxxx5628 | Wanner, Brett A.        | 40000     | 6.80  | 1.40 | 16.14 | 8.66  |  |  |  |  |  | 33.00 |
| xxxxx8548 | Warnke, Gregory A.      | 49000     | 8.33  | 1.72 | 19.64 | 10.54 |  |  |  |  |  | 40.23 |
| xxxxx2243 | Webb, Douglas R.        | 39000     | 6.63  | 1.37 | 15.51 | 8.31  |  |  |  |  |  | 31.82 |
| xxxxx3659 | Webster, Eugene J.      | 64000     | 10.88 | 2.24 | 25.73 | 13.80 |  |  |  |  |  | 52.65 |
| xxxxx5636 | Wells, Sharon L.        | 32000     | 5.44  | 1.12 | 12.57 | 6.73  |  |  |  |  |  | 25.86 |
| xxxxx5497 | Wetherell, John C.      | 68000     | 11.56 | 2.38 | 27.13 | 14.56 |  |  |  |  |  | 55.63 |
| xxxxx5005 | Weyman, Ronald A.       | 43000     | 7.31  | 1.51 | 17.22 | 9.24  |  |  |  |  |  | 35.28 |
| xxxxx1194 | Wren, James B.          | 56000     | 9.52  | 1.96 | 22.37 | 12.01 |  |  |  |  |  | 45.86 |
| xxxxx7295 | Wulfeck, William M.     | 100000    | 17.00 | 3.50 | 44.03 | 23.62 |  |  |  |  |  | 88.15 |

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| CERT NO. | NAME | LI VOLUME | LIFE    | AD+D   | WI      | LTD     |  |  |  |  | TOTAL   |
|----------|------|-----------|---------|--------|---------|---------|--|--|--|--|---------|
| Totals   |      | 8031700   | 1359.28 | 280.29 | 3062.65 | 1639.94 |  |  |  |  | 6342.16 |

Total number of Lives: 161

TOTAL CURRENT PREMIUM \$6,342.16

CURRENT BILL TOTAL \$6,342.16

Notice: This bill reflects changes, payments, and adjustments made prior to this bill's generation date of 06/11/2010.

**Q14. Provide NKWD's most recent vendor invoice for health insurance. This invoice shall list all employees individually. If the invoice identifies employees by code number, provide the name for each code number.**

**A14. See Attachment.**



An independent licensee of the Blue Cross and Blue Shield Association. Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Shield Association.

Billing for: Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018-0640

Due Date: 07/01/2010  
Billing Date: 06/15/2010  
Coverage Period From: 07/01/2010  
Through: 07/31/2010

Group ID: 00036566

Invoice Number: 068783879

Account Summary

|            |                    |                 |
|------------|--------------------|-----------------|
|            | Previous Total Due | \$365,731.68    |
| 05/21/2010 | Payment            | ( \$182,399.15) |
| 06/12/2010 | Payment            | ( \$183,332.53) |

|                                      |                     |
|--------------------------------------|---------------------|
| Outstanding Balance as of 06/15/2010 | \$0.00              |
| Current Invoice                      | \$179,962.62        |
| <b>Total Due</b>                     | <u>\$179,962.62</u> |

Please Pay This Amount

Your billing specialist is Ann B. Please call her at 502-889-2959 with any billing questions. Thank you.

- + Remember to PAY AS BILLED - pay the total amount shown as due on the bill.
- + Do not add or delete members by writing on your bill - your payment goes to an automatic deposit box that cannot read your changes.
- + Submit membership changes to Anthem as they occur. We will adjust your premiums, when applicable, on a future bill.

Fax your Membership ADDITIONS/CHANGES/TERMINATIONS to 1-800-433-1360

IMPORTANT NOTICE REGARDING PAYMENT OF PREMIUM

Please be advised that if Anthem does not receive the group premium payment within the 30 day grace period following the premium payment due date, the group health coverage will be terminated effective on the last date through which full premiums were paid. This notice serves as the 30-day notice of termination required by law.

IMPORTANT NOTICE: If this bill reflects an outstanding premium balance for the prior month's bill, Anthem's issuance of this invoice does not waive Anthem's contractual right to automatically terminate your group's coverage for failure to timely pay premiums.

\*0000002305135\*



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**Account Detail**

|          | Subscribers | Dependents                     | Current      | Retro  | Net          |
|----------|-------------|--------------------------------|--------------|--------|--------------|
| Health 1 | 156         | 279                            | \$179,962.62 | \$0.00 | \$179,962.62 |
|          |             |                                | <hr/>        | <hr/>  | <hr/>        |
|          |             | <b>Current Bill Total</b>      | \$179,962.62 | \$0.00 | \$179,962.62 |
|          |             | <b>Balance Carried Forward</b> |              |        | \$0.00       |
|          |             |                                |              |        | <hr/>        |
|          |             | <b>Total</b>                   |              |        | \$179,962.62 |

Current Subscriber Details

SubGroup ID: 0000

SubGroup Name: Northern Kentucky Water District

| Subscriber             | Subscriber ID | Plan     | Volume | Amount       |
|------------------------|---------------|----------|--------|--------------|
| Abbatiello, James V    | 826M58784     | Health 1 |        | \$993.58 ✓   |
| Abdon, David C         | 269M56292     | Health 1 |        | \$903.26 ✓   |
| Armstrong IV, Harley F | 333M54266     | Health 1 |        | \$903.26 ✓   |
| Bach, Mary H           | 974M56361     | Health 1 |        | \$501.81 ✓   |
| Bailey, Mollie E       | 931M55341     | Health 1 |        | \$903.26 ✓   |
| Barrow, Ronald J       | 452M54380     | Health 1 |        | \$1,605.81 ✓ |
| Beckner Jr, Lester C   | 606M62431     | Health 1 |        | \$501.81 ✓   |
| Bielo, Melissa A       | 258M54767     | Health 1 |        | \$501.81 ✓   |
| Bingham, Seth T        | 732M54395     | Health 1 |        | \$1,605.81 ✓ |
| Brinkman, Daniel J     | 064M54373     | Health 1 |        | \$993.58 ✓   |
| Broering, Stephen J    | 802M53828     | Health 1 |        | \$1,605.81 ✓ |
| Bruck II, Ronald M     | 237M56413     | Health 1 |        | \$1,605.81 ✓ |
| Bryant, Chris L        | 415M55518     | Health 1 |        | \$993.58 ✓   |
| Buhrlage, Robert W     | 618M55293     | Health 1 |        | \$993.58 ✓   |
| Carlisle, Kevin W      | 850M56356     | Health 1 |        | \$1,605.81 ✓ |
| Collinsworth, Rusty L  | 402M54219     | Health 1 |        | \$1,605.81 ✓ |
| Colvin, Robert D       | 203M54429     | Health 1 |        | \$1,605.81 ✓ |
| Cook, Sherril H        | 195M56233     | Health 1 |        | \$1,605.81 ✓ |
| Couch, Christophe S    | 757M56481     | Health 1 |        | \$1,605.81 ✓ |
| Courtney, David C      | 009M54254     | Health 1 |        | \$501.81 ✓   |
| Cundiff, Joel C        | 716M54388     | Health 1 |        | \$1,605.81 ✓ |
| Delaney, Steve A       | 783M64306     | Health 1 |        | \$993.58 ✓   |
| Dennis, Justen T       | 307M56425     | Health 1 |        | \$1,605.81 ✓ |
| Dierig Jr, James L     | 566M54309     | Health 1 |        | \$1,605.81 ✓ |
| Digirolamo, Vince L    | 182M57139     | Health 1 |        | \$903.26 ✓   |
| Dirheimer, James M     | 994M57225     | Health 1 |        | \$501.81 ✓   |
| Elfers Jr, John R      | 203M56347     | Health 1 |        | \$1,605.81 ✓ |
| Enzweiler, David J     | 827M56516     | Health 1 |        | \$993.58 ✓   |
| Farmer, Aimee M        | 365M62600     | Health 1 |        | \$501.81 ✓   |
| Feinauer, Holly M      | 959M56541     | Health 1 |        | \$1,605.81 ✓ |
| Fletcher, Amber N      | 438M55393     | Health 1 |        | \$501.81 ✓   |
| Flynn, Michael B       | 912M54411     | Health 1 |        | \$903.26 ✓   |
| Fuehner, Darren J      | 312M56575     | Health 1 |        | \$903.26 ✓   |
| Gibson, Don S          | 335M56241     | Health 1 |        | \$1,605.81 ✓ |
| Gindele, Mark A        | 387M54383     | Health 1 |        | \$1,605.81 ✓ |
| Glass, Stephen C       | 782M59882     | Health 1 |        | \$993.58 ✓   |
| Goldsberry, Joanie     | 443M56259     | Health 1 |        | \$1,605.81 ✓ |
| Greer, Michael R       | 348M56522     | Health 1 |        | \$501.81 ✓   |
| Haas, James R          | 219M56507     | Health 1 |        | \$993.58 ✓   |
| Halberstadt, Jeffrey S | 762M56360     | Health 1 |        | \$903.26 ✓   |
| Hall, Kenneth R        | 540M56350     | Health 1 |        | \$993.58 ✓   |
| Hall, Tonya M          | 644M56202     | Health 1 |        | \$1,605.81 ✓ |
| Halloran, Ryan G       | 687M53629     | Health 1 |        | \$993.58 ✓   |
| Hampton, Charles T     | 102M56483     | Health 1 |        | \$1,605.81 ✓ |
| Harrison, Jennifer S   | 597M59581     | Health 1 |        | \$993.58 ✓   |
| Harrison, Richard B    | 774M56191     | Health 1 |        | \$1,605.81 ✓ |
| Harthun, Robert T      | 221M56251     | Health 1 |        | \$903.26 ✓   |
| Hegge, Jeffrey R       | 389M56299     | Health 1 |        | \$903.26 ✓   |
| Hehman, Tracy A        | 579M59559     | Health 1 |        | \$1,605.81 ✓ |
| Hensley, Virgil R      | 240M56613     | Health 1 |        | \$993.58 ✓   |

\*000002305136\*



SubGroup ID: 0000

SubGroup Name: Northern Kentucky Water District

| Subscriber              | Subscriber ID | Plan     | Volume | Amount       |
|-------------------------|---------------|----------|--------|--------------|
| Hiller, Frederick R     | 638M54346     | Health 1 |        | \$1,605.81 ✓ |
| Hinman, Warren D        | 782M56179     | Health 1 |        | \$1,605.81 ✓ |
| Hoffman, Jeremy L       | 730M56353     | Health 1 |        | \$993.58 ✓   |
| Holtz, Mark J           | 809M56194     | Health 1 |        | \$903.26 ✓   |
| Hopkins, Chad M         | 158M61598     | Health 1 |        | \$501.81 ✓   |
| Howard, Terry R         | 498M56521     | Health 1 |        | \$1,605.81 ✓ |
| Hoyle, Christophe D     | 375M63101     | Health 1 |        | \$501.81 ✓   |
| Huang, Tao              | 387M54924     | Health 1 |        | \$903.26 ✓   |
| Huddleston, Scott D     | 356M54977     | Health 1 |        | \$1,605.81 ✓ |
| Ianiro, Jessica A       | 133M55218     | Health 1 |        | \$1,605.81 ✓ |
| Johannemann, Johathan K | 601M56430     | Health 1 |        | \$501.81 ✓   |
| Joslyn, Bari L          | 211M56448     | Health 1 |        | \$501.81 ✓   |
| Keller, David E         | 751M56339     | Health 1 |        | \$501.81 ✓   |
| Kelly, Michael P        | 057M56369     | Health 1 |        | \$1,605.81 ✓ |
| Kidney, Timothy F       | 388M54366     | Health 1 |        | \$1,605.81 ✓ |
| Kircher, Deborah L      | 144M56566     | Health 1 |        | \$501.81 ✓   |
| Koester, Joseph J       | 271M56332     | Health 1 |        | \$993.58 ✓   |
| Kramer, Amy K           | 035M53963     | Health 1 |        | \$903.26 ✓   |
| Krentz, Gerald          | 417M54279     | Health 1 |        | \$501.81 ✓   |
| Kuper, Brandon L        | 440M56599     | Health 1 |        | \$1,605.81 ✓ |
| Lawson, Christophe S    | 769M55654     | Health 1 |        | \$1,605.81 ✓ |
| Leach, Charles T        | 081M56343     | Health 1 |        | \$1,605.81 ✓ |
| Lippert, Joseph M       | 193M54313     | Health 1 |        | \$1,605.81 ✓ |
| List, George A          | 438M54284     | Health 1 |        | \$993.58 ✓   |
| Lofland, Mark W         | 654M54313     | Health 1 |        | \$1,605.81 ✓ |
| Long, Gary A            | 628M56250     | Health 1 |        | \$1,605.81 ✓ |
| Lovan, C R              | 086M54380     | Health 1 |        | \$1,605.81 ✓ |
| Lyon, Shellie R         | 138M56298     | Health 1 |        | \$903.26 ✓   |
| Macke, Jr., Fred A      | 845M54308     | Health 1 |        | \$1,605.81 ✓ |
| Manies, Arienne D       | 157M54980     | Health 1 |        | \$903.26 ✓   |
| Manning, Denise         | 749M59404     | Health 1 |        | \$903.26 ✓   |
| Marksberry, Fred W      | 436M56213     | Health 1 |        | \$903.26 ✓   |
| Marmo, Maria L          | 334M54757     | Health 1 |        | \$903.26 ✓   |
| Martin, Tara R          | 383M56487     | Health 1 |        | \$903.26 ✓   |
| Matracia, Amy S         | 085M56410     | Health 1 |        | \$501.81 ✓   |
| McCormick, Rebecca L    | 969M55809     | Health 1 |        | \$1,605.81 ✓ |
| McGrath, William D      | 273M56553     | Health 1 |        | \$993.58 ✓   |
| Mccomas, Jr, Max        | 746M56624     | Health 1 |        | \$993.58 ✓   |
| Medert, Colleen K       | 470M61100     | Health 1 |        | \$903.26 ✓   |
| Melcher, Bryan E        | 956M56360     | Health 1 |        | \$501.81 ✓   |
| Messmer, Timothy I      | 156M54284     | Health 1 |        | \$1,605.81 ✓ |
| Miller, David J         | 966M56206     | Health 1 |        | \$903.26 ✓   |
| Miller, Jason W         | 790M54290     | Health 1 |        | \$1,605.81 ✓ |
| Mills, Jarrod C         | 091M57181     | Health 1 |        | \$501.81 ✓   |
| Mueller, William G      | 642M54411     | Health 1 |        | \$1,605.81 ✓ |
| Mullins, Darryl         | 710M56623     | Health 1 |        | \$501.81 ✓   |
| Murphy, Brad A          | 316M56517     | Health 1 |        | \$1,605.81 ✓ |
| Napier, Gregory W       | 508M56396     | Health 1 |        | \$1,605.81 ✓ |
| Northcutt, Barbara E    | 788M56410     | Health 1 |        | \$1,605.81 ✓ |
| Owen, Kevin R           | 842M56576     | Health 1 |        | \$501.81 ✓   |
| Parsons, Leonard T      | 067M54254     | Health 1 |        | \$501.81 ✓   |
| Peat, David I           | 304M53951     | Health 1 |        | \$903.26 ✓   |

SubGroup ID: 0000

SubGroup Name: Northern Kentucky Water District

| Subscriber            | Subscriber ID | Plan     | Volume | Amount       |
|-----------------------|---------------|----------|--------|--------------|
| Penick, Cathy A       | 198M56232     | Health 1 |        | \$501.81 ✓   |
| Pennington, Wayne L   | 003M55490     | Health 1 |        | \$1,605.81 ✓ |
| Peoples, Nathan C     | 357M54412     | Health 1 |        | \$1,605.81 ✓ |
| Piccirillo, George M  | 492M56208     | Health 1 |        | \$903.26 ✓   |
| Poole, Scott A        | 196M54476     | Health 1 |        | \$1,605.81 ✓ |
| Powell, David A       | 992M56531     | Health 1 |        | \$1,605.81 ✓ |
| Prather, Edgar C      | 401M54284     | Health 1 |        | \$1,605.81 ✓ |
| Price, Shauna L       | 975M56710     | Health 1 |        | \$501.81 ✓   |
| Putthoff, Karen       | 102M56295     | Health 1 |        | \$993.58 ✓   |
| Ramey, John D         | 759M56456     | Health 1 |        | \$903.26 ✓   |
| Rebholz, Nick L       | 016M54359     | Health 1 |        | \$1,605.81 ✓ |
| Reusch, Priscilla E   | 154M54877     | Health 1 |        | \$993.58 ✓   |
| Richardson, Sue A     | 942M55538     | Health 1 |        | \$501.81 ✓   |
| Rowlette, Matthew S   | 682M60465     | Health 1 |        | \$501.81 ✓   |
| Rumage, Cynthia L     | 463M56236     | Health 1 |        | \$993.58 ✓   |
| Ryan, Kyle A          | 734M60903     | Health 1 |        | \$1,605.81 ✓ |
| Ryan, Walter H        | 354M55099     | Health 1 |        | \$1,605.81 ✓ |
| Rymarquis, Scott D    | 911M54337     | Health 1 |        | \$1,605.81 ✓ |
| Schawe, Edward T      | 442M54348     | Health 1 |        | \$1,605.81 ✓ |
| Scheben Jr, John A    | 138M54261     | Health 1 |        | \$1,605.81 ✓ |
| Schmiade, John C      | 585M56623     | Health 1 |        | \$1,605.81 ✓ |
| Schuchter, Jeff T     | 042M59851     | Health 1 |        | \$993.58 ✓   |
| Schweinzger, Ernie L  | 613M56190     | Health 1 |        | \$501.81 ✓   |
| Shepherd, Scott W     | 736M56307     | Health 1 |        | \$1,605.81 ✓ |
| Simon, Chad M         | 958M59797     | Health 1 |        | \$903.26 ✓   |
| Simpson, Lori J       | 848M56584     | Health 1 |        | \$1,605.81 ✓ |
| Sipple, Douglas W     | 863M54236     | Health 1 |        | \$1,605.81 ✓ |
| Smith, Adam T         | 882M60137     | Health 1 |        | \$1,605.81 ✓ |
| Smith, Anthony J      | 486M61162     | Health 1 |        | \$501.81 ✓   |
| Smith, Richard B      | 645M56541     | Health 1 |        | \$1,605.81 ✓ |
| Sparks, Rodney C      | 076M56355     | Health 1 |        | \$903.26 ✓   |
| Speier, William J     | 373M56414     | Health 1 |        | \$993.58 ✓   |
| Stanton, Jacqueline R | 449M65210     | Health 1 |        | \$501.81 ✓   |
| Stewart, William R    | 087M54851     | Health 1 |        | \$1,605.81 ✓ |
| Sullender, Randall W  | 556M56577     | Health 1 |        | \$993.58 ✓   |
| Talarek, Laura A      | 642M55757     | Health 1 |        | \$501.81 ✓   |
| Tischner, Mark J      | 334M56211     | Health 1 |        | \$1,605.81 ✓ |
| Toliver, Elza T       | 562M56207     | Health 1 |        | \$501.81 ✓   |
| Verax, Joan M         | 923M56292     | Health 1 |        | \$501.81 ✓   |
| Vo, Kim Phoung        | 470M55326     | Health 1 |        | \$1,605.81 ✓ |
| Vogelpohl, Steven L   | 334M56574     | Health 1 |        | \$1,605.81 ✓ |
| Wagner, Douglas C     | 290M56447     | Health 1 |        | \$993.58 ✓   |
| Wagner, Mary C        | 904M54290     | Health 1 |        | \$1,605.81 ✓ |
| Wanner, Brett A       | 116M56372     | Health 1 |        | \$1,467.57 ✓ |
| Warnke, Gregory A     | 081M56583     | Health 1 |        | \$1,605.81 ✓ |
| Webb, Douglas R       | 896M55302     | Health 1 |        | \$501.81 ✓   |
| Webster, Eugene J     | 198M54237     | Health 1 |        | \$1,605.81 ✓ |
| Wells, Sharon L       | 149M54251     | Health 1 |        | \$993.58 ✓   |
| Wetherell, John C     | 456M53859     | Health 1 |        | \$1,605.81 ✓ |
| Weyman, Ronald A      | 001M56196     | Health 1 |        | \$1,605.81 ✓ |
| Wren, James B         | 417M54318     | Health 1 |        | \$1,605.81 ✓ |

\*0000002505137\*





SubGroup ID: 0000

SubGroup Name: Northern Kentucky Water District

| Subscriber               | Subscriber ID | Plan     | Volume | Amount       |
|--------------------------|---------------|----------|--------|--------------|
| Wulfeck, William M       | 249M54285     | Health 1 |        | \$1,605.81 ✓ |
| <b>Subtotal for 0000</b> |               |          |        | \$178,959.00 |

SubGroup ID: 0001

SubGroup Name: Northern Kentucky Water Service District-COBRA

| Subscriber               | Subscriber ID | Plan     | Volume | Amount     |
|--------------------------|---------------|----------|--------|------------|
| Barrow, Katherine M      | 605M66014     | Health 1 |        | \$501.81   |
| Genter, Devin R          | 069M62578     | Health 1 |        | \$501.81   |
| <b>Subtotal for 0001</b> |               |          |        | \$1,003.62 |

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**Retroactive Adjustments**

**SubGroup ID:** 0000

**SubGroup Name:** Northern Kentucky Water District

| Subscriber       | Subscriber ID | From       | Through    | Plan                     | Amount        |
|------------------|---------------|------------|------------|--------------------------|---------------|
| Wanner, Brett A. | 116M56372     | 06/01/2010 | 06/30/2010 | Health 1                 | ( \$761.75)   |
|                  |               | 06/08/2010 | 06/30/2010 | Health 1                 | \$761.75      |
|                  |               |            |            | <b>Subscriber Total</b>  | <b>\$0.00</b> |
|                  |               |            |            | <b>Subtotal for 0000</b> | <b>\$0.00</b> |

**Grand Total** \$0.00

\*000002305138\*



District's responses to PSC second data request of July 30, 2010

Q15. In Case No. 2005-00148, the Commission reduced payroll taxes and employee pensions and benefits to remove the portion that should be capitalized as payroll overhead. Explain why NKWD did not propose a similar adjustment in this proceeding.

A15. Oversight by the District.

Q16. Provide a copy of all schedules presented in the cost-of-service study, electronically, in Microsoft Office Excel format, allowing for the review of and unrestricted access to the underlying formulas.

A16. See file "NKWD\_PSCDR2\_16\_Excel\_081710".

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No.                                     | Account<br>(1)                     | Factor<br>Ref.<br>(2) | Cost of<br>Service<br>(3) | Residential<br>(4) | Commercial<br>(5) | Industrial<br>(6) | Public<br>Authorities<br>(7) | Wholesale<br>Customers<br>(8) | Fire<br>Protection<br>(9) |
|---|------------------------------------|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|-------------------------------|---------------------------|
| <b>OPERATION AND MAINTENANCE EXPENSES</b>       |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| <b>Source of Supply Operations</b>              |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| 615.1   | Purchased Power                    | 1                     | 760,271                   | 397,545            | 198,127           | 78,384            | 44,400                       | 37,253                        | 4,562                     |
| 635.1   | Contractual Service                | 2                     | 2,405                     | 1,314              | 606               | 233               | 132                          | 111                           | 9                         |
|   | <b>Total Operations</b>            |                       | <u>762,676</u>            | <u>398,860</u>     | <u>198,732</u>    | <u>78,617</u>     | <u>44,532</u>                | <u>37,364</u>                 | <u>4,571</u>              |
| <b>Maintenance</b>                              |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| 620.2   | Materials and Supplies             | 2                     | 3,312                     | 1,810              | 834               | 321               | 182                          | 153                           | 13                        |
| 635.2   | Contractual Service                | 2                     | 7,095                     | 3,877              | 1,787             | 688               | 390                          | 327                           | 27                        |
|   | <b>Total Maintenance</b>           |                       | <u>10,407</u>             | <u>5,686</u>       | <u>2,622</u>      | <u>1,008</u>      | <u>571</u>                   | <u>480</u>                    | <u>40</u>                 |
|   | <b>Total Source of Supply</b>      |                       | <b>773,083</b>            | <b>404,546</b>     | <b>201,354</b>    | <b>79,625</b>     | <b>45,103</b>                | <b>37,844</b>                 | <b>4,610</b>              |
| <b>Water Treatment Operations</b>               |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| 601.3   | Labor                              | 2                     | 1,243,463                 | 679,428            | 313,228           | 120,492           | 68,266                       | 57,324                        | 4,725                     |
| 601.3   | Labor - Lab                        | 2                     | 433,779                   | 237,017            | 109,269           | 42,033            | 23,814                       | 19,997                        | 1,648                     |
| 615.3   | Purchased Power                    | 1                     | 201,253                   | 105,235            | 52,447            | 20,749            | 11,753                       | 9,861                         | 1,208                     |
| 616.3   | Gas                                | 1                     | 126,539                   | 66,167             | 32,976            | 13,046            | 7,390                        | 6,200                         | 759                       |
| 618.3   | Chemicals                          | 1                     | 1,857,067                 | 971,060            | 483,952           | 191,464           | 108,453                      | 90,996                        | 11,142                    |
| 620.3   | Materials and Supplies             | 2                     | 199,637                   | 109,082            | 50,289            | 19,345            | 10,960                       | 9,203                         | 759                       |
| 631.3   | Contractual Services - Engineering | 2                     | 16,380                    | 8,950              | 4,126             | 1,587             | 899                          | 755                           | 62                        |
| 633.3   | Contractual Services               | 2                     | 1,397                     | 763                | 352               | 135               | 77                           | 64                            | 5                         |
| 635.3   | Contractual Services - Sludge      | 2                     | 128,086                   | 69,986             | 32,265            | 12,411            | 7,032                        | 5,905                         | 487                       |
| 635.3   | Contractual Services - Laboratory  | 2                     | 56,571                    | 30,911             | 14,250            | 5,482             | 3,106                        | 2,608                         | 215                       |
| 635.3   | Contractual Services - Other       | 2                     | 182,252                   | 99,583             | 45,909            | 17,660            | 10,006                       | 8,402                         | 693                       |
| 650.3   | Transportation Expense             | 2                     | 48,568                    | 26,538             | 12,234            | 4,706             | 2,666                        | 2,239                         | 185                       |
|   | <b>Total Operations</b>            |                       | <u>4,494,992</u>          | <u>2,404,720</u>   | <u>1,151,297</u>  | <u>449,111</u>    | <u>254,422</u>               | <u>213,555</u>                | <u>21,888</u>             |
| <b>Maintenance</b>                              |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| 601.4   | Labor                              | 2                     | 756,822                   | 413,527            | 190,643           | 73,336            | 41,550                       | 34,889                        | 2,876                     |
| 620.4   | Materials and Supplies             | 2                     | 191,117                   | 104,426            | 48,142            | 18,519            | 10,492                       | 8,810                         | 726                       |
| 635.4   | Contractual Services - Other       | 2                     | 304,397                   | 166,323            | 76,678            | 29,496            | 16,711                       | 14,033                        | 1,157                     |
| 650.4   | Transportation Expense             | 2                     | 94                        | 51                 | 24                | 9                 | 5                            | 4                             | 0                         |
|   | <b>Total Maintenance</b>           |                       | <u>1,252,429</u>          | <u>684,327</u>     | <u>315,487</u>    | <u>121,360</u>    | <u>68,758</u>                | <u>57,737</u>                 | <u>4,759</u>              |
|   | <b>Total Water Treatment</b>       |                       | <b>5,747,421</b>          | <b>3,089,047</b>   | <b>1,466,784</b>  | <b>570,471</b>    | <b>323,180</b>               | <b>271,292</b>                | <b>26,647</b>             |
| <b>Transmission and Distribution Operations</b> |                                    |                       |                           |                    |                   |                   |                              |                               |                           |
| 601.5   | Labor                              | 6                     | 813,921                   | 390,356            | 167,912           | 56,812            | 32,150                       | 7,895                         | 158,796                   |
| 615.5   | Purchased Power                    | 1                     | 1,266,476                 | 662,240            | 330,044           | 130,574           | 73,962                       | 62,057                        | 7,599                     |
| 616.5   | Gas                                | 6                     | 3,373                     | 1,618              | 696               | 235               | 133                          | 33                            | 658                       |
| 620.5   | Materials and Supplies             | 6                     | 127,498                   | 61,148             | 26,303            | 8,899             | 5,036                        | 1,237                         | 24,875                    |
| 631.5   | Contractual Services - Engineering | 6                     | 6,345                     | 3,043              | 1,309             | 443               | 251                          | 62                            | 1,238                     |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No.                | Account                                       | Factor Ref. | Cost of Service  | Residential      | Commercial       | Industrial     | Public Authorities | Wholesale Customers | Fire Protection  |
|----------------------------|---|-------------|------------------|------------------|------------------|----------------|--------------------|---------------------|------------------|
|                            | (1)   | (2)         | (3)              | (4)              | (5)              | (6)            | (7)                | (8)                 | (9)              |
| 633.5                      | Contractual Services                          | 6           | 19,921           | 9,554            | 4,110            | 1,390          | 787                | 193                 | 3,887            |
| 635.5                      | Contractual Services - Other                  | 6           | 59,138           | 28,363           | 12,200           | 4,128          | 2,336              | 574                 | 11,538           |
| 650.5                      | Transportation Expense                        | 6           | 42,011           | 20,149           | 8,667            | 2,932          | 1,659              | 408                 | 8,196            |
|                            | <b>Total Operations</b>                       |             | <b>2,338,683</b> | <b>1,176,471</b> | <b>551,240</b>   | <b>205,414</b> | <b>116,314</b>     | <b>72,458</b>       | <b>216,787</b>   |
| <b>Maintenance</b>         |   |             |                  |                  |                  |                |                    |                     |                  |
| 601.6                      | Labor   | 11          | 657,015          | 340,991          | 118,591          | 35,085         | 21,813             | 6,176               | 134,359          |
| 601.6                      | Labor - Mains                                 | 6           | 1,450,899        | 695,851          | 299,320          | 101,273        | 57,311             | 14,074              | 283,070          |
| 601.6                      | Labor - Services                              | 9           | 242,983          | 203,693          | 32,876           | 1,628          | 4,714              | 73                  | -                |
| 601.6                      | Labor - Hydrants                              | 7           | 74,017           | -                | -                | -              | -                  | -                   | 74,017           |
| 620.6                      | Materials and Supplies - Mains                | 6           | 524,742          | 251,666          | 108,254          | 36,627         | 20,727             | 5,090               | 102,377          |
| 620.6                      | Materials and Supplies - Services             | 9           | 294,899          | 247,214          | 39,900           | 1,976          | 5,721              | 88                  | -                |
| 620.6                      | Materials and Supplies - Meters               | 8           | 317              | 247              | 57               | 4              | 10                 | 0                   | -                |
| 620.6                      | Materials and Supplies - Hydrants             | 7           | 86,168           | -                | -                | -              | -                  | -                   | 86,168           |
| 620.6                      | Materials and Supplies                        | 11          | 19,921           | 10,339           | 3,596            | 1,064          | 661                | 187                 | 4,074            |
| 631.6                      | Contractual Services - Engineering            | 11          | 3,134            | 1,626            | 566              | 167            | 104                | 29                  | 641              |
| 635.6                      | Contractual Services - Other                  | 11          | 365,828          | 189,865          | 66,032           | 19,535         | 12,145             | 3,439               | 74,812           |
| 635.6                      | Water Tower Painting Write-off                | 5           | 370,176          | 157,584          | 66,187           | 21,285         | 12,068             | 10,106              | 102,946          |
| 635.6                      | Contractual Services - Water Towers           | 5           | 1,829            | 779              | 327              | 105            | 60                 | 50                  | 509              |
| 635.6                      | Contractual Services - Mains                  | 6           | 306,867          | 147,174          | 63,307           | 21,419         | 12,121             | 2,977               | 59,870           |
| 635.6                      | Contractual Services - Services               | 9           | 114,547          | 96,025           | 15,498           | 767            | 2,222              | 34                  | -                |
| 642.6                      | Rental  | 11          | 750              | 389              | 135              | 40             | 25                 | 7                   | 153              |
| 650.6                      | Transportation Expense                        | 11          | 269,589          | 139,917          | 48,661           | 14,396         | 8,950              | 2,534               | 55,131           |
|                            | <b>Total Maintenance</b>                      |             | <b>4,783,682</b> | <b>2,483,358</b> | <b>863,307</b>   | <b>255,372</b> | <b>158,652</b>     | <b>44,865</b>       | <b>978,128</b>   |
|                            | <b>Total Transmission and Distribution</b>    |             | <b>7,122,365</b> | <b>3,659,829</b> | <b>1,414,547</b> | <b>460,786</b> | <b>274,967</b>     | <b>117,322</b>      | <b>1,194,914</b> |
| <b>Customer Accounting</b> |   |             |                  |                  |                  |                |                    |                     |                  |
| 601.7                      | Labor - Meter Reading                         | 12          | 55,924           | 51,299           | 4,180            | 84             | 358                | 3                   | -                |
| 601.7                      | Labor - Meter Shop                            | 8           | 190,954          | 148,333          | 34,104           | 2,635          | 5,729              | 153                 | -                |
| 601.7                      | Labor Field Service                           | 8           | 667,526          | 518,534          | 119,220          | 9,212          | 20,026             | 534                 | -                |
| 601.7                      | Labor - Account Service                       | 12          | 715,179          | 656,026          | 53,460           | 1,080          | 4,577              | 36                  | -                |
| 601.7                      | Labor - Courier                               | 12          | 31,837           | 29,204           | 2,380            | 48             | 204                | 2                   | -                |
| 620.7                      | Materials and Supplies                        | 12          | 80,802           | 74,119           | 6,040            | 122            | 517                | 4                   | -                |
| 620.7                      | Postage                                       | 12          | 49,486           | 45,393           | 3,699            | 75             | 317                | 2                   | -                |
| 633.7                      | Contractual Services - Account Service        | 12          | 2,508            | 2,301            | 187              | 4              | 16                 | 0                   | -                |
| 633.7                      | Legal Fees                                    | 12          | 45               | 42               | 3                | 0              | 0                  | 0                   | -                |
| 635.7                      | Contractual Services - Meter Reading          | 12          | 3,162            | 2,900            | 236              | 5              | 20                 | 0                   | -                |
| 635.7                      | Contractual Services - Bill Printing/Mailing  | 12          | 175,502          | 160,987          | 13,119           | 265            | 1,123              | 9                   | -                |
| 635.7                      | Contractual Services - Collections            | 12          | 11,167           | 10,243           | 835              | 17             | 71                 | 1                   | -                |
| 635.7                      | Contractual Services - Credit Card Processing | 12          | 105,254          | 96,549           | 7,868            | 159            | 674                | 5                   | -                |
| 635.7                      | Contractual Services - Lock Box Processing    | 12          | 33,424           | 30,660           | 2,498            | 50             | 214                | 2                   | -                |
| 635.7                      | Contractual Services - Other                  | 12          | 67,704           | 62,104           | 5,061            | 102            | 433                | 3                   | -                |
| 650.7                      | Transportation Expense                        | 12          | 90,893           | 83,376           | 6,794            | 137            | 582                | 5                   | -                |
|                            | <b>Total Customer Accounting</b>              |             | <b>2,281,368</b> | <b>1,972,068</b> | <b>259,685</b>   | <b>13,996</b>  | <b>34,861</b>      | <b>758</b>          | <b>0</b>         |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No.                                       | Account<br>(1)                          | Factor<br>Ref.<br>(2) | Cost of<br>Service<br>(3) | Residential<br>(4) | Commercial<br>(5) | Industrial<br>(6) | Public<br>Authorities<br>(7) | Wholesale<br>Customers<br>(8) | Fire<br>Protection<br>(9) |
|---|---|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|-------------------------------|---------------------------|
| <b>Administrative and General</b>                 |   |                       |                           |                    |                   |                   |                              |                               |                           |
| 601.8   | Labor                                   | 14                    | 1,134,186                 | 670,984            | 216,629           | 66,350            | 41,625                       | 21,096                        | 117,502                   |
| 604.0   | Employee Benefits                       | 16                    | 3,773,335                 | 2,243,625          | 740,328           | 227,155           | 143,387                      | 72,448                        | 346,392                   |
| 615.8   | Utilities                               | 14                    | 161,417                   | 95,494             | 30,831            | 9,443             | 5,924                        | 3,002                         | 16,723                    |
| 620.8   | Materials and Supplies                  | 14                    | 171,817                   | 101,647            | 32,817            | 10,051            | 6,306                        | 3,196                         | 17,800                    |
| 631.8   | Contractual Services - Engineering      | 14                    | 126,833                   | 75,035             | 24,225            | 7,420             | 4,655                        | 2,359                         | 13,140                    |
| 632.8   | Contract Service Accounting/Audit       | 14                    | 28,255                    | 16,716             | 5,397             | 1,653             | 1,037                        | 526                           | 2,927                     |
| 633.8   | Legal Fees                              | 14                    | 142,184                   | 84,116             | 27,157            | 8,318             | 5,218                        | 2,645                         | 14,730                    |
| 634.8   | Contractual Fees                        | 14                    | 70,691                    | 41,821             | 13,502            | 4,135             | 2,594                        | 1,315                         | 7,324                     |
| 635.8   | Contractual Services - HR/Infor Systems | 16                    | 200,547                   | 119,245            | 39,347            | 12,073            | 7,621                        | 3,851                         | 18,410                    |
| 635.8   | Contractual Services                    | 14                    | 596,884                   | 353,116            | 114,005           | 34,918            | 21,906                       | 11,102                        | 61,837                    |
| 650.8   | Transportation Expense                  | 14                    | 6,971                     | 4,124              | 1,331             | 408               | 256                          | 130                           | 722                       |
| 656.0   | Vehicle Insurance                       | 14                    | 34,280                    | 20,280             | 6,548             | 2,005             | 1,258                        | 638                           | 3,551                     |
| 657.0   | General Liability Insurance             | 14                    | 250,390                   | 148,131            | 47,824            | 14,648            | 9,189                        | 4,657                         | 25,940                    |
| 658.0   | Workers Comp Insurance                  | 16                    | 73,911                    | 43,948             | 14,501            | 4,449             | 2,809                        | 1,419                         | 6,785                     |
| 659.0   | Other Insurance                         | 14                    | 124,307                   | 73,540             | 23,743            | 7,272             | 4,562                        | 2,312                         | 12,878                    |
| 660.0   | Advertising Expense                     | 14                    | 19,969                    | 11,813             | 3,814             | 1,168             | 733                          | 371                           | 2,069                     |
| 667.0   | PSC Expense- Rate Case Expense          | 19                    | 122,618                   | 68,347             | 25,296            | 8,448             | 5,101                        | 3,176                         | 12,249                    |
| 670.0   | Bad Debt Expense                        | 12                    | 649,060                   | 595,376            | 48,517            | 980               | 4,154                        | 32                            | -                         |
| 675.0   | Miscellaneous Expense                   | 14                    | 203,290                   | 120,266            | 38,828            | 11,892            | 7,461                        | 3,781                         | 21,061                    |
| <b>Total Administrative and General</b>           |   |                       | <u>7,890,945</u>          | <u>4,887,625</u>   | <u>1,454,642</u>  | <u>432,787</u>    | <u>275,794</u>               | <u>138,055</u>                | <u>702,042</u>            |
| <b>Total Operation &amp; Maintenance Expenses</b> |   |                       | <u>23,815,181</u>         | <u>14,013,115</u>  | <u>4,797,012</u>  | <u>1,557,665</u>  | <u>953,905</u>               | <u>565,272</u>                | <u>1,928,213</u>          |



NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No.                       | Account  | Factor Ref. | Cost of Service  | Residential      | Commercial       | Industrial     | Public Authorities | Wholesale Customers | Fire Protection |
|-----------------------------------|--|-------------|------------------|------------------|------------------|----------------|--------------------|---------------------|-----------------|
| (1)                               | (2)  | (3)         | (4)              | (5)              | (6)              | (7)            | (8)                | (9)                 | (9)             |
| <b>DEPRECIATION EXPENSE</b>       |  |             |                  |                  |                  |                |                    |                     |                 |
| 304.1                             | Power and Pumping Structures - Intake                | 2           | 461,557          | 252,195          | 116,266          | 44,725         | 25,339             | 21,278              | 1,754           |
| 304.2                             | Water Treatment Plant                                | 2           | 1,195,729        | 653,347          | 301,204          | 115,866        | 65,646             | 55,123              | 4,544           |
| 304.3                             | Pumping Structures                                   | 3           | 254,977          | 119,559          | 55,100           | 21,214         | 12,009             | 10,097              | 36,997          |
| 304.4                             | Office Buildings                                     | 14          | 464,589          | 274,851          | 88,737           | 27,178         | 17,050             | 8,641               | 48,131          |
| 304.5                             | Other Structures                                     | 14          | 1,461            | 864              | 279              | 85             | 54                 | 27                  | 151             |
| 304.6                             | Structures - Water Treatment                         | 2           | 158,673          | 86,699           | 39,970           | 15,375         | 8,711              | 7,315               | 603             |
| 306.0                             | Lake, River and Other Intakes                        | 2           | 27,567           | 15,063           | 6,944            | 2,671          | 1,513              | 1,271               | 105             |
| 309.0                             | Supply Mains   | 2           | 57,952           | 31,665           | 14,598           | 5,616          | 3,182              | 2,672               | 220             |
| 310.3                             | Power Generation Equipment                           | 3           | 18,748           | 8,791            | 4,051            | 1,560          | 883                | 742                 | 2,720           |
| 311.1                             | Pumping Equipment                                    | 3           | 190,079          | 89,128           | 41,076           | 15,815         | 8,953              | 7,527               | 27,580          |
| 311.2                             | Pumping Equipment                                    | 3           | 64,179           | 30,094           | 13,869           | 5,340          | 3,023              | 2,541               | 9,312           |
| 311.3                             | Pumping Equipment                                    | 3           | 300,831          | 141,060          | 65,010           | 25,029         | 14,169             | 11,913              | 43,651          |
| 320.1                             | Purification System                                  | 2           | 383,597          | 209,598          | 96,628           | 37,171         | 21,059             | 17,684              | 1,458           |
| 320.2                             | Purification System - Equipment                      | 2           | 4,247            | 2,321            | 1,070            | 412            | 233                | 196                 | 16              |
| 330.1                             | Distribution Reservoirs and Standpipes               | 5           | 304,197          | 129,497          | 54,391           | 17,491         | 9,917              | 8,305               | 84,597          |
| 330.3                             | Distribution Reservoirs and Standpipes - Taylor Mill | 5           | 2,069            | 881              | 370              | 119            | 67                 | 56                  | 575             |
| 331.1                             | Mains and Accessories - 10" and larger               | 3           | 960,737          | 450,490          | 207,615          | 79,933         | 45,251             | 38,045              | 139,403         |
| 331.1                             | Mains and Accessories - Less than 10"                | 4           | 1,197,737        | 578,507          | 243,260          | 78,452         | 44,436             | -                   | 253,082         |
| 331.2                             | Mains and Accessories - 10" and larger               | 3           | 47,591           | 22,315           | 10,284           | 3,960          | 2,242              | 1,885               | 6,905           |
| 331.2                             | Mains and Accessories - Less than 10"                | 4           | 59,331           | 28,657           | 12,050           | 3,886          | 2,201              | -                   | 12,537          |
| 331.3                             | Mains and Accessories - 10" and larger               | 3           | 18,081           | 8,478            | 3,907            | 1,504          | 852                | 716                 | 2,624           |
| 331.3                             | Mains and Accessories - Less than 10"                | 4           | 22,542           | 10,888           | 4,578            | 1,476          | 836                | -                   | 4,763           |
| 333.1                             | Services   | 9           | 566,612          | 474,991          | 76,663           | 3,796          | 10,992             | 170                 | -               |
| 333.2                             | Services - Taylor Mill                               | 9           | 9,750            | 8,173            | 1,319            | 65             | 189                | 3                   | -               |
| 334.1                             | Meters   | 8           | 201,060          | 156,183          | 35,909           | 2,775          | 6,032              | 161                 | -               |
| 334.2                             | Meters   | 8           | 262              | 203              | 47               | 4              | 8                  | 0                   | -               |
| 335.1                             | Fire Hydrants  | 7           | 160,683          | -                | -                | -              | -                  | -                   | 160,683         |
| 335.3                             | Fire Hydrants - Taylor Mill                          | 7           | 4,167            | -                | -                | -              | -                  | -                   | 4,167           |
| 339.1                             | Miscellaneous Equipment                              | 14          | 323,661          | 191,478          | 61,819           | 18,934         | 11,878             | 6,020               | 33,531          |
| 339.2                             | Miscellaneous Equipment                              | 14          | 942              | 557              | 180              | 55             | 35                 | 18                  | 98              |
| 340.1                             | Office Furniture and Equipment                       | 14          | 223,044          | 131,953          | 42,601           | 13,048         | 8,186              | 4,149               | 23,107          |
| 340.2                             | Office Furniture and Equipment                       | 14          | 1,044            | 617              | 199              | 61             | 38                 | 19                  | 108             |
| 341.1                             | Transportation Equipment                             | 14          | 241,904          | 143,111          | 46,204           | 14,151         | 8,878              | 4,499               | 25,061          |
| 341.2                             | Transportation Equipment                             | 14          | 0                | -                | -                | -              | -                  | -                   | -               |
| 342.1                             | Stores Equipment                                     | 14          | 296              | 175              | 57               | 17             | 11                 | 6                   | 31              |
| 343.1                             | Tools,Shop and Garage Equipment                      | 14          | 20,017           | 11,842           | 3,823            | 1,171          | 735                | 372                 | 2,074           |
| 344.1                             | Laboratory Equipment                                 | 2           | 11,177           | 6,107            | 2,815            | 1,083          | 614                | 515                 | 42              |
| 345.1                             | Power Operated Equipment                             | 14          | 53,122           | 31,427           | 10,146           | 3,108          | 1,950              | 988                 | 5,503           |
| 346.1                             | Communication Equipment                              | 14          | 8,694            | 5,144            | 1,661            | 509            | 319                | 162                 | 901             |
| 346.2                             | Communication Equipment                              | 14          | 0                | -                | -                | -              | -                  | -                   | -               |
| 347.1                             | Miscellaneous Equipment                              | 14          | 534              | 316              | 102              | 31             | 20                 | 10                  | 55              |
| <b>Total Depreciation Expense</b> |  |             | <b>8,023,443</b> | <b>4,307,224</b> | <b>1,664,805</b> | <b>563,687</b> | <b>337,510</b>     | <b>213,126</b>      | <b>937,091</b>  |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No. | Account<br>(1)   | Factor<br>Ref.<br>(2) | Cost of<br>Service<br>(3) | Residential<br>(4) | Commercial<br>(5) | Industrial<br>(6) | Public<br>Authorities<br>(7) | Wholesale<br>Customers<br>(8) | Fire<br>Protection<br>(9) |
|-------------|--|-----------------------|---------------------------|--------------------|-------------------|-------------------|------------------------------|-------------------------------|---------------------------|
|             | Amort of Acq. Adj.                                     | 18                    | 201,120                   | 106,332            | 42,597            | 14,601            | 8,729                        | 5,692                         | 23,169                    |
|             | Debt Service   | 18                    | 17,314,762                | 9,154,315          | 3,667,267         | 1,257,052         | 751,461                      | 490,008                       | 1,994,661                 |
|             | Debt Service Coverage                                  | 18                    | 3,462,952                 | 1,830,863          | 733,453           | 251,410           | 150,292                      | 98,002                        | 398,932                   |
|             | Total Debt Service Requirements                        |                       | 20,777,714                | 10,985,178         | 4,400,720         | 1,508,462         | 901,753                      | 588,009                       | 2,393,593                 |
|             | <b>Taxes Other Than Income</b>                         |                       |                           |                    |                   |                   |                              |                               |                           |
|             | Utility Reg Assessment Fee                             | 19                    | 63,774                    | 35,548             | 13,157            | 4,394             | 2,653                        | 1,652                         | 6,371                     |
|             | Employment Taxes                                       | 16                    | 600,167                   | 356,859            | 117,753           | 36,130            | 22,806                       | 11,523                        | 55,095                    |
|             | <b>Total Taxes, Other Than Income</b>                  |                       | 663,941                   | 392,407            | 130,909           | 40,524            | 25,459                       | 13,175                        | 61,466                    |
|             | <b>Total Cost of Service</b>                           |                       | 53,481,400                | 29,804,255         | 11,036,043        | 3,684,940         | 2,227,356                    | 1,385,274                     | 5,343,532                 |
|             | <b>Less: Other Water Revenues</b>                      |                       |                           |                    |                   |                   |                              |                               |                           |
|             | Penalties  | 19                    | 765,149                   | 426,494            | 157,850           | 52,719            | 31,830                       | 19,817                        | 76,438                    |
|             | Turn On Fees   | 8                     | 309,380                   | 240,326            | 55,255            | 4,269             | 9,281                        | 248                           | -                         |
|             | Rent   | 19                    | 540,702                   | 301,387            | 111,547           | 37,254            | 22,493                       | 14,004                        | 54,016                    |
|             | Lab Test Fees  | 2                     | 34,855                    | 19,045             | 8,780             | 3,377             | 1,914                        | 1,607                         | 132                       |
|             | Material Sold  | 14                    | 87,023                    | 51,483             | 16,621            | 5,091             | 3,194                        | 1,619                         | 9,016                     |
|             | Subdivison Revenue                                     | 18                    | 1,803,434                 | 953,476            | 381,967           | 130,929           | 78,269                       | 51,037                        | 207,756                   |
|             | Boone Florence Settlement                              | 19                    | 438,584                   | 244,467            | 90,480            | 30,218            | 18,245                       | 11,359                        | 43,815                    |
|             | Bulk Sales   | 19                    | 88,960                    | 49,586             | 18,352            | 6,129             | 3,701                        | 2,304                         | 8,887                     |
|             | Interest Earnings                                      | 19                    | 638,601                   | 355,956            | 131,743           | 44,000            | 26,566                       | 16,540                        | 63,796                    |
|             | Miscellaneous Revenue                                  | 19                    | 158,619                   | 88,414             | 32,723            | 10,929            | 6,599                        | 4,108                         | 15,846                    |
|             | <b>Total Other Water Revenues</b>                      |                       | 4,865,306                 | 2,730,634          | 1,005,320         | 324,916           | 202,091                      | 122,643                       | 479,702                   |
|             | <b>Total Cost of Service Related to Sales of Water</b> |                       | \$ 48,616,094             | \$ 27,073,621      | \$ 10,030,724     | \$ 3,360,023      | \$ 2,025,265                 | \$ 1,262,631                  | \$ 4,863,830              |
|             | Reallocation of Fire Protection                        | 20                    |                           | 3,781,142          | 869,653           | 67,121            | 145,915                      | 0                             | (4,863,830)               |
|             | <b>Total</b>   |                       | \$ 48,616,094             | \$ 30,854,763      | \$ 10,900,376     | \$ 3,427,144      | \$ 2,171,180                 | \$ 1,262,631                  | \$ -                      |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| <u>Account No.</u> | <u>Account</u> | <u>Factor Ref.</u> | <u>Cost of Service</u> | <u>Residential</u> | <u>Commercial</u> | <u>Industrial</u> | <u>Public Authorities</u> | <u>Wholesale Customers</u> | <u>Fire Protection</u> |
|--------------------|----------------|--------------------|------------------------|--------------------|-------------------|-------------------|---------------------------|----------------------------|------------------------|
|                    | (1)            | (2)                | (3)                    | (4)                | (5)               | (6)               | (7)                       | (8)                        | (9)                    |

boone florence

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No. | Account  | Factor Ref. | Cost of Service | Residential | Commercial | Industrial | Public Authorities | Wholesale Customers | Fire Protection |
|-------------|--|-------------|-----------------|-------------|------------|------------|--------------------|---------------------|-----------------|
|             | (1)  | (2)         | (3)             | (4)         | (5)        | (6)        | (7)                | (8)                 | (9)             |
|             | <b>RATE BASE</b>                                     |             |                 |             |            |            |                    |                     |                 |
| 301.0       | Organization   | 17          | \$ 3,323        | \$ 1,721    | \$ 698     | \$ 240     | \$ 142             | \$ 82               | \$ 441          |
| 303.1       | Land - Intake  | 2           | 29,200          | 15,955      | 7,355      | 2,829      | 1,603              | 1,346               | 111             |
| 303.2       | Land - Treatment Plant                               | 2           | 365,166         | 199,526     | 91,985     | 35,385     | 20,048             | 16,834              | 1,388           |
| 303.3       | Land - Pump Station and Transmission                 | 3           | 190,530         | 89,340      | 41,174     | 15,852     | 8,974              | 7,545               | 27,646          |
| 303.4       | Land - CC  | 2           | 2,596,225       | 1,418,577   | 653,989    | 251,574    | 142,533            | 119,686             | 9,866           |
| 304.1       | Power and Pumping Structures - Intake                | 2           | 12,353,321      | 6,749,855   | 3,111,802  | 1,197,037  | 678,197            | 569,488             | 46,943          |
| 304.2       | Water Treatment Plant                                | 2           | 31,255,874      | 17,078,209  | 7,873,355  | 3,028,694  | 1,715,947          | 1,440,896           | 118,772         |
| 304.3       | Pumping Structures                                   | 3           | 5,017,888       | 2,352,888   | 1,084,366  | 417,488    | 236,343            | 198,708             | 728,096         |
| 304.4       | Office Buildings                                     | 2           | 8,688,923       | 4,747,628   | 2,188,740  | 841,957    | 477,022            | 400,559             | 33,018          |
| 304.5       | Other Structures                                     | 6           | 25,914          | 12,428      | 5,346      | 1,809      | 1,024              | 251                 | 5,056           |
| 304.6       | Structures - Water Treatment                         | 6           | 4,081,594       | 1,957,533   | 842,033    | 284,895    | 161,223            | 39,591              | 796,319         |
| 306.0       | Lake, River and Other Intakes                        | 2           | 594,025         | 324,575     | 149,635    | 57,561     | 32,612             | 27,385              | 2,257           |
| 309.0       | Supply Mains   | 2           | 2,335,616       | 1,276,180   | 588,342    | 226,321    | 128,225            | 107,672             | 8,875           |
| 310.3       | Power Generation Equipment                           | 3           | 1,387,331       | 650,520     | 299,802    | 115,426    | 65,343             | 54,938              | 201,302         |
| 311.1       | Pumping Equipment                                    | 3           | 2,518,915       | 1,181,119   | 544,338    | 209,574    | 118,641            | 99,749              | 365,495         |
| 311.2       | Pumping Equipment                                    | 3           | 307,663         | 144,263     | 66,486     | 25,598     | 14,491             | 12,183              | 44,642          |
| 311.3       | Pumping Equipment                                    | 3           | 2,356,264       | 1,104,852   | 509,189    | 196,041    | 110,980            | 93,308              | 341,894         |
| 320.1       | Purification System                                  | 2           | 7,362,920       | 4,023,099   | 1,854,720  | 713,467    | 404,224            | 339,431             | 27,979          |
| 320.2       | Purification System - Equipment                      | 2           | 37,073          | 20,257      | 9,339      | 3,592      | 2,035              | 1,709               | 141             |
| 330.1       | Distribution Reservoirs and Standpipes               | 5           | 6,060,940       | 2,580,142   | 1,083,696  | 348,504    | 197,587            | 165,464             | 1,685,548       |
| 330.3       | Distribution Reservoirs and Standpipes - Taylor Mill | 5           | 52,112          | 22,184      | 9,318      | 2,996      | 1,699              | 1,423               | 14,492          |
| 331.1       | Mains and Accessories - 10" and larger               | 3           | 48,581,515      | 22,779,872  | 10,498,465 | 4,041,982  | 2,288,189          | 1,923,828           | 7,049,178       |
| 331.1       | Mains and Accessories - Less than 10"                | 4           | 60,565,901      | 29,253,330  | 12,300,934 | 3,967,067  | 2,246,995          | 0                   | 12,797,575      |
| 331.2       | Mains and Accessories - 10" and larger               | 3           | 2,484,295       | 1,164,886   | 536,856    | 206,693    | 117,010            | 98,378              | 360,471         |
| 331.2       | Mains and Accessories - Less than 10"                | 4           | 3,097,136       | 1,495,917   | 629,028    | 202,862    | 114,904            | 0                   | 654,425         |
| 331.3       | Mains and Accessories - 10" and larger               | 3           | 972,831         | 456,161     | 210,229    | 80,940     | 45,820             | 38,524              | 141,158         |
| 331.3       | Mains and Accessories - Less than 10"                | 4           | 1,212,815       | 585,790     | 246,323    | 79,439     | 44,995             | 0                   | 256,268         |
| 333.1       | Services   | 9           | 15,233,887      | 12,770,567  | 2,061,145  | 102,067    | 295,537            | 4,570               | 0               |
| 333.2       | Services - Taylor Mill                               | 9           | 333,938         | 279,940     | 45,182     | 2,237      | 6,478              | 100                 | 0               |
| 334.1       | Meters   | 8           | 6,311,872       | 4,903,062   | 1,127,300  | 87,104     | 189,356            | 5,049               | 0               |
| 334.2       | Meters   | 8           | 2,379           | 1,848       | 425        | 33         | 71                 | 2                   | 0               |
| 335.1       | Fire Hydrants  | 7           | 4,929,344       | 0           | 0          | 0          | 0                  | 0                   | 4,929,344       |
| 335.3       | Fire Hydrants - Taylor Mill                          | 7           | 130,417         | 0           | 0          | 0          | 0                  | 0                   | 130,417         |
| 339.1       | Miscellaneous Equipment                              | 14          | 760,860         | 450,125     | 145,324    | 44,510     | 27,924             | 14,152              | 78,825          |
| 339.2       | Miscellaneous Equipment                              | 14          | 1,285           | 760         | 246        | 75         | 47                 | 24                  | 133             |
| 340.1       | Office Furniture and Equipment                       | 14          | 1,239,689       | 733,400     | 236,781    | 72,522     | 45,497             | 23,058              | 128,432         |
| 340.2       | Office Furniture and Equipment                       | 14          | 9,263           | 5,480       | 1,769      | 542        | 340                | 172                 | 960             |
| 341.1       | Transportation Equipment                             | 14          | 529,746         | 313,398     | 101,182    | 30,990     | 19,442             | 9,853               | 54,882          |
| 341.2       | Transportation Equipment                             | 14          | 0               | 0           | 0          | 0          | 0                  | 0                   | 0               |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

| Account No. | Account                                      | Factor Ref. | Cost of Service       | Residential           | Commercial           | Industrial           | Public Authorities   | Wholesale Customers | Fire Protection      |
|-------------|--|-------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
|             | (1)  | (2)         | (3)                   | (4)                   | (5)                  | (6)                  | (7)                  | (8)                 | (9)                  |
| 342.1       | Stores Equipment                             | 14          | 444                   | 263                   | 85                   | 26                   | 16                   | 8                   | 46                   |
| 343.1       | Tools,Shop and Garage Equipment              | 14          | 117,250               | 69,365                | 22,395               | 6,859                | 4,303                | 2,181               | 12,147               |
| 344.1       | Laboratory Equipment                         | 2           | 42,514                | 23,230                | 10,709               | 4,120                | 2,334                | 1,960               | 162                  |
| 345.1       | Power Operated Equipment                     | 14          | 204,360               | 120,900               | 39,033               | 11,955               | 7,500                | 3,801               | 21,172               |
| 346.1       | Communication Equipment                      | 14          | 66,884                | 39,568                | 12,775               | 3,913                | 2,455                | 1,244               | 6,929                |
| 346.2       | Communication Equipment                      | 14          | 0                     | 0                     | 0                    | 0                    | 0                    | 0                   | 0                    |
| 347.1       | Miscellaneous Equipment                      | 14          | 4,455                 | 2,636                 | 851                  | 261                  | 163                  | 83                  | 462                  |
|             | <b>Total Utility Plant in Service</b>        |             | <u>234,453,899</u>    | <u>121,401,349</u>    | <u>49,242,741</u>    | <u>16,923,038</u>    | <u>9,978,270</u>     | <u>5,825,238</u>    | <u>31,083,263</u>    |
|             | <b>Construction Work In Progress</b>         |             |                       |                       |                      |                      |                      |                     |                      |
|             | Mains and Accessories - 10" and larger       | 3           | 6,754,778             | 3,167,316             | 1,459,708            | 561,998              | 318,150              | 267,489             | 980,118              |
|             | Mains and Accessories - Less than 10"        | 4           | 8,242,334             | 3,981,048             | 1,674,018            | 539,873              | 305,791              | 0                   | 1,741,605            |
|             | Pumping Equipment                            | 3           | 2,307,423             | 1,081,951             | 498,634              | 191,978              | 108,680              | 91,374              | 334,807              |
|             | Water Treatment Plant                        | 2           | 13,240,809            | 7,234,778             | 3,335,360            | 1,283,034            | 726,920              | 610,401             | 50,315               |
|             | Distribution Reservoirs and Standpipes       | 5           | 27,319                | 11,630                | 4,885                | 1,571                | 891                  | 746                 | 7,597                |
|             | Meters                                       | 8           | 7,695,585             | 5,977,930             | 1,374,431            | 106,199              | 230,868              | 6,156               | 0                    |
|             | General                                      | 14          | 111,525               | 65,978                | 21,301               | 6,524                | 4,093                | 2,074               | 11,554               |
|             | <b>Total Construction Work in Progress</b>   |             | <u>38,379,774</u>     | <u>21,520,630</u>     | <u>8,368,337</u>     | <u>2,691,177</u>     | <u>1,695,392</u>     | <u>978,241</u>      | <u>3,125,997</u>     |
|             | Contributions in Aid of Construction         | 4           | (33,948,961)          | (16,397,348)          | (6,895,034)          | (2,223,657)          | (1,259,506)          | 0                   | (7,173,415)          |
|             | <b>Other Rate Base Items</b>                 |             |                       |                       |                      |                      |                      |                     |                      |
|             | Add:   |             |                       |                       |                      |                      |                      |                     |                      |
|             | Other Utility Plant Acquisitions/Adjustments | 17          | 3,464,111             | 1,793,717             | 727,463              | 250,109              | 147,571              | 85,910              | 459,341              |
|             | Materials and Supplies                       | 14          | 1,251,889             | 740,617               | 239,111              | 73,235               | 45,944               | 23,285              | 129,696              |
|             | Prepayments                                  | 14          | 316,138               | 187,027               | 60,382               | 18,494               | 11,602               | 5,880               | 32,752               |
|             | Prepayments - Tank Cleaning/Painting         | 5           | 2,002,184             | 852,330               | 357,991              | 115,126              | 65,271               | 54,660              | 556,807              |
|             | Unamortized Debt Discount and Expense        | 17          | 3,356,586             | 1,738,040             | 704,883              | 242,346              | 142,991              | 83,243              | 445,083              |
|             | Deferred Credits                             | 17          | 2,887,791             | 1,495,298             | 606,436              | 208,499              | 123,020              | 71,617              | 382,921              |
|             | Regulatory Deferrals                         | 19          | 46,124                | 25,710                | 9,515                | 3,178                | 1,919                | 1,195               | 4,608                |
|             | <b>Total Other Rate Base Elements</b>        |             | <u>13,324,824</u>     | <u>6,832,739</u>      | <u>2,705,782</u>     | <u>910,986</u>       | <u>538,318</u>       | <u>325,790</u>      | <u>2,011,208</u>     |
|             | <b>Total Original Cost Measure of Value</b>  |             | <u>\$ 252,209,536</u> | <u>\$ 133,357,371</u> | <u>\$ 53,421,826</u> | <u>\$ 18,301,543</u> | <u>\$ 10,952,474</u> | <u>\$ 7,129,269</u> | <u>\$ 29,047,053</u> |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|   |                                    |   | Base             | Max Day          | Max Hour         | Meters   | Services | Billing & Collecting | Fire Protection |
|---|------------------------------------|---|------------------|------------------|------------------|----------|----------|----------------------|-----------------|
| <b>OPERATION AND MAINTENANCE EXPENSES</b> |                                    |   |                  |                  |                  |          |          |                      |                 |
| <b>Source of Supply</b>                   |                                    |   |                  |                  |                  |          |          |                      |                 |
| <b>Operations</b>                         |                                    |   |                  |                  |                  |          |          |                      |                 |
| 615.1                                     | Purchased Power                    | 1 | 760,271          | 755,709          | 0                | 0        | 0        | 0                    | 4,562           |
| 635.1                                     | Contractual Service                | 2 | 2,405            | 1,494            | 902              | 0        | 0        | 0                    | 9               |
|   | <b>Total Operations</b>            |   | <u>762,676</u>   | <u>757,203</u>   | <u>902</u>       | <u>0</u> | <u>0</u> | <u>0</u>             | <u>4,571</u>    |
| <b>Maintenance</b>                        |                                    |   |                  |                  |                  |          |          |                      |                 |
| 620.2                                     | Materials and Supplies             | 2 | 3,312            | 2,057            | 1,242            | 0        | 0        | 0                    | 13              |
| 635.2                                     | Contractual Service                | 2 | 7,095            | 4,407            | 2,661            | 0        | 0        | 0                    | 27              |
|   | <b>Total Maintenance</b>           |   | <u>10,407</u>    | <u>6,465</u>     | <u>3,903</u>     | <u>0</u> | <u>0</u> | <u>0</u>             | <u>40</u>       |
|   | <b>Total Source of Supply</b>      |   | <u>773,083</u>   | <u>763,668</u>   | <u>4,804</u>     | <u>0</u> | <u>0</u> | <u>0</u>             | <u>4,610</u>    |
| <b>Water Treatment</b>                    |                                    |   |                  |                  |                  |          |          |                      |                 |
| <b>Operations</b>                         |                                    |   |                  |                  |                  |          |          |                      |                 |
| 601.3                                     | Labor                              | 2 | 1,243,463        | 772,439          | 466,299          | 0        | 0        | 0                    | 4,725           |
| 601.3                                     | Labor - Lab                        | 2 | 433,779          | 269,464          | 162,667          | 0        | 0        | 0                    | 1,648           |
| 615.3                                     | Purchased Power                    | 1 | 201,253          | 200,046          | 0                | 0        | 0        | 0                    | 1,208           |
| 616.3                                     | Gas                                | 1 | 126,539          | 125,780          | 0                | 0        | 0        | 0                    | 759             |
| 618.3                                     | Chemicals                          | 1 | 1,857,067        | 1,845,924        | 0                | 0        | 0        | 0                    | 11,142          |
| 620.3                                     | Materials and Supplies             | 2 | 199,637          | 124,015          | 74,864           | 0        | 0        | 0                    | 759             |
| 631.3                                     | Contractual Services - Engineering | 2 | 16,380           | 10,175           | 6,142            | 0        | 0        | 0                    | 62              |
| 633.3                                     | Contractual Services               | 2 | 1,397            | 868              | 524              | 0        | 0        | 0                    | 5               |
| 635.3                                     | Contractual Services - Sludge      | 2 | 128,086          | 79,567           | 48,032           | 0        | 0        | 0                    | 487             |
| 635.3                                     | Contractual Services - Laboratory  | 2 | 56,571           | 35,142           | 21,214           | 0        | 0        | 0                    | 215             |
| 635.3                                     | Contractual Services - Other       | 2 | 182,252          | 113,215          | 68,345           | 0        | 0        | 0                    | 693             |
| 650.3                                     | Transportation Expense             | 2 | 48,568           | 30,170           | 18,213           | 0        | 0        | 0                    | 185             |
|   | <b>Total Operations</b>            |   | <u>4,494,992</u> | <u>3,606,805</u> | <u>866,300</u>   | <u>0</u> | <u>0</u> | <u>0</u>             | <u>21,888</u>   |
| <b>Maintenance</b>                        |                                    |   |                  |                  |                  |          |          |                      |                 |
| 601.4                                     | Labor                              | 2 | 756,822          | 470,138          | 283,808          | 0        | 0        | 0                    | 2,876           |
| 620.4                                     | Materials and Supplies             | 2 | 191,117          | 118,722          | 71,669           | 0        | 0        | 0                    | 726             |
| 635.4                                     | Contractual Services - Other       | 2 | 304,397          | 189,092          | 114,149          | 0        | 0        | 0                    | 1,157           |
| 650.4                                     | Transportation Expense             | 2 | 94               | 58               | 35               | 0        | 0        | 0                    | 0               |
|   | <b>Total Maintenance</b>           |   | <u>1,252,429</u> | <u>778,009</u>   | <u>469,661</u>   | <u>0</u> | <u>0</u> | <u>0</u>             | <u>4,759</u>    |
|   | <b>Total Water Treatment</b>       |   | <u>5,747,421</u> | <u>4,384,814</u> | <u>1,335,961</u> | <u>0</u> | <u>0</u> | <u>0</u>             | <u>26,647</u>   |
| <b>Transmission and Distribution</b>      |                                    |   |                  |                  |                  |          |          |                      |                 |
| <b>Operations</b>                         |                                    |   |                  |                  |                  |          |          |                      |                 |
| 601.5                                     | Labor                              | 6 | 813,921          | 307,581          | 64,137           | 283,407  | 0        | 0                    | 158,796         |
| 615.5                                     | Purchased Power                    | 1 | 1,266,476        | 1,258,877        | 0                | 0        | 0        | 0                    | 7,599           |
| 616.5                                     | Gas                                | 6 | 3,373            | 1,275            | 266              | 1,174    | 0        | 0                    | 658             |
| 620.5                                     | Materials and Supplies             | 6 | 127,498          | 48,182           | 10,047           | 44,395   | 0        | 0                    | 24,875          |
| 631.5                                     | Contractual Services - Engineering | 6 | 6,345            | 2,398            | 500              | 2,209    | 0        | 0                    | 1,238           |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|                            |   |    | Base             | Max Day          | Max Hour       | Meters           | Services       | Billing & Collecting | Fire Protection  |
|----------------------------|---|----|------------------|------------------|----------------|------------------|----------------|----------------------|------------------|
| 633.5                      | Contractual Services                          | 6  | 19,921           | 7,528            | 1,570          | 6,936            | 0              | 0                    | 3,887            |
| 635.5                      | Contractual Services - Other                  | 6  | 59,138           | 22,348           | 4,660          | 20,592           | 0              | 0                    | 11,538           |
| 650.5                      | Transportation Expense                        | 6  | 42,011           | 15,876           | 3,310          | 14,628           | 0              | 0                    | 8,196            |
|                            | <b>Total Operations</b>                       |    | <u>2,338,683</u> | <u>1,664,064</u> | <u>84,490</u>  | <u>373,343</u>   | <u>0</u>       | <u>0</u>             | <u>216,787</u>   |
| <b>Maintenance</b>         |   |    |                  |                  |                |                  |                |                      |                  |
| 601.6                      | Labor   | 11 | 657,015          | 184,490          | 34,099         | 180,351          | 66             | 123,650              | 134,359          |
| 601.6                      | Labor - Mains                                 | 6  | 1,450,899        | 548,295          | 114,331        | 505,203          | 0              | 0                    | 283,070          |
| 601.6                      | Labor - Services                              | 9  | 242,983          | 0                | 0              | 0                | 0              | 242,983              | 0                |
| 601.6                      | Labor - Hydrants                              | 7  | 74,017           | 0                | 0              | 0                | 0              | 0                    | 74,017           |
| 620.6                      | Materials and Supplies - Mains                | 6  | 524,742          | 198,300          | 41,350         | 182,715          | 0              | 0                    | 102,377          |
| 620.6                      | Materials and Supplies - Services             | 9  | 294,899          | 0                | 0              | 0                | 0              | 294,899              | 0                |
| 620.6                      | Materials and Supplies - Meters               | 8  | 317              | 0                | 0              | 0                | 317            | 0                    | 0                |
| 620.6                      | Materials and Supplies - Hydrants             | 7  | 86,168           | 0                | 0              | 0                | 0              | 0                    | 86,168           |
| 620.6                      | Materials and Supplies                        | 11 | 19,921           | 5,594            | 1,034          | 5,468            | 2              | 3,749                | 4,074            |
| 631.6                      | Contractual Services - Engineering            | 11 | 3,134            | 880              | 163            | 860              | 0              | 590                  | 641              |
| 635.6                      | Contractual Services - Other                  | 11 | 365,828          | 102,725          | 18,986         | 100,420          | 37             | 68,849               | 74,812           |
| 635.6                      | Water Tower Painting Write-off                | 5  | 370,176          | 110,942          | 0              | 156,288          | 0              | 0                    | 102,946          |
| 635.6                      | Contractual Services - Water Towers           | 5  | 1,829            | 548              | 0              | 772              | 0              | 0                    | 509              |
| 635.6                      | Contractual Services - Mains                  | 6  | 306,867          | 115,965          | 24,181         | 106,851          | 0              | 0                    | 59,870           |
| 635.6                      | Contractual Services - Services               | 9  | 114,547          | 0                | 0              | 0                | 0              | 114,547              | 0                |
| 642.6                      | Rental  | 11 | 750              | 211              | 39             | 206              | 0              | 141                  | 153              |
| 650.6                      | Transportation Expense                        | 11 | 269,589          | 75,701           | 13,992         | 74,002           | 27             | 50,737               | 55,131           |
|                            | <b>Total Maintenance</b>                      |    | <u>4,783,682</u> | <u>1,343,649</u> | <u>248,174</u> | <u>1,313,137</u> | <u>449</u>     | <u>900,145</u>       | <u>978,128</u>   |
|                            | <b>Total Transmission and Distribution</b>    |    | <u>7,122,365</u> | <u>3,007,713</u> | <u>332,664</u> | <u>1,686,480</u> | <u>449</u>     | <u>900,145</u>       | <u>1,194,914</u> |
| <b>Customer Accounting</b> |   |    |                  |                  |                |                  |                |                      |                  |
| 601.7                      | Labor - Meter Reading                         | 12 | 55,924           | 0                | 0              | 0                | 0              | 55,924               | 0                |
| 601.7                      | Labor - Meter Shop                            | 8  | 190,954          | 0                | 0              | 0                | 190,954        | 0                    | 0                |
| 601.7                      | Labor Field Service                           | 8  | 667,526          | 0                | 0              | 0                | 667,526        | 0                    | 0                |
| 601.7                      | Labor - Account Service                       | 12 | 715,179          | 0                | 0              | 0                | 0              | 715,179              | 0                |
| 601.7                      | Labor - Courier                               | 12 | 31,837           | 0                | 0              | 0                | 0              | 31,837               | 0                |
| 620.7                      | Materials and Supplies                        | 12 | 80,802           | 0                | 0              | 0                | 0              | 80,802               | 0                |
| 620.7                      | Postage                                       | 12 | 49,486           | 0                | 0              | 0                | 0              | 49,486               | 0                |
| 633.7                      | Contractual Services - Account Service        | 12 | 2,508            | 0                | 0              | 0                | 0              | 2,508                | 0                |
| 633.7                      | Legal Fees                                    | 12 | 45               | 0                | 0              | 0                | 0              | 45                   | 0                |
| 635.7                      | Contractual Services - Meter Reading          | 12 | 3,162            | 0                | 0              | 0                | 0              | 3,162                | 0                |
| 635.7                      | Contractual Services - Bill Printing/Mailing  | 12 | 175,502          | 0                | 0              | 0                | 0              | 175,502              | 0                |
| 635.7                      | Contractual Services - Collections            | 12 | 11,167           | 0                | 0              | 0                | 0              | 11,167               | 0                |
| 635.7                      | Contractual Services - Credit Card Processing | 12 | 105,254          | 0                | 0              | 0                | 0              | 105,254              | 0                |
| 635.7                      | Contractual Services - Lock Box Processing    | 12 | 33,424           | 0                | 0              | 0                | 0              | 33,424               | 0                |
| 635.7                      | Contractual Services - Other                  | 12 | 67,704           | 0                | 0              | 0                | 0              | 67,704               | 0                |
| 650.7                      | Transportation Expense                        | 12 | 90,893           | 0                | 0              | 0                | 0              | 90,893               | 0                |
|                            | <b>Total Customer Accounting</b>              |    | <u>2,281,368</u> | <u>0</u>         | <u>0</u>       | <u>0</u>         | <u>858,480</u> | <u>1,422,888</u>     | <u>0</u>         |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|   |   |    | Base              | Max Day           | Max Hour         | Meters           | Services         | Billing & Collecting | Fire Protection  |                  |
|---|---|----|-------------------|-------------------|------------------|------------------|------------------|----------------------|------------------|------------------|
| <b>Administrative and General</b>                 |   |    |                   |                   |                  |                  |                  |                      |                  |                  |
| 601.8   | Labor                                   | 14 | 1,134,186         | 380,973           | 159,126          | 165,137          | 84,043           | 88,126               | 139,278          | 117,502          |
| 604   | Employee Benefits                       | 16 | 3,773,335         | 1,306,706         | 572,415          | 505,250          | 419,972          | 202,628              | 419,972          | 346,392          |
| 615.8   | Utilities                               | 14 | 161,417           | 54,220            | 22,647           | 23,502           | 11,961           | 12,542               | 19,822           | 16,723           |
| 620.8   | Materials and Supplies                  | 14 | 171,817           | 57,713            | 24,106           | 25,017           | 12,732           | 13,350               | 21,099           | 17,800           |
| 631.8   | Contractual Services - Engineering      | 14 | 126,833           | 42,603            | 17,795           | 18,467           | 9,398            | 9,855                | 15,575           | 13,140           |
| 632.8   | Contract Service Accounting/Audit       | 14 | 28,255            | 9,491             | 3,964            | 4,114            | 2,094            | 2,195                | 3,470            | 2,927            |
| 633.8   | Legal Fees                              | 14 | 142,184           | 47,760            | 19,948           | 20,702           | 10,536           | 11,048               | 17,460           | 14,730           |
| 634.8   | Contractual Fees                        | 14 | 70,691            | 23,745            | 9,918            | 10,293           | 5,238            | 5,493                | 8,681            | 7,324            |
| 635.8   | Contractual Services - HR/Infor Systems | 16 | 200,547           | 69,450            | 30,423           | 26,853           | 22,321           | 10,769               | 22,321           | 18,410           |
| 635.8   | Contractual Services                    | 14 | 596,884           | 200,493           | 83,743           | 86,906           | 44,229           | 46,378               | 73,297           | 61,837           |
| 650.8   | Transportation Expense                  | 14 | 6,971             | 2,342             | 978              | 1,015            | 517              | 542                  | 856              | 722              |
| 656   | Vehicle Insurance                       | 14 | 34,280            | 11,515            | 4,810            | 4,991            | 2,540            | 2,664                | 4,210            | 3,551            |
| 657   | General Liability Insurance             | 14 | 250,390           | 84,106            | 35,130           | 36,457           | 18,554           | 19,455               | 30,748           | 25,940           |
| 658   | Workers Comp Insurance                  | 16 | 73,911            | 25,595            | 11,212           | 9,897            | 8,226            | 3,969                | 8,226            | 6,785            |
| 659   | Other Insurance                         | 14 | 124,307           | 41,755            | 17,440           | 18,099           | 9,211            | 9,659                | 15,265           | 12,878           |
| 660   | Advertising Expense                     | 14 | 19,969            | 6,707             | 2,802            | 2,907            | 1,480            | 1,552                | 2,452            | 2,069            |
| 667   | PSC Expense- Rate Case Expense          | 19 | 122,618           | 53,731            | 20,931           | 13,243           | 7,185            | 7,933                | 7,345            | 12,249           |
| 670   | Bad Debt Expense                        | 12 | 649,060           | 0                 | 0                | 0                | 0                | 0                    | 649,060          | 0                |
| 675   | Miscellaneous Expense                   | 14 | 203,290           | 68,285            | 28,522           | 29,599           | 15,064           | 15,796               | 24,964           | 21,061           |
| <b>Total Administrative and General</b>           |   |    | <u>7,890,945</u>  | <u>2,487,190</u>  | <u>1,065,909</u> | <u>1,002,449</u> | <u>685,301</u>   | <u>463,953</u>       | <u>1,484,101</u> | <u>702,042</u>   |
| <b>Total Operation &amp; Maintenance Expenses</b> |   |    | <u>23,815,181</u> | <u>10,643,385</u> | <u>2,739,338</u> | <u>2,688,928</u> | <u>1,544,230</u> | <u>1,364,098</u>     | <u>2,906,989</u> | <u>1,928,213</u> |



NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|                                   |  |    | Base             | Max Day          | Max Hour         | Meters         | Services       | Billing & Collecting | Fire Protection |                |
|-----------------------------------|--|----|------------------|------------------|------------------|----------------|----------------|----------------------|-----------------|----------------|
| <b>DEPRECIATION EXPENSE</b>       |  |    |                  |                  |                  |                |                |                      |                 |                |
| 304.1                             | Power and Pumping Structures - Intake                | 2  | 461,557          | 286,719          | 173,084          | 0              | 0              | 0                    | 0               | 1,754          |
| 304.2                             | Water Treatment Plant                                | 2  | 1,195,729        | 742,787          | 448,399          | 0              | 0              | 0                    | 0               | 4,544          |
| 304.3                             | Pumping Structures                                   | 3  | 254,977          | 135,954          | 82,026           | 0              | 0              | 0                    | 0               | 36,997         |
| 304.4                             | Office Buildings                                     | 14 | 464,589          | 156,055          | 65,182           | 67,644         | 34,426         | 36,099               | 57,052          | 48,131         |
| 304.5                             | Other Structures                                     | 14 | 1,461            | 491              | 205              | 213            | 108            | 114                  | 179             | 151            |
| 304.6                             | Structures - Water Treatment                         | 2  | 158,673          | 98,568           | 59,502           | 0              | 0              | 0                    | 0               | 603            |
| 306                               | Lake, River and Other Intakes                        | 2  | 27,567           | 17,125           | 10,338           | 0              | 0              | 0                    | 0               | 105            |
| 309                               | Supply Mains   | 2  | 57,952           | 36,000           | 21,732           | 0              | 0              | 0                    | 0               | 220            |
| 310.3                             | Power Generation Equipment                           | 3  | 18,748           | 9,996            | 6,031            | 0              | 0              | 0                    | 0               | 2,720          |
| 311.1                             | Pumping Equipment                                    | 3  | 190,079          | 101,350          | 61,148           | 0              | 0              | 0                    | 0               | 27,580         |
| 311.2                             | Pumping Equipment                                    | 3  | 64,179           | 34,220           | 20,646           | 0              | 0              | 0                    | 0               | 9,312          |
| 311.3                             | Pumping Equipment                                    | 3  | 300,831          | 160,403          | 96,777           | 0              | 0              | 0                    | 0               | 43,651         |
| 320.1                             | Purification System                                  | 2  | 383,597          | 238,291          | 143,849          | 0              | 0              | 0                    | 0               | 1,458          |
| 320.2                             | Purification System - Equipment                      | 2  | 4,247            | 2,638            | 1,593            | 0              | 0              | 0                    | 0               | 16             |
| 330.1                             | Distribution Reservoirs and Standpipes               | 5  | 304,197          | 91,168           | 0                | 128,432        | 0              | 0                    | 0               | 84,597         |
| 330.3                             | Distribution Reservoirs and Standpipes - Taylor Mill | 5  | 2,069            | 620              | 0                | 874            | 0              | 0                    | 0               | 575            |
| 331.1                             | Mains and Accessories - Transmission                 | 3  | 960,737          | 512,265          | 309,069          | 0              | 0              | 0                    | 0               | 139,403        |
| 331.1                             | Mains and Accessories - Distribution                 | 4  | 1,197,737        | 392,139          | 0                | 552,516        | 0              | 0                    | 0               | 253,082        |
| 331.2                             | Mains and Accessories - Transmission                 | 3  | 47,591           | 25,376           | 15,310           | 0              | 0              | 0                    | 0               | 6,905          |
| 331.2                             | Mains and Accessories - Distribution                 | 4  | 59,331           | 19,425           | 0                | 27,369         | 0              | 0                    | 0               | 12,537         |
| 331.3                             | Mains and Accessories - Taylor Mill - Transmission   | 3  | 18,081           | 9,641            | 5,817            | 0              | 0              | 0                    | 0               | 2,624          |
| 331.3                             | Mains and Accessories - Taylor Mill - Distribution   | 4  | 22,542           | 7,380            | 0                | 10,399         | 0              | 0                    | 0               | 4,763          |
| 333.1                             | Services   | 9  | 566,612          | 0                | 0                | 0              | 566,612        | 0                    | 0               | 0              |
| 333.2                             | Services - Taylor Mill                               | 9  | 9,750            | 0                | 0                | 0              | 9,750          | 0                    | 0               | 0              |
| 334.1                             | Meters   | 8  | 201,060          | 0                | 0                | 0              | 201,060        | 0                    | 0               | 0              |
| 334.2                             | Meters   | 8  | 262              | 0                | 0                | 0              | 262            | 0                    | 0               | 0              |
| 335.1                             | Fire Hydrants  | 7  | 160,683          | 0                | 0                | 0              | 0              | 0                    | 0               | 160,683        |
| 335.3                             | Fire Hydrants - Taylor Mill                          | 7  | 4,167            | 0                | 0                | 0              | 0              | 0                    | 0               | 4,167          |
| 339.1                             | Miscellaneous Equipment                              | 14 | 323,661          | 108,718          | 45,410           | 47,125         | 23,983         | 25,148               | 39,746          | 33,531         |
| 339.2                             | Miscellaneous Equipment                              | 14 | 942              | 317              | 132              | 137            | 70             | 73                   | 116             | 98             |
| 340.1                             | Office Furniture and Equipment                       | 14 | 223,044          | 74,920           | 31,293           | 32,475         | 16,528         | 17,330               | 27,390          | 23,107         |
| 340.2                             | Office Furniture and Equipment                       | 14 | 1,044            | 351              | 146              | 152            | 77             | 81                   | 128             | 108            |
| 341.1                             | Transportation Equipment                             | 14 | 241,904          | 81,256           | 33,939           | 35,221         | 17,925         | 18,796               | 29,706          | 25,061         |
| 341.2                             | Transportation Equipment                             | 14 | -                | 0                | 0                | 0              | 0              | 0                    | 0               | 0              |
| 342.1                             | Stores Equipment                                     | 14 | 296              | 100              | 42               | 43             | 22             | 23                   | 36              | 31             |
| 343.1                             | Tools,Shop and Garage Equipment                      | 14 | 20,017           | 6,724            | 2,808            | 2,915          | 1,483          | 1,555                | 2,458           | 2,074          |
| 344.1                             | Laboratory Equipment                                 | 2  | 11,177           | 6,943            | 4,191            | 0              | 0              | 0                    | 0               | 42             |
| 345.1                             | Power Operated Equipment                             | 14 | 53,122           | 17,844           | 7,453            | 7,735          | 3,936          | 4,128                | 6,523           | 5,503          |
| 346.1                             | Communication Equipment                              | 14 | 8,694            | 2,920            | 1,220            | 1,266          | 644            | 676                  | 1,068           | 901            |
| 346.2                             | Communication Equipment                              | 14 | -                | 0                | 0                | 0              | 0              | 0                    | 0               | 0              |
| 347.1                             | Miscellaneous Equipment                              | 14 | 534              | 180              | 75               | 78             | 40             | 42                   | 66              | 55             |
| <b>Total Depreciation Expense</b> |  |    | <b>8,023,443</b> | <b>3,378,883</b> | <b>1,647,418</b> | <b>914,593</b> | <b>300,564</b> | <b>680,427</b>       | <b>164,467</b>  | <b>937,091</b> |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|  |    |                      | Base                 | Max Day             | Max Hour            | Meters              | Services            | Billing & Collecting | Fire Protection  |
|--|----|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|
| Amort-Other UP   | 18 | 201,120              | 88,030               | 44,588              | 19,971              | 11,665              | 13,234              | 463                  | 23,169           |
| Debt Service   | 18 | 17,314,762           | 7,578,671            | 3,838,683           | 1,719,356           | 1,004,256           | 1,139,311           | 39,824               | 1,994,661        |
| Debt Service Coverage                                  | 18 | 3,462,952            | 1,515,734            | 767,737             | 343,871             | 200,851             | 227,862             | 7,965                | 398,932          |
| Total Debt Service Requirements                        |    | <u>20,777,714</u>    | <u>9,094,406</u>     | <u>4,606,419</u>    | <u>2,063,227</u>    | <u>1,205,107</u>    | <u>1,367,174</u>    | <u>47,789</u>        | <u>2,393,593</u> |
| <b>Taxes Other Than Income</b>                         |    |                      |                      |                     |                     |                     |                     |                      |                  |
| Utility Reg Assessment Fee                             | 19 | 63,774               | 27,946               | 10,886              | 6,888               | 3,737               | 4,126               | 3,820                | 6,371            |
| Employment Taxes                                       | 16 | 600,167              | 207,838              | 91,045              | 80,362              | 66,799              | 32,229              | 66,799               | 55,095           |
| Total Taxes, Other Than Income                         |    | <u>663,941</u>       | <u>235,784</u>       | <u>101,932</u>      | <u>87,250</u>       | <u>70,536</u>       | <u>36,355</u>       | <u>70,619</u>        | <u>61,466</u>    |
| <b>Total Cost of Service</b>                           |    | <u>53,481,400</u>    | <u>23,440,487</u>    | <u>9,139,696</u>    | <u>5,773,970</u>    | <u>3,132,102</u>    | <u>3,461,287</u>    | <u>3,190,326</u>     | <u>5,343,532</u> |
| <b>Less: Other Water Revenues</b>                      |    |                      |                      |                     |                     |                     |                     |                      |                  |
| Penalties  | 19 | 765,149              | 335,288              | 130,611             | 82,636              | 44,838              | 49,505              | 45,832               | 76,438           |
| Turn On Fees   | 8  | 309,380              | 0                    | 0                   | 0                   | 309,380             | 0                   | 0                    | 0                |
| Rent   | 19 | 540,702              | 236,935              | 92,298              | 58,396              | 31,685              | 34,983              | 32,388               | 54,016           |
| Lab Test Fees  | 2  | 34,855               | 21,652               | 13,071              | 0                   | 0                   | 0                   | 0                    | 132              |
| Material Sold  | 14 | 87,023               | 29,231               | 12,209              | 12,671              | 6,448               | 6,762               | 10,686               | 9,016            |
| Subdivision Revenue                                    | 18 | 1,803,434            | 789,363              | 399,821             | 179,081             | 104,599             | 118,666             | 4,148                | 207,756          |
| Boone Florence Settlement                              | 19 | 438,584              | 192,188              | 74,866              | 47,367              | 25,701              | 28,376              | 26,271               | 43,815           |
| Bulk Sales   | 19 | 88,960               | 38,982               | 15,185              | 9,608               | 5,213               | 5,756               | 5,329                | 8,887            |
| Interest Earnings                                      | 19 | 638,601              | 279,835              | 109,009             | 68,969              | 37,422              | 41,317              | 38,252               | 63,796           |
| Miscellaneous Revenue                                  | 19 | 158,619              | 69,507               | 27,076              | 17,131              | 9,295               | 10,263              | 9,501                | 15,846           |
| Total Other Water Revenues                             |    | <u>4,865,306</u>     | <u>1,992,981</u>     | <u>874,147</u>      | <u>475,858</u>      | <u>574,582</u>      | <u>295,628</u>      | <u>172,408</u>       | <u>479,702</u>   |
| <b>Total Cost of Service Related to Sales of Water</b> |    | <u>48,616,094</u>    | <u>21,447,505</u>    | <u>8,265,549</u>    | <u>5,298,112</u>    | <u>2,557,521</u>    | <u>3,165,659</u>    | <u>3,017,918</u>     | <u>4,863,830</u> |
| Reallocation of Fire Protection                        | 20 | 0                    | 0                    | 0                   | 0                   | 4,863,830           | 0                   | 0                    | (4,863,830)      |
| <b>Total</b>   |    | <u>\$ 48,616,094</u> | <u>\$ 21,447,505</u> | <u>\$ 8,265,549</u> | <u>\$ 5,298,112</u> | <u>\$ 7,421,351</u> | <u>\$ 3,165,659</u> | <u>\$ 3,017,918</u>  | <u>\$ -</u>      |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

| Base       | Max Day | Max Hour | Meters | Services | Billing &<br>Collecting | Fire<br>Protection |
|------------|---------|----------|--------|----------|-------------------------|--------------------|
| 10,936,130 |         |          |        |          |                         |                    |
| 1.96       |         |          |        |          |                         |                    |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|  |    | Base       | Max Day    | Max Hour   | Meters     | Services  | Billing & Collecting | Fire Protection |
|--|----|------------|------------|------------|------------|-----------|----------------------|-----------------|
| <b>RATE BASE</b>                                     |    |            |            |            |            |           |                      |                 |
| Organization   | 17 | 3,323      | 1,423      | 650        | 487        | 93        | 224                  | 5 441           |
| Land - Intake  | 2  | 29,200     | 18,139     | 10,950     | 0          | 0         | 0                    | 0 111           |
| Land - Treatment Plant                               | 2  | 365,166    | 226,841    | 136,937    | 0          | 0         | 0                    | 0 1,388         |
| Land - Pump Station and Transmission                 | 3  | 190,530    | 101,591    | 61,294     | 0          | 0         | 0                    | 0 27,646        |
| Land - CC  | 2  | 2,596,225  | 1,612,775  | 973,584    | 0          | 0         | 0                    | 0 9,866         |
| Power and Pumping Structures - Intake                | 2  | 12,353,321 | 7,673,883  | 4,632,495  | 0          | 0         | 0                    | 0 46,943        |
| Water Treatment Plant                                | 2  | 31,255,874 | 19,416,149 | 11,720,953 | 0          | 0         | 0                    | 0 118,772       |
| Pumping Structures                                   | 3  | 5,017,888  | 2,675,538  | 1,614,255  | 0          | 0         | 0                    | 0 728,096       |
| Office Buildings                                     | 2  | 8,688,923  | 5,397,559  | 3,258,346  | 0          | 0         | 0                    | 0 33,018        |
| Other Structures                                     | 6  | 25,914     | 9,793      | 2,042      | 9,023      | 0         | 0                    | 0 5,056         |
| Structures - Water Treatment                         | 6  | 4,081,594  | 1,542,434  | 321,630    | 1,421,211  | 0         | 0                    | 0 796,319       |
| Lake, River and Other Intakes                        | 2  | 594,025    | 369,008    | 222,759    | 0          | 0         | 0                    | 0 2,257         |
| Supply Mains   | 2  | 2,335,616  | 1,450,884  | 875,856    | 0          | 0         | 0                    | 0 8,875         |
| Power Generation Equipment                           | 3  | 1,387,331  | 739,725    | 446,305    | 0          | 0         | 0                    | 0 201,302       |
| Pumping Equipment                                    | 3  | 2,518,915  | 1,343,086  | 810,335    | 0          | 0         | 0                    | 0 365,495       |
| Pumping Equipment                                    | 3  | 307,663    | 164,046    | 98,975     | 0          | 0         | 0                    | 0 44,642        |
| Pumping Equipment                                    | 3  | 2,356,264  | 1,256,360  | 758,010    | 0          | 0         | 0                    | 0 341,894       |
| Purification System                                  | 2  | 7,362,920  | 4,573,846  | 2,761,095  | 0          | 0         | 0                    | 0 27,979        |
| Purification System - Equipment                      | 2  | 37,073     | 23,030     | 13,903     | 0          | 0         | 0                    | 0 141           |
| Distribution Reservoirs and Standpipes               | 5  | 6,060,940  | 1,816,464  | 0          | 2,558,929  | 0         | 0                    | 0 1,685,548     |
| Distribution Reservoirs and Standpipes - Taylor Mill | 5  | 52,112     | 15,618     | 0          | 22,002     | 0         | 0                    | 0 14,492        |
| Mains and Accessories - Transmission                 | 3  | 48,581,515 | 25,903,664 | 15,628,673 | 0          | 0         | 0                    | 0 7,049,178     |
| Mains and Accessories - Distribution                 | 4  | 60,565,901 | 19,829,276 | 0          | 27,939,050 | 0         | 0                    | 0 12,797,575    |
| Mains and Accessories - Transmission                 | 3  | 2,484,295  | 1,324,626  | 799,198    | 0          | 0         | 0                    | 0 360,471       |
| Mains and Accessories - Distribution                 | 4  | 3,097,136  | 1,014,002  | 0          | 1,428,709  | 0         | 0                    | 0 654,425       |
| Mains and Accessories - Taylor Mill - Transmission   | 3  | 972,831    | 518,714    | 312,960    | 0          | 0         | 0                    | 0 141,158       |
| Mains and Accessories - Taylor Mill - Distribution   | 4  | 1,212,815  | 397,076    | 0          | 559,472    | 0         | 0                    | 0 256,268       |
| Services   | 9  | 15,233,887 | 0          | 0          | 0          | 0         | 15,233,887           | 0 0             |
| Services - Taylor Mill                               | 9  | 333,938    | 0          | 0          | 0          | 0         | 333,938              | 0 0             |
| Meters   | 8  | 6,311,872  | 0          | 0          | 0          | 6,311,872 | 0                    | 0 0             |
| Meters   | 8  | 2,379      | 0          | 0          | 0          | 2,379     | 0                    | 0 0             |
| Fire Hydrants  | 7  | 4,929,344  | 0          | 0          | 0          | 0         | 0                    | 0 4,929,344     |
| Fire Hydrants - Taylor Mill                          | 7  | 130,417    | 0          | 0          | 0          | 0         | 0                    | 0 130,417       |
| Miscellaneous Equipment                              | 14 | 760,860    | 255,573    | 106,749    | 110,781    | 56,380    | 59,119               | 93,434 78,825   |
| Miscellaneous Equipment                              | 14 | 1,285      | 432        | 180        | 187        | 95        | 100                  | 158 133         |
| Office Furniture and Equipment                       | 14 | 1,239,689  | 416,411    | 173,928    | 180,499    | 91,861    | 96,324               | 152,234 128,432 |
| Office Furniture and Equipment                       | 14 | 9,263      | 3,111      | 1,300      | 1,349      | 686       | 720                  | 1,137 960       |
| Transportation Equipment                             | 14 | 529,746    | 177,942    | 74,323     | 77,131     | 39,254    | 41,161               | 65,053 54,882   |
| Transportation Equipment                             | 14 | -          | 0          | 0          | 0          | 0         | 0                    | 0 0             |

NORTHERN KENTUCKY WATER DISTRICT

COST OF SERVICE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009, ALLOCATED TO COST FUNCTION

|   |    | Base                  | Max Day               | Max Hour             | Meters            | Services             | Billing & Collecting | Fire Protection   |                     |
|---|----|-----------------------|-----------------------|----------------------|-------------------|----------------------|----------------------|-------------------|---------------------|
| Stores Equipment                            | 14 | 444                   | 149                   | 62                   | 65                | 33                   | 35                   | 55                | 46                  |
| Tools, Shop and Garage Equipment            | 14 | 117,250               | 39,384                | 16,450               | 17,072            | 8,688                | 9,110                | 14,398            | 12,147              |
| Laboratory Equipment                        | 2  | 42,514                | 26,410                | 15,943               | 0                 | 0                    | 0                    | 0                 | 162                 |
| Power Operated Equipment                    | 14 | 204,360               | 68,645                | 28,672               | 29,755            | 15,143               | 15,879               | 25,095            | 21,172              |
| Communication Equipment                     | 14 | 66,884                | 22,466                | 9,384                | 9,738             | 4,956                | 5,197                | 8,213             | 6,929               |
| Communication Equipment                     | 14 | -                     | 0                     | 0                    | 0                 | 0                    | 0                    | 0                 | 0                   |
| Miscellaneous Equipment                     | 14 | 4,455                 | 1,496                 | 625                  | 649               | 330                  | 346                  | 547               | 462                 |
| <b>Total Utility Plant in Service</b>       |    | <u>234,453,899</u>    | <u>100,427,570</u>    | <u>45,888,821</u>    | <u>34,366,108</u> | <u>6,531,770</u>     | <u>15,796,039</u>    | <u>360,329</u>    | <u>31,083,263</u>   |
| <b>Construction Work In Progress</b>        |    |                       |                       |                      |                   |                      |                      |                   |                     |
| Mains and Accessories - 10" and larger      | 3  | 6,754,778             | 3,601,648             | 2,173,012            | 0                 | 0                    | 0                    | 0                 | 980,118             |
| Mains and Accessories - Less than 10"       | 4  | 8,242,334             | 2,698,540             | 0                    | 3,802,189         | 0                    | 0                    | 0                 | 1,741,605           |
| Pumps                                       | 3  | 2,307,423             | 1,230,318             | 742,298              | 0                 | 0                    | 0                    | 0                 | 334,807             |
| Water Treatment                             | 2  | 13,240,809            | 8,225,191             | 4,965,303            | 0                 | 0                    | 0                    | 0                 | 50,315              |
| Storage                                     | 5  | 27,319                | 8,188                 | 0                    | 11,534            | 0                    | 0                    | 0                 | 7,597               |
| Metering                                    | 8  | 7,695,585             | 0                     | 0                    | 0                 | 7,695,585            | 0                    | 0                 | 0                   |
| General                                     | 14 | 111,525               | 37,461                | 15,647               | 16,238            | 8,264                | 8,666                | 13,695            | 11,554              |
| <b>Total Construction Work in Progress</b>  |    | <u>38,379,774</u>     | <u>15,801,345</u>     | <u>7,896,260</u>     | <u>3,829,961</u>  | <u>7,703,849</u>     | <u>8,666</u>         | <u>13,695</u>     | <u>3,125,997</u>    |
| Contributions in Aid of Construction        | 4  | (33,948,961)          | (11,114,890)          | 0                    | (15,660,656)      | 0                    | 0                    | 0                 | (7,173,415)         |
| <b>Other Rate Base Items</b>                |    |                       |                       |                      |                   |                      |                      |                   |                     |
| Add:  |    |                       |                       |                      |                   |                      |                      |                   |                     |
| Other Utility Plant Adjustments             | 17 | 3,464,111             | 1,483,679             | 677,927              | 507,839           | 96,649               | 233,481              | 5,196             | 459,341             |
| Materials and Supplies                      | 14 | 1,251,889             | 420,509               | 175,640              | 182,275           | 92,765               | 97,272               | 153,732           | 129,696             |
| Prepayments                                 | 14 | 316,138               | 106,191               | 44,354               | 46,030            | 23,426               | 24,564               | 38,822            | 32,752              |
| Prepayments - Tank Cleaning/Painting        | 5  | 2,002,184             | 600,055               | 0                    | 845,322           | 0                    | 0                    | 0                 | 556,807             |
| Unamortized Debt Discount and Expense       | 17 | 3,356,586             | 1,437,626             | 656,884              | 492,076           | 93,649               | 226,234              | 5,035             | 445,083             |
| Deferred Credits                            | 17 | 2,887,791             | 1,236,841             | 565,141              | 423,350           | 80,569               | 194,637              | 4,332             | 382,921             |
| Regulatory Deferrals                        | 19 | 46,124                | 20,212                | 7,873                | 4,981             | 2,703                | 2,984                | 2,763             | 4,608               |
| <b>Total Other Rate Base Elements</b>       |    | <u>13,324,824</u>     | <u>5,305,112</u>      | <u>2,127,819</u>     | <u>2,501,873</u>  | <u>389,760</u>       | <u>779,172</u>       | <u>209,879</u>    | <u>2,011,208</u>    |
| <b>Total Original Cost Measure of Value</b> |    | <u>\$ 252,209,536</u> | <u>\$ 110,419,138</u> | <u>\$ 55,912,900</u> | <u>#####</u>      | <u>\$ 14,625,380</u> | <u>\$ 16,583,876</u> | <u>\$ 583,904</u> | <u>\$29,047,053</u> |

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

#### FACTOR 1. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

| Customer<br>Classification<br>(1) | Average Daily<br>Consumption,<br>CCF<br>(2) | Allocation<br>Factor<br>(3) |
|-----------------------------------|---|-----------------------------|
| Residential                       | 15,760                                      | 0.5229                      |
| Commercial/Multi-Family           | 7,857                                       | 0.2606                      |
| Industrial                        | 3,107                                       | 0.1031                      |
| Other Public Authority            | 1,761                                       | 0.0584                      |
| Wholesale Customers               | 1,477                                       | 0.0490                      |
| Private Fire Protection           | 0   | 0.0000                      |
| Fire Protection                   | 182   | 0.0060                      |
| <b>Total</b>                      | <b>30,144</b>                               | <b>1.0000</b>               |

#### FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

| Customer<br>Classification<br>(1) | Average Daily<br>Consumption  |  | Maximum Day<br>Extra Capacity |  | Allocation<br>Factor<br>(6)=(3)+(5) |
|-----------------------------------|-------------------------------|--|-------------------------------|--|-------------------------------------|
|                                   | Allocation<br>Factor 1<br>(2) | Weighted<br>Factor<br>(3)=(2)x<br>0.6250 | Allocation<br>Factor<br>(4)   | Weighted<br>Factor<br>(5)=(4)x<br>0.3750 |                                     |
| Residential                       | 0.5229                        | 0.3268                                   | 0.5858                        | 0.2196                                   | 0.5464                              |
| Commercial/Multi-Family           | 0.2606                        | 0.1629                                   | 0.2373                        | 0.0890                                   | 0.2519                              |
| Industrial                        | 0.1031                        | 0.0644                                   | 0.0866                        | 0.0325                                   | 0.0969                              |
| Other Public Authority            | 0.0584                        | 0.0365                                   | 0.0491                        | 0.0184                                   | 0.0549                              |
| Wholesale Customers               | 0.0490                        | 0.0306                                   | 0.0412                        | 0.0155                                   | 0.0461                              |
| Private Fire Protection           | 0.0000                        | 0.0000                                   |                               |  | 0.0000                              |
| Fire Protection                   | 0.0060                        | 0.0038                                   |                               |  | 0.0038                              |
| <b>Total</b>                      | <b>1.0000</b>                 | <b>0.6250</b>                            | <b>1.0000</b>                 | <b>0.3750</b>                            | <b>1.0000</b>                       |

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

| Customer<br>Classification | Average Daily<br>Consumption,<br>CCF | Maximum Day Extra Capacity |                                 |                      |
|----------------------------|--------------------------------------|----------------------------|---------------------------------|----------------------|
|                            |                                      | Factor*                    | Rate of Flow,<br>CCF<br>Per Day | Allocation<br>Factor |
| (1)                        | (2)                                  | (3)                        | (4)=(2)x(3)                     | (5)                  |
| Residential                | 15,760                               | 0.80                       | 12,608                          | 0.5858               |
| Commercial/Multi-Family    | 7,857                                | 0.65                       | 5,107                           | 0.2373               |
| Industrial                 | 3,107                                | 0.60                       | 1,864                           | 0.0866               |
| Other Public Authority     | 1,761                                | 0.60                       | 1,057                           | 0.0491               |
| Wholesale Customers        | 1,477                                | 0.60                       | 886                             | 0.0412               |
| Total                      | <u>29,962</u>                        |                            | <u>21,522</u>                   | <u>1.0000</u>        |

The weighting of the factors is based on the maximum day ratio of 1.60, based on a review of maximum day ratios experienced during the period 1998 through 2009 (see Schedule D).

|                               | Maximum<br>Day<br>Ratio | Weight        |
|-------------------------------|-------------------------|---------------|
| Average Day                   | 1.00                    | 0.6250        |
| Maximum Day<br>Extra Capacity | <u>0.60</u>             | <u>0.3750</u> |
| Total                         | <u>1.60</u>             | <u>1.0000</u> |

\* Ratio of maximum day to average day minus 1.0.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

| Customer Classification | Average Daily Consumption |                 | Maximum Day Extra Capacity |                 | Fire Protection   |                 | Allocation Factor |
|-------------------------|---------------------------|-----------------|----------------------------|-----------------|-------------------|-----------------|-------------------|
|                         | Allocation Factor         | Weighted Factor | Allocation Factor          | Weighted Factor | Allocation Factor | Weighted Factor |                   |
| (1)                     | (2)                       | (3)=(2) X       | (4)                        | (5)=(4) X       | (6)               | (7)=(6) X       | (8)=(3)+(5)+(7)   |
|                         |                           | 0.5364          |                            | 0.3217          |                   | 0.1419          |                   |
| Residential             | 0.5229                    | 0.2805          | 0.5858                     | 0.1884          |                   |                 | 0.4689            |
| Commercial              | 0.2606                    | 0.1398          | 0.2373                     | 0.0763          |                   |                 | 0.2161            |
| Industrial              | 0.1031                    | 0.0553          | 0.0866                     | 0.0279          |                   |                 | 0.0832            |
| Other Public Authority  | 0.0584                    | 0.0313          | 0.0491                     | 0.0158          |                   |                 | 0.0471            |
| Sales for Resale        | 0.0490                    | 0.0263          | 0.0412                     | 0.0133          |                   |                 | 0.0396            |
| Fire Protection         | 0.0060                    | 0.0032          |                            |                 | 1.0000            | 0.1419          | 0.1451            |
| Total                   | 1.0000                    | 0.5364          | 1.0000                     | 0.3217          | 1.0000            | 0.1419          | 1.0000            |



FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

| Customer Classification | Average Hourly Consumption |                   |                 | Maximum Hour Extra Capacity |                 | Fire Protection   |                 | Allocation Factor |
|-------------------------|----------------------------|-------------------|-----------------|-----------------------------|-----------------|-------------------|-----------------|-------------------|
|                         | CCF                        | Allocation Factor | Weighted Factor | Allocation Factor           | Weighted Factor | Allocation Factor | Weighted Factor |                   |
| (1)                     | (2)                        | (3)               | (4)=(3) X       | (5)                         | (6)=(5) X       | (7)               | (8)=(7) X       | (9)=(4)+(6)+(8)   |
|                         |                            |                   | 0.3295          |                             | 0.4613          |                   | 0.2092          |                   |
| Residential             | 656.7                      | 0.5497            | 0.1812          | 0.6543                      | 0.3018          |                   |                 | 0.4830            |
| Commercial/Multi-Family | 327.4                      | 0.2741            | 0.0903          | 0.2446                      | 0.1128          |                   |                 | 0.2031            |
| Industrial              | 129.5                      | 0.1084            | 0.0357          | 0.0645                      | 0.0298          |                   |                 | 0.0655            |
| Other Public Authority  | 73.4                       | 0.0614            | 0.0202          | 0.0366                      | 0.0169          |                   |                 | 0.0371            |
| Wholesale Customers     | 0.0                        | 0.0000            | 0.0000          | 0.0000                      | 0.0000          |                   |                 | 0.0000            |
| Private Fire Protection | 0.0                        | 0.0000            | 0.0000          |                             |                 | #REF!             | #REF!           | #REF!             |
| Fire Protection         | 7.6                        | 0.0064            | 0.0021          |                             |                 | 1.0000            | 0.2092          | 0.2113            |
| Total                   | 1,194.6                    | 1.0000            | 0.3295          | 1.0000                      | 0.4613          | #REF!             | #REF!           | #REF!             |

The maximum hour extra capacity factors in column 5 are determined on the next page.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

| Customer Classification | Average Daily Consumption |                     | Maximum Day Extra Capacity |                     | Fire Protection   |                     | Allocation Factor |
|-------------------------|---------------------------|---------------------|----------------------------|---------------------|-------------------|---------------------|-------------------|
|                         | Allocation Factor         | Weighted Factor     | Allocation Factor          | Weighted Factor     | Allocation Factor | Weighted Factor     |                   |
| (1)                     | (2)                       | (3)=(2) X<br>0.5364 | (4)                        | (5)=(4) X<br>0.3217 | (6)               | (7)=(6) X<br>0.1419 | (8)=(3)+(5)+(7)   |
| Residential             | 0.5229                    | 0.2805              | 0.5858                     | 0.1884              |                   |                     | 0.4689            |
| Commercial              | 0.2606                    | 0.1398              | 0.2373                     | 0.0763              |                   |                     | 0.2161            |
| Industrial              | 0.1031                    | 0.0553              | 0.0866                     | 0.0279              |                   |                     | 0.0832            |
| Other Public Authority  | 0.0584                    | 0.0313              | 0.0491                     | 0.0158              |                   |                     | 0.0471            |
| Sales for Resale        | 0.0490                    | 0.0263              | 0.0412                     | 0.0133              |                   |                     | 0.0396            |
| Fire Protection         | 0.0060                    | 0.0032              |                            |                     | 1.0000            | 0.1419              | 0.1451            |
| <b>Total</b>            | <b>1.0000</b>             | <b>0.5364</b>       | <b>1.0000</b>              | <b>0.3217</b>       | <b>1.0000</b>     | <b>0.1419</b>       | <b>1.0000</b>     |

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

| Customer Classification | Average Hourly Consumption |                   |                 | Maximum Hour Extra Capacity |                 | Fire Protection   |                 | Allocation Factor |
|-------------------------|----------------------------|-------------------|-----------------|-----------------------------|-----------------|-------------------|-----------------|-------------------|
|                         | CCF                        | Allocation Factor | Weighted Factor | Allocation Factor           | Weighted Factor | Allocation Factor | Weighted Factor |                   |
| (1)                     | (2)                        | (3)               | (4)=(3) X       | (5)                         | (6)=(5) X       | (7)               | (8)=(7) X       | (9)=(4)+(6)+(8)   |
|                         |                            |                   | 0.3295          |                             | 0.4613          |                   | 0.2092          |                   |
| Residential             | 656.7                      | 0.5497            | 0.1812          | 0.6543                      | 0.3018          |                   |                 | 0.4830            |
| Commercial/Multi-Family | 327.4                      | 0.2741            | 0.0903          | 0.2446                      | 0.1128          |                   |                 | 0.2031            |
| Industrial              | 129.5                      | 0.1084            | 0.0357          | 0.0645                      | 0.0298          |                   |                 | 0.0655            |
| Other Public Authority  | 73.4                       | 0.0614            | 0.0202          | 0.0366                      | 0.0169          |                   |                 | 0.0371            |
| Wholesale Customers     | 0.0                        | 0.0000            | 0.0000          | 0.0000                      | 0.0000          |                   |                 | 0.0000            |
| Private Fire Protection | 0.0                        | 0.0000            | 0.0000          |                             |                 | #REF!             | #REF!           | #REF!             |
| Fire Protection         | 7.6                        | 0.0064            | 0.0021          |                             |                 | 1.0000            | 0.2092          | 0.2113            |
| Total                   | 1,194.6                    | 1.0000            | 0.3295          | 1.0000                      | 0.4613          | #REF!             | #REF!           | #REF!             |

The maximum hour extra capacity factors in column 5 are determined on the next page.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.60 and the average daily system sendout for 2009 of 27.216 MGD. The system demand for fire protection is 12,000 Gallons per minute for 10 hours.

|                               | <u>Ratio</u>       | <u>Rate of Flow,<br/>(GPD)</u> | <u>Weight</u>        |
|-------------------------------|--------------------|--------------------------------|----------------------|
| Average Day                   | 1.00               | 27,216,000                     | 0.5364               |
| Maximum Day<br>Extra Capacity | <u>0.60</u>        | <u>16,329,600</u>              | <u>0.3217</u>        |
| Subtotal                      | <u><u>1.60</u></u> | <u>43,545,600</u>              | <u>0.8581</u>        |
| Fire Protection               |                    | <u>7,200,000</u>               | <u>0.1419</u>        |
| Total                         |                    | <u><u>50,745,600</u></u>       | <u><u>1.0000</u></u> |

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.4 and the average daily system sendout for 2009 of 27.216 MGD. The system demand for fire protection is 12,000 gallons per minute.

|                                | Ratio | Rate of Flow,<br>(GPM) | Weight |
|--------------------------------|-------|------------------------|--------|
| Average Hour                   | 1.00  | 18,900                 | 0.3295 |
| Maximum Hour<br>Extra Capacity | 1.40  | 26,460                 | 0.4613 |
| Subtotal                       | 2.40  | 45,360                 | 0.7908 |
| Fire Protection                |       | 12,000                 | 0.2092 |
| Total                          |       | 57,360                 | 1.0000 |

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

| Customer<br>Classification<br>(1) | Average<br>Hourly<br>Consumption<br>CCF<br>(2) | Maximum Hour Extra Capacity |                                |                             |
|-----------------------------------|--|-----------------------------|--------------------------------|-----------------------------|
|                                   |  | Factor*<br>(3)              | CCF<br>Per Hour<br>(4)=(2)x(3) | Allocation<br>Factor<br>(5) |
| Residential                       | 656.7  | 2.0                         | 1,313.4                        | 0.6543                      |
| Commercial/Multi-Family           | 327.4  | 1.5                         | 491.1                          | 0.2446                      |
| Industrial                        | 129.5  | 1.0                         | 129.5                          | 0.0645                      |
| Other Public Authority            | 73.4   | 1.0                         | 73.4                           | 0.0366                      |
| Wholesale Customers               | 0.0  | 1.0                         | 0.0                            | 0.0000                      |
| Total                             | 1,187.0  |                             | 2,007.4                        | 1.0000                      |

\* Ratio of Maximum Hour To Average Hour Minus 1.0.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

| Customer Classification | Average Hourly Consumption |                   |                     | Maximum Hour Extra Capacity |                     | Fire Protection   |                     | Allocation Factor |
|-------------------------|----------------------------|-------------------|---------------------|-----------------------------|---------------------|-------------------|---------------------|-------------------|
|                         | CCF                        | Allocation Factor | Weighted Factor     | Allocation Factor           | Weighted Factor     | Allocation Factor | Weighted Factor     |                   |
| (1)                     | (2)                        | (3)               | (4)=(3) X<br>0.3015 | (5)                         | (6)=(5) X<br>0.4222 | (7)               | (8)=(7) X<br>0.2763 | (9)=(4)+(6)+(8)   |
| Residential             | 656.7                      | 0.5228            | 0.1576              | 0.6348                      | 0.2681              |                   |                     | 0.4257            |
| Commercial/Multi-Family | 327.4                      | 0.2606            | 0.0786              | 0.2374                      | 0.1002              |                   |                     | 0.1788            |
| Industrial              | 129.5                      | 0.1031            | 0.0311              | 0.0626                      | 0.0264              |                   |                     | 0.0575            |
| Other Public Authority  | 73.4                       | 0.0584            | 0.0176              | 0.0355                      | 0.0150              |                   |                     | 0.0326            |
| Wholesale Customers     | 61.5                       | 0.0490            | 0.0148              | 0.0297                      | 0.0125              |                   |                     | 0.0273            |
| Fire Protection         | 7.6                        | 0.0061            | 0.0018              |                             |                     | 1.0000            | 0.2763              | 0.2781            |
| <b>Total</b>            | <b>1,256.1</b>             | <b>1.0000</b>     | <b>0.3015</b>       | <b>1.0000</b>               | <b>0.4222</b>       | <b>1.0000</b>     | <b>0.2763</b>       | <b>1.0000</b>     |

The weighting of the factors is based on the ratio of the capacity required for a 3 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 10 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{12,000 \text{ GPM} \times 60 \text{ Min.} \times 10 \text{ Hrs.}}{26,054,000 \text{ Gallons}} = 0.2763$$

$$\text{General Service Weight} = 1.0000 - 0.2763 = 0.7237$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

|                                | Maximum<br>Hour<br>Ratio | Percent | Weight |
|--------------------------------|--------------------------|---------|--------|
| Average Hour                   | 1.00                     | 41.67   | 0.3015 |
| Extra Capacity<br>Maximum Hour | 1.40                     | 58.33   | 0.4222 |
| Total                          | 2.40                     | 100.00  | 0.7237 |

| Customer<br>Classification<br>(1) | Average<br>Hourly<br>Consumption<br>CCF<br>(2) | Maximum Hour Extra Capacity |                                |                             |
|-----------------------------------|--|-----------------------------|--------------------------------|-----------------------------|
|                                   |  | Factor*<br>(3)              | CCF<br>Per Hour<br>(4)=(2)x(3) | Allocation<br>Factor<br>(5) |
| Residential                       | 656.7  | 2.0                         | 1,313.4                        | 0.6348                      |
| Commercial/Multi-Family           | 327.4  | 1.5                         | 491.1                          | 0.2374                      |
| Industrial                        | 129.5  | 1.0                         | 129.5                          | 0.0626                      |
| Other Public Authority            | 73.4   | 1.0                         | 73.4                           | 0.0355                      |
| Wholesale Customers               | 61.5   | 1.0                         | 61.5                           | 0.0297                      |
| Total                             | 1,248.5  |                             | 2,068.9                        | 1.0000                      |

\* Ratio of Maximum Hour To Average Hour Minus 1.0.

## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

| Customer<br>Classification | Maximum Daily<br>Consumption w/ Fire |                    | Maximum Hourly<br>Consumption |                    | Allocation<br>Factor |
|----------------------------|--------------------------------------|--------------------|-------------------------------|--------------------|----------------------|
|                            | Allocation<br>Factor 3               | Weighted<br>Factor | Allocation<br>Factor 4        | Weighted<br>Factor |                      |
|                            | (1)                                  | (2)                | (3)=(2)X<br>0.2451            | (4)                |                      |
| Residential                | 0.4689                               | 0.1149             | 0.4830                        | 0.3647             | 0.4796               |
| Commercial/Multi-Family    | 0.2161                               | 0.0530             | 0.2031                        | 0.1533             | 0.2063               |
| Industrial                 | 0.0832                               | 0.0204             | 0.0655                        | 0.0494             | 0.0698               |
| Other Public Authority     | 0.0471                               | 0.0115             | 0.0371                        | 0.0280             | 0.0395               |
| Wholesale Customers        | 0.0396                               | 0.0097             | 0.0000                        | 0.0000             | 0.0097               |
| Fire Protection            | 0.1451                               | 0.0356             | 0.2113                        | 0.1595             | 0.1951               |
| <b>Total</b>               | <b>1.0000</b>                        | <b>0.2451</b>      | <b>1.0000</b>                 | <b>0.7549</b>      | <b>1.0000</b>        |

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

|                        | Total Footage<br>of Mains | Weight        |
|------------------------|---------------------------|---------------|
| Mains 10" and Larger   | 1,614,189                 | 0.2451        |
| Mains Smaller than 10" | 4,971,339                 | 0.7549        |
| <b>Total</b>           | <b>6,585,528</b>          | <b>1.0000</b> |



## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

| Customer<br>Classification<br>(1) | Allocation<br>Factor<br>(3) |
|-----------------------------------|-----------------------------|
| Fire Protection                   | 1.0000                      |
| Total                             | 1.0000                      |

#### FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

| Customer<br>Classification<br>(1) | 5/8" Dollar<br>Equivalents<br>(2) | Allocation<br>Factor<br>(3) |
|-----------------------------------|-----------------------------------|-----------------------------|
| Residential                       | 79,441                            | 0.7768                      |
| Commercial/Multi-Family           | 18,268                            | 0.1786                      |
| Industrial                        | 1,407                             | 0.0138                      |
| Other Public Authority            | 3,069                             | 0.0300                      |
| Wholesale Customers               | 86                                | 0.0008                      |
| Total                             | 102,271                           | 1.0000                      |

# NORTHERN KENTUCKY WATER DISTRICT

## FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

### FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

| <u>Customer<br/>Classification</u><br>(1) | <u>3/4" Dollar<br/>Equivalents</u><br>(2) | <u>Allocation<br/>Factor</u><br>(3) |
|---|---|-------------------------------------|
| Residential                               | 79,142                                    | 0.8383                              |
| Commercial/Multi-Family                   | 12,770                                    | 0.1353                              |
| Industrial                                | 634                                       | 0.0067                              |
| Other Public Authority                    | 1,831                                     | 0.0194                              |
| Wholesale Customers                       | <u>28</u>                                 | <u>0.0003</u>                       |
| Total                                     | <u><u>94,405</u></u>                      | <u><u>1.0000</u></u>                |

NORTHERN KENTUCKY WATER DISTRICT

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

| Meter Size | 5/8" Dollar Equivalent | Residential      |                       | Commercial/Multi-Family |                       | Industrial       |                       | Other Public Authority |                        | Wholesale Customers |                         | Total            |                |
|------------|------------------------|------------------|-----------------------|-------------------------|-----------------------|------------------|-----------------------|------------------------|------------------------|---------------------|-------------------------|------------------|----------------|
|            |                        | Number of Meters | Weighting (4)=(2)X(3) | Number of Meters        | Weighting (6)=(2)X(5) | Number of Meters | Weighting (8)=(2)X(7) | Number of Meters       | Weighting (10)=(2)X(9) | Number of Meters    | Weighting (12)=(2)X(11) | Number of Meters | Weighting (14) |
| (1)        | (2)                    | (3)              | (4)=(2)X(3)           | (5)                     | (6)=(2)X(5)           | (7)              | (8)=(2)X(7)           | (9)                    | (10)=(2)X(9)           | (11)                | (12)=(2)X(11)           | (13)             | (14)           |
| 5/8        | 1.0                    | 78,362           | 78,362                | 3,708                   | 3,708                 | 16               | 16                    | 181                    | 181                    |                     | 0                       | 82,267           | 82,267         |
| 3/4        | 1.1                    |                  | 0                     |                         | 0                     |                  | 0                     |                        | 0                      |                     | 0                       | 0                | 0              |
| 1          | 1.8                    | 538              | 968                   | 1,018                   | 1,832                 | 9                | 16                    | 66                     | 119                    |                     | 0                       | 1,631            | 2,935          |
| 1-1/2      | 3.7                    | 24               | 89                    | 728                     | 2,694                 | 13               | 48                    | 42                     | 155                    |                     | 0                       | 807              | 2,986          |
| 2          | 4.3                    | 5                | 22                    | 676                     | 2,907                 | 45               | 194                   | 148                    | 636                    |                     | 0                       | 874              | 3,759          |
| 3          | 10.6                   |                  | 0                     | 98                      | 1,039                 | 16               | 170                   | 57                     | 604                    |                     | 0                       | 171              | 1,813          |
| 4          | 14.9                   |                  | 0                     | 72                      | 1,073                 | 13               | 194                   | 35                     | 522                    | 2                   | 30                      | 122              | 1,819          |
| 6          | 27.9                   |                  | 0                     | 87                      | 2,427                 | 9                | 251                   | 14                     | 391                    | 2                   | 56                      | 112              | 3,125          |
| 8          | 57.5                   |                  | 0                     | 44                      | 2,530                 | 5                | 288                   | 5                      | 288                    |                     | 0                       | 54               | 3,106          |
| 10         | 57.5                   |                  | 0                     | 1                       | 58                    | 4                | 230                   | 3                      | 173                    |                     |                         | 8                | 461            |
| Total      |                        | <u>78,929</u>    | <u>79,441</u>         | <u>6,432</u>            | <u>18,268</u>         | <u>130</u>       | <u>1,407</u>          | <u>551</u>             | <u>3,069</u>           | <u>4</u>            | <u>86</u>               | <u>86,046</u>    | <u>102,271</u> |

NORTHERN KENTUCKY WATER DISTRICT

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

| Service Size | 3/4" Dollar Equivalent | Residential        |                          | Commercial/Multi-Family |                          | Industrial         |                          | Other Public Authority |                           | Wholesale Customers |                            | Total              |                   |
|--------------|------------------------|--------------------|--------------------------|-------------------------|--------------------------|--------------------|--------------------------|------------------------|---------------------------|---------------------|----------------------------|--------------------|-------------------|
|              |                        | Number of Services | Weighting<br>(4)=(2)X(3) | Number of Services      | Weighting<br>(6)=(2)X(5) | Number of Services | Weighting<br>(8)=(2)X(7) | Number of Services     | Weighting<br>(10)=(2)X(9) | Number of Services  | Weighting<br>(12)=(2)X(11) | Number of Services | Weighting<br>(16) |
| (1)          | (2)                    | (3)                | (4)=(2)X(3)              | (5)                     | (6)=(2)X(5)              | (7)                | (8)=(2)X(7)              | (9)                    | (10)=(2)X(9)              | (11)                | (12)=(2)X(11)              | (15)               | (16)              |
| 3/4          | 1.00                   | 78,362             | 78,362                   | 3,708                   | 3,708                    | 16                 | 16                       | 181                    | 181                       | 0                   | 0                          | 82,267             | 82,267            |
| 1            | 1.25                   | 538                | 670                      | 1,018                   | 1,268                    | 9                  | 11                       | 66                     | 82                        | 0                   | 0                          | 1,631              | 2,031             |
| 1-1/2        | 3.62                   | 24                 | 87                       | 728                     | 2,639                    | 13                 | 47                       | 42                     | 152                       | 0                   | 0                          | 807                | 2,925             |
| 2            | 4.51                   | 5                  | 23                       | 676                     | 3,047                    | 45                 | 203                      | 148                    | 667                       | 0                   | 0                          | 874                | 3,940             |
| 3            | 5.54                   | 0                  | 0                        | 98                      | 543                      | 16                 | 89                       | 57                     | 316                       | 0                   | 0                          | 171                | 948               |
| 4            | 6.57                   | 0                  | 0                        | 72                      | 473                      | 13                 | 85                       | 35                     | 230                       | 2                   | 13                         | 122                | 801               |
| 6            | 7.51                   | 0                  | 0                        | 87                      | 654                      | 9                  | 68                       | 14                     | 105                       | 2                   | 15                         | 112                | 842               |
| 8            | 9.58                   | 0                  | 0                        | 44                      | 421                      | 5                  | 48                       | 5                      | 48                        | 0                   | 0                          | 54                 | 517               |
| 10           | 16.72                  | 0                  | 0                        | 1                       | 17                       | 4                  | 67                       | 3                      | 50                        | 0                   | 0                          | 8                  | 134               |
| Total        |                        | <u>78,929</u>      | <u>79,142</u>            | <u>6,432</u>            | <u>12,770</u>            | <u>130</u>         | <u>634</u>               | <u>551</u>             | <u>1,831</u>              | <u>4</u>            | <u>28</u>                  | <u>86,046</u>      | <u>94,405</u>     |

# NORTHERN KENTUCKY WATER DISTRICT

## FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. NOT USED IN THE ALLOCATION.

FACTOR 11. ALLOCATION OF TRANSMISSION AND DISTRIBUTION MAINTENANCE SUPERVISION AND ENGINEERING, STRUCTURES AND IMPROVEMENTS, AND OTHER EXPENSES.

Factors are based on transmission and distribution maintenance expenses other than those being allocated, as follows:

| <u>Customer<br/>Classification</u><br>(1) | <u>Transmission<br/>&amp; Distribution<br/>Maintenance<br/>Expenses</u><br>(2) | <u>Allocation<br/>Factor</u><br>(3) |
|---|--|-------------------------------------|
| Residential                               | \$ 1,800,231   | 0.5190                              |
| Commercial/Multi-Family                   | 625,726  | 0.1805                              |
| Industrial                                | 185,085  | 0.0534                              |
| Other Public Authority                    | 114,953  | 0.0332                              |
| Wholesale Customers                       | 32,492   | 0.0094                              |
| Fire Protection                           | <u>708,957</u>   | <u>0.2045</u>                       |
| Total                                     | <u><u>\$3,467,445</u></u>  | <u><u>1.0000</u></u>                |

# NORTHERN KENTUCKY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

## FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS AND METER READING

Factors are based on the total number of customers.

| <u>Customer<br/>Classification</u><br>(1) | <u>Total<br/>Customers</u><br>(2) | <u>Allocation<br/>Factor</u><br>(3) |
|---|-----------------------------------|-------------------------------------|
| Residential                               | 78,929                            | 0.91729                             |
| Commercial/Multi-Family                   | 6,432                             | 0.07475                             |
| Industrial                                | 130                               | 0.00151                             |
| Other Public Authority                    | 551                               | 0.00640                             |
| Wholesale Customers                       | 4                                 | 0.00005                             |
| Fire Protection                           | <u>0</u>                          | <u>0.00000</u>                      |
| Total                                     | <u><u>86,046</u></u>              | <u><u>1.0000</u></u>                |

FACTOR 13. NOT USED IN THE ALLOCATION

# NORTHERN KENTUCKY WATER DISTRICT

## FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

### FACTOR 14. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

| <u>Customer<br/>Classification</u><br>(1) | <u>Operation &amp;<br/>Maintenance<br/>Expenses</u><br>(2) | <u>Allocation<br/>Factor</u><br>(3) |
|---|--|-------------------------------------|
| Residential                               | \$6,853,255  | 0.5916                              |
| Commercial/Multi-Family                   | 2,212,561  | 0.1910                              |
| Industrial                                | 678,250  | 0.0585                              |
| Other Public Authority                    | 425,121  | 0.0367                              |
| Wholesale Customers                       | 214,943  | 0.0186                              |
| Fire Protection                           | <u>1,200,415</u>   | <u>0.1036</u>                       |
| Total                                     | <u><u>\$11,584,545</u></u>                                 | <u><u>1.0000</u></u>                |

### FACTOR 15. NOT USED IN THE ALLOCATION





## NORTHERN KENTUCKY WATER DISTRICT

### FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

#### FACTOR 18. ALLOCATION OF DEBT SERVICE AND ACQUISITION ADJUSTMENT

Factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below.

| Customer<br>Classification | Original<br>Cost Measure<br>of Value | Allocation<br>Factor |
|----------------------------|--------------------------------------|----------------------|
| (1)                        | (2)                                  | (3)                  |
| Residential                | \$133,357,371                        | 0.5287               |
| Commercial/Multi-Family    | 53,421,826                           | 0.2118               |
| Industrial                 | 18,301,543                           | 0.0726               |
| Other Public Authority     | 10,952,474                           | 0.0434               |
| Wholesale Customers        | 7,129,269                            | 0.0283               |
| Fire Protection            | 29,047,053                           | 0.1152               |
| Total                      | \$252,209,536                        | 1.0000               |

#### FACTOR 19. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

| Customer<br>Classification | Total Cost<br>of Service | Allocation<br>Factor |
|----------------------------|--------------------------|----------------------|
| (1)                        | (2)                      | (3)                  |
| Residential                | \$29,594,028             | 0.5574               |
| Commercial/Multi-Family    | 10,954,994               | 0.2063               |
| Industrial                 | 3,657,496                | 0.0689               |
| Other Public Authority     | 2,210,873                | 0.0416               |
| Wholesale Customers        | 1,374,755                | 0.0259               |
| Fire Protection            | 5,301,743                | 0.0999               |
| Total                      | \$53,093,889             | 1.0000               |

# NORTHERN KENTUCKY WATER DISTRICT

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

## FACTOR 20. REALLOCATION OF FIRE PROTECTION

Factors are based on the relative cost of meters by size and customer classification.

| <u>Customer<br/>Classification</u><br>(1) | <u>5/8" Dollar<br/>Equivalents</u><br>(2) | <u>Allocation<br/>Factor</u><br>(3) |
|---|---|-------------------------------------|
| Residential                               | 79,441                                    | 0.7774                              |
| Commercial/Multi-Family                   | 18,268                                    | 0.1788                              |
| Industrial                                | 1,407                                     | 0.0138                              |
| Other Public Authority                    | 3,069                                     | 0.0300                              |
| Wholesale Customers                       | <u>0</u>                                  | <u>0.0000</u>                       |
| Total                                     | <u><u>102,185</u></u>                     | <u><u>1.0000</u></u>                |

NORTHERN KENTUCKY WATER DISTRICT

SUMMARY OF AVERAGE DAILY SEND OUT AND MAXIMUM DAILY USAGE  
FOR THE YEARS 1998-2009

| Year<br>(1) | Average Daily<br>Send out<br>(MGD)<br>(2) | Maximum Daily Use |                            |                           |
|-------------|---|-------------------|----------------------------|---------------------------|
|             |   | MGD<br>(3)        | Ratio to<br>Average<br>(4) | Highest<br>Use Day<br>(5) |
| 1998        | 32.1                                      | 46.6              | 1.45                       | 9/13/1998                 |
| 1999        | 34.7                                      | 51.2              | 1.48                       | 7/26/1999                 |
| 2000        | 33.0                                      | 48.5              | 1.47                       | 6/13/2000                 |
| 2001        | 33.3                                      | 47.1              | 1.41                       | 6/28/2001                 |
| 2002        | 36.4                                      | 57.3              | 1.57                       | 9/13/2002                 |
| 2003        | 26.8                                      | 38.4              | 1.43                       | 8/2/2002                  |
| 2004        | 27.9                                      | 36.9              | 1.32                       | 7/6/2004                  |
| 2005        | 29.2                                      | 44.5              | 1.52                       | 8/4/2005                  |
| 2006        | 27.7                                      | 40.3              | 1.45                       | 8/23/2006                 |
| 2007        | 31.1                                      | 48.8              | 1.57                       | 9/3/2007                  |
| 2008        | 29.0                                      | 42.0              | 1.45                       | 8/4/2008                  |
| 2009        | 27.2                                      | 36.2              | 1.33                       | 9/2/2009                  |

# NORTHERN KENTUCKY WATER DISTRICT

## CALCULATION OF CUSTOMER CHARGE

|  |              | <u>Monthly</u> | <u>Quarterly</u> |
|--|--------------|----------------|------------------|
| (1) Cost Related to Meters                 | \$ 7,421,351 |                |                  |
| (2) Meter Equivalents X 12                 | 1,227,252    |                |                  |
| (3) Cost per Bill - Meter related          |              | \$ 6.05        | 18.15            |
| (4) Cost Related to Services               | \$ 3,165,659 |                |                  |
| (5) Service Equivalents X 12               | 1,132,860    |                |                  |
| (6) Cost per Bill - Services related       |              | \$ 2.79        | 8.37             |
| (7) Cost Related to Billing and Collecting | \$ 3,017,918 |                |                  |
| (8) Number of Bills                        | 366,212      |                |                  |
| (9) Cost per Bill - Billing and Collecting |              | <u>\$ 8.24</u> | <u>8.24</u>      |
| (10) Total Customer Charge (3)+(6)+(9)     |              | \$ 17.08       | \$ 34.76         |

NORTHERN KENTUCKY WATER DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 2  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification<br>(1) | Cost of Service               |                | Revenues, Present Rates |                | Revenues, Proposed Rates |                | Proposed Increase   |                            |
|-----------------------------------|-------------------------------|----------------|-------------------------|----------------|--------------------------|----------------|---------------------|----------------------------|
|                                   | Amount<br>(Schedule B)<br>(2) | Percent<br>(3) | Amount<br>(4)           | Percent<br>(5) | Amount<br>(6)            | Percent<br>(7) | Amount<br>(8)       | Percent<br>Increase<br>(9) |
|                                   | Residential                   | \$ 30,854,763  | 63.5%                   | \$ 24,719,009  | 61.3%                    | \$ 30,846,193  | 63.5%               | \$ 6,127,184               |
| Commercial/Multi-Family           | 10,900,376                    | 22.4%          | 9,332,035               | 23.1%          | 10,886,422               | 22.4%          | 1,554,387           | 16.7%                      |
| Industrial                        | 3,427,144                     | 7.0%           | 3,160,060               | 7.8%           | 3,426,222                | 7.0%           | 266,163             | 8.4%                       |
| Public Authority                  | 2,171,180                     | 4.5%           | 1,948,183               | 4.8%           | 2,191,212                | 4.5%           | 243,029             | 12.5%                      |
| Wholesale                         | <u>1,262,631</u>              | <u>2.6%</u>    | <u>1,200,418</u>        | <u>3.0%</u>    | <u>1,265,110</u>         | <u>2.6%</u>    | <u>64,691</u>       | <u>5.4%</u>                |
| Total Sales                       | 48,616,094                    | <u>100.0%</u>  | 40,359,705              | <u>100.0%</u>  | 48,615,158               | <u>100.0%</u>  | 8,255,454           | 20.5%                      |
| Other Revenues                    | <u>4,865,306</u>              |                | <u>4,834,006</u>        |                | <u>4,865,306</u>         |                | <u>31,301</u>       |                            |
| Total                             | <u>\$ 53,481,400</u>          |                | <u>45,193,710</u>       |                | <u>\$ 53,480,464</u>     |                | <u>\$ 8,286,754</u> | 18.3%                      |

**Q17. Refer to the 2009 Annual Report at 28. NKWD reports in Account 631, Contractual Services – Engineering, a balance of \$180,947. Provide a schedule that lists each expenditure that is included in this expense account with a detailed description of that expenditure. Provide all invoices related to that expenditure.**

**A17. See Attachment.**

**631-5000-030**

| Date         | Vendor                              | Description  | Amount            |
|--------------|-------------------------------------|--|-------------------|
| 2/23/2009    | One Eleven Engineering & Surveying  | Easements  | \$750.00          |
| 2/23/2009    | Payroll                             | Reclassification   | \$30.48           |
| 2/23/2009    | Evans, Mechwart, Hambelton & Tilton | Construction Claryvill & S. Tank                             | \$455.67          |
| 2/23/2009    | Payroll                             | Reclassification   | \$106.68          |
| 4/16/2009    | Blood Hound, Inc                    | Covington W. Main Locates                                    | \$720.00          |
| 4/30/2009    | Visa                                | Campbell Co. Clerk easements                                 | \$23.00           |
| 6/28/2009    | Thelen Associates Inc.              | Construction Review Mook Rd & Beverly Dr.                    | \$386.43          |
| 6/28/2009    | Thelen Associates Inc.              | Construction Review Barrington Tank                          | \$456.00          |
| 6/28/2009    | Thelen Associates Inc.              | Consulting Water Main Ryland Heights                         | \$1,058.51        |
| 7/27/2009    | Kenton Co Clerk                     | Record Various Easements                                     | \$108.00          |
| 8/7/2009     | Cardinal Engineering                | Survey Regulator Pit   | \$900.00          |
| 8/18/2009    | Colleen Medert Petty Cash           | Recordings & Easements At Covington & Campbell Co Courthouse | \$19.75           |
| 8/31/2009    | Visa                                | Agreements & Easements, Campbell Co. Clerk                   | \$26.00           |
| 10/6/2009    | Colleen Medert Petty Cash           | Recordings Kenton Co. Courthouse                             | \$42.00           |
| 10/30/2009   | Colleen Medert Petty Cash           | Recordings Campbell Co. Courthouse                           | \$2.00            |
| 11/30/2009   | Colleen Medert Petty Cash           | Recordings Campbell Co. Courthouse                           | \$5.50            |
| 12/31/2009   |                                     | Reclassification   | \$220.33          |
| 12/31/2009   |                                     | Reclassification   | \$1,034.74        |
| <b>Total</b> |                                     |  | <b>\$6,345.09</b> |

**631-6000-031**

| Date         | Vendor                 | Description                            | Amount            |
|--------------|------------------------|--|-------------------|
| 11/9/2009    | The Payne Firm Inc.    | Permit by Rule Site Review Aqua Dr     | \$1,891.00        |
| 12/13/2009   | Thelen Associates Inc. | Consulting Services Aqua Dr Waste Area | \$1,242.91        |
| <b>Total</b> |                        |  | <b>\$3,133.91</b> |

**631-3000-029**

| Date       | Vendor | Description      | Amount      |
|------------|--------|------------------|-------------|
| 12/31/2009 |        | Reclassification | \$16,379.62 |

**631-8000-072**

| Date       | Vendor | Description                                       | Amount       |
|------------|--------|---|--------------|
| 12/31/2009 |        | Engineering Consulting Services Engineering Dept. | \$126,833.36 |

**632-8000-074**

| Date         | Vendor               | Description  | Amount             |
|--------------|----------------------|--|--------------------|
| 2/11/2009    | VonLehman & Company  | Billing for Work on Audit for Financial Statements         | \$4,710.00         |
| 3/17/2009    | VonLehman & Company  | Billing for Work on Audit for Financial Statements         | \$13,200.00        |
| 4/10/2009    | VonLehman & Company  | Final Billing for Audit                                    | \$8,440.00         |
| 5/14/2009    | VonLehman & Company  | Meeting Regarding Internal Investigation & Research Topics | \$560.00           |
| 6/8/2009     | Rankin, Rankin & Co. | Preparation of Deferred Compensation                       | \$375.00           |
| 6/17/2009    | VonLehman & Company  | Various Projects   | \$970.00           |
| <b>Total</b> |                      |  | <b>\$28,255.00</b> |

One Eleven Engineering & Surveying  
 5294 Madison Pike  
 Independence, KY 41051  
 859-363-9025

N. Ky. Water District  
 John Scheben

Invoice number 2008331  
 Date 01/29/2009

Project: V-08-072 JIMAE COURT 6393

| Description         | Contract Amount | Current Billed |
|---------------------|-----------------|----------------|
| Courthouse Research | 0.00            | 0.00           |
| Plot Plan           | 0.00            | 0.00           |
| Boundary Survey     | 0.00            | 0.00           |
| House Stake         | 0.00            | 0.00           |
| Easement Exhibit    | 0.00            | 750.00         |
| <b>Total</b>        | <b>0.00</b>     | <b>750.00</b>  |

Invoice total 750.00

**Aging Summary**

| Invoice Number | Invoice Date | Outstanding   | Current       | Over 30     | Over 60     | Over 90     | Over 120    |
|----------------|--------------|---------------|---------------|-------------|-------------|-------------|-------------|
| 2008331        | 01/29/2009   | 750.00        | 750.00        |             |             |             |             |
|                | <b>Total</b> | <b>750.00</b> | <b>750.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |

DUPLICATE INVOICE  
 DATE: 01/29/09  
 AMT: 750.00

*Vendor Number: New Vendor*  
*Amount: \$ 750.00*  
*Date: 1/30/09*  
*OK SS*  
*APP# 631-5000-030*

We accept checks under these conditions: When you pay by check, you expressly authorize One Eleven Engineering & Surveying PLLC, if your check is dishonored or returned for any reason, to electronically debit your account for the amount of the check, plus a processing fee of \$30 (or the legal limit) plus any applicable sales tax. The use of a check for payment is your acknowledgement and acceptance of this policy and its terms.

Due upon receipt. A charge of 1.5% per month will be added to invoices not paid within 30 days of invoice date.

Gary Hammons

Invoice number: 2008331

Invoice date: 01/29/2009

Page 1

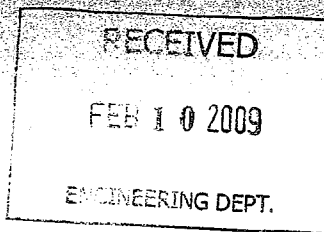




Ernst, McDevitt, Hambleton & Tilton, Inc.  
Engineers, Surveyors, Planners, Scientists

# INVOICE

February 6, 2009  
Project No: 2006-0564  
Invoice No: 0130804



Ms. Amy Kramer, P.E.  
Northern Kentucky Water District  
2835 Crescent Springs Road  
P. O. Box 18640  
Erlanger KY 41018

**Project: 2006-0564 Claryville and South Tank Constr Inspect**  
**Construction Phase Services**

1378

Professional services from September 14, 2008 to January 17, 2009

| Professional Services:      | Amount |               |
|-----------------------------|--------|---------------|
| Senior Engineer             | 255.00 |               |
| Total Professional Services |        | <b>255.00</b> |

| Reimbursable Expenses:            |        |               |
|-----------------------------------|--------|---------------|
| Mileage                           | 36.49  |               |
| Consultants - General Engineering | 164.18 |               |
| Total Reimbursable Expenses       |        | <b>200.67</b> |

**Total this invoice \$455.67**

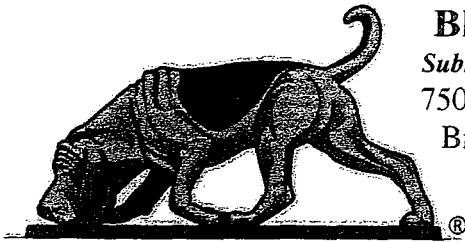
**Project Summary:**

|                 | Current       | Previously Invoiced | Total            |
|-----------------|---------------|---------------------|------------------|
| Labor           | 255.00        | 37,680.50           | 37,935.50        |
| Reimbursables   | 200.67        | 39,838.51           | 40,039.18        |
| Direct Expenses | 0.00          | 25.32               | 25.32            |
| <b>Totals</b>   | <b>455.67</b> | <b>77,544.33</b>    | <b>78,000.00</b> |

Vendor Number: EMH&T  
Approval: [Signature]  
Date: 2/10/09  
Acct #:  
Amount: \$455.67

|                    |       |           |        |
|--------------------|-------|-----------|--------|
| VENDOR #           | Emh&T | VOUCHER # |        |
| AMT #              |       | AMT       |        |
| AMT #              |       | AMT       | 455.67 |
| AMT #              |       | AMT       |        |
| AMT #              |       | AMT       |        |
| MATCHED TO INVOICE |       |           |        |
| MATCHED TO INVOICE |       |           |        |
| MATCHED TO INVOICE |       |           |        |

Please Include Invoice Number on Check



**Blood Hound, Inc.**  
 Subsurface Utility Engineering  
 750 Patricks Place, Suite B  
 Brownsburg, IN 46112  
**888-858-9830**

# Invoice

|           |           |
|-----------|-----------|
| Date      | Invoice # |
| 4/16/2009 | 16426     |

|                  |
|------------------|
| <b>Due Date</b>  |
| <b>5/16/2009</b> |

|  |
|--|
| Bill To  |
| Northern Kentucky Water District<br>2835 Crescent Springs Road<br>Erlanger, KY 41018<br>Attn: John Scheben |

|                |
|----------------|
| P.O. # / JOB # |
| 184-0618       |

| Serviced  | Item                      | Description  | Qty | Rate   | Amount   |
|-----------|---------------------------|--|-----|--------|----------|
| 4/16/2009 | Private Locate-Cincinnati | Covington Main Replacement, Various Locations<br>Private Locate-Cincinnati (hourly rate, 1 hour minimum) Dave & Jason<br><br>Four Sites total. Met with Steve Brian Melcher, and Darrin Feihner at 725 Edge cliff to locate and GPR water main on the north and east side of apartment complex. Went to 8th and Scott to verify gas, phone conduit, water, and sewer with GPR. Went to South Fort Thomas Ave. Across from water treatment plant to GPR tunnel across S. Fort Thomas Ave. 2 30" water mains in a tunnel roughly 30' feet deep. Last one was Horse Branch Rd. in Ft. Wright to GPR 36" concrete water main. John Scheben was also in attendance at all jobs except for Edge cliff. | 9   | 160.00 | 1,440.00 |

VENDOR # Blo 021 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 631 5000 030 AMT 720.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MT  
 CR MATCHED TO INVOICE ✓  
 RE-CALCULATE INVOICE ✓  
 Amount = # 720.00  
 Acct #: 631-5000-030  
 Vendor Number: New Vendor  
 Approval: ← Date: 4/24/09  
 Amount = # 720.00 Acct#:

RECEIVED  
  
 APR 20 2009  
  
 ENGINEERING DEPT.

*dcg*

|        |  |                    |                   |
|--------|--|--------------------|-------------------|
| Terms  | 1.5 % monthly Service charge after 30 days | Total              | \$1,440.00        |
| Net 30 |  | Payments/Credits   | \$0.00            |
|        |  | <b>Balance Due</b> | <b>\$1,440.00</b> |

BLOOD HOUND, INC. strives to provide quality and accurate locating services to all of its customers, but due to the nature of privately owned underground facilities, BLOOD HOUND, INC. will not be held liable for any damaged facilities. All customers are advised that they are required to follow their state's One-Call-Law before beginning excavation! BLOOD HOUND, INC will not guarantee the longevity of utility markings, due to activities on site that may destroy, or otherwise alter, the markings that were placed on the ground by BLOOD HOUND, INC. If the marks have been altered or destroyed, it is advised that the customer contact BLOOD HOUND, INC for remarkings.

If the customer fails to pay the balance in full by the due date, the customer shall be obligated to pay reasonable interest, and shall be responsible for all collection agency fees, attorney fees, court costs, and any other collection costs that BLOOD HOUND, INC. incurs.

TAX ID # 36-4496838

*720.00*

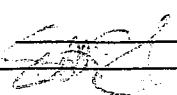

# Receiving Report

|                                   |  |                                   |
|-----------------------------------|--|-----------------------------------|
| VENDOR NUMBER: <u>FIF001</u>      |  | DATE: <u>4/9/2009</u>             |
| DOR NAME: <u>Fifth Third Bank</u> |  | CARD HOLDER <u>Scott Shepherd</u> |
|                                   |  | DEPARTMENT <u>Engineering</u>     |

| Transaction Date | Vendor Name/Description   | Account Number              |
|------------------|---|-----------------------------|
| 3/4/2009         | Metro Tech Corp - Bob Harthun purchased 4 conductive attachments for 9800 XT line locators 400A139. | 620-5002-030 ✓              |
|                  | \$174.21  |                             |
| 3/3/2009         | Campbell County Clerk - Easement costs from the courthouse for Subdistrict G.                       | \$52.00                     |
| 3/3/2009         | Campbell County Clerk - Easement costs from the courthouse for the Stonehouse Rd. project.          | \$98.00                     |
| 3/3/2009         | Campbell County Clerk - Easement costs from the courthouse for the 3 Mile Rd/Gibson Ln project.     | \$259.00                    |
| 3/3/2009         | Campbell County Clerk - Easement costs from the courthouse for some non184 numbered property.       | 635-5001-030<br>\$23.00     |
| 3/3/2009         | Campbell County Clerk - Easement costs from the courthouse for the Winkler Dr. property.            | <u>635-5000-030</u> \$23.00 |
| 3/6/2009         | Home Depot - Purchase of a measuring wheel used for mapping.  | 620-5002-030 ✓<br>\$63.56   |
| 3/12/2009        | Office Depot - Purchase of 5 triangular engineering scale rulers @ 7.99 each.                       | 620-5001-030 ✓<br>\$42.35   |
|                  | <b>Total amount</b>   | <b>\$735.12</b>             |

*pu  
S Browning  
pu S. Shepherd*

Card Holder Scott Shepherd SUPV. APPROVAL  DIR. APPROVAL 



# INVOICE

CLIENT N. KY Water District  
P. O. Box 18640  
Erlanger, KY 41018-0640

INVOICE NO 65958  
DATE 06/28/09

Attn: Mr. Richard Harrison

CLIENT ORDER NO

PROJECT Construction Review Services  
Mooch Road & Beverly Drive  
Wilder, Kentucky

OUR ORDER NO 2282-96284

TERMS Net 30 days

Invoice Period 08/25/08 to 06/28/09

| ITEM | QUANTITY | DESCRIPTION                                       | UNIT PRICE | UNIT | EXTENSION |
|------|----------|---|------------|------|-----------|
| 213  | 1        | Slope Inclinator Rental                           | \$154.00   | Day  | \$154.00  |
| 256  | 0.25     | Principal Reg. Professional Geotechnical Engineer | \$125.00   | Hour | \$31.25   |
| 258  | 3.25     | Services of Senior Technician                     | \$49.00    | Hour | \$159.25  |
| 287  | 0.5      | Services of Stenographer/Word Processing          | \$36.25    | Hour | \$18.13   |
|      |          | Total Engineering                                 |            |      | \$362.63  |
| 34   | Mileage  |   | \$ .70     | Mile | \$23.80   |
|      |          | Invoice Total                                     |            |      | \$386.43  |

**RECEIVED**  
**JUL 13 2009**  
 ENGINEERING DEPT.

Vendor Number: THE001

Date: 7/16/09

Amount: \$ 386.43

VENDOR # THE 001 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 631500030 AMT 386.43  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

Approval: *OK SS*  
 General Eng  
 631-5000-030  
 Acct # :



# INVOICE

CLIENT Northern KY Water District  
2835 Crescent Springs Rd.  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Attn: Mr. Richard Harrison

INVOICE NO 65753  
DATE 06/28/09  
CLIENT ORDER NO

PROJECT Consulting Services  
36" Main Break @ Railroad  
Covington, KY

OUR ORDER NO 2974-050255  
TERMS Net 30 days

Invoice Period 10/08/07 to 06/28/09

| ITEM              | QUANTITY | DESCRIPTION                                       | UNIT PRICE | UNIT | EXTENSION |
|-------------------|----------|---|------------|------|-----------|
| 253               | 0.75     | Services of Staff Geotechnical Engineer           | \$88.00    | Hour | \$66.00   |
| 256               | 3        | Principal Reg. Professional Geotechnical Engineer | \$130.00   | Hour | \$390.00  |
| Total Engineering |          |   |            |      | \$456.00  |
| Invoice Total     |          |   |            |      | \$456.00  |
| Thank You         |          |   |            |      |           |

RECEIVED  
JUL 13 2009  
ENGINEERING DEPT.

VENDOR # The Len VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 631 5000 036 AMT 456.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 ER MATCHED TO INVOICE \_\_\_\_\_  
 FE CALCULATE INVOICE \_\_\_\_\_

Vendor Number: THELEN  
 Approval: OK SS  
 Acct #: 631-5000-036  
 Date: 7/16/09  
 Amount: \$456.00



# INVOICE

CLIENT N. KY Water District  
P. O. Box 18640  
Erlanger, KY 41018-0640  
  
Attn: Mr. Richard Harrison

INVOICE NO 65957  
DATE 06/28/09  
CLIENT ORDER NO

PROJECT Consulting Services  
Water Main  
Ryland Heights, Kentucky

OUR ORDER NO 2282-95224  
TERMS Net 30 days

Invoice Period 01/07/02 to 06/28/09

| ITEM | QUANTITY | DESCRIPTION                                       | UNIT PRICE | UNIT | EXTENSION  |
|------|----------|---|------------|------|------------|
| 249  | 0.75     | Services of Draftsperson                          | \$49.75    | Hour | \$37.31    |
| 253  | 0.75     | Services of Staff Geotechnical Engineer           | \$88.00    | Hour | \$66.00    |
| 256  | 7        | Principal Reg. Professional Geotechnical Engineer | \$125.00   | Hour | \$875.00   |
| 287  | 2        | Services of Stenographer/Word Processing          | \$36.25    | Hour | \$72.50    |
|      |          | Total Engineering                                 |            |      | \$1,050.81 |
| 11   | Mileage  |   | \$ .70     | Mile | \$ 7.70    |
|      |          | Invoice Total                                     |            |      | \$1,058.51 |

RECEIVED  
JUL 13 2009  
ENGINEERING DEPT.

Thank You

VENDOR # The 001 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 631 6000 030 AMT 1058.51  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE JKH  
 RE MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

Vendor Number: THEL001  
 Approval: OK SS  
 Acct #: 631-5000-030  
 Date: 7/16/09  
 Amount: \$1058.51

VOUCHER REQUEST

NAME Kenton County Clerk

DATE 7-27-2009

STREET 5272 Madison Pike

CITY Independence STATE Ky. ZIP 41051

AMOUNT

DESCRIPTION Charges for recording various agreements and easements

# 108.00

"Please, check goes to Steve Broring in the Engineering department."

DISTRIBUTION :

ACCOUNT 63-5000-030 AMT. #180.00

TOTAL # 108.00

ACCOUNT \_\_\_\_\_ AMT. \_\_\_\_\_

DATE PD. \_\_\_\_\_

ACCOUNT \_\_\_\_\_ AMT. \_\_\_\_\_

CK. NO. \_\_\_\_\_

ACCOUNT \_\_\_\_\_ AMT. \_\_\_\_\_

VOU. NO. \_\_\_\_\_

ACCOUNT \_\_\_\_\_ AMT. \_\_\_\_\_

APPROVED BY: [Signature]

VENDOR # Kent VOUCHER # \_\_\_\_\_

ACCT# \_\_\_\_\_ AMT 108.00

ACCT# \_\_\_\_\_ AMT \_\_\_\_\_

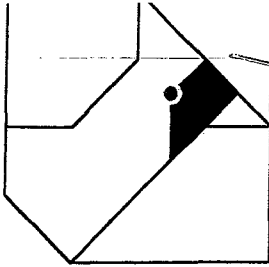
ACCT# 63-5000-030 AMT 180.00

ACCT# \_\_\_\_\_ AMT \_\_\_\_\_

P.O. MATCHED TO INVOICE [Signature]

RR MATCHED TO INVOICE \_\_\_\_\_

RE-CALCULATE INVOICE \_\_\_\_\_



CARDINAL

ENGINEERING  
ARCHITECTURE  
LAND SURVEYING

ONE MOOCK ROAD  
WILDER, KENTUCKY 41071  
(859) 581-9600

Client Copy

i n v o i c e

INVOICE NO 213344 SCS

DATE 08/07/09

CLIENT ORDER NO

OUR ORDER NO 5447-09-109

*Delokin  
8/11/09*

TERMS Net 30 days

CLIENT Northern Kentucky Water Dist.  
2835 Crescent Spring Road  
P.O. Box 18640  
Erlanger, Kentucky 41018

PROJECT Surveying/Regulator Pit Locations  
Uhl Road & 1998

AUG 2009

| ITEM   | QUANTITY | DESCRIPTION                                    | UNIT PRICE | UNIT | EXTENSION |
|--------|----------|--|------------|------|-----------|
| 080526 | 1        | Engineer Tech I-Drafting                       | \$70.00    | Hour | \$70.00   |
|        |          | Total Engineering                              |            |      | \$70.00   |
| 07051  | 0.5      | Land Surveyor I-Project Direction              | \$85.00    | Hour | \$42.50   |
| 00037  | 0.5      | Land Surveyor I-Project Status Review          | \$85.00    | Hour | \$42.50   |
| 110752 | 3.5      | Surveying-One Man                              | \$70.00    | Hour | \$245.00  |
| 110771 | 4        | Surveying-Traverse 2 Man                       | \$125.00   | Hour | \$500.00  |
|        |          | Total Surveying                                |            |      | \$830.00  |
|        |          | Invoice Total                                  |            |      | \$900.00  |
|        |          | Thank You                                      |            |      |           |
|        |          | 2% DISCOUNT IF PAYMENT IS RECEIVED BY 08/19/09 |            |      |           |
|        |          | Net amount with discount would be \$882.00     |            |      |           |
|        |          | VENDOR # <u>Cardinal</u> VOUCHER # _____       |            |      |           |
|        |          | ACCT # _____ AMT _____                         |            |      |           |
|        |          | ACCT # <u>10315000030</u> AMT <u>900.00</u>    |            |      |           |
|        |          | ACCT # _____ AMT _____                         |            |      |           |
|        |          | ACCT # _____ AMT _____                         |            |      |           |
|        |          | P.O. MATCHED TO INVOICE _____                  |            |      |           |
|        |          | RE MATCHED TO INVOICE _____                    |            |      |           |
|        |          | RE-CALCULATE INVOICE _____                     |            |      |           |



Northern Kentucky Water District  
 Petty Cash Report - Erlanger Office  
 Vendor # PCM-002  
 Aug-09

Cash Base \$232.00  
 Cash on Hand \$42.65  
**TOTAL REIMBURSEMENT \$189.35**

Breakdown of Expenses: receipts attached)

| Account Number             | Amount  |  | Total                  |
|----------------------------|---------|--|------------------------|
| 604-8700-072               | \$12.00 | Ron Lovan - WRF RAC Mtg. - Denver - Tips                 |                        |
| 604-8700-072               | \$5.44  | Ron Lovan - ACE09 - San Diego - Lunch                    |                        |
| <b>TOTAL 604-8700-072</b>  |         |  | <b>\$17.44</b>         |
| 620-8000-079               | \$83.93 | Colleen Medert - IKEA - Purchase Trophy Case w/light     |                        |
| <b>TOTAL 620-8000-079</b>  |         |  | <b>\$83.93</b>         |
| 604-8700-078               | \$6.62  | Melissa Bielo - Music for F. Robinson Retirement Video   |                        |
| <b>TOTAL 604-8700-078</b>  |         |  | <b>\$6.62</b>          |
| 604-8700-076               | \$61.61 | Colleen Medert - Sam's - Restock Board Kitchen Snacks    |                        |
| <b>TOTAL 604-8700-076</b>  |         |  | <b>\$61.61</b>         |
| 631-5000-030               | \$13.25 | Steve Broering - Record Agreement at Cov., KY Courthouse |                        |
| 631-5000-030               | \$6.50  | Greg Napier - Easment copies at Campbell Co. courthouse  |                        |
| <b>TOTAL 631-5000-030</b>  |         |  | <b>\$19.75</b>         |
| <b>TOTAL REIMBURSEMENT</b> |         |  | <b><u>\$189.35</u></b> |

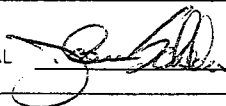

Submitted by: Colleen Medert  
 Date: August 18, 2009

VENDOR # PCM002 VOUCHER # \_\_\_\_\_  
 ACCT # see above AMT \_\_\_\_\_  
 ACCT # see above AMT \_\_\_\_\_  
 ACCT # see above AMT 189.35  
 ACCT # see above AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE WJ  
 RR MATCHED TO INVOICE WJ  
 RE-CALCULATE INVOICE \_\_\_\_\_

# Receiving Report

VENDOR NUMBER FIF001 DATE 8/5/2009  
 VENDOR NAME Fifth Third Bank CARD HOLDER John Scheben  
 DEPARTMENT Engineering

| Transaction Date    | Vendor Name/Description   | Account Number |
|---------------------|---|----------------|
| 7/24/2009           | Campbell County Clerk - Charges for recording various agreements & easements that John Scheben is working on. | 631-5000-030   |
|                     | \$26.00   |                |
|                     |   |                |
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| <b>Total amount</b> |   | <b>\$26.00</b> |

Card Holder John Scheben SUPV. APPROVAL  DIR. APPROVAL 

Northern Kentucky Water District  
 Petty Cash Report - Erlanger Office  
 Vendor # PCM-002  
 Sep-09

Cash Base \$232.00  
 Cash on Hand \$113.33

**TOTAL REIMBURSEMENT \$118.67**

Breakdown of Expenses: receipts attached)

| Account Number             | Amount  |  | Total           |
|----------------------------|---------|--|-----------------|
| 631-5000-030               | \$29.00 | Steve Broering - recording docs at Kenton Co. Courthouse |                 |
| 631-5000-030               | \$13.00 | Steve Broering - recording docs at Kenton Co. Courthouse |                 |
| <b>TOTAL 631-5000-030</b>  |         |  | <b>\$42.00</b>  |
| 675-8101-078               | \$18.18 | Pat Jett - Lunch for detainees                           |                 |
| <b>TOTAL 675-8101-078</b>  |         |  | <b>\$18.18</b>  |
| 604-5500-030               | \$30.00 | Richard Harrison & Ron Lovan - NKSPE Luncheon            |                 |
| 604-5500-030               | \$25.00 | John Scheben - NKSPE Luncheon                            |                 |
| <b>TOTAL 604-5500-030</b>  |         |  | <b>\$55.00</b>  |
| 675-8000-074               | \$3.49  | Jack Bragg - Quarter Rolls                               |                 |
| <b>TOTAL 675-8000-074</b>  |         |  | <b>\$3.49</b>   |
| <b>TOTAL REIMBURSEMENT</b> |         |  | <b>\$118.67</b> |

Submitted by: Colleen Medert  
 Date: October 6, 2009

VENDOR # PCM002 VOUCHER # \_\_\_\_\_  
 ACCT # 675 8000 074 AMT 3.49  
 ACCT # 631 5000 030 AMT 42.00  
 ACCT # 675 8101 078 AMT 18.18  
 ACCT # 604 5500 030 AMT 55.00  
 P.O. MATCHED TO INVOICE NA  
 RR MATCHED TO INVOICE 47  
 RE-CALCULATE INVOICE \_\_\_\_\_

66075

Northern Kentucky Water District  
 Petty Cash Report - Erlanger Office  
 Vendor # PCM-002  
 Oct-09

Cash Base \$232.00  
 Cash on Hand \$120.77

**TOTAL REIMBURSEMENT \$111.23**

Breakdown of Expenses: receipts attached)

| Account Number             | Amount  |  | Total           |
|----------------------------|---------|--|-----------------|
| 604-5500-030               | \$10.00 | Ron Lovan - KSPE Luncheon                            |                 |
| <b>TOTAL 604-5500-030</b>  |         |  | <b>\$10.00</b>  |
| 604-6500-031               | \$6.00  | Willie Mueller - IEUCC Convention Parking            |                 |
| <b>TOTAL 604-6500-031</b>  |         |  | <b>\$6.00</b>   |
| 604-8700-076               | \$53.99 | Colleen Medert - Sam's Club - Board Room Snacks      |                 |
| <b>TOTAL 604-8700-076</b>  |         |  | <b>\$53.99</b>  |
| 620-6002-031               | \$36.82 | Jeremy Hoffman - Maint. Of Mains - Concrete purchase |                 |
| <b>TOTAL 620-6002-031</b>  |         |  | <b>\$36.82</b>  |
| 631-5500-030               | \$2.00  | Greg Napier - copies at Campbell Co. Courthouse      |                 |
| <b>TOTAL 631-5000-030</b>  |         |  | <b>\$2.00</b>   |
| 620-7002-051               | \$2.42  | Nick Rebholz - Lowe's Graphite Packing               |                 |
| <b>TOTAL 620-7002-051</b>  |         |  | <b>\$2.42</b>   |
| <b>TOTAL REIMBURSEMENT</b> |         |  | <b>\$111.23</b> |

Submitted by: Colleen Medert  
 Date: October 30, 2009

VENDOR # PCM002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT 111.23  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

PAID OCT 30 2009

**Northern Kentucky Water District**  
**Petty Cash Report - Erlanger Office**  
**Vendor # PCM-002**  
**Nov-09**

Cash Base \$232.00  
 Cash on Hand \$40.82

**TOTAL REIMBURSEMENT \$191.18**

Breakdown of Expenses: receipts attached)

| Account Number             | Amount  |   | Total           |
|----------------------------|---------|---|-----------------|
| 604-8700-072               | \$34.00 | Ron Lovan - AMWA Ann. Conf. - Taxi's & Tips   |                 |
| 604-8700-072               | \$9.00  | Ron Lovan - Joint Chamber Meeting - Parking   |                 |
| 604-8700-072               | \$1.00  | Ron Lovan - Chamber Meeting - Parking   |                 |
| <b>TOTAL 604-8700-072</b>  |         |   | <b>\$44.00</b>  |
| 650-6003-031               | \$50.00 | Adam Smith - CDL Renewal  |                 |
| <b>TOTAL 650-6003-031</b>  |         |   | <b>\$50.00</b>  |
| 650-7001-056               | \$21.20 | Pat Jett - Meter Shop Vehicle - New part for door panel   |                 |
| <b>TOTAL 650-7001-056</b>  |         |   | <b>\$21.20</b>  |
| 604-5500-030               | \$40.00 | Amy K., John S., Kyle R. & Jeff S. - NKSPE Luncheon   |                 |
| <b>TOTAL 604-5500-030</b>  |         |   | <b>\$40.00</b>  |
| 604-8700-076               | \$30.48 | Colleen Medert - Board Snacks - Sam's Club  |                 |
| <b>TOTAL 604-8700-076</b>  |         |   | <b>\$30.48</b>  |
| 631-5000-030               | \$5.50  | Greg Napier - Copies Campbell Co. Courthouse  |                 |
| <b>TOTAL 631-5000-030</b>  |         |   | <b>\$5.50</b>   |
| <b>TOTAL XXX-XXXX-XXX</b>  |         | VENDOR # <u>PCM 002</u> VOUCHER # _____<br>ACCT # <u>JL</u> AMT <u>191.18</u><br>ACCT # <u>Medert</u> AMT _____<br>ACCT # <u>Medert</u> AMT _____<br>ACCT # <u>Medert</u> AMT _____ | <b>\$0.00</b>   |
| <b>TOTAL REIMBURSEMENT</b> |         | P.O. MATCHED TO INVOICE _____<br>RR MATCHED TO INVOICE _____<br>RE-CALCULATE INVOICE _____  | <b>\$191.18</b> |

Submitted by: Colleen Medert  
 Date: November 30, 2009

*medert*



The Payne Firm, Inc.  
 11231 Cornell Park Drive  
 Cincinnati, Ohio 45242  
 513-489-2255

November 9, 2009  
 Project No: 00909.10  
 Invoice No: 0019967

Northern Kentucky Water District  
 2835 Crescent Springs Drive  
 PO Box 18640  
 ATTN: Amy Kramer  
 Erlanger KY 41018-0640

Terms: Net 30 days

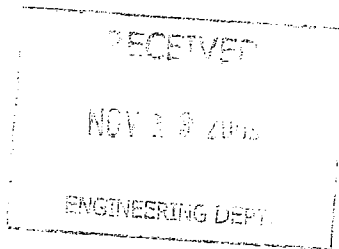
Project: 00909.10 Aqua Drive 2009 Beneficial Reuse

**Professional services from October 3, 2009 to October 30, 2009**

Task: 001 Permit-by-Rule Site Review

**Professional Personnel**

|                           | Hours | Rate   | Amount          |
|---------------------------|-------|--------|-----------------|
| PRINCIPAL II              | 0.50  | 200.00 | 100.00          |
| SENIOR PROJECT MANAGER II | 3.00  | 150.00 | 450.00          |
| PROJECT MANAGER I         | 7.70  | 130.00 | 1,001.00        |
| STAFF PERSONNEL II        | 2.60  | 75.00  | 195.00          |
| SUPPORT STAFF             | 2.90  | 50.00  | 145.00          |
| Totals                    | 16.70 |        | 1,891.00        |
| <b>Total Labor</b>        |       |        | <b>1,891.00</b> |



Total this task \$1,891.00  
 Total this invoice \$1,891.00

Vendor Number: PAYER  
 Acct #: 631-6000-031

Approval <sup>OK</sup> D. Gibson  
 Date: 11/30/09  
 Amount: \$1,891.00

| VENDOR #                | Pay/Ord  | VOUCHER # |
|-------------------------|----------|-----------|
| ACCT #                  |          | AMT       |
| ACCT #                  |          | AMT       |
| ACCT #                  | 11/30/09 | 1,891.00  |
| ACCT #                  |          | AMT       |
| P.O. MATCHED TO INVOICE |          |           |
| RR MATCHED TO INVOICE   |          |           |
| RE-CALCULATE INVOICE    |          |           |



# INVOICE

CLIENT Northern KY Water District  
2835 Crescent Springs Rd.  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Attn: Engineering Department

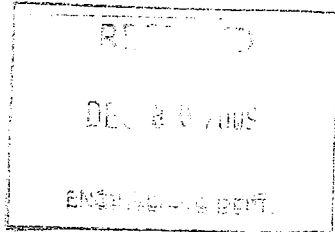
INVOICE NO 67100  
DATE 12/13/09  
CLIENT ORDER NO

PROJECT Consulting Services  
Aqua Drive Waste Area  
Campbell County, KY

OUR ORDER NO 2974-030779  
TERMS Net 30 days

Invoice Period 03/01/04 to 12/13/09

| ITEM | QUANTITY | DESCRIPTION                                       | UNIT PRICE | UNIT | EXTENSION  |
|------|----------|---|------------|------|------------|
| 256  | 4.5      | Principal Reg. Professional Geotechnical Engineer | \$130.00   | Hour | \$585.00   |
| 280  | 6        | Services of Senior Engineering Geologist          | \$98.00    | Hour | \$588.00   |
| 287  | 1.75     | Services of Stenographer/Word Processing          | \$32.75    | Hour | \$57.31    |
|      |          | Total Engineering                                 |            |      | \$1,230.31 |
|      | 18       | Mileage   | \$ .70     | Mile | \$12.60    |
|      |          | Invoice Total                                     |            |      | \$1,242.91 |



Thank You

*OK*  
*D. Fisher* Date: 1/12/2010  
Approval:  
Acct #: 631-6000-031  
Amount: \$1242.91  
Vendor Number: THELEN

|                         |                   |           |                |
|-------------------------|-------------------|-----------|----------------|
| VENDOR #                | <u>THELEN</u>     | VOUCHER # |                |
| ACCT #                  |                   | AMT       |                |
| ACCT #                  |                   | AMT       |                |
| ACCT #                  | <u>1031000031</u> | AMT       | <u>1242.91</u> |
| ACCT #                  |                   | AMT       |                |
| P.O. MATCHED TO INVOICE |                   |           | <u>1/12</u>    |
| RR MATCHED TO INVOICE   |                   |           |                |
| RE-CALCULATE INVOICE    |                   |           |                |

**VonLehman & Company Inc.**

Fort Mitchell Office

250 Grandview Drive, Suite 300

Fort Mitchell, KY 41017-5610

Phone: (859) 331-3300 FAX: (859) 331-4358

**Invoice Date:** February 11, 2009

**Invoice Number:** F49851

**Client Number:** 15077 001

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018

*For professional services rendered for the period ending January 31, 2009*

Interim billing for work on audit of financial statements for the year ended December 31, 2008. \$ 2,980.00

Preparation of debt service coverage certification letter related to issuance of new bonds. 1,730.00

**Total Invoice Amount** \$ 4,710.00

02 JB  
632-8000-077  
2/16/09

VENDOR # Ven 001 VOUCHER # 102024  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 632 8000 077 AMT 4910.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE MA  
RR MATCHED TO INVOICE MA  
RE-CALCULATE INVOICE MA

Thank you for allowing VonLehman & Company Inc. to serve you. We would appreciate this invoice being paid by February 26, 2009.

Remit to: VonLehman & Company Inc., Dept. L-2076, Cincinnati, OH 45270



**VonLehman & Company Inc.**

Fort Mitchell Office

250 Grandview Drive, Suite 300

Fort Mitchell, KY 41017-5610

Phone: (859) 331-3300 FAX: (859) 331-4358

**Invoice Date:** March 17, 2009

**Invoice Number:** F50348

**Client Number:** 15077 001

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018

*For professional services rendered for the period ending February 28, 2009*

Interim billing for work on audit of financial statements for the year ended December 31, 2008.

**Total Invoice Amount**

\$ 13,200.00

VENDOR # Von 001 VOUCHER # 103009  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 652-8000-074 AMT 13200.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE UJ  
 RR MATCHED TO INVOICE UJ  
 RE-CALCULATE INVOICE UJ

OK VB  
 3/24/09  
 652-8000-074

Thank you for allowing VonLehman & Company Inc. to serve you. We would appreciate this invoice being paid by March 31, 2009.

Remit to: VonLehman & Company Inc., Dept. L-2076, Cincinnati, OH 45270

VonLehman & Company Inc.

Fort Mitchell Office  
250 Grandview Drive, Suite 300  
Fort Mitchell, KY 41017-5610  
Phone: (859) 331-3300 FAX: (859) 331-4358

Invoice Date: April 10, 2009

Invoice Number: F51231

Client Number: 15077 001

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018



For professional services rendered for the period ending March 31, 2009

Final billing for audit of financial statements for the year ended December 31, 2008, including anticipated time for board presentation. (Includes additional time for OMB A-133 audit requirements related to KIA loan and completion of Data Collection Form.) \$ 5,090.00

Time incurred relating to audit and personnel matters, including additional testing and multiple communications regarding the same. 2,940.00

Research and phone call regarding sales tax audit issues. 410.00

**Total Invoice Amount** \$ 8,440.00

OK 632-8000-0744

JB  
4-3/09

VENDOR # Von Lehman VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 632 8000 0744 AMT 8440.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE mt  
RR MATCHED TO INVOICE mt  
RE-CALCULATE INVOICE mt

Thank you for allowing VonLehman & Company Inc. to serve you. We would appreciate this invoice being paid by April 27, 2009.

Remit to: VonLehman & Company Inc., Dept. L-2076, Cincinnati, OH 45270

**VonLehman & Company Inc.**

Fort Mitchell Office  
250 Grandview Drive, Suite 300  
Fort Mitchell, KY 41017-5610  
Phone: (859) 331-3300 FAX: (859) 331-4358

**Invoice Date:** May 14, 2009

**Invoice Number:** F52171

**Client Number:** 15077 001

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018

*For professional services rendered for the period ending April 30, 2009*

Meeting regarding internal investigation and research related topics.

**Total Invoice Amount**

\$ 560.00

oc  
JB  
5/18/09



REC'D MAY 14 2009  
FBI - CINCINNATI

VENDOR # Ven 001 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 032 8000 019 AMT 560.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE MAJ  
PR MATCHED TO INVOICE JR  
RE-CALCULATE INVOICE \_\_\_\_\_

REC'D MAY 14 2009  
FBI - CINCINNATI

Thank you for allowing VonLehman & Company Inc. to serve you. We would appreciate this invoice being paid by May 28, 2009.

Remit to: VonLehman & Company Inc., Dept. L-2076, Cincinnati, OH 45270



CLIENT: 4810  
JUNE 8, 2009

NORTHERN KENTUCKY WATER DISTRICT  
PO BOX 18640  
ERLANGER, KY 41018

PROFESSIONAL SERVICES RENDERED IN THE PREPARATION OF YOUR 2008  
DEFERRED COMPENSATION RETURNS, INCLUDING:

FORM 5500, ANNUAL RETURN/RPT OF EMPLOYEE BENEFIT PLAN  
SCHEDULE A, INSURANCE INFORMATION  
SCHEDULE I, FINANCIAL INFORMATION FOR SMALL PLANS

TAX PREPARATION FEE \$ 375.00

VENDOR # Ran 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 632 8000 074 AMT 375.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MAJ  
 RR MATCHED TO INVOICE MAJ  
 RE-CALCULATE INVOICE MAJ

cas  
JS  
6/16/09

632-8000-074

PAID 6/16/09

**VonLehman & Company Inc.**

Fort Mitchell Office

250 Grandview Drive, Suite 300

Fort Mitchell, KY 41017-5610

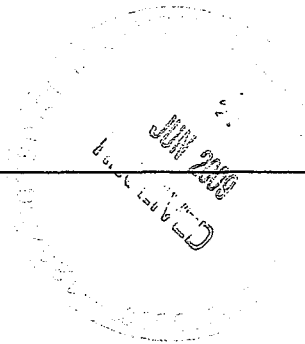
Phone: (859) 331-3300 FAX: (859) 331-4358

Invoice Date: June 17, 2009

Invoice Number: F52765

Client Number: 15077 001

Northern Kentucky Water District  
P.O. Box 18640  
Erlanger, KY 41018



For professional services rendered for the period ending May 31, 2009

Time incurred in connection with special project regarding personnel issues.

Total Invoice Amount \$ 970.00

02 SB

6/23/09

632-8000-074

VENDOR # Von 001 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 632-8000-074 AMT 970.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MA  
 RR MATCHED TO INVOICE MA  
 RE-CALCULATE INVOICE \_\_\_\_\_

Thank you for allowing VonLehman & Company Inc. to serve you. We would appreciate this invoice being paid by June 30, 2009.

Remit to: VonLehman & Company Inc., Dept. L-2076, Cincinnati, OH 45270

- Q18. Refer to NKWD's Response to Commission Staff's First Information Request, Item 4. For each item listed in Table 2 below, provide a schedule listing each expenditure with a detailed description of that expenditure. Provide all invoices related to that expenditure.
- A18. See Attachments.

| Transaction<br>Date | Journal<br>No. | Vendor                        | Amount      | Description  |
|---------------------|----------------|-------------------------------|-------------|--|
| a. 1/6/2009         | 194,553        | Hemmer Pangburn DeFrank PLLC  | \$1,729.00  | Easements, Assessments, KIA Documents                            |
| b. 2/4/2009         | 195,955        | Hemmer Pangburn DeFrank PLLC  | \$1,254.00  | Easement, Spider Line Agreements, Right of Entry Agreement       |
| c. 3/5/2009         | 197,632        | Hemmer Pangburn DeFrank PLLC  | \$2,033.00  | Review Agreements, KIA Assistance, Eminent Domain Rights         |
| d. 6/3/2009         | 202,726        | Hemmer Pangburn DeFrank PLLC  | \$2,508.00  | Easements, Land Purchase, FTTP Filter Renovations                |
| e. 6/6/2009         | 203,411        | Hughes, PSC., John N.         | \$6,229.18  | Service Line Tariff, Cross Connection Issues, Ice Storm Response |
| f. 9/11/2009        | 206,788        | Hughes, PSC., John N.         | \$1,229.18  | Cross Connection Application and Sub-district F Issues           |
| g. 10/5/2009        | 208,086        | Hughes, PSC., John N.         | \$1,145.83  | Preparing of Application for Sub-districts                       |
| h. 12/1/2009        | 211,022        | Hemmer Pangburn DeFrank PLLC  | \$1,132.75  | Review KY Law regarding Lateral Lines, Sanitation Issues         |
| i. 5/5/2009         | 200,811        | Hemmer Pangburn DeFrank PLLC  | \$13,113.70 | Employee Issue/Investigation                                     |
| j. 1/6/2009         | 194,552        | Hemmer Pangburn DeFrank PLLC  | \$3,506.34  | Credit Card Services, Easements, Sale of Property                |
| k. 1/6/2009         | 194,555        | Hemmer Pangburn DeFrank PLLC  | \$5,396.00  | Closing of Property, 2009 Revenue Bonds                          |
| l. 2/4/2009         | 195,953        | Hemmer Pangburn DeFrank PLLC  | \$1,889.50  | AMR Bidding Documents, KIA Loan Documents                        |
| m. 2/4/2009         | 195,956        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Credit Card Services, Sales Tax Audit, Auditors Letter           |
| n. 2/27/2009        | 197,227        | Travelers                     | \$10,000.00 | Deductible for Council in Employee Matter                        |
| o. 3/5/2009         | 197,631        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Bidding Documents, Easements, Banking Services                   |
| p. 3/5/2009         | 197,634        | Hemmer Pangburn DeFrank PLLC  | \$1,577.00  | Auditor's Documents, Banking Resolutions                         |
| q. 3/12/2009        | 197,782        | Greenebaum Doll & McDonald    | \$1,662.50  | GCWW Issue, Filter Backwash Discharge                            |
| r. 4/7/2009         | 199,232        | Hughes, PSC., John N.         | \$13,187.50 | Cross Connection Appeal Issues & Briefings, Tapping Fees         |
| s. 4/8/2009         | 199,380        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Employee Issue, Conferences Regarding Cases, Bids & Agreements   |
| t. 5/5/2009         | 200,810        | Hemmer Pangburn DeFrank PLLC  | \$1,041.25  | Sales Tax Case, Easements  |
| u. 5/5/2009         | 200,812        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Employee Issues, Meter Bids, Easements, Meetings                 |
| v. 6/3/2009         | 202,724        | Hemmer Pangburn DeFrank PLLC  | \$3,553.00  | Agreements with Contractors, Contract on New Properties          |
| w. 6/3/2009         | 202,727        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Land Purchase, Board Minutes/Issues, Bid Documents               |
| x. 6/3/2009         | 202,729        | Hemmer Pangburn DeFrank PLLC  | \$3,372.50  | Research Condemnation Action, Refund Application Data            |
| y. 7/6/2009         | 204,449        | Hemmer Pangburn DeFrank PLLC  | \$3,477.00  | Requirements for Title Issue, Employee Issue                     |
| z. 7/6/2009         | 204,451        | Hemmer Pangburn DeFrank PLLC  | \$3,500.00  | Correspondence for Dixie Hwy Office, Lab HVAC Issues, Bids       |
| aa. 7/6/2009        | 204,453        | Hemmer Pangburn DeFrank PLLC  | \$2,477.53  | Review Tax Data, Condemnation Case                               |
| ab. 8/5/2009        | 204,736        | Hemmer Pangburn DeFrank PLLC  | \$2,356.00  | Zoning Issues, Mortgage Payoffs, Closing Properties              |
| ac. 8/5/2009        | 204,738        | Hemmer Pangburn DeFrank PLLC  | \$3,405.00  | Easements, Sales Tax Issue, Sale of Property, Sanitation Issue   |
| ad. 8/5/2009        | 204,739        | Hemmer Pangburn DeFrank PL1.C | \$4,450.75  | Restoration & Easement Agreements, KY Tax Bill Case              |
| ae. 9/11/2009       | 206,788        | Hughes, PSC., John N.         | \$1,708.32  | Preliminary Rate Case Conferences, AMR Financing Documents       |
| af. 10/1/2009       | 207,794        | Hemmer Pangburn DeFrank PLLC  | \$2,745.50  | RFP for Sale of Property, Closing Agreements                     |

Witness: Bragg

|     |            |         |                              |            |   |
|-----|------------|---------|------------------------------|------------|---|
| ag. | 10/1/2009  | 207,796 | Hemmer Pangburn DeFrank PLLC | \$3,513.59 | Review Bids, Closing on Properties, Review Contracts for Projects |
| ah. | 10/1/2009  | 207,797 | Hemmer Pangburn DeFrank PLLC | \$1,123.75 | KY Tax Bill Case, Appraisal on Condemnation Case                  |
| ai. | 10/28/2009 | 208,777 | Frost Brown Todd LLC         | \$7,385.80 | Environmental Escrow Agreement                                    |
| aj. | 11/19/2009 | 210,001 | Frost Brown Todd LLC         | \$1,427.87 | Environmental Escrow Agreement                                    |
| ak. | 12/1/2009  | 211,020 | Hemmer Pangburn DeFrank PLLC | \$3,500.00 | Easements, Leases, Closings, Memorial Pkwy Bid Documents          |
| al. | 12/1/2009  | 211,021 | Hemmer Pangburn DeFrank PLLC | \$3,500.00 | Review Bids & Agreements, Research Open Records Act               |
| am. | 12/1/2009  | 211,060 | Hughes, PSC., John N.        | \$2,771.84 | Preliminary Rate Case Conferences, Plant Inspection Plan          |
| an. | 12/9/2009  | 211,522 | Hemmer Pangburn DeFrank PLLC | \$3,500.00 | GAC Specs, Review BAN Documents, Easement                         |
| ao. | 12/10/2009 | 211,168 | Frost Brown Todd LLC         | \$5,598.88 | Environmental Issues & Reports                                    |



(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

a.

**Northern Kentucky Water District**

Attn: Jack Bragg  
 P.O. Box 18640  
 Erlanger KY 41018-0640

January 06, 2009

In Reference To: **Engineering & Distribution**

Client #NKW01/GN003

Invoice #40008

Professional Services

VENDOR # ARMOUR VOUCHER # 101204  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1035 500 030 AMT 1179.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE ✓  
 RR MATCHED TO INVOICE ✓  
 RE-CALCULATE INVOICE ✓

|            |     |   | Hrs/Rate          | Amount |
|------------|-----|---|-------------------|--------|
| 12/8/2008  | CHP | Review KIA Assistance agreement; Finalize opinion of counsel regarding same.  | 0.90<br>190.00/hr | 171.00 |
| 12/9/2008  | CHP | Review KIA documentation; Finalize opinion of counsel.  | 0.20<br>190.00/hr | 38.00  |
| 12/17/2008 | CHP | Telephone call from J. Scheben regarding Pendleton County deeds; Review five deeds; Telephone call with J. Scheben.                                   | 1.10<br>190.00/hr | 209.00 |
| 12/18/2008 | CHP | Telephone call from G. Napier regarding partial assessment release; Draft additional revisions.   | 0.30<br>190.00/hr | 57.00  |
|            | CHP | Review G. Napier correspondence and partial assessment agreement; Review deed; Draft revisions.   | 0.60<br>190.00/hr | 114.00 |
|            | CHP | Research new deed and easements requirements.   | 0.80<br>190.00/hr | 152.00 |
| 12/22/2008 | CHP | Review proposed change to Cain easement for B. Kuper; Draft response.   | 0.20<br>190.00/hr | 38.00  |
|            | CHP | Review standard District easement.  | 0.30<br>190.00/hr | 57.00  |
|            | CHP | Review J. Scheben correspondence and documents related to Covington merger and Devou Park property; Analysis of same; Telephone call with J. Scheben. | 0.80<br>190.00/hr | 152.00 |

|   |  | <u>Hrs/Rate</u>   | <u>Amount</u>          |
|---|--|-------------------|------------------------|
| 12/23/2008                                | CHP Research tax exemption and new requirements for deeds; Research and draft new standard easement; Draft correspondence. | 2.80<br>190.00/hr | 532.00                 |
| 12/29/2008                                | CHP Review B. Kuper inquiry and covenant and Rules of First Twelve Mile Baptist Church; Research same; Draft response.     | 0.60<br>190.00/hr | 114.00                 |
| 12/30/2008                                | CHP Review 1961 Pendleton County deed and related deeds; Draft correspondence to J. Scheben.                               | 0.50<br>190.00/hr | 95.00                  |
| <b>Subtotal of charges</b>                |  |                   | <b>\$1,729.00</b>      |
| <b>For professional services rendered</b> |  |                   | <b>9.10 \$1,729.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

250 Grandview Drive  
Ft. Mitchell, KY 41017

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

6.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger KY 41018-0640

February 04, 2009

In Reference To: **Engineering & Distribution**

Client #NKW01/GN003

Invoice #40240

Professional Services

|   |     |  | Hrs/Rate          | Amount            |
|---|-----|--|-------------------|-------------------|
| 1/12/2009                                 | CHP | Review 24 easement, spider line agreements and partial release agreements for S. Broering; Research grantors; Draft correspondence.            | 2.90<br>190.00/hr | 551.00            |
| 1/16/2009                                 | CHP | Review 2009 materials bid specifications for B. Kuper; Draft revisions and comments.   | 1.20<br>190.00/hr | 228.00            |
| 1/19/2009                                 | CHP | Review Right of Entry and Use Agreement for Morgan property; Draft correspondence to G. Napier; Review response; Draft revisions to agreement. | 1.10<br>190.00/hr | 209.00            |
| 1/27/2009                                 | CHP | Review RFQ for Geotechnical Services, RFQ for surveying and main design and invitation; Telephone call with J. Scheben; Draft revisions.       | 1.40<br>190.00/hr | 266.00            |
| <b>Subtotal of charges</b>                |     |  |                   | <b>\$1,254.00</b> |
| <b>For professional services rendered</b> |     |  |                   | <b>\$1,254.00</b> |

RECEIVED FEB 13 2009

VENDOR # Hem 002 VOUCHER # 101981  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 1033 5000 030 AMT 1254.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE ut  
RR MATCHED TO INVOICE ut  
RE-CALCULATE INVOICE ut

RECEIVED FEB 13 2009

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

Drive  
ell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

C.

**Northern Kentucky Water District**  
Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

March 05, 2009

In Reference To: **Engineering & Distribution**  
Client #NKW01/GN003  
Invoice #40554

VENDOR # Hm 002 VOUCHER # 102868  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 10295000030 AMT 2033.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE ✓  
 RR MATCHED TO INVOICE ✓  
 RE-CALCULATE INVOICE ✓

Professional Services

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 2/4/2009  | CHP | Review J. Schuchter request, Lakeside Park and CDS correspondence and proposed agreement for Van Deren project; Research and draft revisions to agreement.   | 1.20<br>190.00/hr | 228.00 |
| 2/5/2009  | CHP | Review J. Scheben correspondence and proposed KIA Assistance Agreement for AMR, resolution and transaction documents; Telephone call with J. Scheben; Research and draft revisions; Draft correspondence; Review KIA revisions made at my request. | 2.50<br>190.00/hr | 475.00 |
|           | CHP | Review KIA Grant Agreement and related documents and resolution; Draft revisions and correspondence.   | 1.00<br>190.00/hr | 190.00 |
| 2/11/2009 | CHP | Review J. Scheben correspondence and multiple deeds; Research Dower issue; Draft revisions to Grant of Easement.   | 0.80<br>190.00/hr | 152.00 |
| 2/13/2009 | CHP | Review private system tap-in agreement for J. Scheben; Research and draft revisions to same.   | 0.90<br>190.00/hr | 171.00 |
| 2/16/2009 | CHP | Research purchasing through state program for G. Napier; Draft correspondence.   | 0.80<br>190.00/hr | 152.00 |
| 2/17/2009 | CHP | Review J. Scheben correspondence and proposed Western Avenue agreement; Draft revisions to same.   | 0.60<br>190.00/hr | 114.00 |
| 2/18/2009 | CHP | Draft revisions to Park Hills agreement for J. Schuchter.  | 0.40<br>190.00/hr | 76.00  |
|           | CHP | Review J. Schuchter correspondence and proposed Lakeside Park agreement; Draft revisions.  | 0.70<br>190.00/hr | 133.00 |

|   |     | <u>Hrs/Rate</u>   | <u>Amount</u>     |                   |
|---|-----|---|-------------------|-------------------|
| 2/19/2009                                 | CHP | Review J. Schuchter correspondence regarding bids and agreement;<br>Review and revise Brookwood Drive agreement; Review addendum to<br>bid specifications.                          | 0.60<br>190.00/hr | 114.00            |
| 2/26/2009                                 | CHP | Review B. Kuper correspondence, Asphalt restoration agreement and<br>proposed amendment; Draft revisions to amendment; Telephone call<br>from B. Kuper; Draft additional revisions. | 0.70<br>190.00/hr | 133.00            |
| 2/27/2009                                 | CHP | Review J. Scheben correspondence and letter from Attorney Brammel<br>on behalf of Filacchione; Review eminent domain file; Draft<br>correspondence to J. Scheben.                   | 0.50<br>190.00/hr | 95.00             |
| <b>Subtotal of charges</b>                |     |   |                   | <b>\$2,033.00</b> |
| <b>For professional services rendered</b> |     |   | 10.70             | <b>\$2,033.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

Ft. Mitchell, KY 41017

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

d.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

REC'D JUN 3 2009

June 03, 2009

In Reference To: **Engineering & Distribution**

Client #NKW01/GN003

Invoice #41357

VENDOR # JKM 012 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 633 6/100 150 AMT 2500.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE JKM  
 RR MATCHED TO INVOICE JKM  
 RE-CALCULATE INVOICE JKM

Professional Services

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 5/1/2009  | CHP | Draft easement provision for B. Kuper.   | 0.60<br>190.00/hr | 114.00 |
| 5/4/2009  | CHP | Review proposed agreement for asphalt restoration with Duke Energy;<br>Research and draft revisions to same.   | 0.80<br>190.00/hr | 152.00 |
| 5/5/2009  | CHP | Review Van Deren project agreements for J. Schuchter; Draft<br>revisions.  | 0.30<br>190.00/hr | 57.00  |
| 5/6/2009  | CHP | Review new general conditions and supplementary conditions for A.<br>Kramer.   | 3.20<br>190.00/hr | 608.00 |
| 5/7/2009  | CHP | Research and draft revisions to supplementary conditions; Draft<br>correspondence to A. Kramer.  | 1.70<br>190.00/hr | 323.00 |
|           | CHP | Research two land purchases on Grand Avenue; Research<br>documents; Draft correspondence to J. Scheben.  | 1.60<br>190.00/hr | 304.00 |
| 5/8/2009  | CHP | Research and revise Engineering Services Contingency Agreement;<br>Research updates in state legal requirements.   | 1.70<br>190.00/hr | 323.00 |
| 5/13/2009 | CHP | Review G. Napier correspondence and Elster AMCO agreement;<br>Draft amendment.   | 0.60<br>190.00/hr | 114.00 |
| 5/14/2009 | CHP | Review proposed agreement for right of entry and use with Morgans;<br>Telephone call with R. Harrison regarding same; Research and revise<br>Right-of-Entry and Use Agreement. | 0.80<br>190.00/hr | 152.00 |

PAID JUN 3 2009

|   |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|---|-------------------|-------------------|
| 5/20/2009                                 | CHP | Review A. Kramer correspondence regarding FTTP Filter Renovation;<br>Review documents.  | 0.30<br>190.00/hr | 57.00             |
|   | CHP | Review J. Schucher correspondence and proposed Park Hills<br>Agreement; Draft revisions to same.                                      | 0.60<br>190.00/hr | 114.00            |
| 5/28/2009                                 | CHP | Review G. Napier correspondence and bid specifications for tires and<br>services; Research and draft revisions; Draft correspondence. | 1.00<br>190.00/hr | 190.00            |
| <b>Subtotal of charges</b>                |     |   |                   | <b>\$2,508.00</b> |
| <b>For professional services rendered</b> |     |   | 13.20             | <b>\$2,508.00</b> |

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

John N. Hughes, PSC

Attorney at Law  
124 West Todd St.  
Frankfort, KY 40601  
jnhughes@fewpb.net

e.

Invoice submitted to:  
Northern Kentucky Water District  
2835 Crescent Springs Road  
Box 18640  
%Jack Bragg  
Erlanger KY 41018-0640

PAID 7/15/2009

July 06, 2009

Invoice #1159

Professional Services

VENDOR # Hug 001 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 633 5000 030 AMT 6229.18  
ACCT # 633 8000 079 AMT 479.16  
P.O. MATCHED TO INVOICE \_\_\_\_\_  
RR MATCHED TO INVOICE \_\_\_\_\_  
RE-CALCULATE INVOICE \_\_\_\_\_

|           |  | Hrs/Rate          | Amount   |
|-----------|--|-------------------|----------|
| 5/5/2009  | Tele. JS re: sub F extension; response to JS re: PSC filing checklist for sub F  | 0.75<br>250.00/hr | 187.50   |
| 5/11/2009 | Respond to JB re: service line tariff issues   | 0.33<br>250.00/hr | 83.33    |
| 5/14/2009 | Review SD # 1 shut off issues for RL   | 0.50<br>250.00/hr | 125.00   |
| 5/26/2009 | Review PSC and Crestbrook cross connection Court of Appeals briefs   | 1.50<br>250.00/hr | 375.00   |
| 5/27/2009 | Research issues for PSC and Crestbrook cross connection Court of Appeals reply brief                                       | 5.50<br>250.00/hr | 1,375.00 |
| 5/28/2009 | Draft issues for cross connection Court of Appeals reply brief   | 4.75<br>250.00/hr | 1,187.50 |
| 5/29/2009 | Draft issues for cross connection Court of Appeals reply brief   | 4.00<br>250.00/hr | 1,000.00 |
| 6/1/2009  | Tele. RH re: revisions to tap fees; draft cross connection brief; review preliminary documents for Siry Rd sub F extension | 3.75<br>250.00/hr | 937.50   |
| 6/2/2009  | Draft cross connection reply brief; tele. PSC re: sub F issues; message JS   | 1.50<br>250.00/hr | 375.00   |
| 6/3/2009  | Tele. JS re: sub F issue   | 0.17<br>250.00/hr | 41.67    |
| 6/4/2009  | Review documents; prepare exhibits re: sub F extension   | 1.42<br>250.00/hr | 354.17   |



|  | <u>Hrs/Rate</u>   | <u>Amount</u>        |
|--|-------------------|----------------------|
| 6/8/2009 Draft letter ; prepare and file sub F extension applicatio <i>E</i>             | 1.42<br>250.00/hr | 354.17               |
| 6/16/2009 File Ice Storm respons <i>A</i>  | 0.33<br>250.00/hr | 83.33                |
| 6/30/2009 Review documents for FTTP filter application; tele. AK, RH re: issues <i>B</i> | 0.92<br>250.00/hr | 229.17               |
| <b>For professional services rendered</b>  | <b>26.83</b>      | <b>\$6,708.34</b>    |
| <b>Previous balance</b>  |                   | <b>\$13,187.50</b>   |
| Accounts receivable transactions   |                   |                      |
| 5/5/2009 Payment - Thank You   |                   | (\$13,187.50)        |
| <b>Total payments and adjustments</b>  |                   | <b>(\$13,187.50)</b> |
| Balance due  |                   | <b>\$6,708.34</b>    |

OK JS

7/16/09

633-5000-030

633-8000-079

6229.18

479.16

**John N. Hughes, PSC**

Attorney at Law  
 124 West Todd St.  
 Frankfort, KY 40601  
 jnhughes@fewpb.net

f.

Invoice submitted to:  
 Northern Kentucky Water District  
 2835 Crescent Springs Road  
 Box 18640  
 %Jack Bragg  
 Erlanger KY 41018-0640

September 11, 2009

Invoice #1165

Professional Services

|           |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|--|-------------------|---------------|
| 7/1/2009  | Telephone JB re: AMR financing; message re: PSC application <i>OL JB</i> | 0.50<br>250.00/hr | 125.00        |
|           | Prepare FTTP filter replacement ccn application <i>OL JB</i>             | 2.25<br>250.00/hr | 562.50        |
| 7/2/2009  | Prepare FTTP filter replacement ccn application <i>OL JB</i>             | 1.83<br>250.00/hr | 458.33        |
| 7/6/2009  | Review AMR financing documents <i>OL JB</i>                              | 0.33<br>250.00/hr | 83.33         |
| 7/7/2009  | Draft AMR financing application <i>OL JB</i>                             | 2.33<br>250.00/hr | 583.33        |
| 7/8/2009  | Tele. RH (2) re: Boone County subdistrict issues <i>RH</i>               | 0.42<br>250.00/hr | 104.17        |
| 7/13/2009 | Review sub F order; message JB <i>RH</i>                                 | 0.25<br>250.00/hr | 62.50         |
| 7/16/2009 | Tele. JS re: sub F issues <i>RH</i>                                      | 0.17<br>250.00/hr | 41.67         |
| 7/20/2009 | File Ice Storm Response <i>OL JB</i>                                     | 0.33<br>250.00/hr | 83.33         |
|           | Review draft Sub F responses for PSC <i>RH</i>                           | 0.50<br>250.00/hr | 125.00        |

|                          |                    |                         |                      |
|--------------------------|--------------------|-------------------------|----------------------|
| VENDOR #                 | VOUCHER #          | VENDOR #                | VOUCHER #            |
| ACCT #                   | AMT                | ACCT #                  | AMT                  |
| ACCT # <u>133800019</u>  | AMT <u>1708.32</u> | ACCT #                  | AMT <u>0.17</u>      |
| ACCT #                   | AMT                | ACCT #                  | AMT <u>250.00/hr</u> |
| ACCT # <u>1335000130</u> | AMT <u>1229.18</u> | ACCT #                  | AMT                  |
| P.O. MATCHED TO INVOICE  |                    | ACCT #                  | AMT                  |
| RR MATCHED TO INVOICE    |                    | P.O. MATCHED TO INVOICE |                      |
| RE-CALCULATE INVOICE     |                    | RR MATCHED TO INVOICE   |                      |
|                          |                    | RE-CALCULATE INVOICE    |                      |

502 227 7270

2009-09-18 10:09

|  | <u>Hrs/Rate</u>   | <u>Amount</u>       |
|--|-------------------|---------------------|
| 7/28/2009 Tele. JS re: construction contracts <i>JS</i>  | 0.17<br>250.00/hr | 41.67               |
| 8/5/2009 Tele. JB re: rate case meeting w/PSC <i>JB</i>  | 0.17<br>250.00/hr | 41.67               |
| 8/7/2009 Tele. JB, PSC re: sub F order <i>JB</i>   | 0.25<br>250.00/hr | 62.50               |
| 8/24/2009 Tele. JB, RB re: Moody's financial issues <i>JB RB</i>   | 0.58<br>250.00/hr | 145.83              |
| 8/25/2009 Tele. JS re: sub F issues; tele. PSC re: rate case conference dates; tele. PSC re: sub F order <i>JS</i> | 0.33<br>250.00/hr | 83.33               |
| 8/26/2009 Tele. RH re: sub F/Pendleton Co. WD surcharges <i>RH</i>   | 0.17<br>250.00/hr | 41.67               |
| 8/28/2009 Review draft agenda, Power Point for PSC rate case conference; tele. JB <i>JB</i>                        | 0.33<br>250.00/hr | 83.33               |
| 8/31/2009 Review draft exhibits for Mook Review documents concerning. ccn <i>JS</i>                                | 0.67<br>250.00/hr | 166.67              |
| <b>For professional services rendered</b>  | <b>11.75</b>      | <b>\$2,937.50</b>   |
| <b>Previous balance</b>  |                   | <b>\$6,708.34</b>   |
| Accounts receivable transactions   |                   |                     |
| 7/31/2009 Payment - Thank You  |                   | (\$6,708.34)        |
| <b>Total payments and adjustments</b>  |                   | <b>(\$6,708.34)</b> |
| Balance due  |                   | <b>\$2,937.50</b>   |

633-8000-079

1708.32

633-5000-030

1229.18

*OK JS*  
9/10/09

**John N. Hughes, PSC**

Attorney at Law  
 124 West Todd St.  
 Frankfort, KY 40601  
 jnhughes@fewpb.net

g.

Invoice submitted to:  
 Northern Kentucky Water District  
 2835 Crescent Springs Road  
 Box 18640  
 %Jack Bragg  
 Erlanger KY 41018-0640

OK JB 10/17/09  
 633-8000-072  
 633-8000-030  
 824.62  
~~721.87~~  
 1145.83

October 05, 2009

Invoice #1169

Professional Services

|  |       | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|--|-------|-------------------|-------------------|
| 9/2/2009 Prepare Mooch Road CCN Application                    | OK JB | 3.83<br>250.00/hr | 958.33            |
| 9/3/2009 Client/PSC conference re: rate case issues            | OK JB | 3.00<br>250.00/hr | 750.00            |
| 9/4/2009 Draft response to PSC questions about sub F extension | OK JB | 0.75<br>250.00/hr | 187.50            |
| 9/11/2009 Tele. JB re: Moody's issues                          | OK JB | 0.17<br>250.00/hr | 41.67             |
| <b>For professional services rendered</b>                      |       | <b>7.75</b>       | <b>\$1,937.50</b> |

Additional Charges :

|  |       |  |                |
|--|-------|--|----------------|
| 9/16/2009 Postage for JB's computer return | OK JB |  | 32.95          |
| <b>Total additional charges</b>            |       |  | <b>\$32.95</b> |

**Total amount of this bill** **\$1,970.45**

**Previous balance** **\$2,937.50**

Accounts receivable transactions

|                                       |  |                |                     |
|---------------------------------------|--|----------------|---------------------|
| 10/6/2009 Payment - Thank You         |  | 824.62         |                     |
| <b>Total payments and adjustments</b> |  | <b>1145.83</b> | <b>(\$2,937.50)</b> |

VENDOR # Aug 001 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 633 8000 072 AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT 824.62  
 ACCT # 633 8000 030 AMT 1145.83  
 I.O. MATCHED TO INVOICE \_\_\_\_\_  
 FE MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

Balance due

| <u>Amount</u>     |
|-------------------|
| <u>\$1,970.45</u> |

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

*h.*

**Northern Kentucky Water District**  
Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

November 23, 2009

In Reference To: **Engineering & Distribution**  
Client # **NKW01/GN003**  
Invoice # **42852**

Professional Services

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 10/20/2009                                | BCD | Review research memo regarding Sanitation District No. 1 matter.   | 0.25<br>190.00/hr | 47.50             |
|   | TAL | Review Act and draft summary memo to B. Dunham.  | 1.50<br>145.00/hr | 217.50            |
| 10/21/2009                                | BCD | Meeting with Tim Lynch regarding follow-up research in Sanitation District No. 1 matter.   | 0.10<br>190.00/hr | 19.00             |
|   | BCD | Review research results; perform followup research regarding Sanitation District No. 1 marking of laterals, including research of other states with a similar underground facility prevention act. | 2.75<br>190.00/hr | 522.50            |
|   | TAL | Research KY law regarding maintenance of lateral lines.  | 2.25<br>145.00/hr | 326.25            |
| <b>Subtotal of charges</b>                |     |  |                   | <b>\$1,132.75</b> |
| <b>For professional services rendered</b> |     |  | <b>6.85</b>       | <b>\$1,132.75</b> |

Remit Payment To:  
**Hemmer Pangburn DeFrank PLLC**  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

*i.*

**Northern Kentucky Water District**  
 P.O. Box 18640  
 Erlanger, KY 41018-0640  
 Jack Bragg

May 05, 2009

In Reference To: **Human Resources**

Client #NKW01/GN005

Invoice #40981

Professional Services

|           |     |   | Hrs/Rate                 | Amount   |
|-----------|-----|---|--------------------------|----------|
| 4/2/2009  | CHP | Review employee correspondence; Review R. Hudson correspondence; Review policies of NKWD; Draft correspondence regarding same; Telephone call with W. Sayed; Telephone call with R. Hudson. | (H) JS 2.90<br>190.00/hr | 551.00   |
|           | BCD | Voicemail from Wajahot Sayed; Meeting with CHP regarding same.  | (H) JS 0.25<br>190.00/hr | 47.50    |
| 4/3/2009  | CHP | Telephone call from W. Sayed; Draft correspondence.   | (H) JS 0.20<br>190.00/hr | 38.00    |
| 4/7/2009  | CHP | Review J. Bragg memo of proof.  | (H) JS 0.30<br>190.00/hr | 57.00    |
| 4/8/2009  | CHP | Review and research Bragg Memorandum of Proof; Review all e-mails; Analysis of documents; Telephone call with J. Bragg; Telephone call with B. Buhrlage; Prepare for interviews.            | (H) JS 5.50<br>190.00/hr | 1,045.00 |
|           | CHP | Review M. Ryba inquiry regarding uniform awards; Review and revise draft response for B. Buhrlage.  | (H) JS 0.50<br>190.00/hr | 95.00    |
| 4/9/2009  | CHP | Interview J. Bragg; Review documents; Prepare results of interview; Interview B. Buhrlage.  | (H) JS 4.60<br>190.00/hr | 874.00   |
| 4/10/2009 | CHP | Finalize results of interview of J. Bragg; Draft correspondence; Prepare results of interview of B. Buhrlage.   | (H) JS 2.40<br>190.00/hr | 456.00   |

VENDOR # Hein 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT 13,113.70  
 ACCT # 1033 5000 000 AMT 6000.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 I.O. MATCHED TO INVOICE MS  
 RR MATCHED TO INVOICE MS  
 RE-CALCULATE INVOICE MS

REC'D MAY 21 2009  
 PAID MAY 22 2009

|           |   | <u>Hrs/Rate</u>   | <u>Amount</u>      |
|-----------|---|-------------------|--------------------|
| 4/14/2009 | CHP Telephone call from W. Syed regarding investigation; Finalize B. Buhrlage results of interview; Review documents and notes and prepare for interview; Interview W. Syed. (H) JB   | 6.20<br>190.00/hr | 1,178.00           |
| 4/15/2009 | CHP Prepare results of interview of W. Syed; Review deposition of Commissioner Collins. JB (H)  | 4.90<br>190.00/hr | 931.00             |
| 4/16/2009 | CHP Review documents; Finalize results of interview. JB (H)   | 1.30<br>190.00/hr | 247.00             |
| 4/20/2009 | CHP Review Syed interview; Interview C. Medert at NKWD; Interview B. Buhrlage at NKWD; Prepare results of interview; Telephone call with J. Bragg; Telephone call with VonLehmann; Review deferred compensation materials; Review LF2002 materials; Prepare for additional interviews. JB (H) | 4.60<br>190.00/hr | 874.00             |
| 4/21/2009 | CHP Second interview of J. Bragg; Prepare results of interview; Interview A. Davey; Prepare results of interview; Analysis of facts; Begin preparing report. JB (H)   | 9.30<br>190.00/hr | 1,767.00           |
| 4/22/2009 | CHP Telephone call with J. Bragg; Review investigation materials; Prepare report. JB (H)  | 8.10<br>190.00/hr | 1,539.00           |
| 4/23/2009 | CHP Analysis of investigation results; Prepare and assemble Report of Investigation. JB (H)   | 5.10<br>190.00/hr | 969.00             |
|           | DMA Review executive summary of investigation related to employer complaints. JB (H)  | 0.50<br>190.00/hr | 95.00              |
| 4/24/2009 | CHP Review Investigation materials; Meeting regarding investigation; Interview R. Lovan; Telephone call with W. Syed; Prepare results of interview; Prepare for interview. JB (H)   | 5.70<br>190.00/hr | 1,083.00           |
| 4/27/2009 | CHP Interview W. Syed; Prepare results of interview; Analysis of facts; Prepare Report of Investigation. JB (H)   | 5.00<br>190.00/hr | 950.00             |
| 4/30/2009 | CHP Review investigative materials regarding employee. JB (H)   | 0.40<br>190.00/hr | 76.00              |
|           | <b>Subtotal of charges</b>  |                   | <b>\$12,872.50</b> |
|           | <b>For professional services rendered</b>   | 67.75             | <b>\$12,872.50</b> |
|           | Additional Charges :  |                   |                    |
| 4/30/2009 | Costs advanced to IKON Office Solutions for fees for copies, tabs & Index Markers for Investigative report binders on 4/22/09. JB (H)   |                   | 241.20             |
|           | <b>Total costs advanced</b>   |                   | <b>\$241.20</b>    |



Amount

**Total amount of this bill**

**\$13,113.70**

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

**Northern Kentucky Water District**

Attention: Jack Bragg  
 P.O. Box 18640  
 Erlanger KY 41018-0640

REC'D JAN 10 2009

January 06, 2009

In Reference To: **General**  
 Client # **NKW01/GN001**  
 Invoice # **40007**

VENDOR # Hem 002 VOUCHER # 161203  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 8100 079 AMT 3506.34  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MA  
 RR MATCHED TO INVOICE MA  
 RE-CALCULATE INVOICE MA

Professional Services

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 12/2/2008 | CHP | Telephone call from M. Lofland regarding credit card services and Agreement; Review file; Telephone conference with M. Lofland. <i>ml C</i>   | 0.50<br>190.00/hr | 95.00  |
|           | CHP | Telephone call from J. Bragg regarding banking RFP. <i>JB P</i>   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review status of all matters. <i>JB A</i>   | 0.80<br>190.00/hr | 152.00 |
|           | CHP | Telephone call from J. Scheben regarding lease, Aqua sale and unimproved roads. <i>JB R</i>   | 0.30<br>190.00/hr | 57.00  |
| 12/3/2008 | CHP | Review proposed easements to Aqua property and related correspondence; Meeting with B. Dunham regarding same. <i>RB R</i>   | 0.50<br>190.00/hr | 95.00  |
|           | CHP | Meeting with R. Lovan regarding Crowncastle and towers. <i>JB A</i>   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Telephone call with M. Lofland regarding Fifth Third. <i>ML C</i>   | 0.10<br>190.00/hr | 19.00  |
|           | BCD | Telephone call to J. Bragg regarding easement issues. <i>JB R</i>   | 0.25<br>190.00/hr | 47.50  |
| 12/4/2008 | CHP | Meeting with M. Lofland at District to review Fifth Third credit card services agreement and proposed revisions; Review termination notices; Review original agreement. <i>ML C</i> | 1.40<br>190.00/hr | 266.00 |

PAID JAN 10 2009

|            |     |  | Hrs/Rate          | Amount |
|------------|-----|--|-------------------|--------|
| 12/4/2008  | BCD | Several e-mails to and from J. Bragg and J. Scheben regarding easements. <i>RU R</i>   | 0.25<br>190.00/hr | 47.50  |
| 12/5/2008  | CHP | Telephone call from R. Harrison regarding lease for Richardson Road; Draft e-mail to B. Dunham; Telephone call with R. Harrison. <i>RU R</i>       | 0.20<br>190.00/hr | 38.00  |
|            | CHP | Review multiple correspondence regarding plats for Aqua and sale. <i>RU R</i>  | 0.30<br>190.00/hr | 57.00  |
|            | BCD | Meeting with C. Pangburn regarding residential lease. <i>JB R</i>  | 0.25<br>190.00/hr | 47.50  |
|            | BCD | Detailed e-mails to J. Bragg, J. Scheben and R. Harrison regarding lease and closing. <i>RU R</i>  | 0.40<br>190.00/hr | 76.00  |
| 12/8/2008  | CHP | Meeting with R. Lovan regarding bylaw amendment and sale of Aqua Drive. <i>JB R</i>  | 0.30<br>190.00/hr | 57.00  |
|            | CHP | Review correspondence regarding Richardson Road; Telephone call from J. Scheben regarding same. <i>RU R</i>  | 0.30<br>190.00/hr | 57.00  |
| 12/9/2008  | BCD | E-mail from R. Harrison regarding closing issues. <i>RU R</i>  | 0.25<br>190.00/hr | 47.50  |
|            | BCD | E-mails to and from title company regarding closing. <i>RU R</i>   | 0.25<br>190.00/hr | 47.50  |
| 12/10/2008 | CHP | Review inquiry from B. Kuper regarding First Twelve Mile Baptist Church; Review certificate of existence; Draft response. <i>RU R</i>              | 0.20<br>190.00/hr | 38.00  |
| 12/11/2008 | BCD | E-mail to J. Scheben regarding closing items. <i>RU R</i>  | 0.25<br>190.00/hr | 47.50  |
| 12/12/2008 | CHP | Review correspondence and materials for Board meeting; Revise amendment to bylaws, notice of amendment and three communications sheet. <i>JB A</i> | 1.30<br>190.00/hr | 247.00 |
| 12/13/2008 | BCD | Follow up e-mail to J. Scheben and R. Harrison regarding mortgage information for payoffs. <i>RU R</i>   | 0.25<br>190.00/hr | 47.50  |
| 12/15/2008 | CHP | Review government immunity decision of Kentucky Supreme Court. <i>JB A</i>   | 0.30<br>190.00/hr | 57.00  |
|            | CHP | Review final Board materials and prepare for meeting. <i>JB A</i>  | 0.80<br>190.00/hr | 152.00 |
|            | CHP | Telephone call from R. Lovan regarding banking services. <i>JB P</i>   | 0.50<br>190.00/hr | 95.00  |
|            | BCD | Several e-mails from and to R. Harrison regarding mortgage payoff information and closing matters. <i>RU R</i>                                     | 0.25<br>190.00/hr | 47.50  |

|  |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|--|-----|--|-------------------|-------------------|
| 12/16/2008                                 | CHP | Telephone call from S. Shepherd regarding Morel payments; Review correspondence; Telephone call from S. Shepherd regarding same. | 0.40<br>190.00/hr | 76.00             |
| 12/17/2008                                 | BCD | E-mails to and from R. Harrison regarding closing issues.  | 0.25<br>190.00/hr | 47.50             |
| 12/18/2008                                 | CHP | Review deeds; Telephone conference with J. Scheben regarding Pendleton County deeds.   | 0.60<br>190.00/hr | 114.00            |
|  | CHP | Prepare for Board meeting; Participate in same.  | 2.20<br>190.00/hr | 418.00            |
|  | CHP | Review Richardson Road correspondence and documents.   | 0.30<br>190.00/hr | 57.00             |
| 12/22/2008                                 | CHP | Review Board material; Draft minutes.  | 0.90<br>190.00/hr | 171.00            |
| 12/23/2008                                 | CHP | Finalize Board minutes.  | 0.40<br>190.00/hr | 76.00             |
|  | CHP | Review documents regarding two closings.   | 0.50<br>190.00/hr | 95.00             |
| 12/29/2008                                 | CHP | Review correspondence regarding 2009 Revenue Bonds.  | 0.40<br>190.00/hr | 76.00             |
| 12/30/2008                                 | CHP | Review final documents and correspondence regarding Aqua sale; Assemble file.  | 0.80<br>190.00/hr | 152.00            |
|  | BCD | Draft e-mail to client forwarding closing documents and summarizing easement matters.  | 0.25<br>190.00/hr | 47.50             |
| <b>Subtotal of charges</b>                 |     |  |                   | <b>\$3,382.00</b> |
| Professional retainer fee per C. Pangburn. |     |  |                   | \$118.00          |
| <b>For professional services rendered</b>  |     |  |                   | <b>17.80</b>      |
| <b>For professional services rendered</b>  |     |  |                   | <b>\$3,500.00</b> |
| Additional Charges :                       |     |  |                   |                   |
| 12/31/2008                                 |     | Federal Express delivery to Richard Robinson at U.S. Bank on 12/19/08.   |                   | 6.34              |
| <b>Total costs advanced</b>                |     |  |                   | <b>\$6.34</b>     |
| <b>Total amount of this bill</b>           |     |  |                   | <b>\$3,506.34</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

k.

**Northern Kentucky Water District**  
 Attn: Jack Bragg  
 P.O. Box 18640  
 Erlanger KY 41018-0640

REC'D JAN 10 2009

January 06, 2009

In Reference To: **Administration**  
 Client #NKW01/GN014  
 Invoice #40011

VENDOR # 4em002 VOUCHER # 1612006  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1025 8000 001 AMT 5376.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE Yes  
 RR MATCHED TO INVOICE Yes  
 RE-CALCULATE INVOICE Yes

Professional Services

|            |     |   | Hrs/Rate          | Amount |
|------------|-----|---|-------------------|--------|
| 12/1/2008  | CHP | Review Final RFP for Banking Services; Draft correspondence; Draft revisions; Review four spreadsheets and instructions for proposals; Draft revisions; Telephone call with J. Bragg. | 1.70<br>190.00/hr | 323.00 |
| 12/2/2008  | BCD | E-mails regarding Aqua Drive easements, transition issues and plats.  | 0.25<br>190.00/hr | 47.50  |
|            | BCD | Draft lease for Mr. Bell post-closing; E-mails regarding same and closing matters.  | 0.75<br>190.00/hr | 142.50 |
|            | CHP | Review KIA general closing documents; Draft revisions and correspondence.   | 0.40<br>190.00/hr | 76.00  |
| 12/3/2008  | BCD | Prepared marked-up plat with 40' easement area.   | 0.25<br>190.00/hr | 47.50  |
| 12/4/2008  | BCD | Telephone call from and multiple e-mails to and from counsel for buyer regarding permanent and temporary easement matters and closing issues.   | 0.50<br>190.00/hr | 95.00  |
| 12/5/2008  | CHP | Review Richardson Road file; Review proposed lease; Draft revisions.  | 1.00<br>190.00/hr | 190.00 |
|            | BCD | Revision to lease.  | 0.25<br>190.00/hr | 47.50  |
| 12/11/2008 | BCD | Review title commitment regarding open mortgages.   | 0.25<br>190.00/hr | 47.50  |

|            |     |   | <u>Hrs/Rate</u>   | <u>Amount</u> |
|------------|-----|---|-------------------|---------------|
| 12/11/2008 | BCD | Perform online search of records to obtain open mortgages. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |
|            | BCD | E-mail and telephone call to title company regarding closing items. <i>PT L</i>   | 0.25<br>190.00/hr | 47.50         |
| 12/15/2008 | BCD | E-mails with title company regarding closing and release of earnest money. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |
|            | BCD | Telephone call to banker for Bell payoff. <i>PT L</i>   | 0.25<br>190.00/hr | 47.50         |
| 12/17/2008 | CHP | Review Board communications regarding banking services for J. Bragg; Telephone call with J. Bragg; Draft revisions to communications. <i>JB P</i> | 0.40<br>190.00/hr | 76.00         |
|            | CHP | Review final official statement for 2009 Revenue Bonds. <i>DB C</i>   | 1.90<br>190.00/hr | 361.00        |
|            | BCD | Follow up fax to and from banker regarding payoff. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |
| 12/18/2008 | BCD | Draft closing documents; Telephone calls and e-mails regarding same and title matters. <i>PT L</i>  | 3.25<br>190.00/hr | 617.50        |
|            | BCD | Telephone calls and e-mails with client and buyers counsel regarding closing matters. <i>PT L</i>   | 0.50<br>190.00/hr | 95.00         |
| 12/19/2008 | BCD | Prepare for and attendance at closing. <i>PT L</i>  | 2.25<br>190.00/hr | 427.50        |
|            | BCD | Forward payoffs and deed for Bell transaction. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |
|            | BCD | E-mails and telephone calls regarding closing. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |
|            | BCD | Commence drafting of closing documents. <i>PT L</i>   | 0.75<br>190.00/hr | 142.50        |
| 12/22/2008 | CHP | Review documents regarding Richardson Road purchase and Aqua Drive sale. <i>PT L</i>  | 1.30<br>190.00/hr | 247.00        |
|            | BCD | Draft closing documents for Aqua Drive sale. <i>PT L</i>  | 3.25<br>190.00/hr | 617.50        |
|            | BCD | E-mails with client, buyers counsel and title company regarding closing matters; Attendance at closing. <i>PT L</i>                               | 2.25<br>190.00/hr | 427.50        |
| 12/23/2008 | BCD | E-mails with title company regarding correct legal description for deed. <i>PT L</i>  | 0.25<br>190.00/hr | 47.50         |

|   |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|---|-------------------|-------------------|
| 12/23/2008                                | BCD | Obtain and forward bill of sale for Bell mobile home to Kenton County.  | 0.25<br>190.00/hr | 47.50             |
| 12/29/2008                                | CHP | Review inquiry and proposed opinion from J. Bragg; Review KIA file and AMR file; Draft correspondence.  | 1.40<br>190.00/hr | 266.00            |
| 12/30/2008                                | CHP | Review I. Koffler correspondence and review closing and tax documents for bonds and agreements; Draft correspondence regarding revisions; Prepare opinion letter; Draft correspondence to I. Koffler. | 3.30<br>190.00/hr | 627.00            |
|   | BCD | E-mail to closing attorney regarding file-stamped copy of deed for easement references.   | 0.25<br>190.00/hr | 47.50             |
| <b>For professional services rendered</b> |     |   | <b>28.40</b>      | <b>\$5,396.00</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

Suite 200  
250 Grandview Drive  
Ft. Mitchell, KY 41017

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

h.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger KY 41018-0640

February 04, 2009

In Reference To: **Administration**

Client #NKW01/GN014

Invoice #40244

Professional Services

VENDOR # HCM02 VOUCHER # 161909  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 633 8000 079 AMT 1889.50  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE MSJ  
RR MATCHED TO INVOICE MSJ  
RE-CALCULATE INVOICE MSJ

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 1/2/2009  | CHP | Review revenue bond documents and official statement. <i>MSJ</i>  | 1.10<br>190.00/hr | 209.00 |
| 1/5/2009  | CHP | Review KIA commitment letter for AMR; Review AMR bid and award materials; Research wage requirements; Telephone call with M. Lofland; Telephone call with J. Bragg. <i>MSJ</i>  | 1.70<br>190.00/hr | 323.00 |
|           | CHP | Review documentation and Board communication regarding emergency funding; Prepare resolution and correspondence. <i>MSJ</i>   | 1.20<br>190.00/hr | 228.00 |
| 1/6/2009  | CHP | Review KIA loan documentation. <i>MSJ</i>   | 0.40<br>190.00/hr | 76.00  |
| 1/7/2009  | CHP | Research revisions to KRS Chapter 74; Review current Policy and Procedure Manual; Review letter from Attorney General; Analysis of same; Draft memo to R. Lovan regarding Treasurer procedures. <i>MSJ</i>                | 0.90<br>190.00/hr | 171.00 |
| 1/8/2009  | CHP | Review J. Bragg inquiry regarding disbursement procedures; Draft response; Review R. Lovan inquiry; Draft response. <i>MSJ</i>  | 0.40<br>190.00/hr | 76.00  |
| 1/12/2009 | CHP | Review wage materials regarding AMR project; Finalize counsel opinion for loan. <i>MSJ</i>  | 0.50<br>190.00/hr | 95.00  |
| 1/13/2009 | CHP | Review J. Bragg correspondence and FEMA application materials; Research FEMA process; Telephone conference with Jessica Mitchell-Jones regarding same; Revise resolution and draft correspondence to J. Bragg. <i>MSJ</i> | 1.30<br>190.00/hr | 247.00 |

INSR  
1/13  
MSJ  
2/10/09



|  | <u>Hrs/Rate</u> | <u>Amount</u>     |
|--|-----------------|-------------------|
| 1/15/2009 CHP Research sales tax collection requirements. <i>OK JB</i>   | 1.20            | 228.00            |
|  | 190.00/hr       |                   |
| 1/16/2009 CHP Review Notes; Prepare amendment to employment agreement;<br>Review correspondence; Revise amendment. <i>OS JB C</i>                                  | 0.70            | 133.00            |
|  | 190.00/hr       |                   |
| <b>For professional services rendered</b>  | <u>9.40</u>     | <u>\$1,786.00</u> |
| Additional Charges :   |                 |                   |
| 1/16/2009 Costs advanced to the Kenton County Clerk for re-recording fee of Deed with Death Certificate attached on 1/07/09. <i>Richston Rd</i> <i>KT</i> <i>R</i> |                 | 20.00             |
| 1/22/2009 Costs advanced to the Kenton County Clerk for transfer fee for Bell mobile home on 1/12/09. <i>Richston Rd</i> <i>R</i> <i>R</i>                         |                 | 9.00              |
| Costs advanced to Robert D. Dilts, PLLC for half of recording cost for Aqua Drive closing on 1/13/09.  |                 | 74.50             |
| <b>Total costs advanced</b>  |                 | <u>\$103.50</u>   |
| <b>Total amount of this bill</b>   |                 | <u>\$1,889.50</u> |

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

m

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger KY 41018-0640

REC'D FEB 18 2009

February 04, 2009

In Reference To: **General**  
Client #NKW01/GN001  
Invoice #40239

VENDOR # Hmc02 VOUCHER # 101982  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 133 8000 097 AMT 3500.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE mt  
RR MATCHED TO INVOICE mt  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 1/5/2009  | CHP | Review status of all matters.   | 0.90<br>190.00/hr | 171.00 |
|           | CHP | Telephone call from M. Bielo regarding uniform bid solicitations  | 0.20<br>190.00/hr | 38.00  |
| 1/6/2009  | CHP | Review J. Bragg inquiry regarding FEMA; Review documents; Draft response.   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review filings and status of Geiler v. Morel.   | 0.30<br>190.00/hr | 57.00  |
| 1/8/2009  | CHP | Telephone call from S. Broering regarding easements; Review open files.   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Telephone call from M. Lofland regarding credit card services contracts.  | 0.20<br>190.00/hr | 38.00  |
| 1/12/2009 | CHP | Telephone call from M. Lofland regarding termination of credit card services agreements.  | 0.20<br>190.00/hr | 38.00  |
| 1/13/2009 | CHP | Review Board materials; Prepare for Board meeting; Draft correspondence to J. Bragg.  | 1.30<br>190.00/hr | 247.00 |
| 1/14/2009 | CHP | Telephone conference with M. Lofland regarding sales tax audit; Review Schrage file and Revenue Department correspondence; Research same. | 1.20<br>190.00/hr | 228.00 |

PAID FEB 18 2009

|           |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|-----------|-----|---|-------------------|-------------------|
| 1/14/2009 | CHP | Telephone conference with M. Lofland and F. Robinson regarding court case and subpoena; Review open records act. <i>MLL</i>                     | 0.30<br>190.00/hr | 57.00             |
| 1/15/2009 | CHP | Prepare for Board meeting; Telephone conference with R. Lovan regarding same; Participate in Board meeting. <i>MLL</i>                          | 3.30<br>190.00/hr | 627.00            |
| 1/16/2009 | CHP | Review Board materials and correspondence; Draft Board minutes. <i>MLL</i>  | 1.10<br>190.00/hr | 209.00            |
| 1/21/2009 | CHP | Telephone call from J. Scheben regarding deeds on Siry Road; Review deeds; Meeting with J. Scheben regarding same and other matters. <i>MLL</i> | 1.50<br>190.00/hr | 285.00            |
|           | CHP | Telephone call from R. Lovan regarding Board meeting, agreement and other matters. <i>MLL</i>   | 0.30<br>190.00/hr | 57.00             |
| 1/22/2009 | CHP | Review sales tax materials; Draft correspondence to M. Lofland; Telephone call from M. Lofland. <i>MLL</i>                                      | 1.10<br>190.00/hr | 209.00            |
| 1/23/2009 | CHP | Review Schrage case correspondence and pleadings; Review sales tax issues. <i>MLL</i>   | 1.40<br>190.00/hr | 266.00            |
| 1/27/2009 | CHP | Meeting with R. Lovan regarding Cincinnati water issue and employee issue. <i>MLL</i>   | 1.10<br>190.00/hr | 209.00            |
| 1/28/2009 | CHP | Telephone conference with R. Lovan regarding Cincinnati water and permit. <i>MLL</i>  | 0.40<br>190.00/hr | 76.00             |
| 1/29/2009 | CHP | Telephone call from J. Scheben regarding easement. <i>MLL</i>   | 0.20<br>190.00/hr | 38.00             |
|           | CHP | Review Request for Auditor's letter and prior requests. <i>MLL</i>  | 0.30<br>190.00/hr | 57.00             |
| 1/30/2009 | CHP | Assemble and review files in preparation for Auditor's letter. <i>MLL</i>   | 1.80<br>190.00/hr | 342.00            |
|           | CHP | Review materials regarding Ohio NPDES permit; Telephone conference with R. Lovan regarding same. <i>MLL</i>                                     | 1.30<br>190.00/hr | 247.00            |
|           |     | <b>Subtotal of charges</b>  |                   | <b>\$3,610.00</b> |
|           |     | Professional retainer discount per C. Pangburn.   |                   | (\$110.00)        |
|           |     | <b>For professional services rendered</b>   | 19.00             | <b>\$3,500.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**



THIS ACCOUNT IS SCHEDULED TO GO TO A COLLECTION AGENCY IF PAYMENT IS NOT RECEIVED ON OR BEFORE THE DUE DATE.

n.

| POLICY NUMBER | ACCOUNT NUMBER | BILL DATE  | BILL NUMBER | PAYMENT DUE | TOTAL DUE |
|---------------|----------------|------------|-------------|-------------|-----------|
| GP09313655    | 0019668420     | 02/27/2009 | 000314930   | 03/15/2009  | 10,000.00 |

CURRENT

CLAIM#: A9Q2186 DATE OF LOSS: 12/22/2006

[REDACTED]

|                 |          |
|-----------------|----------|
| EXPENSE         | 674.00   |
| CLAIM TOTAL     | 674.00   |
| CURRENT CHARGES | \$674.00 |

| ACCOUNT SUMMARY    |                  |               |  |
|--------------------|------------------|---------------|--|
| CURRENT CHARGES    | 674.00           | INSURED NAME: | NORTHERN KENTUCKY WATER SERVICE DISTRICT |
| PAST DUE CHARGES   | 9,326.00         | AGENT NAME:   | BILZ\CHAS H\INS AGCY INC                 |
| UNAPPLIED PAYMENTS | 0.00             | AGENT PHONE:  | (859) 431-1235                           |
| <b>TOTAL DUE</b>   | <b>10,000.00</b> |               |  |
| DISPUTED ITEMS     | 0.00             |               |  |
| ACCOUNT BALANCE    | 10,000.00        |               |  |

CONTACT YOUR AGENT LISTED ABOVE IF YOU HAVE QUESTIONS RELATED TO YOUR POLICY OR DEDUCTIBLE COVERAGE.

FOR BILLING QUESTIONS, PLEASE EMAIL DEDUCTIBLE-HELPDESK@TRAVELERS.COM OR CONTACT THE FOLLOWING ACCOUNTING SPECIALIST AT 1-800-356-4098 EXT. 08900: ANTONIO CONTRERAS

RECD MAR 10 2009

VENDOR # Travellers VOUCHER # 102655  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 0338000077 AMT 10,000.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE AK  
 RR MATCHED TO INVOICE JN  
 RE-CALCULATE INVOICE \_\_\_\_\_

REC'D MAR 10 2009

REC'D MAR 10 2009

Drive  
KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

0.

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

March 05, 2009

In Reference To: **General**  
Client #NKW01/GN001  
Invoice #40553

ENC. MAR 2 2009

VENDOR # Hem 002 VOUCHER # 162867  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 10378000 079 AMT 3500.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE MAJ  
RR MATCHED TO INVOICE \_\_\_\_\_  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|          |     |   | Hrs/Rate          | Amount |
|----------|-----|---|-------------------|--------|
| 2/2/2009 | CHP | Review J.Scheben inquiry and drawing regarding Siry Road; Review Siry Road materials; Draft response. <i>R OK Lit</i>                         | 0.30<br>190.00/hr | 57.00  |
|          | CHP | Telephone conference with M. Lofland regarding sales tax and residential exception; Review materials regarding sales tax exemption. <i>PL</i> | 0.60<br>190.00/hr | 114.00 |
|          | CHP | Review J. Scheben inquiry regarding easements; Review file; Draft response. <i>R Lit</i>  | 0.20<br>190.00/hr | 38.00  |
| 2/3/2009 | CHP | Review pleadings and status of Morel case. <i>C Lit</i>   | 0.30<br>190.00/hr | 57.00  |
|          | CHP | Assemble closing book for Aqua Drive sale; Draft correspondence to J. Bragg. <i>C Lit</i>   | 0.80<br>190.00/hr | 152.00 |
| 2/4/2009 | CHP | Review status of all matters. <i>C OS A</i>   | 0.70<br>190.00/hr | 133.00 |
| 2/5/2009 | CHP | Review G. Napier question regarding agreement; Draft response. <i>C Lit</i>   | 0.20<br>190.00/hr | 38.00  |
| 2/6/2009 | CHP | Telephone call from M. Bielo regarding uniform bids. <i>last p</i>  | 0.10<br>190.00/hr | 19.00  |
| 2/9/2009 | CHP | Review KIA Agreement materials. <i>C Lit</i>  | 1.30<br>190.00/hr | 247.00 |
|          | CHP | Telephone call from J. Scheben regarding deed. <i>R Lit</i>   | 0.20<br>190.00/hr | 38.00  |

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 2/10/2009 | CHP | Review condemnation provisions. <i>LP Z</i>  | 1.60<br>190.00/hr | 304.00 |
|           | CHP | Two telephone calls from J. Scheben regarding easement and condemnation; Review and revise letter to property owners. <i>KA R</i>  | 0.60<br>190.00/hr | 114.00 |
|           | CHP | Telephone call from M. Lofland regarding banking services. <i>KA C</i>   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review resolutions and exchange e-mails with J. Bragg regarding bank resolutions. <i>P</i>   | 0.30<br>190.00/hr | 57.00  |
| 2/12/2009 | CHP | Telephone call from G. Napier regarding state purchasing. <i>KA</i>  | 0.10<br>190.00/hr | 19.00  |
| 2/17/2009 | CHP | Telephone call from J. Bragg regarding Lakeside Park agreement. <i>OK JS C</i>   | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Review KIA Assistance Agreement and opinion; Draft correspondence to J. Scheben. <i>KA C</i>   | 0.40<br>190.00/hr | 76.00  |
| 2/18/2009 | CHP | Telephone call from R. Lovan regarding contractors and Board meeting. <i>JS P</i>  | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review materials for Board meeting; Draft correspondence regarding same. <i>JS P</i>   | 1.60<br>190.00/hr | 304.00 |
| 2/19/2009 | CHP | <u>Prepare for and attend Board meeting; Meeting with J. Scheben regarding easements; Meeting with M. Bielo regarding uniform bids; Meeting with B. Buhrlage regarding employee.</u> <i>KA Z</i> | 4.00<br>190.00/hr | 760.00 |
| 2/20/2009 | CHP | Review Board materials; Prepare Board minutes; Draft correspondence. <i>JS A</i>   | 1.40<br>190.00/hr | 266.00 |
|           | CHP | Telephone call from D. Gibson regarding state agency purchase contract for tires; Review file regarding same. <i>KA P</i>  | 0.40<br>190.00/hr | 76.00  |
| 2/23/2009 | CHP | Telephone call from J. Bragg and C. Wetherell regarding change out of meters; Review AMR materials. <i>JS C</i>  | 0.70<br>190.00/hr | 133.00 |
|           | CHP | Telephone call from J. Dierig regarding software upgrade. <i>BT P</i>  | 0.20<br>190.00/hr | 38.00  |
| 2/24/2009 | CHP | Review correspondence and filings in Kentucky Tax Bill case. <i>JS S</i>   | 0.60<br>190.00/hr | 114.00 |
|           | CHP | Review correspondence in Morel action. <i>KA C</i>   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Telephone conference with M. Bielo regarding uniform bids. <i>JS P</i>   | 0.30<br>190.00/hr | 57.00  |

|   |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|--|-------------------|-------------------|
| 2/25/2009                                       | CHP Telephone conference with D. Gibson regarding tire bids and multiple vendors; Review file. | 0.40<br>190.00/hr | 76.00             |
| 2/27/2009                                       | CHP Telephone call from R. Lovan regarding PSC regulation and other matters.                   | 0.30<br>190.00/hr | 57.00             |
| 2/28/2009                                       | CHP Telephone call from R. Lovan regarding counsel for District.                               | 0.30<br>190.00/hr | 57.00             |
| <b>Subtotal of charges</b>                      |  |                   | <b>\$3,610.00</b> |
| Professional retainer discount per C. Pangburn. |  |                   | (\$110.00)        |
| <b>For professional services rendered</b>       |  |                   | <b>\$3,500.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

*p.*

**Northern Kentucky Water District**  
 Attn: Jack Bragg  
 P.O. Box 18640  
 Erlanger, KY 41018-0640

March 05, 2009

In Reference To: **Administration**  
 Client #NKW01/GN014

Invoice #40557

VENDOR # Jim 002 VOUCHER # 162871  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1033 8000 079 AMT 1577.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MAJ  
 PR MATCHED TO INVOICE ✓  
 RE-CALCULATE INVOICE ✓

Professional Services

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 2/2/2009  | CHP | Review all claims and all 2008 files for response to Auditor; Draft same.   | 2.40<br>190.00/hr | 456.00 |
| 2/3/2009  | CHP | Finalize response to Auditor.   | 0.80<br>190.00/hr | 152.00 |
|           | CHP | Review correspondence regarding Cincinnati Water; Review materials regarding same.  | 0.40<br>190.00/hr | 76.00  |
| 2/4/2009  | CHP | Review B. Joslyn correspondence and J. Bender correspondence regarding Cincinnati Water; Telephone call from R. Lovan regarding same.   | 0.30<br>190.00/hr | 57.00  |
| 2/5/2009  | CHP | Review and revise organization certificate for J. Bragg.  | 0.30<br>190.00/hr | 57.00  |
| 2/9/2009  | CHP | Telephone call from J. Bragg regarding banking; Review Bank of Kentucky resolution and Park National Bank resolution; Review RFP for Banking; Draft correspondence to J. Bragg. | 0.80<br>190.00/hr | 152.00 |
| 2/11/2009 | CHP | Research and prepare resolutions for Bank of Kentucky and for Park National Bank; Draft correspondence to J. Bragg.   | 1.40<br>190.00/hr | 266.00 |
| 2/16/2009 | CHP | Review B. Joslyn correspondence, J. Bender correspondence and written response of GCWW to discharge inquiry; Review file; Draft response.                                       | 0.40<br>190.00/hr | 76.00  |
| 2/18/2009 | CHP | Finalize opinion for KIA project C08-01.  | 0.30<br>190.00/hr | 57.00  |



2/23/2009 CHP Finalize letter report to Auditors.

| <u>Hrs/Rate</u>   | <u>Amount</u>     |
|-------------------|-------------------|
| 1.20<br>190.00/hr | 228.00            |
| <hr/>             | <hr/>             |
| 8.30              | <b>\$1,577.00</b> |

**For professional services rendered**

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

**GREENEBAUM DOLL & McDONALD PLLC**

P.O. Box 635179  
Cincinnati, OH 45263-5179  
I.D. #61-0468813

C. Ronald Lovan  
President/CEO  
Northern Kentucky Water District  
2835 Crescent Springs Road  
P.O. Box 18640  
Erlanger, Ky 41018-0640

Account No.: 109015.000002  
Invoice No.: 4172390  
Invoice Date: March 12, 2009

*g.*

**ADVICE ON NPDES PERMITTING**

FOR PROFESSIONAL SERVICES RENDERED THROUGH FEBRUARY 28, 2009:

| DATE                                    | ATTORNEY/<br>PARALEGAL | DESCRIPTION  | HOURS | AMOUNT             |
|---|------------------------|--|-------|--------------------|
| 01/27/09                                | JCB                    | Telephone call to Ron Lovan on options for GCWW issues; review NPDES permit                | 1.40  | 441.00             |
| 01/29/09                                | JCB                    | Participate in phone calls and review draft letters and permits on GCWW issues             | 1.70  | 535.50             |
| 01/29/09                                | LRC                    | Conference with J. Bender regarding issues and conference call with J. Bender and client   | 1.00  | 400.00             |
| 02/16/09                                | JCB                    | Review letter from GCWW and draft e-mail to Ron Lovan and B. Joslyn on same                | 0.40  | 126.00             |
| 02/16/09                                | LRC                    | Review correspondence and conference with J. Bender regarding discharge of filter backwash | 0.40  | 160.00             |
| FEES FOR PROFESSIONAL SERVICES RENDERED |                        |  |       | \$ 1,662.50        |
| INVOICE TOTAL                           |                        |  |       | <u>\$ 1,662.50</u> |

SUMMARY OF PROFESSIONAL SERVICES

PAID MAR 22 2009

| ATTORNEY/PARALEGAL | HOURS | RATE   | AMOUNT   |
|--------------------|-------|--------|----------|
| L. R. Cress        | 1.40  | 400.00 | 560.00   |
| J. Bender          | 3.50  | 315.00 | 1,102.50 |
|                    | 4.90  |        | 1,662.50 |

VENDOR # GLE001 VOUCHER # 162935  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 1033.800019 AMT 1662.50  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE etc  
RR MATCHED TO INVOICE ✓  
RE-CALCULATE INVOICE ✓

PAID MAR 22 2009  
3/22/09  
653-8000-079

John N. Hughes, PSC

Attorney at Law  
124 West Todd St.  
Frankfort, KY 40601  
jnhughes@fewpb.net

Invoice submitted to:  
Northern Kentucky Water District  
2835 Crescent Springs Road  
Box 18640  
%Jack Bragg  
Erlanger KY 41018-0640

633 8020 029 r.

April 07, 2009

Invoice #1152

Professional Services

|           |  | <u>Hrs/Rate</u>           | <u>Amount</u> |
|-----------|--|---------------------------|---------------|
| 1/13/2009 | Prepare and file Designation of record - cross connection appeal | F RH<br>1.25<br>250.00/hr | 312.50        |
| 2/20/2009 | Tele. RH re: tap fees  | F RH<br>0.25<br>250.00/hr | 62.50         |
| 2/22/2009 | Research cross connection appeal issues                          | F RH<br>3.00<br>250.00/hr | 750.00        |
| 2/23/2009 | Research cross connection appeal issues                          | F RH<br>2.75<br>250.00/hr | 687.50        |
| 2/24/2009 | Draft Commissioner Training Petition                             | R JB<br>1.75<br>250.00/hr | 437.50        |
| 2/26/2009 | Cross connection brief   | F RH<br>5.75<br>250.00/hr | 1,437.50      |
| 2/27/2009 | Research cross connection appeal issues                          | F RH<br>2.50<br>250.00/hr | 625.00        |
| 3/2/2009  | Cross connection brief   | F RH<br>4.50<br>250.00/hr | 1,125.00      |
| 3/3/2009  | Cross connection brief   | F RH<br>6.00<br>250.00/hr | 1,500.00      |
| 3/4/2009  | Cross connection brief   | F RH<br>5.50<br>250.00/hr | 1,375.00      |
| 3/5/2009  | Cross connection brief   | F RH<br>5.00<br>250.00/hr | 1,250.00      |

VENDOR # Hug 001 VOUCHER #       
 ACCT #      AMT       
 ACCT # 633 8020 029 AMT 13187.50  
 ACCT #      AMT       
 I.O. MATCHED TO INVOICE       
 RE MATCHED TO INVOICE       
 RE-CALCULATE INVOICE 502 227 7270

PAID APR 23 2009

PAID APR 21 2009

|   | <u>Hrs/Rate</u>           | <u>Amount</u>       |
|---|---------------------------|---------------------|
| 3/6/2009 Cross connection brief           | F RA<br>4.00<br>250.00/hr | 1,000.00            |
| 3/9/2009 Cross connection brief           | E RA<br>3.25<br>250.00/hr | 812.50              |
| 3/11/2009 Cross connection brief          | F RA<br>4.00<br>250.00/hr | 1,000.00            |
| 3/13/2009 Cross connection brief          | F RA<br>3.25<br>250.00/hr | 812.50              |
| <b>For professional services rendered</b> | <b>52.75</b>              | <b>\$13,187.50</b>  |
| <b>Previous balance</b>                   |                           | <b>\$3,425.00</b>   |
| Accounts receivable transactions          |                           |                     |
| 1/23/2009 Payment --Thank You             |                           | (\$3,425.00)        |
| <b>Total payments and adjustments</b>     |                           | <b>(\$3,425.00)</b> |
| Balance due                               |                           | <u>\$13,187.50</u>  |

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

S.

**Northern Kentucky Water District**  
 Attention: Jack Bragg  
 P.O. Box 18640  
 Erlanger, KY 41018-0640

APR 21 2009

April 08, 2009

In Reference To: **General**  
 Client #NKW01/GN001  
 Invoice #40792

VENDOR # JKM002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 633800001 AMT 3500.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 IS MATCHED TO INVOICE \_\_\_\_\_  
 IS MATCHED TO INVOICE \_\_\_\_\_  
 RECALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 3/2/2009  | CHP | Review correspondence regarding Schrage case.   | 0.30<br>190.00/hr | 57.00  |
| 3/4/2009  | CHP | Review status of all matters and cases; Draft correspondence.                           | 1.20<br>190.00/hr | 228.00 |
| 3/9/2009  | CHP | Review court order in Geiler action; Review status.                                     | 0.30<br>190.00/hr | 57.00  |
| 3/10/2009 | CHP | Telephone call from R. Harrison regarding tank painting and delay provisions generally. | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Telephone conference with R. Lovan regarding Dixie property.                            | 0.30<br>190.00/hr | 57.00  |
| 3/11/2009 | CHP | Review KIA agreement references.  | 0.80<br>190.00/hr | 152.00 |
|           | CHP | Review court order and status in Geiler; Draft correspondence to all opposing counsel.  | 0.90<br>190.00/hr | 171.00 |
| 3/17/2009 | CHP | Telephone call from R. Lovan regarding counsel and other issues.                        | 0.30<br>190.00/hr | 57.00  |
| 3/18/2009 | CHP | Telephone call from J. Scheben regarding open bid.                                      | 0.20<br>190.00/hr | 38.00  |
| 3/19/2009 | CHP | Telephone call from R. Lovan regarding employee; Review employee manual.                | 0.40<br>190.00/hr | 76.00  |

APR 21 2009

|           |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|-----------|--|-------------------|-------------------|
| 3/24/2009 | CHP Review correspondence from counsel for Geiler and proposed Agreed Order; Review pleading file and correspondence file; Draft correspondence. <i>LS</i> | 0.50<br>190.00/hr | 95.00             |
|           | CHP Telephone conference with Lofland regarding trailer park agreement. <i>RC</i>  | 0.20<br>190.00/hr | 38.00             |
| 3/29/2009 | CHP Telephone conference with R. Lovan regarding employee issue; Telephone call with B. Dunham regarding same. <i>LS</i>                                   | 1.00<br>190.00/hr | 190.00            |
| 3/30/2009 | CHP Telephone call from R. Lovan regarding employee issue and Board meeting. <i>LS JB A</i>  | 0.50<br>190.00/hr | 95.00             |
|           | BCD Prepare for Board meeting. <i>LS JB A</i>  | 0.40<br>190.00/hr | 76.00             |
|           | BCD Telephone calls with R. Lovan in advance of Board meeting. <i>LS JB A</i>  | 0.25<br>190.00/hr | 47.50             |
|           | BCD Attendance at Board meeting and meeting with employee. <i>LS JB A</i>  | 5.50<br>190.00/hr | 1,045.00          |
| 3/31/2009 | CHP Review new Geiler Order; Draft correspondence. <i>LS</i>   | 0.50<br>190.00/hr | 95.00             |
|           | CHP Review Notice of Class Action regarding Independence fees; Draft correspondence to J. Bragg. <i>LS JB S</i>  | 0.40<br>190.00/hr | 76.00             |
|           | CHP Review multiple correspondence regarding employee. <i>LS JB A</i>  | 0.60<br>190.00/hr | 114.00            |
|           | CHP Telephone call from D. Gibson regarding asphalt bids and telephone call from A. Kramer regarding meters. <i>LS JB A</i>                                | 0.40<br>190.00/hr | 76.00             |
|           | CHP Telephone conference with R. Lovan regarding employee; Review documents. <i>LS JB A</i>  | 0.70<br>190.00/hr | 133.00            |
|           | <b>Subtotal of charges</b>   |                   | <b>\$3,011.50</b> |
|           | Professional retainer agreement per C. Pangburn.   |                   | \$488.50          |
|           | <b>For professional services rendered</b>  | <b>15.85</b>      | <b>\$3,500.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

Ft. Mitchell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

t.

**Northern Kentucky Water District**  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Jack Bragg

May 05, 2009

In Reference To: **Litigation**

Client #NKW01/GN006

Invoice #40977

Professional Services

|           |     |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|--|-------------------|---------------|
| 4/2/2009  | CHP | Review sales tax case materials.   | 0.60<br>190.00/hr | 114.00        |
| 4/6/2009  | EJA | Phone conference with Alex Edmondson; receive and analyze correspondence from Jason Reed requesting additional sales tax information relating to state refund application. | 0.75<br>145.00/hr | 108.75        |
| 4/7/2009  | EJA | Phone call to Jeff Mando; prepare e-mail correspondence to S. Thomas and C. Pangburn.  | 0.50<br>145.00/hr | 72.50         |
|           | CHP | Review A.J. Reed correspondence regarding tax case; Draft correspondence regarding same.   | 0.40<br>190.00/hr | 76.00         |
|           | CHP | Review and research file regarding Filacchione and Schmitt property and easement; Review appraisal and timber report; Draft letter to opposing counsel.                    | 0.80<br>190.00/hr | 152.00        |
| 4/15/2009 | EJA | Receive and review sales tax data forwarded by Sanitation District 1; phone call to Mark Lofland to discuss.   | 0.75<br>145.00/hr | 108.75        |
| 4/20/2009 | CHP | Review court order in Geiler action; Review file; Telephone call with S. Shepherd; Draft correspondence; Review correspondence.  | 0.60<br>190.00/hr | 114.00        |
| 4/21/2009 | CHP | Review Response from Attorney Brammell regarding easement; Draft correspondence.   | 0.30<br>190.00/hr | 57.00         |
| 4/22/2009 | EJA | Phone call to Rob Sparks relative to Schrage refund application.   | 0.25<br>145.00/hr | 36.25         |

VENDOR # From 012 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 633 8000 089 AMT 1041.25  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 YES-MATCHED TO INVOICE \_\_\_\_\_  
 NO-MATCHED TO INVOICE \_\_\_\_\_  
 YES-CALCULATE INVOICES \_\_\_\_\_

PAY MAY 21 2009

|   |  | <u>Hrs/Rate</u>   | <u>Amount</u>               |
|---|--|-------------------|-----------------------------|
| 4/23/2009                                 | EJA Phone calls from Alex Edmondson and Rob Sparks. <i>JS</i>  | 0.25<br>145.00/hr | 36.25                       |
| 4/24/2009                                 | CHP Review Attorney Bathalter correspondence regarding Geiler action. <i>JS</i>  | 0.30<br>190.00/hr | 57.00                       |
| 4/28/2009                                 | EJA Travel to client offices to provide Vince D. with SD1 revised refund information; phone conference with Alex Edmondson relative to refund application and revised class members. <i>JS</i> | 0.75<br>145.00/hr | 108.75                      |
| <b>For professional services rendered</b> |  |                   | <b>6.25      \$1,041.25</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**



(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

u.

**Northern Kentucky Water District**

Attention: Jack Bragg  
 P.O. Box 18640  
 Erlanger, KY 41018-0640

REC'D MAY 21 2009

EX'D MAY 28 2009

May 05, 2009

In Reference To: **General**

Client #NKW01/GN001

Invoice #40979

VENDOR # Ann 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 653 SUPP 029 AMT 3500.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE MAJ  
 RE MATCHED TO INVOICE J  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 4/1/2009  | CHP | Telephone conference with R. Harrison regarding Kennedy valve correspondence and also regarding Uniform Appraisal Standards. <i>Dr</i>     | 0.40<br>190.00/hr | 76.00  |
|           | CHP | Meeting with R. Lovan regarding employee issues. <i>(H) JB</i>   | 0.40<br>190.00/hr | 76.00  |
| 4/2/2009  | CHP | Meeting with M. Lofland regarding sales tax and regarding trailer park contract. <i>MAJ</i>  | 0.80<br>190.00/hr | 152.00 |
|           | CHP | Meeting with R. Lovan and B. Buhrlage regarding employee issues; Telephone call with R. Hudson; Telephone call with r. Lovan. <i>MAJ H</i> | 1.50<br>190.00/hr | 285.00 |
| 4/3/2009  | CHP | Telephone call from R. Lovan regarding employee and other issues. <i>(H) JB</i>  | 0.40<br>190.00/hr | 76.00  |
| 4/6/2009  | CHP | Telephone call from J. Scheben regarding appraisals, contingency service agreement and condemnation. <i>MAJ R</i>                          | 0.30<br>190.00/hr | 57.00  |
| 4/7/2009  | BCD | Review memo from CHP and contract; Begin legal research regarding same. <i>(C) JB</i>  | 0.40<br>190.00/hr | 76.00  |
| 4/8/2009  | CHP | Telephone conference with R. Lovan regarding multiple issues. <i>(A) JB</i>  | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review status of all matters. <i>(A) JB</i>  | 0.50<br>190.00/hr | 95.00  |
| 4/10/2009 | BCD | Prepare minutes from March Board meeting. <i>(A) JB</i>  | 1.50<br>190.00/hr | 285.00 |

PAID MAY 28 2009

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 4/13/2009                                   | CHP | Review and revise minutes prepared by B. Dunham for Board meeting; Review Board materials. (A) JB                    | 0.50<br>190.00/hr | 95.00             |
| 4/14/2009                                   | CHP | Two Telephone conferences with R. Lovan regarding employee and other issues. (A) JB                                  | 0.40<br>190.00/hr | 76.00             |
|   | CHP | Finalize Board minutes. (A) JB   | 0.30<br>190.00/hr | 57.00             |
| 4/15/2009                                   | CHP | Telephone conference with R. Lovan regarding multiple issues. (A) JB   | 0.60<br>190.00/hr | 114.00            |
|   | CHP | Telephone call from C. Wetherell regarding meter bid questions. (A) JB   | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Review Attorney Brammell correspondence regarding easement; Review file; Draft correspondence. (A) JB                | 0.30<br>190.00/hr | 57.00             |
| 4/22/2009                                   | CHP | Telephone call from M. Lofland regarding meter bids; Telephone call from M. Lofland regarding change order. (A) JB   | 0.40<br>190.00/hr | 76.00             |
|   | CHP | Telephone call from R. Harrison regarding water line work. (A) JB<br><i>Emergency response for contractor</i>        | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Telephone conference with R. Lovan regarding Board meeting. (A) JB   | 0.30<br>190.00/hr | 57.00             |
| 4/23/2009                                   | CHP | Telephone conference with R. Lovan regarding Board meeting and service area issues. (A) JB                           | 0.40<br>190.00/hr | 76.00             |
| 4/24/2009                                   | CHP | Review materials and audit report for Board meeting. (A) JB  | 1.40<br>190.00/hr | 266.00            |
| 4/27/2009                                   | CHP | Prepare for and attend Board meeting; Meeting with R. Lovan following meeting. (A) JB                                | 4.50<br>190.00/hr | 855.00            |
|   | BCD | Telephone call from J. Bragg and R. Lovan regarding resolution to change meeting date; E-mail regarding same. (A) JB | 0.25<br>190.00/hr | 47.50             |
| 4/28/2009                                   | CHP | Draft contract response time requirement for J. Scheben. (A) JB  | 0.40<br>190.00/hr | 76.00             |
| 4/30/2009                                   | CHP | Meeting regarding R. Lovan. (A) JB   | 0.30<br>190.00/hr | 57.00             |
| <b>Subtotal of charges</b>                  |     |  |                   | <b>\$3,220.50</b> |
| Professional retainer rate per C. Pangburn. |     |  |                   | \$279.50          |
| <b>For professional services rendered</b>   |     |  | 16.95             | <b>\$3,500.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

Suite 200  
250 Grandview Drive  
Ft. Mitchell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

V.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

REC'D JUN 2 4 2009

June 03, 2009

In Reference To: **Administration**

Client #NKW01/GN014

Invoice #41361

VENDOR # Handwritten VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 633800017 AMT 2555.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE Handwritten  
RR MATCHED TO INVOICE Handwritten  
RE-CALCULATE INVOICE Handwritten

Professional Services

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 5/8/2009  | CHP | Research and draft purchase contracts for 634 and 638 Grand Avenue for J. Scheben.  | 2.30<br>190.00/hr | 437.00 |
| 5/11/2009 | CHP | Research statutory requirements for agreements with contractors; Draft memo; Draft correspondence. <u>GB P</u>  | 1.60<br>190.00/hr | 304.00 |
| 5/12/2009 | CHP | Review Sanitation District materials; Research authority; Review files. <u>GB A</u>   | 1.40<br>190.00/hr | 266.00 |
| 5/13/2009 | CHP | Research Sanitation District Authority; Review PSC materials; Telephone conference with D. Koenig and R. Lovan; Telephone call with J. Wuetcher at PSC. <u>GB A</u> | 2.60<br>190.00/hr | 494.00 |
| 5/14/2009 | CHP | Research and draft Request for Opinion from PSC; Review J. Hughes correspondence; Review D. Koenig correspondence; Finalize letter. <u>GB A</u>                     | 1.20<br>190.00/hr | 228.00 |
| 5/15/2009 | CHP | Research liability for termination of service. <u>Handwritten</u>   | 1.70<br>190.00/hr | 323.00 |
| 5/18/2009 | CHP | Review Kentucky Bid/Bridge Reserve Auction materials for B. Wulfeck; Research same; Draft opinion. <u>Handwritten</u>   | 2.20<br>190.00/hr | 418.00 |
|           | CHP | Review Review R. Harrison correspondence regarding Hamel purchase contract; Revise contract and draft schedule; Draft correspondence. <u>Handwritten</u>            | 1.00<br>190.00/hr | 190.00 |
| 5/19/2009 | CHP | Review additional materials regarding Bid/Bridge for B. Wulfeck; Research same; Draft opinion. <u>Handwritten</u>   | 1.30<br>190.00/hr | 247.00 |

Stamp: JUN 10 10 30 AM 2009

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 5/21/2009                                 | CHP | Review contracts for property purchases.   | 0.40<br>190.00/hr | 76.00             |
|   | CHP | Research Code of Ethics requirements.  | 0.50<br>190.00/hr | 95.00             |
| 5/22/2009                                 | CHP | Review R. Harrison correspondence; Revise contracts to purchase;<br>Draft new closing provision; Draft correspondence. | 0.70<br>190.00/hr | 133.00            |
| 5/26/2009                                 | CHP | Review proposed changes to Streng contract for R. Harrison;<br>Research and draft changes.                             | 1.00<br>190.00/hr | 190.00            |
|   | CHP | Review proposed changes to Streng contract; Telephone conference<br>with R. Harrison; Draft revisions to contract.     | 0.80<br>190.00/hr | 152.00            |
| <b>For professional services rendered</b> |     |  | <b>18.70</b>      | <b>\$3,553.00</b> |

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

W.

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

PAID JUL 27 2009

June 03, 2009

VENDOR # Am 92 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 135 900 019 AMT 300.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE NA  
 RR MATCHED TO INVOICE NA  
 RE-CALCULATE INVOICE NA

In Reference To: **General**  
Client #NKW01/GN001  
Invoice #41355

Professional Services

PAID JUL 27 2009

|           |     |  |            | Hrs/Rate          | Amount |
|-----------|-----|--|------------|-------------------|--------|
| 5/1/2009  | CHP | Telephone call with R. Lovan regarding Board issues.   | JB<br>A    | 0.40<br>190.00/hr | 76.00  |
| 5/4/2009  | CHP | Prepare Board minutes.   | JB A       | 0.90<br>190.00/hr | 171.00 |
| 5/5/2009  | CHP | Review status of all matters.  | JB A       | 0.40<br>190.00/hr | 76.00  |
| 5/6/2009  | CHP | Telephone call from S. Broering regarding Duke Energy agreement.                             | OK RN<br>C | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Telephone call from J. Scheben regarding land purchases.                                     | OK RN<br>R | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Telephone call from R. Lovan regarding termination; Review letter and memo.                  | JB H       | 0.30<br>190.00/hr | 57.00  |
| 5/7/2009  | BCD | Office conference with C. Pangburn regarding Campbell County agreement and mobile home park. | JB C       | 0.25<br>190.00/hr | 47.50  |
| 5/8/2009  | CHP | Review A. Kramer correspondence regarding new general and supplemental conditions.           | OK RN<br>P | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Review correspondence in Geiler action.  | OK RN<br>C | 0.20<br>190.00/hr | 38.00  |
| 5/11/2009 | CHP | Telephone call from R. Harrison regarding right of entry and easement.                       | OK RN<br>R | 0.30<br>190.00/hr | 57.00  |

PAID JUL 27 2009

|           |     |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|--|-------------------|---------------|
| 5/12/2009 | CHP | Telephone conference with R. Lovan regarding enforcement issues; Telephone call from R. Lovan regarding correspondence; Telephone call from R. Lovan regarding telephone conference. | 0.90<br>190.00/hr | 171.00        |
|           | CHP | Review correspondence regarding Geiler action.   | 0.30<br>190.00/hr | 57.00         |
| 5/13/2009 | CHP | Telephone call from R. Lovan regarding meeting; Telephone call from R. Lovan regarding Dixie property; Review Dixie file.  | 0.50<br>190.00/hr | 95.00         |
|           | CHP | Telephone call from R. Harrison regarding Asphalt bids and restoration agreement; Review T. Kidney correspondence.   | 0.30<br>190.00/hr | 57.00         |
| 5/14/2009 | CHP | Telephone call from M. Lofland regarding sales tax and tax audit.  | 0.30<br>190.00/hr | 57.00         |
|           | CHP | Telephone call from R. Lovan regarding storm water issues.   | 0.30<br>190.00/hr | 57.00         |
| 5/18/2009 | CHP | Telephone call from R. Harrison regarding Streng contract.   | 0.20<br>190.00/hr | 38.00         |
|           | CHP | Telephone call from R. Harrison regarding purchase of property and tire bids; Review file.   | 0.20<br>190.00/hr | 38.00         |
|           | CHP | Telephone call from B. Wulfeck regarding chemical bids and reverse bidding.  | 0.30<br>190.00/hr | 57.00         |
|           | CHP | Review G. Napier inquiry; Draft response.  | 0.10<br>190.00/hr | 19.00         |
| 5/19/2009 | CHP | Review correspondence and documents regarding condemnation action.   | 0.30<br>190.00/hr | 57.00         |
| 5/20/2009 | CHP | Review filed Condemnation Petition, Application for Commissioners, Lis Pendens Notice and draft Order and Report.  | 0.90<br>190.00/hr | 171.00        |
|           | CHP | Review materials for Board meeting; Review files and prepare discussion items for Board meeting.   | 2.10<br>190.00/hr | 399.00        |
| 5/21/2009 | CHP | Prepare for and attend Board meeting.  | 3.90<br>190.00/hr | 741.00        |
|           | CHP | Telephone call from R. Lovan regarding Board meeting, added action items, PSC issue and Code of Ethics.  | 0.60<br>190.00/hr | 114.00        |
| 5/22/2009 | CHP | Review Board materials; Draft minutes for Board.   | 1.00<br>190.00/hr | 190.00        |
|           | CHP | Review condemnation correspondence and files.  | 0.30<br>190.00/hr | 57.00         |

|   |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|---|-------------------|-------------------|
| 5/26/2009                                     | CHP | Review R. Harrison correspondence regarding closing costs. <i>OK R</i>  | 0.20<br>190.00/hr | 38.00             |
| 5/27/2009                                     | CHP | Review R. Harrison correspondence regarding purchase of property; Review file; Draft Response. <i>OK R</i>              | 0.30<br>190.00/hr | 57.00             |
|   | CHP | Telephone call from J. Scheben regarding tank Devon Park and condemnation suit; Review file regarding same. <i>OK R</i> | 0.50<br>190.00/hr | 95.00             |
|   | CHP | Review correspondence regarding lab issues; Review files. <i>JB C</i>   | 0.30<br>190.00/hr | 57.00             |
|   | CHP | Telephone conference with R. Lovan and J. Bragg regarding Dixie property. <i>JB R</i>                                   | 0.40<br>190.00/hr | 76.00             |
| 5/28/2009                                     | CHP | Review multiple correspondence regarding Lab project; Review files preliminarily. <i>JB C</i>                           | 0.40<br>190.00/hr | 76.00             |
|   | CHP | Telephone call from J. Scheben regarding Grand Avenue properties. <i>OK R</i>   | 0.20<br>190.00/hr | 38.00             |
| 5/29/2009                                     | CHP | Review correspondence and materials regarding Horsebranch Road. <i>OK R</i>   | 0.40<br>190.00/hr | 76.00             |
|   | CHP | Telephone conference with R. Harrison regarding Grand Avenue contracts; Review same. <i>OK R</i>                        | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Review files for laboratory materials; Review correspondence regarding same. <i>JB C</i>                                | 1.20<br>190.00/hr | 228.00            |
| <b>Subtotal of charges</b>                    |     |   |                   | <b>\$3,790.50</b> |
| Professional retainer discount per B. Dunham. |     |   |                   | (\$290.50)        |
| <b>For professional services rendered</b>     |     |   | 19.95             | <b>\$3,500.00</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

(859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

*K.*

**Northern Kentucky Water District**  
 P.O. Box 18640  
 Erlanger, KY 41018-0640  
 Jack Bragg

PAID 10/11/09

June 03, 2009

In Reference To: **Litigation**  
 Client #NKW01/GN006

Invoice #41360

VENDOR # 110002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 103580001 AMT 33,125.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

PAID 10/11/09

|           |     |   | Hrs/Rate          | Amount |
|-----------|-----|---|-------------------|--------|
| 4/3/2009  | EJA | Phone conference with Alex Edmondson relative to additional information required to prepare Kentucky Department of Revenue refund application. <i>JB S</i>  | 0.50<br>145.00/hr | 72.50  |
| 4/16/2009 | EJA | Phone conference with Jeff Mando; prepare e-mail correspondence to Mr. Mando attaching Jason Reed's letter dated 2/17/09. <i>JB S</i>   | 0.50<br>145.00/hr | 72.50  |
| 4/24/2009 | EJA | Phone conference with Rob Sparks relative to continued data gathering and NKWD/SD1 refund efforts; review file. <i>JB S</i>   | 0.75<br>145.00/hr | 108.75 |
|           | EJA | Phone conference with Alex Edmondson. <i>JB S</i>   | 0.25<br>145.00/hr | 36.25  |
| 4/27/2009 | EJA | Phone calls to and from Mark Lofland relative to preparation of NKWD/SD1 refund request. <i>JK</i>  | 0.25<br>145.00/hr | 36.25  |
| 4/30/2009 | EJA | Phone conference with Mark Lofland; phone conference with Vince DiGirolamo relative to revised application data; prepare e-mail correspondence to Alex Edmondson requesting clarification on what constitutes a transaction date. <i>JK</i> | 0.75<br>145.00/hr | 108.75 |
| 5/4/2009  | CHP | Review Geiler correspondence; Draft letter to Attorney R. Bathalter. <i>JB C</i>  | 0.30<br>190.00/hr | 57.00  |
| 5/5/2009  | CHP | Review J. Scheben file and research condemnation action on Horsebranch Road. <i>JB R</i>  | 1.80<br>190.00/hr | 342.00 |
| 5/6/2009  | CHP | Research condemnation action. <i>JB R</i>   | 0.80<br>190.00/hr | 152.00 |

PAID 10/11/09



|   |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|---|-------------------|-------------------|
| 5/8/2009                                  | CHP | Research condemnation action.   | 0.70<br>190.00/hr | 133.00            |
|   | EJA | Conference with CHP relative to Horsebranch Easement and filing of condemnation action to secure NKWD's ability to secure an easement over Schmitt / Filacchione property; conference with RLB relative to conducting a title search to identify all interested parties; review file. | 0.75<br>145.00/hr | 108.75            |
|   | RAB | Conference with J. Atkins; obtain parcel descriptions subject to proposed condemnation action; draft memo to Fred Summe regarding examination of title for same.  | 0.40<br>145.00/hr | 58.00             |
| 5/11/2009                                 | EJA | Continued preparation of NKWD's Verified Petition for Condemnation and Civil Summons; prepare Lis Pendens Notice, Order Appointing Commissioners, Report of Commissioners and Tender of Commissioners' Fees.  | 5.25<br>145.00/hr | 761.25            |
| 5/13/2009                                 | EJA | Receive and review title examination for 785 Horsebranch Road; conference with CHP; analyze apparent easements of record.   | 0.75<br>145.00/hr | 108.75            |
|   | RAB | Review title exam and discuss same with J. Atkins.  | 0.30<br>190.00/hr | 57.00             |
| 5/14/2009                                 | JMR | Meeting with EJA regarding entity history in Commonwealth of KY for purposes of easement granted.   | 0.25<br>145.00/hr | 36.25             |
| 5/15/2009                                 | CHP | Research and review petition for condemnation; Review files; Telephone call with J. Scheben; Draft revisions; Meeting regarding same.   | 1.70<br>190.00/hr | 323.00            |
| 5/18/2009                                 | CHP | Research verification requirement for condemnation.   | 0.50<br>190.00/hr | 95.00             |
|   | EJA | Finalize all documents relating to client condemnation of Horsebranch property; meet with R. Lovan to execute requisite verification; travel to Kenton Circuit Court to file.   | 2.00<br>145.00/hr | 290.00            |
|   | EJA | Phone conference with Vince D. relative to refund application data; phone call to Alex Edmondson  | 0.50<br>145.00/hr | 72.50             |
| <b>For professional services rendered</b> |     |   | <b>19.00</b>      | <b>\$3,029.50</b> |

## Additional Charges :

|           |  |   |        |  |
|-----------|--|---|--------|--|
| 5/27/2009 |  | Costs advanced to the Kenton County Clerk for filing fees to file Lis Pendens on 5/18/09.                     | 40.00  |  |
|           |  | Costs advanced to the Kenton Circuit Court for filing fees for Verified Petition for Condemnation on 5/15/09. | 153.00 |  |
| 5/29/2009 |  | Costs advanced to Fred H. Summe, Esq. for fees for Title Examination Report on 5/13/09.                       | 150.00 |  |

|                                  | <u>Amount</u>     |
|----------------------------------|-------------------|
| <b>Total costs advanced</b>      | <b>\$343.00</b>   |
| <b>Total amount of this bill</b> | <b>\$3,372.50</b> |

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

Ft. Mitchell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

15765

y.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

July 06, 2009

In Reference To: **Administration**

Client #NKW01/GN014

Invoice #41562

VENDOR # Hem 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 0328000079 AMT 3477.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE JK  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE JK

Professional Services

|          |     |  | Hrs/Rate          | Amount |
|----------|-----|--|-------------------|--------|
| 6/1/2009 | CHP | Review J. Wuetcher correspondence; Review file; Draft response.<br><i>JB (F)</i>   | 0.20<br>190.00/hr | 38.00  |
|          | CHP | Review executed Hamel contract; Review correspondence; Draft correspondence; Telephone call with Escrow Agent. <i>RH R</i>   | 0.40<br>190.00/hr | 76.00  |
| 6/2/2009 | CHP | Telephone call with R. Harrison regarding 634 Grand Avenue; Telephone call with Title Agent; Draft correspondence; Review correspondence; Draft correspondence. <i>RH R</i>            | 0.50<br>190.00/hr | 95.00  |
| 6/3/2009 | CHP | Research age of majority issue for J. Bragg; Draft correspondence. <i>JB (C)</i>   | 0.90<br>190.00/hr | 171.00 |
| 6/4/2009 | CHP | Review J. Bragg correspondence, Hart accident materials and AAA release; Research same; Draft opinion. <i>JB (A)</i>   | 0.50<br>190.00/hr | 95.00  |
| 6/5/2009 | CHP | Review escrow requirements and title issues regarding purchases of property. <i>RH R</i>   | 0.60<br>190.00/hr | 114.00 |
| 6/8/2009 | CHP | Research construction/design issues; Research statutes of limitation and constitutional issue; Draft opinion regarding HVAC laboratory work; Telephone call from B. Joslyn. <i>BJP</i> | 2.80<br>190.00/hr | 532.00 |
| 6/9/2009 | CHP | Review KDEP correspondence and approval of CAP for Dixie Highway; Review status for program; Review requirements for representation; Meeting regarding same. <i>JB (E)</i>             | 1.60<br>190.00/hr | 304.00 |

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|   |     |  | <u>Hrs/Rate</u>                       | <u>Amount</u>     |
|---|-----|--|---------------------------------------|-------------------|
| 6/16/2009                                 | CHP | Review correspondence regarding Grand Avenue purchases; Review file; Draft correspondence; Review executed Streng contract; Draft correspondence to title agent. | R<br>R <sup>x</sup> 0.80<br>190.00/hr | 152.00            |
| 6/23/2009                                 | CHP | Review R. Hudson correspondence regarding employee; Review investigative materials.  | 1.60<br>190.00/hr                     | 304.00            |
|   | CHP | Review R. Harrison inquiry and Grand Avenue contracts; Draft report.   | R<br>R <sup>w</sup> 0.50<br>190.00/hr | 95.00             |
| 6/24/2009                                 | CHP | Review employee issue materials; Telephone conference with R. Hudson, F. Macke and R. Lovan.   | 2.10<br>190.00/hr                     | 399.00            |
|   | CHP | Review title commitments for Grand Avenue properties; Draft correspondence to title agent; Review new commitments; Draft correspondence.                         | R <sup>x</sup> R<br>1.10<br>190.00/hr | 209.00            |
| 6/25/2009                                 | CHP | Review investigation materials in preparation for hearing; Participate in hearing.   | 3.20<br>190.00/hr                     | 608.00            |
| 6/29/2009                                 | BCD | Review title commitments; Forward comments regarding same to title agent; Meeting with CHP regarding closing.  | R <sup>w</sup> R<br>0.50<br>190.00/hr | 95.00             |
| 6/30/2009                                 | BCD | Review ALTA survey.  | R <sup>w</sup> R<br>0.25<br>190.00/hr | 47.50             |
|   | BCD | E-mails to title agent regarding surveyor comments and need for additional documentation.  | R <sup>w</sup> R<br>0.25<br>190.00/hr | 47.50             |
|   | BCD | E-mails to J. Scheben and R. Harrison regarding mortgage payoff information.   | R <sup>w</sup> R<br>0.25<br>190.00/hr | 47.50             |
|   | BCD | Meeting with C. Pangburn regarding concurrent closing on both parcels.   | R <sup>w</sup> R<br>0.25<br>190.00/hr | 47.50             |
| <b>For professional services rendered</b> |     |  | <b>18.30</b>                          | <b>\$3,477.00</b> |

Remit Payment To:  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

Erlanger, KY 41017  
 (859) 344-1188  
 Fax: (859) 578-3869  
 Tax I.D.# 61-1348045

E.

**Northern Kentucky Water District**  
 Attention: Jack Bragg  
 P.O. Box 18640  
 Erlanger, KY 41018-0640

July 06, 2009

In Reference To: **General**  
 Client #NKW01/GN001  
 Invoice #41557

VENDOR # Hm 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 33 800 019 AMT 350.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE Myff  
 RR MATCHED TO INVOICE Myff  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|          |     |  | Hrs/Rate          | Amount |
|----------|-----|--|-------------------|--------|
| 6/1/2009 | CHP | Review correspondence and materials regarding Board meetings.  | 0.30<br>190.00/hr | 57.00  |
|          | CHP | Review files for information on Lab project. <i>BLS P</i>  | 0.70<br>190.00/hr | 133.00 |
| 6/2/2009 | CHP | Review correspondence regarding Humpert and laboratory; Review electronic files. <i>BLS P</i>  | 0.30<br>190.00/hr | 57.00  |
|          | CHP | Review court order in condemnation case. <i>OK RH R</i>  | 0.20<br>190.00/hr | 38.00  |
| 6/3/2009 | CHP | Review status of pending matters. <i>OK JB (A)</i>   | 0.70<br>190.00/hr | 133.00 |
|          | CHP | Telephone conference with R. Lovan regarding Dixie property and other issues. <i>OK JB - (R)</i>   | 0.40<br>190.00/hr | 76.00  |
| 6/4/2009 | CHP | Review status of matters and pending litigation cases; Review correspondence regarding same. <i>OK JB (L)</i>                                | 1.40<br>190.00/hr | 266.00 |
| 6/5/2009 | CHP | Review Dixie Highway materials and Westech materials; Meeting regarding possible purchase. <i>OK JB (R)</i>                                  | 1.20<br>190.00/hr | 228.00 |
|          | CHP | Review files regarding water quality and production for information on laboratory work and issues at direction of R. Lovan. <i>OK JB (S)</i> | 1.80<br>190.00/hr | 342.00 |
| 6/8/2009 | CHP | Review correspondence and documents regarding condemnation case; Meeting regarding same. <i>RH R</i>   | 0.70<br>190.00/hr | 133.00 |

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 6/8/2009  | CHP | Telephone conference with R. Lovan regarding Dixie property and Devou Park tank. <i>BLW P</i>  | 0.50<br>190.00/hr | 95.00  |
| 6/9/2009  | CHP | Review proposed communications sheet regarding lab HVAC; Draft correspondence. <i>OK JB (P)</i>  | 0.20<br>190.00/hr | 38.00  |
| 6/10/2009 | CHP | Review correspondence regarding condemnation case; Analysis of options. <i>OK JB (P)</i>   | 0.40<br>190.00/hr | 76.00  |
|           | CHP | Review correspondence regarding HVAC contractor; Review files; Draft correspondence. <i>OK JB (P)</i>  | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Telephone call from J. Scheben regarding water mains in undeveloped plat area; Telephone call with J. Scheben regarding same and condemnation. <i>RH R BLW P</i> | 0.30<br>190.00/hr | 57.00  |
| 6/11/2009 | CHP | Review correspondence regarding HVAC; Review contractor statutes of limitation; Draft response. <i>OK JB (P)</i>   | 0.70<br>190.00/hr | 133.00 |
|           | CHP | Telephone call from J. Bragg regarding open records and terminated contractor. <i>OK JB (A)</i>  | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Telephone call from M. Lofland and F. Robinson regarding customer account issue. <i>MS</i>   | 0.20<br>190.00/hr | 38.00  |
| 6/12/2009 | CHP | Telephone call from Sherrill regarding bottle bids. <i>MS P BLW P</i>  | 0.10<br>190.00/hr | 19.00  |
|           | CHP | Review proposed communications sheet regarding Lab HVAC; Draft response.   | 0.20<br>190.00/hr | 38.00  |
|           | CHP | Review correspondence and court order in condemnation case. <i>RH R</i>  | 0.30<br>190.00/hr | 57.00  |
| 6/15/2009 | CHP | Review correspondence regarding Dixie property. <i>OK JB (P)</i>   | 0.30<br>190.00/hr | 57.00  |
|           | CHP | Review filings regarding Geiler action. <i>RH L</i>  | 0.20<br>190.00/hr | 38.00  |
| 6/17/2009 | CHP | Telephone call from R. Harrison regarding condemnation case and Fire Dept. easement. <i>RH R</i>   | 0.30<br>190.00/hr | 57.00  |
| 6/18/2009 | CHP | Telephone conference with R. Lovan regarding Board meeting and employee issue. <i>OK JB (A)</i>  | 0.30<br>190.00/hr | 57.00  |
| 6/19/2009 | CHP | Telephone call with R. Lovan regarding Board meeting. <i>OK JB (A)</i>   | 0.10<br>190.00/hr | 19.00  |
| 6/22/2009 | CHP | Telephone call from R. Harrison regarding tire bids. <i>RH P</i>   | 0.20<br>190.00/hr | 38.00  |

|   |     |  |           | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-----------|-------------------|-------------------|
| 6/23/2009                                       | CHP | Review materials for Board meeting.  | OL JS (A) | 1.10<br>190.00/hr | 209.00            |
| 6/24/2009                                       | CHP | Review correspondence regarding Grand Avenue properties.   | RH R      | 0.20<br>190.00/hr | 38.00             |
| 6/25/2009                                       | CHP | Review Bob Sumerel agreement; Draft revisions for G. Napier.   | RH P      | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Telephone conference with R. Lovan regarding Bard meeting; Prepare for same; Participate in Board meeting. | OL JS (A) | 2.60<br>190.00/hr | 494.00            |
|   | CHP | Review J. Scheben correspondence regarding Grand Avenue; Draft response.                                   | RH R      | 0.10<br>190.00/hr | 19.00             |
| 6/26/2009                                       | CHP | Review R. Harrison correspondence regarding Grand Avenue properties; Review file; Draft correspondence.    | RH R      | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Review Board materials; Prepare Board minutes.   | OK JS (A) | 1.20<br>190.00/hr | 228.00            |
|   | CHP | Review materials regarding Devou Park reservoir.   | RH R      | 0.20<br>190.00/hr | 38.00             |
| 6/29/2009                                       | CHP | Review correspondence regarding minutes; Draft response.   | JS (A)    | 0.20<br>190.00/hr | 38.00             |
|   | CHP | Telephone call from J. Scheben regarding title commitments.  | RH R      | 0.10<br>190.00/hr | 19.00             |
| <b>Subtotal of charges</b>                      |     |  |           |                   | <b>\$3,534.00</b> |
| Professional retainer discount per C. Pangburn. |     |  |           |                   | (\$34.00)         |
| <b>For professional services rendered</b>       |     |  |           |                   | <b>\$3,500.00</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

Whitwell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

aa.

**Northern Kentucky Water District**  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Jack Bragg

July 06, 2009

In Reference To: **Litigation**  
Client #NKW01/GN006

Invoice #41561

VENDOR # Hem002 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 035800077 AMT 2477.53  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE \_\_\_\_\_  
RR MATCHED TO INVOICE \_\_\_\_\_  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |  | Hrs/Rate          | Amount |
|-----------|-----|--|-------------------|--------|
| 6/3/2009  | EJA | Review client tax data as prepared by client; phone calls to and from Alex Edmondson to discuss.<br>JB (S)   | 0.75<br>145.00/hr | 108.75 |
| 6/4/2009  | EJA | Phone conference with Alex Edmondson relative to revised data; phone conference with Vince D.; forward customer tax data to plaintiff's counsel.<br>JB (S)   | 0.50<br>145.00/hr | 72.50  |
| 6/8/2009  | EJA | Phone conference with Kenton Circuit Clerk relative to Commissioners' Award; review and analyze exception procedure and impact upon client condemnation of land; conference with CHP; prepare and deliver summonses and requisite pleadings to Kenton Circuit Clerk for service.<br>JB (S) | 3.00<br>145.00/hr | 435.00 |
| 6/9/2009  | EJA | Conference with Kenton Circuit Clerk relative to long arm service via the Kentucky Secretary of State; conference with CHP relative to Commissioners' Award and issues relating thereto; receive and respond to e-mail correspondence from Richard Harrison.<br>JB (S)                     | 1.00<br>145.00/hr | 145.00 |
|           | CHP | Review Morel motion for partial summary judgment and supporting memo.<br>JB (P)  | 0.40<br>190.00/hr | 76.00  |
|           | CHP | Review Report of Commissioners in Horsebranch Road condemnation; Research same; Review original appraisal; Review options; Draft correspondence to R. Harrison and J. Scheben.<br>RA R   | 1.40<br>190.00/hr | 266.00 |
| 6/17/2009 | EJA | Prepare strategy outline per request of CHP advising of value of filing exceptions to the Commissioners' Award.<br>RA R  | 0.50<br>145.00/hr | 72.50  |



|           |     |  | <u>Hrs/Rate</u>           | <u>Amount</u> |
|-----------|-----|--|---------------------------|---------------|
| 6/18/2009 | CHP | Review correspondence and file materials regarding Horsebranch Road condemnation; Review options; Review correspondence; Draft correspondence.   | R<br>RW 0.70<br>190.00/hr | 133.00        |
| 6/19/2009 | CHP | Telephone conference with J. Mando regarding SD#1 and condemnation action.   | RW R 0.20<br>190.00/hr    | 38.00         |
| 6/24/2009 | EJA | Receive and review draft Agreed Order dismissing Kentucky Transportation Cabinet; conference with CHP relative to additional information needed to evaluate request; phone conference with Richard Deters with the Kentucky Transportation Cabinet; receive and review diagram depicting property subject to easements; prepare e-mail correspondence to Mr. Deters requesting additional information. | RW R 1.25<br>145.00/hr    | 181.25        |
|           | CHP | Telephone call from R. Deters of Kentucky Highway Department regarding condemnation case.  | RW R 0.20<br>190.00/hr    | 38.00         |
| 6/25/2009 | EJA | Prepare e-mail correspondence to Richard Deters with the Kentucky Transportation Cabinet relative to prospective waiver of client permit application.  | R RW 0.25<br>145.00/hr    | 36.25         |
|           | CHP | Review Department of Highways correspondence regarding condemnation; Draft correspondence.   | RW R 0.30<br>190.00/hr    | 57.00         |
| 6/29/2009 | CHP | Review Morel Motion for Summary Judgment.  | RW C 0.30<br>190.00/hr    | 57.00         |
| 6/30/2009 | CHP | Review pleadings and status of Kentucky Tax Bill Servicing case.   | JB (S) 1.00<br>190.00/hr  | 190.00        |

**For professional services rendered**11.75 **\$1,906.25**

## Additional Charges :

|           |  |            |
|-----------|--|------------|
| 6/18/2009 | Costs advanced to the Kenton Circuit Court for service fees on 6/09/09.  | 50.20      |
|           | Costs advanced to the Kenton Circuit Court for fees for service via certified mail 6/09/09.                                | 20.08      |
|           | Costs advanced to the Kentucky Secretary of State for fees for service 6/09/09.  | (S) 20.00  |
|           | Costs advanced to the Kentucky Secretary of State for fees for service via Restricted Certified Mail 6/09/09.              | 29.00      |
| 6/25/2009 | Costs advanced for reimbursement of parking expense at the Kenton County Courthouse to file Summons & Petition on 6/09/09. | 2.00       |
| 6/30/2009 | Costs advanced to the Kenton Circuit Court Clerk for payment of Commissioners' fees on 6/24/09.                            | (P) 450.00 |

**Total costs advanced****\$571.28**

Amount

**Total amount of this bill**

**\$2,477.53**

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

250 Grandview Drive  
Ft. Mitchell, KY 41017.

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ab.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

REC'D AUG 19 2009

August 05, 2009

In Reference To: **Administration**  
Client #NKW01/GN014  
Invoice #41858

VENDOR # Hm 002 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1035 8000 079 AMT 2356.00  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE UJF  
 RR MATCHED TO INVOICE UJF  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

ENTD AUG 19 2009

|  | Hrs/Rate | Amount |
|--|----------|--------|
|--|----------|--------|

|          |     |   |                   |          |
|----------|-----|---|-------------------|----------|
| 7/1/2009 | BCD | E-mails regarding ALTA survey and mortgage payoffs. R   | 0.25<br>190.00/hr | 47.50 ✓  |
| 7/2/2009 | BCD | E-mails regarding mortgage payoffs. R PAID AUG 19 2009  | 0.25<br>190.00/hr | 47.50 ✓  |
| 7/6/2009 | CHP | Review Board communication and proposed Bank of Kentucky resolution and agreement for J. Bragg; Draft revisions and correspondence. A   | 0.70<br>190.00/hr | 133.00 ○ |
|          | CHP | Review proposal from WesTech, proposed agreement and Board communication for J. Bragg. R  | 0.60<br>190.00/hr | 114.00 ✓ |
|          | CHP | Review and analyze SD#1 indemnification from R. Lovan. A  | 0.30<br>190.00/hr | 57.00 ○  |
|          | BCD | Review and revision to title commitments for Grand Avenue closings; Review title exemption documents. R   | 0.75<br>190.00/hr | 142.50 ✓ |
| 7/7/2009 | BCD | Telephone calls and e-mails regarding zoning contingency; Confirm usage with client; Meeting with CHP regarding zoning exemption for NKWD; Review survey; E-mails regarding same. R | 1.80<br>190.00/hr | 342.00 ✓ |
| 7/8/2009 | CHP | Research zoning exception; Draft correspondence. R  | 0.70<br>190.00/hr | 133.00 ✓ |
|          | BCD | E-mails with CHP, R. Harrison and B. Joslyn regarding zoning matter. R  | 0.25<br>190.00/hr | 47.50 ✓  |

INSF  
BY  
RE

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 7/15/2009                                 | BCD | Telephone calls and e-mails regarding closing matters. <i>R</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| 7/16/2009                                 | CHP | Review M. Sutton correspondence; Telephone conference with M. Sutton regarding G. Sharp and Dixie property. <i>R</i>   | 0.30<br>190.00/hr | 57.00 ✓           |
| 7/17/2009                                 | BCD | E-mails with J. Scheben regarding Streng closing. <i>R</i>   | 0.25<br>190.00/hr | 47.50 ✓           |
|   | BCD | Telephone call to attorney for Streng regarding closing matters. <i>R</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| 7/20/2009                                 | BCD | E-mails and telephone calls regarding closing matters. <i>f</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| 7/22/2009                                 | BCD | Obtain Streng mortgage payoff. <i>R</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| 7/27/2009                                 | CHP | Review R. Lovan correspondence and Letter of Intent of prospective Dixie purchaser; Telephone conference with R. Lovan. <i>R</i>   | 0.30<br>190.00/hr | 57.00 ✓           |
| 7/28/2009                                 | CHP | Review R. Peterman correspondence and proposed BAN resolution and proposed Zoll Bond Resolution; Research and draft revisions and comments to same; Review revised resolutions; Draft correspondence. <i>A</i> | 1.30<br>190.00/hr | 247.00 ✓          |
| 7/30/2009                                 | CHP | Review new Ashley LOI; Research sale of public property requirements. <i>R</i>   | 0.40<br>190.00/hr | 76.00 ✓           |
|   | BCD | Draft closing documents and forward same to client for Mr. Lovan's execution. <i>R</i>   | 0.50<br>190.00/hr | 95.00 ✓           |
|   | BCD | E-mails with Seller's counsel regarding closing matters. <i>R</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| 7/31/2009                                 | CHP | Review two old RFPs for sale of Dixie Highway; Research environmental indemnity; Research state approval. <i>R</i>   | 2.00<br>190.00/hr | 380.00 ✓          |
|   | BCD | Continue drafting closing documents; Telephone calls and e-mails regarding same. <i>R</i>  | 0.50<br>190.00/hr | 95.00 ✓           |
| <b>For professional services rendered</b> |     |  | <b>12.40</b>      | <b>\$2,356.00</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

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(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ac.

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

PAID AUG 18 2009

August 05, 2009

In Reference To: **General**

Client # **NKW01/GN001**

Invoice # **41842**

VENDOR # Amo VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 13580009 AMT 3405.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE NA/A  
RR MATCHED TO INVOICE NA/A  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|          |     |  | Hrs/Rate          | Amount   |
|----------|-----|--|-------------------|----------|
| 7/1/2009 | BCD | Telephone call from R. Lovan regarding PSC issue and sanitation issue, Dixie property and other issues. R  | 0.60<br>190.00/hr | 114.00 ✓ |
|          | CHP | telephone call from B. Kuper regarding easements. R  | 0.20<br>190.00/hr | 38.00 ✓  |
| 7/2/2009 | CHP | Telephone conference with R. Lovan regarding Dixie property, employee and condemnation. R                  | 0.40<br>190.00/hr | 76.00 ✓  |
|          | CHP | Review referee decision in unemployment case. A  | 0.30<br>190.00/hr | 57.00 ○  |
|          | CHP | Review correspondence regarding Schmitt case status; Draft correspondence to R. Harrison and J. Scheben. R | 0.30<br>190.00/hr | 57.00 ✓  |
| 7/6/2009 | CHP | Review status of all pending matters; Draft correspondence. A  | 0.70<br>190.00/hr | 133.00 ○ |
|          | CHP | Review responsive pleadings in Horsebranch Road case. R  | 0.30<br>190.00/hr | 57.00 ✓  |
|          | CHP | Review revised PSC request from BCWD; Review status and file. F  | 0.40<br>190.00/hr | 76.00 ✗  |
|          | CHP | Telephone conference with R. Lovan regarding SD#1 and other matters. A                                     | 0.30<br>190.00/hr | 57.00 ○  |
| 7/7/2009 | CHP | Review correspondence regarding Schmitt condemnation case; Draft correspondence; Review statutes. K        | 0.40<br>190.00/hr | 76.00 ✓  |

|           |     |   | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|---|-------------------|---------------|
| 7/7/2009  | CHP | Review order filed in Geiler action. <i>C</i>   | 0.20<br>190.00/hr | ✓ 38.00       |
|           | CHP | Review zoning issue regarding Grand Avenue; Draft correspondence regarding same. <i>R</i>   | 0.30<br>190.00/hr | 57.00 ✓       |
| 7/8/2009  | CHP | Review Answer of Schmitt/Filaccione; Research Answer and Motion to Dismiss. <i>f</i>  | 1.30<br>190.00/hr | 247.00 ✓      |
|           | CHP | Meeting with J. Atkins regarding Schrage status; Review status. <i>S</i>  | 0.30<br>190.00/hr | ○ 57.00       |
|           | CHP | Review real property transaction files; Review WesTech materials. <i>R</i>  | 1.20<br>190.00/hr | 228.00 ✓      |
|           | CHP | Telephone call from R. Lovan regarding sales tax; Telephone conference with R. Lovan regarding sales tax and other issues. <i>S</i> | 0.60<br>190.00/hr | ○ 114.00      |
| 7/9/2009  | CHP | Review correspondence in condemnation case; Meeting regarding same. <i>R</i>  | 0.30<br>190.00/hr | 57.00 ✓       |
|           | CHP | Telephone call from R. Lovan regarding Schrage case and sales tax issue. <i>S</i>   | 0.30<br>190.00/hr | ○ 57.00       |
| 7/10/2009 | CHP | Review filings and correspondence in Schrage case. <i>S</i>   | 0.80<br>190.00/hr | ○ 152.00      |
|           | CHP | Review correspondence and materials regarding Fort Mitchell project. <i>R</i>   | 0.30<br>190.00/hr | 57.00 ✓       |
|           | CHP | Review sales tax correspondence. <i>S</i>   | 0.20<br>190.00/hr | ○ 38.00       |
| 7/13/2009 | CHP | Telephone conference with R. Lovan regarding PSC issue and employee matter; Review PSC correspondence. <i>F</i>                     | 0.50<br>190.00/hr | 95.00 ✗       |
| 7/14/2009 | CHP | Meeting regarding status of Schmidt condemnation and motion to dismiss; Review filings and counterclaim. <i>R</i>                   | 0.50<br>190.00/hr | 95.00 ✓       |
|           | CHP | Review KDEP materials on Thornton; Review WesTech materials. <i>E</i>   | 1.40<br>190.00/hr | ✗ 266.00      |
| 7/15/2009 | CHP | Review Devou Park materials regarding tank. <i>C</i>  | 0.30<br>190.00/hr | ✓ 57.00       |
|           | CHP | Meeting regarding transportation cabinet and condemnation case; Review correspondence regarding permit; Research same. <i>E</i>     | 0.80<br>190.00/hr | ✗ 152.00      |
|           | CHP | Review standard easement documents; Update same. <i>R</i>   | 0.90<br>190.00/hr | 171.00 ✓      |

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 7/27/2009                                       | CHP | Telephone conference with R. Lovan regarding Dixie property and Board meeting. <i>R</i>            | 0.40<br>190.00/hr | 76.00 ✓           |
|   | CHP | Review correspondence regarding Streng closing. <i>R</i>   | 0.20<br>190.00/hr | 38.00 ✓           |
|   | CHP | Review final motion to dismiss in Schmitt condemnation. <i>R</i>                                   | 0.20<br>190.00/hr | 38.00 ✓           |
| 7/28/2009                                       | CHP | Telephone call from D. Koenig regarding PSC; Telephone call with R. Lovan regarding same. <i>F</i> | 0.20<br>190.00/hr | 38.00 ✗           |
| 7/29/2009                                       | CHP | Review Board materials; Prepare for Board meeting. <i>A</i>  | 1.10<br>190.00/hr | 209.00 ○          |
|   | CHP | Telephone call from R. Lovan regarding PSC matter and Dixie property. <i>R</i>                     | 0.20<br>190.00/hr | 38.00 ✓           |
|   | CHP | Telephone call from R. Lovan regarding potential sale of Dixie property. <i>R</i>                  | 0.20<br>190.00/hr | 38.00 ✓           |
| 7/30/2009                                       | CHP | Telephone call from B. Kuper regarding PCWD easement. <i>R</i>                                     | 0.20<br>190.00/hr | 38.00 ✓           |
|   | CHP | Prepare for Board meeting; Participate in same. <i>A</i>   | 4.60<br>190.00/hr | 874.00 ○          |
|   | CHP | Telephone call from R. Lovan regarding possible sale and RFP for Dixie Highway. <i>R</i>           | 0.50<br>190.00/hr | 95.00 ✓           |
| 7/31/2009                                       | CHP | Review Board materials; Draft Board minutes. <i>AA</i>   | 1.40<br>190.00/hr | 266.00 ○          |
|   | CHP | Review A. Giannella correspondence regarding easement. <i>R</i>                                    | 0.10<br>190.00/hr | 19.00 ✓           |
| <b>Subtotal of charges</b>                      |     |  |                   | <b>\$4,446.00</b> |
| Professional retainer discount per C. Pangburn. |     |  |                   | (\$946.00)        |
| <b>For professional services rendered</b>       |     |  |                   | <b>\$3,500.00</b> |
| Credit for previous overpayment                 |     |  |                   | (\$95.00)         |
| Total Due                                       |     |  |                   | \$3,405.00        |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

Suite 200  
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(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ad.

**Northern Kentucky Water District**  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Jack Bragg

REC'D AUG 12 2009

August 05, 2009

In Reference To: **Litigation**  
Client # **NKW01/GN006**  
Invoice # **41844**

VENDOR # Hm02 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 03300009 AMT 4450.75  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE \_\_\_\_\_  
RR MATCHED TO INVOICE \_\_\_\_\_  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|          |     |   | Hrs/Rate          | Amount   |
|----------|-----|---|-------------------|----------|
| 7/2/2009 | CHP | Review J. Mango correspondence and proposed consent letter for SD#1; Draft correspondence. S  | 0.30<br>190.00/hr | 57.00    |
|          | EJA | Conference with CHP relative to extension granted to Sanitation District No. 1 to file Answer; phone conference with Kenton Circuit Clerk relative to service dates upon Schmitt/Filacchione; prepare e-mail correspondence to CHP. S   | 0.75<br>145.00/hr | 108.75   |
| 7/6/2009 | EJA | Receive and review service documents forwarded by the Kenton Circuit Clerk. S   | 0.25<br>145.00/hr | 36.25    |
|          | EJA | Receive and review Answer of Duke Energy; receive and review Answer and Counterclaim of Rebecca Schmitt and Anton Filacchione; conference with CHP; phone call to William Brammell. R   | 1.25<br>145.00/hr | 181.25 ✓ |
|          | EJA | Receive and review e-mail correspondence from William Brammell relative to defendants' counterclaim and prospective global settlement. R  | 0.25<br>145.00/hr | 36.25 ✓  |
| 7/7/2009 | EJA | Draft e-mail correspondence to attorney Bill Brammell relative to Answer and Counterclaim filed on behalf of Schmitt/Filacchione. R   | 0.25<br>145.00/hr | 36.25 ✓  |
| 7/8/2009 | EJA | Conference with CHP relative to communications from defense counsel; analyze counterclaim and potential motion to dismiss or in the alternative bifurcate; prepare e-mail correspondence to Richard Harrison and John Scheben; review file for all applicable easements as well as the parties previous Restoration Agreement; receive and review e-mail from Richard Harrison. R | 1.50<br>145.00/hr | 217.50 ✓ |



|           |     |   | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|---|-------------------|---------------|
| 7/8/2009  | EJA | Phone call from Ron Lovan to discuss Schrage litigation; provide client with a status report relating to litigation as well as the current refund attempt; discuss crux of litigation as it relates to recent inquiry made to the Water District for clarification as to sales tax collected from non-owner occupied dwellings. S | 0.50<br>145.00/hr | 72.50 ✓       |
|           | EJA | Phone call from Jewitt Brunzell to address Cincinnati Bell easement and any potential impact caused by easement sought by the Water District. R   | 0.25<br>145.00/hr | 36.25 ✓       |
|           | CHP | Research correspondence to and from Kentucky Department of Revenue; Review statutes; Draft correspondence. S  | 0.70<br>190.00/hr | 133.00 ✓      |
| 7/13/2009 | EJA | Phone conference with counsel for Sanitation District No. 1 relative to pending condemnation action. R  | 0.25<br>145.00/hr | 36.25 ✓       |
|           | EJA | Perform legal research relative to legislative and statutory authority of client to condemn property; draft Motion to Dismiss Counterclaim and for Interlocutory Judgment and Order. R  | 7.50<br>145.00/hr | 1,087.50 ✓    |
|           | CHP | Review court order in Motion for Summary Judgment in Geiler case. R   | 0.20<br>190.00/hr | 38.00 ✓       |
|           | CHP | Research Motion to Dismiss in condemnation case; Review correspondence. R   | 1.30<br>190.00/hr | 247.00 ✓      |
| 7/14/2009 | EJA | Phone conference with John Scheben; continued preparation of Motion to Dismiss and for Interlocutory Judgment and Order. R  | 2.50<br>145.00/hr | 362.50 ✓      |
|           | CHP | Review answers in Kentucky Tax bill case. S   | 0.30<br>190.00/hr | 57.00 ✓       |
| 7/15/2009 | EJA | Review file in preparation for client meeting; meet and confer with John Scheben relative to proposed new water main construction as well as measures to remediate existing erosion of respondents' hillside. R   | 2.25<br>145.00/hr | 326.25 ✓      |
|           | CHP | Research parties and answers in Kentucky Tax Bill case. S   | 0.60<br>190.00/hr | 114.00 ✓      |
| 7/16/2009 | EJA | Receive and review e-mail from Dan Linneman relative to SD1 easement; phone calls to and from Mr. Linneman to discuss. R  | 0.50<br>145.00/hr | 72.50 ✓       |
| 7/17/2009 | CHP | Review motion to dismiss and for interlocutory order and judgment and supporting memo; Draft revisions to same; Draft correspondence; Review Attorney Brammell correspondence. R  | 1.30<br>190.00/hr | 247.00 ✓      |
|           | CHP | Review reply memo of Morel Construction; Review related correspondence. C   | 0.30<br>190.00/hr | 57.00 ✓       |
|           | EJA | Conference with CHP; receive and respond to e-mail correspondence from Bill Bramel. R   | 0.25<br>145.00/hr | 36.25 ✓       |

|   |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|--|-------------------|-------------------|
| 7/17/2009                                 | EJA Receive and review proposed Agreed Order from Dan Linneman on behalf of SD1; prepare e-mail correspondence advising of approval and authorization to sign and file. <i>R</i>   | 0.25<br>145.00/hr | 36.25 ✓           |
| 7/22/2009                                 | EJA Revise client's Motion to Dismiss and for Interlocutory Order and Judgement. <i>R</i>  | 1.25<br>145.00/hr | 181.25 ✓          |
| 7/23/2009                                 | EJA Research public purpose under Kentucky law; finalize Petitioner's Motion to Dismiss and for Interlocutory Order and Judgment; draft Interlocutory Order and Judgment; file all pleadings with Kenton Circuit Court; prepare e-mail correspondence to client attaching file-stamped materials. <i>R</i> | 3.75<br>145.00/hr | 543.75 ✓          |
| 7/28/2009                                 | EJA Receive and review file-stamped Agreed Order preserving Sanitation District No. 1 easement; prepare e-mail correspondence to client forwarding same. <i>R</i>  | 0.25<br>145.00/hr | 36.25 ✓           |
| 7/30/2009                                 | CHP Review court order in Morel case. <i>C</i>   | 0.10<br>190.00/hr | 19.00 ✓           |
| 7/31/2009                                 | CHP Review motion for admission in Schmitt condemnation. <i>R</i>  | 0.20<br>190.00/hr | 38.00 ✓           |
| <b>For professional services rendered</b> |  | <b>29.05</b>      | <b>\$4,450.75</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

John N. Hughes, PSC  
 Attorney at Law  
 124 West Todd St.  
 Frankfort, KY 40601  
 jnhughes@fewpb.net

ae.

Invoice submitted to:  
 Northern Kentucky Water District  
 2835 Crescent Springs Road  
 Box 18640  
 %Jack Bragg  
 Erlanger KY 41018-0640

September 11, 2009

Invoice #1165

Professional Services

|           |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|--|-------------------|---------------|
| 7/1/2009  | Telephone JB re: AMR financing; message re: PSC application <i>OK JB</i> | 0.50<br>250.00/hr | 125.00        |
|           | Prepare FTTP filter replacement ccn application <i>OK JB</i>             | 2.25<br>250.00/hr | 562.50        |
| 7/2/2009  | Prepare FTTP filter replacement ccn application <i>OK RH</i>             | 1.83<br>250.00/hr | 458.33        |
| 7/6/2009  | Review AMR financing documents <i>OK JB</i>                              | 0.33<br>250.00/hr | 83.33         |
| 7/7/2009  | Draft AMR financing application <i>OK JB</i>                             | 2.33<br>250.00/hr | 583.33        |
| 7/8/2009  | Tele. RH (2) re: Boone County subdistrict issues <i>RH</i>               | 0.42<br>250.00/hr | 104.17        |
| 7/13/2009 | Review sub F order; message JB <i>RH</i> ✓                               | 0.25<br>250.00/hr | 62.50         |
| 7/16/2009 | Tele. JS re: sub F issues <i>RH</i> ✓                                    | 0.17<br>250.00/hr | 41.67         |
| 7/20/2009 | File Ice Storm Response <i>OK JB</i>                                     | 0.33<br>250.00/hr | 83.33         |
|           | Review draft Sub F responses for PSC <i>RH</i> ✓                         | 0.50<br>250.00/hr | 125.00        |
| 7/21/2009 | Review revised Sub F responses for PSC <i>RH</i> ✓                       | 0.17<br>250.00/hr | 41.67         |

PAID SEP 23 2009

*Aug 201*

VENDOR # \_\_\_\_\_ VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 133 8200 079 AMT 1708.32  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 133 5000 030 AMT 1227.18  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

VENDOR # \_\_\_\_\_ VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT 250.00/hr  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE \_\_\_\_\_  
 RR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

502 227 7270

PAID SEP 23 2009

|  | <u>Hrs/Rate</u>   | <u>Amount</u>       |
|--|-------------------|---------------------|
| 7/28/2009 Tele. JS re: construction contracts <i>RW ✓</i>  | 0.17<br>250.00/hr | 41.67               |
| 8/5/2009 Tele. JB re: rate case meeting w/PSC <i>OK ✓</i>  | 0.17<br>250.00/hr | 41.67               |
| 8/7/2009 Tele. JB, PSC re: sub F order <i>LT ✓</i>   | 0.25<br>250.00/hr | 62.50               |
| 8/24/2009 Tele. JB, RB re: Moody's financial issues <i>OK ✓</i>  | 0.58<br>250.00/hr | 145.83              |
| 8/25/2009 Tele. JS re: sub F issues; tele. PSC re: rate case conference dates; tele. PSC re: sub F order <i>RW ✓</i> | 0.33<br>250.00/hr | 83.33               |
| 8/26/2009 Tele. RH re: sub F/Pendleton Co. WD surcharges <i>RW ✓</i>   | 0.17<br>250.00/hr | 41.67               |
| 8/28/2009 Review draft agenda, Power Point for PSC rate case conference; tele. JB <i>OK ✓</i>                        | 0.33<br>250.00/hr | 83.33               |
| 8/31/2009 Review draft exhibits for Mook Review documents concerning. ccn <i>RW ✓</i>                                | 0.67<br>250.00/hr | 166.67              |
| <b>For professional services rendered</b>  | <b>11.75</b>      | <b>\$2,937.50</b>   |
| <b>Previous balance</b>  |                   | <b>\$6,708.34</b>   |
| Accounts receivable transactions   |                   |                     |
| 7/31/2009 Payment - Thank You  |                   | (\$6,708.34)        |
| <b>Total payments and adjustments</b>  |                   | <b>(\$6,708.34)</b> |
| Balance due  |                   | <b>\$2,937.50</b>   |

633-8000-079

1708.32

633-5000-030

1229.18

OK JS

9/10/09

Ft. Mitchell, KY 41017

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

af.

**Northern Kentucky Water District**

Attn: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

September 22, 2009

In Reference To: **Administration**

Client #NKW01/GN014

Invoice #42296

Professional Services

|   |     |  | Hrs/Rate          | Amount            |
|---|-----|--|-------------------|-------------------|
| 8/3/2009                                  | CHP | Research and draft new purchase contract and RFP for Dixie Highway; Research and draft confidentiality agreement. <i>JB R</i>  | 4.90<br>190.00/hr | 931.00 ✓          |
|   | BCD | E-mails regarding Streng closing matters; Prepare for and attendance at closing. <i>R</i>  | 3.25<br>190.00/hr | 617.50 ✓          |
| 8/4/2009                                  | CHP | Research and draft Dixie RFP and supporting documents; Draft correspondence; Telephone conference with J. Bragg. <i>JB R</i>   | 1.20<br>190.00/hr | 228.00 ✓          |
|   | BCD | Telephone call from R. Harrison and e-mails from and to Scheben regarding 634 Grand Avenue closing; Draft closing statement and deed for same. <i>R</i>                    | 3.10<br>190.00/hr | 589.00 ✓          |
| 8/5/2009                                  | CHP | Review J. Bragg correspondence; Research and revise RFP documents for Dixie property; Review proposed timeline; Draft adjustments; Review final advertisement. <i>JB R</i> | 2.00<br>190.00/hr | 380.00 ✓          |
| <b>For professional services rendered</b> |     |  | <b>14.45</b>      | <b>\$2,745.50</b> |

VENDOR # HemDe VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 133 8100 019 AMT 2745.50  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 I.O. MATCHED TO INVOICE \_\_\_\_\_  
 FR MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

**Remit Payment To:**  
**Hemmer Pangburn DeFrank PLLC**  
**250 Grandview Drive, Suite 200**  
**Ft. Mitchell, Kentucky 41017**

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ag.

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

September 22, 2009

In Reference To: **General**  
Client # **NKW01/GN001**

Invoice # **42297**

VENDOR # Ham 102 VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1328000077 AMT 3513.59  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 NO. MATCHED TO INVOICE 11/11  
 PER. MATCHED TO INVOICE \_\_\_\_\_  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|          |     |  | Hrs/Rate          | Amount   |
|----------|-----|--|-------------------|----------|
| 8/3/2009 | BCD | E-mails regarding payoff for 634 Grand Avenue. <i>RH R</i>   | 0.25<br>190.00/hr | 47.50 ✓  |
| 8/4/2009 | CHP | Review D. Koenig correspondence and PSC opinion regarding SD#1 assessments; Draft correspondence. <i>JB F</i>              | 0.30<br>190.00/hr | 57.00 ✓  |
|          | CHP | Telephone call from R. Lovan, R. Harrison and J. Bragg regarding Dixie property. <i>RH R</i>                               | 0.70<br>190.00/hr | 133.00 ✓ |
|          | CHP | Review status of all pending litigation. <i>JB A</i>   | 0.30<br>190.00/hr | 57.00 ✓  |
|          | CHP | Telephone call from J. Dierig regarding bid for TMTP equipment. <i>BS P</i>  | 0.20<br>190.00/hr | 38.00 ✓  |
|          | CHP | Telephone call from J. Scheben regarding iron and steel pipe request for bid; Review inquiry; Draft amendment. <i>RH P</i> | 0.40<br>190.00/hr | 76.00 ✓  |
| 8/5/2009 | CHP | Review status of all matters. <i>JB A</i>  | 0.90<br>190.00/hr | 171.00 ✓ |
|          | BCD | E-mails and telephone calls regarding Hamel/Mains mortgage payoff and closing. <i>RH R</i>                                 | 0.40<br>190.00/hr | 76.00 ✓  |
| 8/6/2009 | CHP | Telephone call from S. Broering regarding vehicle bid specifications. <i>RH P</i>  | 0.20<br>190.00/hr | 38.00 ✓  |
|          | BCD | E-mails regarding Mains/Hamel mortgage payoff. <i>RH R</i>   | 0.25<br>190.00/hr | 47.50 ✓  |

|           |     |  | Hrs/Rate                       | Amount   |
|-----------|-----|--|--------------------------------|----------|
| 8/7/2009  | CHP | Telephone call from S. Shepherd regarding release form; Review file.   | <i>C</i> 0.30<br>190.00/hr     | 57.00 ✓  |
|           | CHP | Prepare for closing on purchase of 634 Grand Avenue.   | <i>RH K</i> 0.60<br>190.00/hr  | 114.00 ✓ |
|           | BCD | Meeting with CHP regarding 634 Grand Avenue closing; Finalize closing documents for same.  | <i>RH R</i> 1.10<br>190.00/hr  | 209.00 ✓ |
| 8/10/2009 | CHP | Review final Dixie ad and RFP; Draft correspondence; Meeting with J. Bragg.  | <i>JBS R</i> 0.60<br>190.00/hr | 114.00 ✓ |
|           | CHP | Review environmental index prepared by J. Bragg; Review Thornton files from files from KDEP; Draft correspondence.                     | <i>JBS R</i> 0.40<br>190.00/hr | 76.00 ✓  |
|           | CHP | Prepare for closing on Grand Avenue property; Conduct closing; Draft correspondence.   | <i>RH R</i> 1.40<br>190.00/hr  | 266.00 ✓ |
| 8/11/2009 | CHP | Telephone call from J. Scheben regarding bid addendum for asphalt.   | <i>RH P</i> 0.30<br>190.00/hr  | 57.00 ✓  |
|           | BCD | Meeting with paralegal regarding deed recording for 634 Grand Avenue.  | <i>RH R</i> 0.25<br>190.00/hr  | 47.50 ✓  |
| 8/12/2009 | CHP | Telephone call from R. Harrison regarding asphalt bid and Southgate issue.   | <i>RH P</i> 0.20<br>190.00/hr  | 38.00 ✓  |
|           | CHP | Revise Property Confidentiality Agreement for Dixie Highway; Draft correspondence.   | <i>RH R</i> 0.40<br>190.00/hr  | 76.00 ✓  |
|           | CHP | Meeting with J. Scheben and B. Kuper regarding milling and paving agreement and Southgate Homeowner's Association.                     | <i>RH P</i> 0.60<br>190.00/hr  | 114.00 ✓ |
| 8/13/2009 | CHP | Telephone call from R. Harrison regarding value bids and Ryland Heights development.   | <i>RH P</i> 0.20<br>190.00/hr  | 38.00 ✓  |
|           | CHP | Review Schmitt memorandum in opposition to motion to dismiss in condemnation action.   | <i>RH R</i> 0.30<br>190.00/hr  | 57.00 ✓  |
|           | BCD | Telephone call to and e-mail to J. Scheben regarding South Gates Homeowners Association meter relocation.                              | <i>RH F</i> 0.25<br>190.00/hr  | 47.50 ✓  |
| 8/17/2009 | BCD | Telephone call from and to R. Harrison regarding rejected bid information for Board.   | <i>RH P</i> 0.10<br>190.00/hr  | 19.00 ✓  |
| 8/18/2009 | BCD | Review correspondence from B. Kuper regarding Edgecliff easement.  | <i>RH R</i> 0.10<br>190.00/hr  | 19.00 ✓  |
|           | BCD | Telephone call from and to C. Riddle regarding payoff of assessment; Telephone call to and correspondence to G. Napier regarding same. | <i>RH R</i> 0.25<br>190.00/hr  | 47.50 ✓  |

|  |     |  | Hrs/Rate          | Amount            |
|--|-----|--|-------------------|-------------------|
| 8/19/2009                                      | EJA | Phone conference with Richard Harrison relative to upcoming Water District Board Meeting and potential issues surrounding Mook Road construction; review file in preparation for meeting. <i>RH P</i>  | 1.00<br>145.00/hr | ✓ 145.00          |
| 8/20/2009                                      | EJA | Conference with Richard Harrison relative to changes to Board Action Items as related to the District's award of contract for Mook Rd. and U.S. 27 Water Main Project; prepare for and attend NKWD Board Meeting; conference with Ron Lovan. <i>RH P</i> | 4.25<br>145.00/hr | ✓ 616.25          |
| 8/21/2009                                      | EJA | Draft minutes for NKWD Board meeting of 8/20/09. <i>JB A</i>   | 1.50<br>145.00/hr | ○ 217.50          |
| 8/25/2009                                      | BCD | Draft correspondence regarding need to move Schmitt litigation forward at quick pace. <i>JB R</i>  | 0.10<br>190.00/hr | 19.00 ✓           |
|  | BCD | Draft correspondence to counsel for Edgecliff Apartments regarding easement approval status. <i>RH R</i>   | 0.10<br>190.00/hr | 19.00 ✓           |
| 8/26/2009                                      | BCD | E-mails and telephone calls with J. Schucter regarding amendment to Park Hills agreement; Review and revision to same. <i>RH C</i>   | 0.30<br>190.00/hr | 57.00 ✓           |
| 8/27/2009                                      | BCD | Telephone call from R. Harrison regarding South Gates and Park Hills matters. <i>RH C</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
|  | EJA | Revise 8/20/09 Board minutes; prepare e-mail correspondence to R. Lovan attaching same. <i>X</i>   | 0.25<br>145.00/hr | ○ 36.25           |
|  | BCD | Review and revision to board minutes; Meeting with J. Atkins regarding same. <i>JB A</i>   | 0.25<br>190.00/hr | ○ 47.50           |
| 8/28/2009                                      | BCD | Telephone call from A. Kramer; Forward Board minutes to same for PSC application. <i>JB F</i>  | 0.10<br>190.00/hr | ★ 19.00           |
| 9/1/2009                                       | BCD | Telephone call from Mrs. Riddle and e-mail to G. Napier regarding release of assessment lien. <i>RH F</i>  | 0.25<br>190.00/hr | 47.50 ✓           |
| <b>Subtotal of charges</b>                     |     |  |                   | <b>\$3,409.00</b> |
| Professional retainer agreement per B. Dunham. |     |  |                   | \$91.00           |
| <b>For professional services rendered</b>      |     |  | 19.60             | <b>\$3,500.00</b> |
| Additional Charges :                           |     |  |                   |                   |
| 8/19/2009                                      |     | Federal Express delivery to the Kentucky Housing Corporation on 8/3/09. <i>BR</i>  |                   | 5.87 ✓            |
| 8/27/2009                                      |     | Federal Express delivery to Mortgage Service Department on 8/10/09. <i>BR</i>  |                   | 7.72 ✓            |
| <b>Total costs advanced</b>                    |     |  |                   | <b>\$13.59</b>    |
| <b>Total amount of this bill</b>               |     |  |                   | <b>\$3,513.59</b> |



(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ah.

**Northern Kentucky Water District**  
P.O. Box 18640  
Erlanger, KY 41018-0640  
Jack Bragg

September 22, 2009

In Reference To: **Litigation**

Client #NKW01/GN006

Invoice #42295

VENDOR # Handwritten VOUCHER # \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 ACCT # 1033 8000 019 AMT 1123.75  
 ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
 P.O. MATCHED TO INVOICE Handwritten  
 FR. MATCHED TO INVOICE Handwritten  
 RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |   |      | Hrs/Rate          | Amount   |
|-----------|-----|---|------|-------------------|----------|
| 8/7/2009  | EJA | Conference with CHP; draft Entry of Appearance and Notice of Substitution of Counsel in Geiler and Kentucky Tax Bill Servicing cases.   | RH C | 0.50<br>145.00/hr | 72.50 *  |
| 8/14/2009 | EJA | Receive and review Schmitt Objection and Memorandum in Opposition to NKWD Motion to Dismiss Counterclaim and for Interlocutory Judgment; conference with CHP; phone conference with Bill Brammell.  | RH R | 1.25<br>145.00/hr | 181.25   |
|           | EJA | Receive and review e-mail correspondence from Bill Brammell relative client appraisal and pending objection.  | RH R | 0.25<br>145.00/hr | 36.25 ✓  |
| 8/19/2009 | EJA | Receive and review e-mail correspondence from Richard Harrison agreeing to move motion hearing until September docket to allow time for respondent appraisal and negotiation; phone conference with Mr. Harrison.   | RH R | 0.50<br>145.00/hr | 72.50 ✓  |
| 8/20/2009 | EJA | Conference with Richard Harrison relative to elements of respondents' counterclaim as well as continuing pending motion to dismiss in Kenton Circuit Court.   | RH R | 0.25<br>145.00/hr | 36.25 ✓  |
| 9/2/2009  | EJA | Receive and review e-mail correspondence from Bill Brammell relative to Horsebranch appraisal; phone conference with John Scheben relative to respondents' request for property data to be used in calculating appraised value; prepare e-mail correspondence to Bill Brammell responding to said request and advising of scheduled hearing date. | RH R | 0.75<br>145.00/hr | 108.75 ✓ |

|   |     |  | <u>Hrs/Rate</u>                  | <u>Amount</u>           |
|---|-----|--|----------------------------------|-------------------------|
| 9/3/2009                                  | EJA | Phone conference with John Scheben; phone call to Bill Bramble relative to Schmitt/Filacchione appraisal; review client appraisal and prepare same to be sent to Mr. Bramble; conference with BCD. | <i>RH R</i><br>1.00<br>145.00/hr | 145.00 ✓                |
| 9/11/2009                                 | EJA | Prepare e-mail correspondence to attorney Bill Brammell; receive and review response as related to client appraisal.   | <i>RH R</i><br>0.25<br>145.00/hr | 36.25 ✓                 |
| 9/17/2009                                 | EJA | Continued legal research relative to Schmitt / Filacchione counterclaim as well as merits of proposed interlocutory judgment.  | <i>RH R</i><br>3.00<br>145.00/hr | 435.00 ✓                |
| <b>For professional services rendered</b> |     |  | <hr/> 7.75                       | <hr/> <b>\$1,123.75</b> |

*Horseshoe Rd  
Cumberland*

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

# FROST Brown Todd LLC

A T T O R N E Y S

P.O. Box 5716  
Cincinnati, OH 45201-5716  
(513) 651-6800  
Facsimile (513) 651-6981  
[www.frostbrowntodd.com](http://www.frostbrowntodd.com)

ai.

Northern Kentucky Water Service District  
ATTN: Ron Lovan  
2835 Ceescent Springs Road  
P. O. Box 18640  
Erlanger, KY 41018-640

FED. ID# 61-0722001  
October 28, 2009  
Invoice # 10571580  
Account # 0008168.0566797

REGARDING: General Labor and Consulting

For Professional Services Rendered Through September 30, 2009  
Other Charges Through September 30, 2009

\$7,106.00  
\$279.80

**TOTAL THIS INVOICE**

**\$7,385.80**

VENDOR # Fro 001 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 633 8000 079 AMT 7385.80  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE UR  
RR MATCHED TO INVOICE UR  
RE-CALCULATE INVOICE \_\_\_\_\_

OK JB  
11/3/09  
633-8000-079

THANK YOU  
PAYMENT APPRECIATED WITHIN 30 DAYS  
PLEASE INCLUDE YOUR INVOICE NUMBER ON CHECK

**ITEMIZED SERVICES**

| DATE     | DESCRIPTION  | TMKR | HOURS | AMOUNT   |
|----------|--|------|-------|----------|
| 09/08/09 | Conference with R. Hudson re details of sale of real estate with environmental issues; conference with Water District's outside counsel re representation issues, fact development, and remaining diligence; conference with R. Lovan; conference call to P. Schworer re environmental background.   | JAH  | 1.30  | 247.00   |
| 09/08/09 | Conference with client and J. Hayden re property transfer.   | RDH  | 0.20  | 38.00    |
| 09/09/09 | Conference with P. Schworer re environmental issues; conference with J. Bragg; conference with R. Lovan and J. Bragg re contingency and bidder selection issues; follow-up with P. Schworer on environmental issues and client concerns; review and analysis of extensive bid information, purchase contract, submitted bids and other relevant information; conference call to R. Lovan; extensive conference with R. Lovan re purchase agreement analysis, strategy in dealing with proposals, guarantys, etc.; draft follow-up memo to R. Lovan re summary of same. | JAH  | 5.30  | 1,007.00 |
| 09/09/09 | Review correspondence and related documents regarding the sale of property; conference with J. Hayden regarding same; conference with Jack Bragg regarding review of documents   | PJS  | 0.80  | 152.00   |
| 09/10/09 | Conference with R. Lovan and J. Bragg; attend meeting with R. Lovan and J. Bragg at client location.   | JAH  | 1.40  | 266.00   |
| 09/10/09 | Follow-up conferences with R. Lovan.   | JAH  | 0.40  | 76.00    |
| 09/11/09 | Conference call with client representatives and technical consultant, Westech; review relevant backup documents and information; review draft of purchase agreement looking for protections from future liability  | PJS  | 2.80  | 532.00   |
| 09/14/09 | Multiple conferences with J. Bragg; order business credit reports; conference with P. Schworer re initial environmental analysis.  | JAH  | 0.70  | 133.00   |
| 09/14/09 | Conference with J. Hayden regarding status of review; prepare email presenting findings of review and comments to the draft contract   | PJS  | 0.80  | 152.00   |
| 09/15/09 | Review and analysis of information submitted by G. Sharp re guarantor overview; review and analysis of memo from P. Schworer re environmental analysis; review and analysis of third party business reports on Sharpco and 4th and Russell; attention to ordering of Shug LLC business report based on multiple hits (check KY SOS information to validate); review and analysis of Shug LLC business report; transmit business reports to J. Bragg for interal review at client.  | JAH  | 0.80  | 152.00   |
| 09/15/09 | Meeting with J. Bragg re analysis of open issues including financial and guaranty issues.  | JAH  | 2.30  | 437.00   |
| 09/15/09 | Conference with R. Lovan and J. Bragg re strategy for negotiations; conference with M. Sutton re negotiations; conference with R. Lovan re follow-up.  | JAH  | 1.00  | 190.00   |
| 09/16/09 | Conference with J. Bragg; conferences with M. Sutton re negotiations.  | JAH  | 0.40  | 76.00    |

o.c. JS  
11/3/09

| DATE         | DESCRIPTION   | TMKR | HOURS        | AMOUNT            |
|--------------|---|------|--------------|-------------------|
| 09/16/09     | Extensive conference with R. Lovan and J. Bragg; follow-up on guaranty provisions; follow-conference with R. Levin on escrow increase; conference calls with M. Sutton; conference with R. Lovan re board meeting preparation; conferece with P. Schworer on escrow agreement and environmental concerns; conference with J. Krug re guaranty specifics; review KY guaranty statute; draft Guarantee Agreement; draft Purchase Agreement revisions; review and revise Environmental Escrow Agreement; conferences with P. Schworer re same; draft Selected Bidder Notice including confidentiality provisions and final certification; draft summary correspondence to M. Sutton with copy to client. | JAH  | 6.70         | 1,273.00          |
| 09/16/09     | Conference in with J. Hayden re affirmative and negative covenants for guarantee.   | JCK  | 0.20         | 38.00             |
| 09/16/09     | Prepare Environmental Escrow Agreement; conferences with J. Hayden regarding same   | PJS  | 2.20         | 418.00            |
| 09/17/09     | Conferences with R. Lovan and J. Bragg re document review and guarantee issue; review annotations and statute re guarantee; conference call to M. Sutton re same; draft revisions to Guarantee; transmit same to M. Sutton and client for review; conference with M. Sutton re negotiations and documentation; conference with R. Lovan; prepare for board meeting; attend board meeting at client site; follow-up meeting with R. Lovan and J. Bragg; conference call to M. Sutton; review prior correspondence and redlines from M. Sutton; review initial executed documents.  | JAH  | 5.30         | 1,007.00          |
| 09/18/09     | Review resolutions for Purchaser and related guarantors; draft correspondence to client re same; draft revisions to Contingency Waiver; conference call to S. Kenkel (escrow agent); draft revisions to Contract to Purchase; redline same and email to client for review; draft additional revisions to ancillary agreements; transmit clean PDFs of ancillary agreements and redline of Purchase Agreement to M. Sutton.  | JAH  | 1.80         | 342.00            |
| 09/22/09     | Conference call to M. Sutton; review correspondence from J. Bragg; draft reply correspondence.  | JAH  | 0.20         | 38.00             |
| 09/23/09     | Review correspondences from client; review correspondence from M. Sutton; transmit same to client; conference with R. Lovan.  | JAH  | 0.30         | 57.00             |
| 09/24/09     | Conference with R. Lovan re negotiation strategy.   | JAH  | 0.20         | 38.00             |
| 09/25/09     | Review correspondence from M. Sutton; initial review of revised Guaranty Agreement; conferences with R. Lovan.  | JAH  | 0.80         | 152.00            |
| 09/29/09     | Conference with B. Dunham re minutes; review and analysis of guarantee provisions; conference with M. Sutton re negotiations to the same; follow-up conference with R. Lovan; initial review of M. Sutton's changes to environmental guarantee agreement.   | JAH  | 1.50         | 285.00            |
| <b>TOTAL</b> |   |      | <b>37.40</b> | <b>\$7,106.00</b> |

**ITEMIZED COSTS**

| <b>ATE</b>   | <b>DESCRIPTION</b>  | <b>AMOUNT</b>    |
|--------------|---|------------------|
| 09/21/09     | Miscellaneous Exp.      Miscellaneous Exp. - Riskaware, LLC /Background Check Services -<br>Business Profile Report - REFERENCE: George Sharp | 279.80           |
| <b>TOTAL</b> |   | <b>\$ 279.80</b> |

**TOTAL COSTS                      \$279.80**

# Frost Brown Todd LLC

A T T O R N E Y S

P.O. Box 5716  
Cincinnati, OH 45201-5716  
(513) 651-6800  
Facsimile (513) 651-6981  
[www.frostbrowntodd.com](http://www.frostbrowntodd.com)

*aj.*

Northern Kentucky Water Service District  
ATTN: Ron Lovan  
2835 Ceescent Springs Road  
P. O. Box 18640  
Erlanger, KY 41018-640

FED. ID# 61-0722001  
November 19, 2009  
Invoice # 10576673  
Account # 0008168.0566797

REGARDING: General Labor and Consulting

|  |                          |
|--|--------------------------|
| For Professional Services Rendered Through October 31, 2009                      | \$1,425.00               |
| Other Charges Through October 31, 2009   | <u>\$2.87</u>            |
| <b>TOTAL THIS INVOICE</b>  | <b><u>\$1,427.87</u></b> |
| Outstanding Invoices (see page 2 for details - if already paid please disregard) | 7,385.80                 |
| Total Amount Due (Includes Outstanding Invoices)                                 | <u><u>\$8,813.67</u></u> |

NOV 23 2009

6.2 JB  
033 - 8000 - 079  
121102

VENDOR # Fro 001 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 0338000079 AMT 1427.87  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE Yes  
RR MATCHED TO INVOICE \_\_\_\_\_  
RE-CALCULATE INVOICE \_\_\_\_\_

11/19/09

**THANK YOU**  
PAYMENT APPRECIATED WITHIN 30 DAYS  
PLEASE INCLUDE YOUR INVOICE NUMBER ON CHECK

**ITEMIZED SERVICES**

| DATE         | DESCRIPTION   | TMKR | HOURS       | AMOUNT            |
|--------------|---|------|-------------|-------------------|
| 10/02/09     | Review of escrow agreement in connection with M. Sutton's comments; review and reply to correspondences with M. Sutton re negotiations and closing arrangements; conference with R. Lovan.  | JAH  | 0.40        | 76.00             |
| 10/07/09     | Draft revisions to Guaranty Agreement; review correspondence from M. Sutton; draft correspondence to M. Sutton re closing matters and transmittal of revised guaranty, approval of environmental escrow agreement; conference with M. Sutton.   | JAH  | 0.90        | 171.00            |
| 10/07/09     | Conference and correspondence with client regarding drug testing issues; conference with Amy Miller-Mitchell regarding same.  | RDH  | 0.40        | 76.00             |
| 10/08/09     | Review and examine case and statutory law within last ten years regarding the Fourth Amendment and the right of a public employer to drug test new hires  | AMM  | 1.40        | 266.00            |
| 10/08/09     | Draft revisions to closing documents to update based upon negotiations and closing date change; review further changes from M. Sutton guarantee agreement; conference with M. Sutton re negotiations; draft further revisions; conference with escrow agent; prepare redlines and transmit to parties; attention to other closing matters; meeting with escrow agent at Ft. Mitchell office re signing of escrow agreements; meeting at NKWD for closing. | JAH  | 3.80        | 722.00            |
| 10/08/09     | Correspondence with client regarding drug testing issue.  | RDH  | 0.10        | 19.00             |
| 10/09/09     | Review and reply to correspondence from J. Bragg re escrow agent; draft correspondence to Escrow Agent re copies of executed agreements.  | JAH  | 0.30        | 57.00             |
| 10/12/09     | Conference with S. Kenkel re escrow setup; attention to same and draft correspondence transmitting relevant information.  | JAH  | 0.20        | 38.00             |
| <b>TOTAL</b> |   |      | <b>7.50</b> | <b>\$1,425.00</b> |

**ITEMIZED COSTS**

| DATE         | DESCRIPTION | AMOUNT         |
|--------------|-------------|----------------|
| 10/12/09     | Postage     | 2.27           |
| <b>TOTAL</b> |             | <b>\$ 2.27</b> |

**SUMMARIZED COSTS**

| DESCRIPTION   | QTY  | PER UNIT | TOTAL          |
|---------------|------|----------|----------------|
| Reproductions | 4.00 | 0.15     | 0.60           |
| <b>TOTAL</b>  |      |          | <b>\$ 0.60</b> |



November 17, 2009  
General Labor and Consulting  
Account # 0008168.0566797  
Invoice # 10576673

**TOTAL COSTS** **\$2.87**

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

ak.

**Northern Kentucky Water District**

Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

November 23, 2009

In Reference To: **General**  
Client #NKW01/GN001

Invoice #42849

Professional Services

|           |     |  | <u>Hrs/Rate</u>   |   |        |
|-----------|-----|--|-------------------|---|--------|
| 9/8/2009  | BCD | Meeting with R. Lovan and J. Bragg regarding contract matters and upcoming Board meeting; Follow up telephone call with R. Lovan; Telephone call from J. Hayden of Frost Brown Todd. | 1.25<br>190.00/hr | ✓ | 231.50 |
|           | BCD | Telephone call from and e-mail from S. Shepherd regarding Ft. Thomas indemnity; Draft same.  | 0.60<br>190.00/hr | ○ | 114.00 |
| 9/9/2009  | BCD | Correspondence to Ft. Thomas indemnity; Revision to same.  | 0.25<br>190.00/hr | ○ | 47.50  |
|           | BCD | Correspondence with J. Scheben and title company regarding 638 Grand Avenue deed and title policy; Review Kenton County Clerk's records to obtain recorded deed.                     | 0.25<br>190.00/hr | ✓ | 47.50  |
| 9/14/2009 | BCD | Research Open Records Act and Open Meeting Act issues; Prepare detailed summary for R. Lovan regarding same.   | 2.50<br>190.00/hr | ✗ | 475.00 |
| 9/16/2009 | BCD | Telephone call from and correspondence to J. Bragg regarding indefinite tabling of motion.   | 0.25<br>190.00/hr | ✗ | 47.50  |
|           | BCD | Telephone call from and to R. Lovan regarding board meeting.   | 0.25<br>190.00/hr | ✗ | 47.50  |
| 9/17/2009 | BCD | Prepare for attendance at Board meeting.   | 2.50<br>190.00/hr | ✗ | 475.00 |
|           | BCD | Review Park Hills agreement; Correspondence with J. Schuchter regarding same.  | 0.25<br>190.00/hr | ○ | 47.50  |
| 9/18/2009 | EJA | Phone call from Chris Arlinghaus relative to Duke Energy easement.   | 0.25<br>145.00/hr | ✓ | 47.50  |

|   |     | <u>Hrs/Rate</u>   |                   |                    |
|---|-----|---|-------------------|--------------------|
| 9/18/2009                                 | EJA | Receive and respond to e-mail correspondence from Bill Brammel relative to Schmitt/Filacchione settlement offer; conference with BCD; forward same to client. <i>RA R</i>   | 0.50<br>145.00/hr | ✓ 72.50            |
|   | BCD | Correspondence from J. Bragg regarding minutes; Telephone call to same regarding proposed minutes. <i>OC JS A</i>   | 0.25<br>190.00/hr | ✓ 47.50            |
|   | BCD | Review and revision to Schwartz contract; E-mails regarding same. <i>OC JS C</i>  | 1.50<br>190.00/hr | C 285.00           |
|   | BCD | Meeting with EJA regarding Filacchione appraisal and settlement proposal. <i>RA R</i>   | 0.25<br>190.00/hr | ✓ 47.50            |
| 9/21/2009                                 | BCD | Telephone call from J. Bragg regarding meeting minutes. <i>OC JS A</i>  | 0.25<br>190.00/hr | ✓ 47.50            |
|   | BCD | Emails with counsel for Edgecliff project. <i>OC R</i>  | 0.25<br>190.00/hr | ✓ 47.50            |
| 9/22/2009                                 | EJA | Review file and prior appraisals; receive and respond to e-mail correspondence from Bill Brammel relative to easement valuation and counteroffer issued by NKWD. <i>RA R</i>  | 0.50<br>145.00/hr | ✓ 72.50            |
| 9/23/2009                                 | EJA | Phone conference with Bill Brammel to discuss valuation dispute and potential client meeting. <i>RA R</i>   | 0.25<br>145.00/hr | ✓ 47.50            |
|   | EJA | Phone calls to and from client to discuss party meeting as well as remediation costs; phone conference with Chris Arlinghaus on behalf of Duke Energy; receive and respond to e-mail correspondence from Mr. Arlinghaus relative to pending motions. <i>OC JS R</i>   | 1.25<br>145.00/hr | ✓ 181.25           |
|   | EJA | Phone call to Bill Brammel; prepare follow-up correspondence via e-mail. <i>RA R</i>  | 0.50<br>145.00/hr | ✓ 72.50            |
| 9/25/2009                                 | BCD | Correspondence to attorney for Edgecliff regarding comments to easement. <i>RA R</i>  | 0.10<br>190.00/hr | ✓ 19.00            |
| 9/28/2009                                 | BCD | Follow up to attorney for Edgecliff regarding easement comments. <i>RA R</i>  | 0.10<br>190.00/hr | ✓ 19.00            |
| 9/29/2009                                 | BCD | Draft board meeting minutes; Telephone call to and from M. Lofland and J. Hayden regarding clarification on two motions. <i>RA P</i>  | 1.50<br>190.00/hr | O 285.00           |
|   | BCD | Review correspondence from counsel for Royal Vista; Review proposed changes to easement; Correspondence to B. Kuper regarding same. <i>RA R</i>   | 0.25<br>190.00/hr | ✓ 47.50            |
| 9/30/2009                                 | EJA | Review file in preparation for meeting with respondents; meet with Richard Harrison, John Scheben, Bill Brammel and Anton Filacchione at client offices to discuss condemnation suit; conference with client at the conclusion of the parties' meeting to discuss necessary steps toward remediation as well as issues created by payment requests issued by SD1. <i>RA R</i> | 2.50<br>145.00/hr | ✓ 362.50           |
| <b>For professional services rendered</b> |     |   | <b>18.30</b>      | <b>\$3,500.00</b>  |
|   |     |   | <u>Amount</u>     | 3477.00<br>+ 23.00 |

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

al.

**Northern Kentucky Water District**  
Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

November 23, 2009

In Reference To: **General**  
Client #NKW01/GN001  
Invoice #42850

Professional Services

|            |     |   | Hrs/Rate          | Amount |
|------------|-----|---|-------------------|--------|
| 10/5/2009  | BCD | Research sovereign immunity as it relates to environmental claims; draft correspondence to R. Lovan summarizing same. <i>2H</i>   | 2.25<br>190.00/hr | 427.50 |
| 10/6/2009  | BCD | Telephone call to and telephone call from title company regarding status of title policies and original deed for Grand Ave. closings. <i>RH</i>   | 0.25<br>190.00/hr | 47.50  |
| 10/7/2009  | BCD | Email from and voicemail to R. Harrison regarding Prisoner Lake project; email to same regarding granting of easements post-lease; review and significant revisions to lease related to same. <i>RH R</i> | 1.10<br>190.00/hr | 209.00 |
| 10/9/2009  | BCD | Telephone call from Colleen; prepare revision to minutes; forward same to client. <i>OC JS A</i>  | 0.25<br>190.00/hr | 47.50  |
| 10/13/2009 | BCD | Telephone call from R. Harrison regarding Covington lease and sanitation district matter. <i>2H R</i>   | 0.25<br>190.00/hr | 47.50  |
| 10/15/2009 | EJA | Review file and proposed agenda for scheduled Board of Commissioners meeting; attend and participate in said meeting. <i>OC JS A</i>  | 2.75<br>145.00/hr | 398.75 |
| 10/16/2009 | EJA | Revise October Meeting Minutes; phone call to Jack Bragg. <i>OC JS A</i>  | 0.75<br>145.00/hr | 108.75 |
|            | EJA | Receive and review Subpoena Duces Tecum forwarded by Mark Lofland. <i>ML</i>  | 0.50<br>145.00/hr | 72.50  |
| 10/19/2009 | BCD | Telephone call from R. Harrison regarding Sanitation District No. 1 line; meeting with T. Lynch regarding research for same. <i>1H C</i>  | 0.40<br>190.00/hr | 76.00  |
|            | BCD | Correspondence to B. Kuper regarding Edgecliffe agreement. <i>2H R</i>  | 0.10<br>190.00/hr | 19.00  |

|   |     |  | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|--|-------------------|-------------------|
| 10/19/2009                                | TAL | Research UF Damage Prevention Act. <i>RA C</i>   | 0.75<br>145.00/hr | 108.75            |
|   | EJA | Revise meeting minutes for 10/15/09 Board of Commissioners' Meeting. <i>OC JB A</i>  | 0.25<br>145.00/hr | 36.25             |
| 10/20/2009                                | EJA | Phone calls to and from Mark Lofland relative to Griffin subpoena duces tecum response. <i>HL</i>  | 0.25<br>145.00/hr | 36.25             |
| 10/22/2009                                | BCD | Continue research on Sanitation District No. 1. <i>RA C</i>  | 0.75<br>190.00/hr | 142.50            |
|   | BCD | Telephone call to R. Harrison regarding current results of Sanitation District No. 1 research. <i>RA C</i>   | 0.25<br>190.00/hr | 47.50             |
|   | BCD | Telephone call from B. Kuper regarding Edgecliff; B. Kuper confirms District is okay with Edgecliff's proposed revisions; discuss manner of execution. <i>RA L</i>                     | 0.25<br>190.00/hr | 47.50             |
| 10/23/2009                                | BCD | Correspondence from and to A. Kramer regarding Memorial Pkwy. bid; begin review of same. <i>RA P</i>   | 0.40<br>190.00/hr | 76.00             |
| 10/26/2009                                | BCD | Telephone conference with A. Kramer regarding review of bid set, include specific areas of concern. <i>RA P</i>  | 0.40<br>190.00/hr | 76.00             |
|   | BCD | Begin review of bid set for Memorial Pkwy. project. <i>RA P</i>  | 0.75<br>190.00/hr | 142.50            |
| 10/27/2009                                | BCD | Review and revise meeting minutes; email to EJA regarding same. <i>OC JB A</i>   | 0.10<br>190.00/hr | 19.00             |
| 10/28/2009                                | BCD | Continue review and revision of bid packet. <i>OC JB P</i>   | 0.75<br>190.00/hr | 142.50            |
| 10/29/2009                                | EJA | Receive and respond to e-mail correspondence from Colleen Medert relative to revised Board Minutes; finalize October 2009 Board Minutes and forward same to Ms. Medert. <i>OC JB H</i> | 0.50<br>145.00/hr | 72.50             |
|   | BCD | Finalize review and revise bid packet for Memorial Pkwy; telephone calls and emails with A. Kramer regarding same. <i>RA P</i>   | 3.50<br>190.00/hr | 665.00            |
| 10/30/2009                                | BCD | Telephone calls and correspondence with A. Kramer regarding revisions to bid package; research regarding same. <i>RA P</i>   | 0.40<br>190.00/hr | 76.00             |
|   | BCD | Review and revise official statement for Revenue Bond Anticipation notes; several telephone call and emails with bond counsel regarding necessary revisions. <i>OC JB A</i>            | 1.75<br>190.00/hr | 332.50            |
| <b>For professional services rendered</b> |     |  | <b>19.65</b>      | <b>\$3,500.00</b> |

Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017

**John N. Hughes, PSC**

Attorney at Law  
124 West Todd St.  
Frankfort, KY 40601  
jnhughes@fewpb.

*am.*

Invoice submitted to:  
Northern Kentucky Water District  
2835 Crescent Springs Road  
Box 18640  
%Jack Bragg  
Erlanger KY 41018-0640

December 01, 2009

Invoice #1175

**Professional Services**

|   |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|---|-------------------|-------------------|
| 10/6/2009                                 | Tele. RL re: water service to River Terminal <i>DL DB</i> <i>(A)</i>    | 0.50<br>250.00/hr | 125.00            |
|   | Review unbooked asset worksheet <i>DL</i> <i>SP</i> <i>(B)</i>          | 0.75<br>250.00/hr | 187.50            |
| 10/13/2009                                | Review Plant Inspection Plan <i>DL</i> <i>SP</i> <i>(C)</i>             | 0.50<br>250.00/hr | 125.00            |
| 10/15/2009                                | Review Revised Plant Inspection Plan and file w/PSC <i>DL</i> <i>SP</i> | 0.75<br>250.00/hr | 187.50            |
| 10/23/2009                                | Tele. RH re: service line contracts/tariffs <i>DL</i> <i>SP</i>         | 0.42<br>250.00/hr | 104.17            |
| 11/2/2009                                 | Tele. RH re: non-recurring fees <i>DL</i> <i>SP</i>                     | 0.17<br>250.00/hr | 41.67             |
| 11/17/2009                                | Rate case conference <i>DL</i> <i>SP</i>                                | 7.50<br>250.00/hr | 1,875.00          |
| <b>For professional services rendered</b> |   | <b>10.58</b>      | <b>\$2,645.84</b> |

**Additional Charges :**

11/17/2009 Mileage- rate case conference

|                                   |                    |
|-----------------------------------|--------------------|
| VENDOR # <i>Hug 001</i>           | VOUCHER # _____    |
| ACCT # _____                      | AMT _____          |
| ACCT # _____                      | AMT _____          |
| ACCT # <i>1033 8000 009</i>       | AMT <i>2771.84</i> |
| ACCT # _____                      | AMT _____          |
| P.O. MATCHED TO INVOICE <i>MJ</i> |                    |
| RR MATCHED TO INVOICE             |                    |
| RE-CALCULATE INVOICE              |                    |
| <b>Total additional charges</b>   | <b>\$126.00</b>    |
| <b>Total amount of this bill</b>  | <b>\$2,771.84</b>  |

**Previous balance**

**\$1,970.45**

502 227 7270

*627-800-074*  
*DL* *SP*  
*12/21/09*

PAID DEP 3/4 2009  
*710515*

|                                       | <u>Amount</u>       |
|---------------------------------------|---------------------|
| Accounts receivable transactions      |                     |
| 11/11/2009 Payment - Thank You        | (\$1,970.45)        |
| <b>Total payments and adjustments</b> | <b>(\$1,970.45)</b> |
| Balance due                           | <u>\$2,771.84</u>   |

250 Grandview Drive  
Ft. Mitchell, KY 41017

(859) 344-1188  
Fax: (859) 578-3869  
Tax I.D.# 61-1348045

an:

**Northern Kentucky Water District**  
Attention: Jack Bragg  
P.O. Box 18640  
Erlanger, KY 41018-0640

INTD JAN 08 2010

December 09, 2009

In Reference To: **General**  
Client #NKW01/GN001  
Invoice #43013

VENDOR # Ken 002 VOUCHER # \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
ACCT # 633 8000 019 AMT 3500.00  
ACCT # \_\_\_\_\_ AMT \_\_\_\_\_  
P.O. MATCHED TO INVOICE MS  
RR MATCHED TO INVOICE JP  
RE-CALCULATE INVOICE \_\_\_\_\_

Professional Services

|           |     |   | Hrs/Rate          | Amount          |
|-----------|-----|---|-------------------|-----------------|
| 11/3/2009 | BCD | Follow up correspondence with A. Kramer regarding GAC spec; prepare and forward to A. Kramer suggested revisions to bid documents. <i>OK RH P</i>   | 0.25<br>190.00/hr | 47.50 <i>*</i>  |
|           | BCD | Review tax documents and calculation agency agreement for 2009 BANs; correspondence with bond counsel regarding same. <i>A</i>  | 0.75<br>190.00/hr | 142.50 <i>✓</i> |
| 11/4/2009 | BCD | Correspondence with B. Kuper; review and propose revisions to Kammerer/Coleman easement. <i>OK RH R</i>   | 0.25<br>190.00/hr | 47.50 <i>0</i>  |
| 11/5/2009 | BCD | Correspondence and telephone calls with B. Kuper regarding revisions proposed by attorney for property owner along Alexandria Pike 42 inch Main Project; review and revise easement; review exhibit A; telephone call to and telephone call from B. Kuper regarding my concerns with standard language by Viox related to temporary construction easement. <i>OK RH R</i> | 1.25<br>190.00/hr | 237.50 <i>0</i> |
|           | BCD | Correspondence and telephone calls with bond counsel regarding review BAN documents; prepared redlined versions to permit review of revisions made by bond counsel. <i>OK JOR A</i>   | 0.25<br>190.00/hr | 47.50 <i>✓</i>  |
| 11/6/2009 | BCD | Meeting with EJA regarding condemnation action strategy to speed up resolution. <i>RH R</i>   | 0.25<br>190.00/hr | 47.50 <i>0</i>  |
|           | BCD | Review and revise easements for Marsh Building supply property; correspondence with B. Kuper regarding same. <i>RH R</i>  | 0.75<br>190.00/hr | 142.50 <i>0</i> |
| 11/9/2009 | TAL | Review and draft revisions to Improvement Project Agreements. <i>RH P</i>   | 0.75<br>145.00/hr | 108.75 <i>*</i> |

PAY JAN 11 2010

(2010)



|            |     |  |            | <u>Hrs/Rate</u>   | <u>Amount</u> |   |
|------------|-----|--|------------|-------------------|---------------|---|
| 11/9/2009  | BCD | Correspondence and telephone calls with A. Kramer regarding UV guarantee issue.  | UV<br>KH   | 0.25<br>190.00/hr | 47.50         | # |
|            | BCD | Correspondence with J. Schuchter and meeting with Tim Lynch regarding City of Southgate agreement.   | RH         | 0.25<br>190.00/hr | 47.50         | ✓ |
| 11/10/2009 | BCD | Review and revise agreement with City of Southgate; correspondence with J. Schuchter regarding same.   | RH         | 0.10<br>190.00/hr | 19.00         | ✓ |
| 11/11/2009 | BCD | Correspondence from bond counsel; review and revise opinion of counsel; execute and forward same in escrow for BAN closing.  |            | 0.40<br>190.00/hr | 76.00         | ○ |
|            | BCD | Review and revise easements for US 27 42" main project; correspondence with B. Kuper regarding same.   | RH         | 0.50<br>190.00/hr | 95.00         | ○ |
| 11/12/2009 | TAL | Research KY law regarding prescriptive easements.  | RH         | 0.50<br>145.00/hr | 72.50         | ○ |
|            | BCD | Telephone call to R. Harrison and meeting with Jason Atkins and Tim Lynch regarding prescriptive easement research issue.  | RH         | 0.25<br>190.00/hr | 47.50         | ○ |
| 11/13/2009 | TAL | Research KY law regarding prescriptive easements; telephone call with R. Harrison.   | RH         | 2.00<br>145.00/hr | 290.00        | ○ |
| 11/16/2009 | TAL | Research KY caselaw regarding prescriptive easements.  | RH         | 2.00<br>145.00/hr | 290.00        | ○ |
|            | BCD | Meeting with Jason Atkins regarding condemnation settlement strategy.  | RH         | 0.10<br>190.00/hr | 19.00         | ○ |
|            | BCD | Telephone call with Tim Lynch regarding prescriptive easement research; perform follow up research regarding same and interplay with inverse condemnation; correspondence to R. Harrison regarding facts surrounding main to assist in analysis. | RH         | 1.75<br>190.00/hr | 332.50        | ○ |
|            | BCD | Finalize review and revision to easement drafts from property owner's counsel; correspondence to B. Kuper regarding same.  | RH         | 0.75<br>190.00/hr | 142.50        | ○ |
| 11/17/2009 | TAL | Research caselaw regarding prescriptive easements.   | RH         | 0.75<br>145.00/hr | 108.75        | ○ |
| 11/18/2009 | BCD | Telephone call from R. Harrison regarding environmental concerns with disposal of filter media.  | RH         | 0.25<br>190.00/hr | 47.50         | ○ |
|            | BCD | Meeting with Jason Atkins regarding not withdrawing motion but simply postpone in order to keep pressure on other side.  | RH         | 0.25<br>190.00/hr | 47.50         | ○ |
| 11/19/2009 | BCD | Prepare for and attendance at board meeting.   | OC JB<br>A | 2.25<br>190.00/hr | 427.50        | ✓ |
|            | BCD | Meeting with R. Harrison and A. Kramer to discuss revision to bid documents due to concern with disposal of environmentally sensitive materials.   | RH         | 0.30<br>190.00/hr | 57.00         | ○ |
|            | BCD | Meeting with Jason Atkins to discuss Schrage and condemnation litigation.  | RH         | 0.25<br>190.00/hr | 47.50         | ○ |

|   |     |   | <u>Hrs/Rate</u>   | <u>Amount</u>     |
|---|-----|---|-------------------|-------------------|
| 11/19/2009                                | BCD | Correspondence from and to J. Hayden regarding negotiations with bidders; obtain and forward Attorney General opinion regarding same. | 0.40<br>190.00/hr | 76.00 ✓           |
| 11/20/2009                                | TAL | Meetings with EJA; review restoration agreement and new water main easement.  | 0.75<br>145.00/hr | 108.75 ✓          |
|   | BCD | Correspondence with J. Schuchter regarding city's proposed revisions to Southgate agreement.  | 0.10<br>190.00/hr | 19.00 ✓           |
| 11/25/2009                                | BCD | Review and revise private system tap-in agreement for Board of Education; correspondence with G. Napier regarding same.               | 0.75<br>190.00/hr | 142.50 ✓          |
| <b>For professional services rendered</b> |     |   | <b>19.40</b>      | <b>\$3,500.00</b> |

*02 JB R*

*R\**

*R\**

*R\**

*3382.25*

*+ 117.75*

*3500.00*

*6 T 12.25  
6.75*

**Remit Payment To:  
Hemmer Pangburn DeFrank PLLC  
250 Grandview Drive, Suite 200  
Ft. Mitchell, Kentucky 41017**

# Frost Brown Todd LLC

A T T O R N E Y S

P.O. Box 5716  
Cincinnati, OH 45201-5716  
(513) 651-6800  
Facsimile (513) 651-6981  
[www.frostbrowntodd.com](http://www.frostbrowntodd.com)

ad.

Northern Kentucky Water Service District  
ATTN: Ron Lovan  
2835 Ceescent Springs Road  
P. O. Box 18640  
Erlanger, KY 41018-640

FED. ID# 61-0722001  
December 10, 2009  
Invoice # 10581312  
Account # 0008168.0566797

REGARDING: General Labor and Consulting

|  |                |
|--|----------------|
| For Professional Services Rendered Through November 30, 2009 | \$5,577.00     |
| Other Charges Through November 30, 2009                      | <u>\$21.88</u> |

**TOTAL THIS INVOICE** **\$5,598.88**

Outstanding Invoices (see page 2 for details - if already paid please disregard) 1,427.87

Total Amount Due (Includes Outstanding Invoices) \$7,026.75



OK  
CR  
12/26/09  
653-800-079

ENTD DEC 28 2009

|                         |                    |           |                |
|-------------------------|--------------------|-----------|----------------|
| VENDOR #                | <u>Fic 001</u>     | VOUCHER # | _____          |
| ACCT #                  | _____              | AMT       | _____          |
| ACCT #                  | _____              | AMT       | _____          |
| ACCT #                  | <u>039 800 079</u> | AMT       | <u>5598.88</u> |
| ACCT #                  | _____              | AMT       | _____          |
| P.O. MATCHED TO INVOICE | _____              |           | _____          |
| RR MATCHED TO INVOICE   | _____              |           | _____          |
| RE-CALCULATE INVOICE    | _____              |           | _____          |

**THANK YOU**  
PAYMENT APPRECIATED WITHIN 30 DAYS  
PLEASE INCLUDE YOUR INVOICE NUMBER ON CHECK

PAID DEC 23 2009

**ITEMIZED SERVICES**

| DATE     | DESCRIPTION  | TMKR | HOURS | AMOUNT |
|----------|--|------|-------|--------|
| 11/03/09 | Attention to diligence period matters; draft correspondence to M. Sutton re same and request for authorizing resolutions; draft correspondence to client re board meeting scheduling; review reply correspondences; conference with R. Lovan.  | JAH  | 0.50  | 97.50  |
| 11/04/09 | Review and revise the NKWD Board of Commissioners Communication; transmit revised version to J. Bragg; review termination notice from M. Sutton; transmit same to client for review; follow-up conferences and correspondences re same.  | JAH  | 1.20  | 234.00 |
| 11/05/09 | Initial review of Environmental Report recommendation; conference call to M. Sutton; draft correspondence to M. Sutton; conference with R. Lovan.  | JAH  | 0.60  | 117.00 |
| 11/10/09 | Conference with R. Lovan re report from environmental consultants on review of buyer's consultant and discussion of negotiation strategy; conference with M. Sutton; review deal documentation and draft memo to M. Sutton re detailing handling of escrow funds and deposits during negotiation period; follow-up conferece with R. Lovan.  | JAH  | 1.10  | 214.50 |
| 11/11/09 | Review and reply to correspondence from M. Sutton.   | JAH  | 0.10  | 19.50  |
| 11/12/09 | Review and reply to correspondences from R. Lovan.   | JAH  | 0.10  | 19.50  |
| 11/17/09 | Conference with R. Lovan re escrow and negotiations with G. Sharp and Ashley, upcoming board meeting; draft correspondence to M. Sutton; follow-up conference call to M. Sutton; follow-up conference with R. Lovan; conference with R. Lovan and J. Bragg re discussions and negotiations with G. Sharp; follow-up with P. Schworer re environmental issues.  | JAH  | 1.10  | 214.50 |
| 11/17/09 | Conferences regarding the environmental investigation and sellers' refusal to close; conference regarding scheduling of a meeting; review background information regarding same  | PJS  | 1.20  | 234.00 |
| 11/18/09 | Review and reply to correspondence from M. Sutton.   | JAH  | 0.10  | 19.50  |
| 11/18/09 | Prepare for conference call; attend conference call with R. Lovan, P. Schworer, G. Sharp, M. Sutton, and J. Harmon; follow-up call with R. Lovan and P. Schworer.  | JAH  | 2.30  | 448.50 |
| 11/18/09 | Prepare for and attend meeting with representatives of Sharp Co regarding environmental issues   | PJS  | 4.40  | 858.00 |
| 11/19/09 | Conference with R. Lovan re strategy for dealing with other bidders; prepare for Board Meeting; attend Board Meeting in Fort Thomas; attend Executive Session for Board Meeting; review correspondence from M. Sutton re request for non-disclosure of report; follow-up conference with R. Lovan; initial review of confidentiality provisions in the purchase agreement and selected bidder notice agreement; follow-up conferences re sharing of environmental studies; follow-up correspondences with J. Bragg and R. Lovan; conference with J. Bragg. | JAH  | 3.10  | 604.50 |

| DATE     | DESCRIPTION  | TMKR | HOURS | AMOUNT |
|----------|--|------|-------|--------|
| 11/19/09 | Conference in with J. Hayden re issue with turnover of buyer's environmental reports.  | JCK  | 0.20  | 39.00  |
| 11/19/09 | Receive and review correspondence from buyer's counsel; correspondence and conference with J. Hayden regarding same  | PJS  | 0.80  | 156.00 |
| 11/20/09 | Conference call to M. Sutton re environmental report; conference call to R. Lovan re same; review NKWD confidentiality agreement used with bidders;  | JAH  | 0.50  | 97.50  |
| 11/21/09 | Review AG opinion on sale of excess property by Water District; review applicable statutes with respect to Water Districts, Special Districts, Publication of Notice, etc.; shepardize AG opinion.   | JAH  | 1.20  | 234.00 |
| 11/23/09 | Conference calls to and from M. Sutton re environmental report sharing and discussion of indemnity and hold harmless; conference call to R. Lovan; review annotations to statute; conference with R. Lovan re discussion of potential solution to report sharing issue; draft memo to B. Dunham re negotiation authority and lack of restriction, request for check of bylaws; draft memo to M. Sutton re explanation of work-around with regard to indemnity for report sharing liability in the form of covenants directly from other bidders.               | JAH  | 0.90  | 175.50 |
| 11/24/09 | Review correspondence from B. Dunham re confirmation on bylaws; draft and review correspondences from M. Sutton; conference with R. Lovan; review formal request from M. Sutton and J. Harmon re return of environmental reports, etc.   | JAH  | 0.40  | 78.00  |
| 11/24/09 | Conference with J. Hayden regarding letter from Sutton   | PJS  | 0.30  | 58.50  |
| 11/25/09 | Conference with R. Lovan re strategy on response to Sharpco and its counsel; review of M. Sutton's letter and relevant agreements related to same; draft Legal Response letter to M. Sutton; conference with P. Schworer re same; conferences with R. Lovan re drafts of Legal Response; revisions of Legal Response; extensive conference with WesTech Environmental Consultants; attention to execution and distribution of Legal Response.  | JAH  | 3.90  | 760.50 |
| 11/25/09 | Review contract regarding site access issues; review draft letter prepared by J. Hayden; correspondence to J. Hayden regarding comments to letter received from Purchaser's counsel  | PJS  | 0.70  | 136.50 |
| 11/29/09 | Drafting of Non-Binding Letter of Interest for bidders; draft correspondence to M. Sutton and Escrow Agent re objection to release of escrow funds.  | JAH  | 1.80  | 351.00 |
| 11/30/09 | Work on Letter of Interest; review correspondence from M. Sutton re reply to escrow objections; draft Formal Objection Letter to Escrow Agent and outline of potential claims with respect to correspondence/demand from M. Sutton; review correspondence from M. Sutton and J. Harmon re independent verification of installation of deep well; draft reply to M. Sutton re same; conference with R. Lovan re strategy with Sharpco and other bidders; review multiple correspondences from R. Lovan; review comments from R. Lovan to (new) Bidder Document. | JAH  | 2.10  | 409.50 |

| DATE         | DESCRIPTION | TMKR | HOURS | AMOUNT     |
|--------------|-------------|------|-------|------------|
| <b>TOTAL</b> |             |      | 28.60 | \$5,577.00 |

**ITEMIZED COSTS**

| DATE         | DESCRIPTION | AMOUNT         |
|--------------|-------------|----------------|
| 11/30/09     | Postage     | 5.98           |
| <b>TOTAL</b> |             | <b>\$ 5.98</b> |

**SUMMARIZED COSTS**

| DESCRIPTION         | QTY   | PER UNIT | TOTAL           |
|---------------------|-------|----------|-----------------|
| Reproductions       | 47.00 | 0.10     | 4.70            |
| Color Reproductions | 32.00 | 0.35     | 11.20           |
| <b>TOTAL</b>        |       |          | <b>\$ 15.90</b> |

**TOTAL COSTS** **\$21.88**

Q19. Refer to NKWD's Response to Commission Staff's First Information Request, Item12. Complete the following table.

A19.

|                    |       |         |              |
|--------------------|-------|---------|--------------|
| Sub-District A     | 583   | \$8.76  | \$61,284.96  |
| Sub-District B     | 289   | \$18.06 | \$62,632.08  |
| Sub-District C     | 983   | \$18.90 | \$222,944.40 |
| Sub-District D     | 152   | \$30.00 | \$54,720.00  |
| Sub-District E     | 179   | \$30.00 | \$64,440.00  |
| Sub-District F     | 35    | \$30.00 | \$12,600.00  |
| Sub-District G     | 78    | \$30.00 | \$28,080.00  |
| Sub-District K     | 53    | \$12.89 | \$8,198.04   |
| Sub-District R     | 235   | \$18.27 | \$51,521.40  |
| Sub-District<br>RF | 31    | \$21.61 | \$8,038.92   |
| Sub-District<br>RL | 88    | \$36.22 | \$38,248.32  |
|                    | 2,706 |         | \$612,708.12 |

Witness: Herbert

Q20. At page 10 of his Direct Testimony, Paul R. Herbert states, "[T]he step 1 rates were designed to be approximately half-way between the present rates and the proposed step 2 rates." Explain why the step 1 rates were designed to be halfway between the present rates and proposed step 2 rates.

A20. The goal of having two steps was to mitigate the effect of the rate increase and have a more gradual adjustment of the water rates. It was decided that since the proposed phase-in would be over two years, it would be appropriate to recover the first half in the first year and the second half in the second year, as illustrated below for an average quarterly customer:

| <u>Average Usage Per Quarter</u> | <u>Present Bill</u> | <u>Step 1 Increase</u> | <u>Step 1 Bill</u> | <u>Step 2 Increase</u> | <u>Step 2 Bill</u> |
|----------------------------------|---------------------|------------------------|--------------------|------------------------|--------------------|
| 2400 CF                          | \$98.41             | \$12.16                | \$110.57           | \$12.15                | \$122.72           |



Q21. Refer to the Direct Testimony of Mr. Herbert at 8.

- a. Mr. Herbert states that he "discussed rate design guidelines with management." Provide all correspondence, letters, notes, memoranda, and e-mails between NKWD representatives and Mr. Herbert or his associates in which rate design guidelines were discussed.
- b. Mr. Herbert states: "The guidelines established were: (1) maintain the existing rate structure applicable to all classifications excluding wholesale, which includes a service charge by meter size and a three-block volumetric charge; (2) increase customer charges and volumetric charges to produce revenues among the classes in conformity with or toward the indicated cost of service and to generate sufficient revenues to recover the total cost of service; and (3) design the proposed rate structure to be implemented over a 2 step phase-in plan which reflects the District's effort toward a gradual adjustment of its rates." Describe how these guidelines were established and the theory or policy rationale for the guidelines.

A21.

- a. The rate design guidelines were discussed in meetings and telephonically. There are no correspondence, letters, notes, memoranda, and e-mails between NKWD representatives and Mr. Herbert or his associates in which rate design guidelines were discussed.
- b. The guidelines were established in discussions with NKWD management.

The rationale for maintaining the basic existing rate structure considers that the existing structure has been approved by the PSC, and allows the District to recover its revenue requirement without rate shock to any customer class and within the goal of gradualism. The existing structure also conforms with the accepted industry guidelines. The existing structure also conforms with the accepted industry guidelines.

The rationale for moving revenues toward the indicated cost of service results considers that the cost of service study provides the primary guidance of how the cost of service should be recovered. The proposed Step 2 Rates which move revenues to the cost of service by customer classification are appropriate.

The rationale for a two-step phase-in of the rates considers the gradualism and mitigates the effect of the increase in a single-step proposal.

Q22. Refer to NKWD's Petition, Exhibit N, Schedule A, Comparison of Cost of Service with Revenues Under Present and Proposed Rates — Step 2. Provide the revenues for the step 1 proposed rates in addition to the revenues for the step 2 proposed rates.

A22. See attached schedule.

NORTHERN KENTUCKY WATER DISTRICT

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES - STEP 1  
FOR THE TEST YEAR ENDED DECEMBER 31, 2009

| Customer<br>Classification | Cost of Service        |               | Revenues, Present Rates |               | Revenues, Proposed Rates |               | Proposed Increase   |                     |
|----------------------------|------------------------|---------------|-------------------------|---------------|--------------------------|---------------|---------------------|---------------------|
|                            | Amount<br>(Schedule B) | Percent       | Amount                  | Percent       | Amount                   | Percent       | Amount              | Percent<br>Increase |
| (1)                        | (2)                    | (3)           | (4)                     | (5)           | (6)                      | (7)           | (8)                 | (9)                 |
| Residential                | \$ 30,854,763          | 63.5%         | \$ 24,719,009           | 61.3%         | \$ 27,788,899            | 62.4%         | \$ 3,069,890        | 12.4%               |
| Commercial/Multi-Family    | 10,900,376             | 22.4%         | 9,332,035               | 23.1%         | 10,120,501               | 22.7%         | 788,466             | 8.4%                |
| Industrial                 | 3,427,144              | 7.0%          | 3,160,060               | 7.8%          | 3,298,782                | 7.4%          | 138,722             | 4.4%                |
| Public Authority           | 2,171,180              | 4.5%          | 1,948,183               | 4.8%          | 2,072,697                | 4.7%          | 124,513             | 6.4%                |
| Wholesale                  | <u>1,262,631</u>       | <u>2.6%</u>   | <u>1,200,418</u>        | <u>3.0%</u>   | <u>1,232,831</u>         | <u>2.8%</u>   | <u>32,413</u>       | <u>2.7%</u>         |
| Total Sales                | 48,616,094             | <u>100.0%</u> | 40,359,705              | <u>100.0%</u> | 44,513,710               | <u>100.0%</u> | 4,154,005           | 10.3%               |
| Other Revenues             | <u>4,865,306</u>       |               | <u>4,834,006</u>        |               | <u>4,865,306</u>         |               | <u>31,301</u>       |                     |
| Total                      | <u>\$ 53,481,400</u>   |               | <u>45,193,710</u>       |               | <u>\$ 49,379,016</u>     |               | <u>\$ 4,185,306</u> | 9.3%                |

Q23. Refer to the Application, Exhibit N, Schedule L and Exhibit K, "Statement of Income — Pro Forma Year Ended December 31, 2009." NKWD adjusts its revenues at present rates and its revenues at proposed rates by a "Volume Normalization Adjustment." Explain this adjustment and state if the normalization adjustment is reflected in NKWD's pro forma operating revenues as shown in Exhibit K.

A23 This revenue adjustment is a result of normalizing water usage by residential customers in order to adjust for 2009 being a wet year with less water usage.

The adjustment for residential consumption was based on the normal year residential customer consumption of 18.22 CCF per quarter or 6.07 CCF per month. Average residential consumption in 2009 was 17.25 CCF for quarterly customers (.97 CCF less than average) and 5.74 for monthly customers (.33 CCF less than average). In the adjustment, quarterly residential consumption was increased 297,623 CCF (305,312 quarterly bills X .97 CCF) and monthly residential consumption was increased by 10,403 CCF (31,209 bills X .33 CCF). This consumption adjustment produces a revenue adjustment of \$1,002,689 under present rates and \$1,241,343 under proposed Step 2 rates. Exhibit K does not include this adjustment.

District's responses to PSC second data request of July 30, 2010

Q24. Refer to NKWD's Petition, Exhibit M3, Justification for Overtime Charges."

Q24a. Describe how the average overtime labor cost of \$32.45 was determined. Provide all workpapers, state all assumptions, and show all calculations used to develop the \$32.45 overtime labor cost.

A24a.

| NKWD            | Service Personnel on Call |                         |                          |
|-----------------|---------------------------|-------------------------|--------------------------|
|                 |                           | 2010<br>Regular<br>Rate | 2010<br>Overtime<br>Rate |
| Lenny           | Parson                    | \$21.56                 | \$32.34                  |
| Jerry           | Krentz                    | \$23.32                 | \$34.98                  |
| Daryl           | Mullins                   | \$23.32                 | \$34.98                  |
| Chad            | Simon                     | \$16.66                 | \$24.99                  |
| Ryan            | Hollarn                   | \$17.21                 | \$25.82                  |
| Nick            | Rebohlz                   | \$23.19                 | \$34.79                  |
| Donny           | Carter                    | \$20.06                 | \$30.09                  |
| Chuck           | Leach                     | \$22.48                 | \$33.72                  |
| Dave            | Miller                    | \$26.85                 | \$40.28                  |
|                 |                           | \$194.65                | \$291.98                 |
| Average<br>Cost | 9                         | \$21.63                 | \$32.44                  |

Q24b. Explain how NKWD determined the 40 percent overhead factor. Provide all workpapers, state all assumptions, and show all calculations used to develop the 40 percent factor.

A24b. This factor was approved in rate case 2009-0048. The amount is to cover the cost of uniforms, benefits (Pension, Health Insurance, Dental, etc)

Q24c. Explain 28 percent of labor cost is used to calculate equipment cost. Provide all workpapers, state all assumptions, and show all calculations used to develop this amount.

A24c. This factor was approved in rate case 2007. The cost calculation is covering the cost of maintaining vehicle and equipment, insurance, etc.

Q24d. List the equipment that employees use during overtime hours.

A24d. The following equipment and parts are stocked on all service personnel vehicles; Pickup truck, tools, water pump, barricades, replacement parts such as meters, meter box lids, rings, plumbing supplies, on board laptop, locating equipment, and miscellaneous items.

Q24e. Explain why NKWD would experience additional cost of equipment used to perform work outside of normal business hours.

A24e. There is no additional cost for equipment in the overtime rate factor. The cost of the service truck, tools, and equipment is covered by the 28% factor of base labor cost.

Q24f. Regarding the addition of Overhead Cost, explain why 10 percent is added to labor and describe how the 10 percent factor was determined. Provide all work papers, state all assumptions, and show all calculations used to develop the 10 percent factor.

A24f. Approved in Rate Case 2009-0048. To cover general operating cost of the District facilities and equipment t related to invoice billing.

District's responses to PSC second data request of July 30, 2010

Q25A. Explain why neither NKWD's current tariff nor proposed tariff contains language explaining when the overtime charge will be applied.

A25A. The District's standard business hours are 8AM to 5PM, Monday through Friday (District's Tariffs, Sheet 9, Section V "Customer Bill Of Rights", item 2. The overtime rate would be charge for service request other than the standard business hours.

Q25B. State when the charge will be applied to a customer's bill.

A25B. The charge would not be billed directly, but added to the customer's arrears, which would be shown on the next bill received.



District's responses to PSC second data request of July 30, 2010

Q26. Provide copy of NKWD's written procurement policies and procedures.

A26. Attached

**NORTHERN KENTUCKY WATER DISTRICT**

**PROCUREMENT GUIDELINES**

## PROCUREMENT GUIDELINES

### I. GENERAL

As a water district organized and operating under Chapter 74 of the Kentucky Revised Statutes, the Northern Kentucky Water District is required to follow the bidding requirements set forth in KRS 424.260 for the purchase of construction of improvements and of materials, supplies, equipment and services. These Guidelines are intended to supplement the statutory requirements and to assist the District in the procurement process. These Guidelines address three categories of purchases: (A) purchases of improvements, materials, supplies, equipment and nonprofessional services not exceeding \$20,000; (B) purchases of improvements, materials, supplies, equipment and nonprofessional services exceeding \$20,000; and (C) purchases of professional services.

### II. PURCHASES OF IMPROVEMENTS, MATERIALS, SUPPLIES, EQUIPMENT AND NONPROFESSIONAL SERVICES NOT EXCEEDING \$20,000

The Kentucky Revised Statutes do not require the public advertisement for bids for purchases of improvements, materials, supplies, equipment and nonprofessional services under \$20,000. The expense and time involved to publicly advertise for bids and administer a formal bidding process are not justified for such purchases and would place an unnecessary drain on the resources of the District. To ensure the District receives competitive pricing for such purchases, the following guidelines are set forth:

- A. All purchases of improvements, materials, supplies, equipment and nonprofessional services estimated to be under \$1,000 may be made by District personnel designated by a District supervisor. These purchases should be made in a manner that meets the District's needs at a competitive price.
- B. All purchases of improvements, materials, supplies, equipment and nonprofessional services estimated to be under \$3,500 should be approved by a District supervisor. The supervisor should ensure that the purchase meets the District's needs at a competitive price.
- C. All purchases of improvements, materials, supplies, equipment and nonprofessional services estimated to be between \$3,500 and \$5,000 should be approved by a District department manager. To the extent possible, the manager should ensure that at least three competitive quotes are received prior to the purchase.
- D. All purchases of improvements, materials, supplies, equipment and nonprofessional services estimated to be between \$5,000 and \$10,000 should be approved by a District vice president. To the extent possible, the vice president

should ensure that at least three competitive quotes are received prior to the purchase.

- E. All purchases of improvements, materials, supplies, equipment and nonprofessional services estimated to be between \$10,000 and \$20,000 should be approved by the President/Chief Executive Officer. To the extent possible, the appropriate Department vice president should ensure that at least three competitive quotes are received and should prepare a recommendation for the purchase.

### **III. PURCHASES OF IMPROVEMENTS, MATERIALS, SUPPLIES, EQUIPMENT AND NONPROFESSIONAL SERVICES EXCEEDING \$20,000**

The Kentucky Revised Statutes require that the purchase of all improvements, materials, supplies, equipment and nonprofessional services exceeding \$20,000 be publicly advertised for bids, except in the case of a certified emergency. This requirement exists whether the purchase is accomplished through a contract, lease or other agreement. In complying with this requirement, the District normally will follow the following guidelines:

- A. In determining whether the \$20,000 bidding threshold is expected to be met with respect to the purchase of improvements, materials, supplies, equipment and nonprofessional services, the District normally will consider all anticipated, similar purchases within a one-year period.
- B. To ensure that the public advertisement requirements are satisfied and that all bidding and contract documents are appropriately prepared, Departments wishing to make purchases may utilize the Engineering Design Supervisor and the District legal counsel as resources, as necessary.
- C. All bids received will be reviewed by the District staff. When the selected bid has a cost of \$20,000 or greater, the recommendation will be presented to the Board of Commissioners for action. If the bid is under \$20,000, appropriate action may be taken by the President/Chief Executive Officer. The District reserves the right to reject any and all bids.
- D. The public advertisement of bids and the formal bidding process are not required in the case of an emergency certified by the President/Chief Executive Officer. The District legal counsel may be consulted, as deemed necessary, if an emergency is believed to exist. If the President/Chief Executive Officer determines that an emergency does exist, a certificate certifying the emergency will be signed by the President/Chief Executive Officer and delivered to the Vice President of Finance who will ensure that the certificate is appropriately filed and maintained.

#### **IV. PURCHASES OF PROFESSIONAL SERVICES**

Recognizing the difference between the purchase of professional services and other purchases, the Kentucky Revised Statutes do not require the public advertisement for bids or the formal bidding process for the purchase of professional services. Even though there is no statutory requirement for bids or proposals, the District will periodically request formal proposals in procuring professional services. The following guidelines are provided for the procurement of professional services:

- A. At the discretion of the President/Chief Executive Officer and the Board of Commissioners, the District may request formal proposals for professional services, which services may include the following:
  - (1) architectural services
  - (2) auditor services
  - (3) banking and financial services
  - (4) bond attorney services
  - (5) engineering services
  - (6) fiscal agent services
  - (7) geotechnical services
  - (8) insurance services
  - (9) legal services
  
- B. In procuring engineering services or geotechnical services for smaller and mid-size projects, the District normally will follow the following guidelines:
  - (1) For smaller projects involving engineering or geotechnical fees expected to be under \$20,000, the District typically will utilize firms having current Contingency Service Agreements with the District. Competitive proposals will be secured, when practical, from firms having a Contingency Service Agreement with the District to help ensure the District is receiving good value for these services. Contingency Service Agreements normally will be entered by the District on a multi-year basis with one or more firms following a formal request for statements of qualification. The firm or

firms selected for a Contingency Services Agreement must demonstrate the professional, technical, financial and physical capability to perform the services desired.

- (2) For mid-size projects involving engineering or geotechnical fees expected to be between \$20,000 and \$150,000, the District normally will request formal proposals from firms that have demonstrated the professional, technical, financial and physical capability to perform the services desired. Such firms will be identified on a "short list" through statements of qualification normally requested every two or three years. The District's President/Chief Executive Officer and Board of Commissioners may decide to utilize firms that are not on the short list if a particular expertise is needed or may negotiate directly with a firm without securing formal proposals if a firm's experience/qualifications and/or the project's complexity warrants such selection or in an emergency situation.

- C. In requesting proposals for engineering or geotechnical services involving fees expected to be in excess of \$150,000 and for all other professional services, the District normally will utilize a two-step process. In the first step, statements of qualification will be requested from interested firms. All statements of qualification received will be reviewed by a Selection Advisory Committee that will evaluate the professional, technical, financial and physical capability of the submitting firms to satisfactorily provide the services desired. Based on this evaluation, the Selection Advisory Committee will identify a list of firms considered qualified for providing the desired services. In the second step of the process, the Selection Advisory Committee will request formal proposals from all firms identified on the list of qualified firms. In requesting formal proposals, the Selection Advisory Committee may request that the proposals be submitted in two separate packets, one containing the technical proposal for providing the services desired and the second containing the price proposal. The requirement of separate packets for the technical proposal and the price proposal is discretionary but may be utilized in the interest of ensuring that the District receives the best services at the best price. The Selection Advisory Committee and the District staff will prepare a recommendation of the firm to be selected for the desired professional services. With proper justification or in the case of an emergency situation, the District may utilize a one step process in the interest of time that secures formal proposals from a list of qualified firms determined by the District and/or may negotiate directly with a firm without securing formal proposals if a firm's experience/qualifications and/or the project's complexity warrants such selection.

- D. The President/Chief Executive Officer may select and engage professionals for services with expected fees of \$20,000 or less. The selection and engagement of all professionals for services with expected fees over \$20,000 requires approval of the Board of Commissioners. The retention of all professionals will be accomplished through a professional services agreement prepared or approved by the District legal counsel. In the case of legal services, the District may retain separate legal counsel for the sole purpose of preparing and finalizing an appropriate professional services agreement.

**APPROVED: December 17, 2002**

**REVISED: June 23, 2006 with revisions to be effective July 12, 2006**

Q27. State whether NKWD has established a code of ethics for its commissioners or employees. If yes, provide a copy.

A27. See attachment.



## BUSINESS ETHICS AND CONDUCT

### 1.0 Purpose:

- 1.1 The successful business operation and reputation of the District is built upon the principle of ethical conduct by our employees. The District's reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of the District is dependent upon our customers' trust and the District's dedication to preserving that trust. Employees are expected to act in a way that will merit the continued trust and confidence of the public.

### 2.0 Policy:

- 2.1 The District will comply with all applicable laws and regulations and expects all its employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.
- 2.2 In general, the use of good judgment, based on high ethical principles, will guide the employee with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action the matter should be discussed openly with the employee's immediate supervisor and, if necessary, with the Head of Human Resources for advice and consultation.
- 2.3 Compliance with this policy of business ethics and conduct is the responsibility of every District employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

District's responses to PSC second data request of July 30, 2010

- Q28. State whether, in the period from January 1, 2008 to December 31, 2009, NKWD conducted any transactions with any entity that is owned by or employs a member of NKWD'S Board of Commissioners, an officer of NKWD, or a relative of a member of NKWD's Board of Commissioners or an NKWD officer. If yes, describe each transaction, identify the entity with whom NKWD engaged in the transaction and the NKWD Commissioner or officer involved, and state whether the NKWD commissioner or officer involved participated in the decision.
- A28. The District's general banking services and lockbox services were performed by The Bank of Kentucky located in Crestview Hills, KY which employed Andrew C. Collins one of the NKWD Commissioners. Mr. Collins was a Vice President in the Commercial Banking area during the time period in question. NKWD put out a Request for Proposal in the summer of 2008 and advertised for interested parties. The District also sought the advice of Chris Fralick of King and Company, CPA's located in Louisville, KY to assist in the selection process due to the turmoil in the banking industry at this time. Mr. Collins excused himself from the Board meetings each time the banking services were discussed and did not take part in any of the Board votes concerning the selection of the appropriate firms.

District's responses to PSC second data request of July 30, 2010

Q29. Describe the actions that NKWD has taken since January 1, 2008 to reduce its consumption of electric energy.

A29. We have continued to follow the policies and procedures further discussed in Item 30 that are the largest impact in this area. We have also encouraged all of our employees to exercise common sense at all our facilities to curb our energy use by such means as turning off lights and computers at night as well as installing motion sensors to activate lighting in low traffic areas such as restrooms.

District's responses to PSC second data request of July 30, 2010

Q30. Provide a copy of NKWD's current written policies, programs, or procedures, if any, to reduce NKWD's consumption of electricity.

A30. See attached.

### OFF PEAK PUMPING at ORPS1

1.0 Purpose:

1.1 To ensure economic operation of river pumps by operating them during off-peak hours, resulting in lower demand charges on the monthly electric bill.

2.0 **No one shall deviate from this off-peak pumping schedule without the prior approval of the Operations Manager.**

3.0 Winter pumping hours: (September meter reading – May meter reading)

3.1 River pumps are turned on after **9:00 p.m.**

River pumps are turned off before **9:00 a.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pumps fail to shut down automatically.

Winter pumping hours also allow an afternoon pumping run.

River pumps are turned on after **2:00 p.m.**

River pumps are turned off before **5:00 p.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pumps fail to shut down automatically.

All day on Saturday and Sunday are considered Off-Peak pumping.

4.0 Summer pumping hours: (May meter reading – September meter reading)

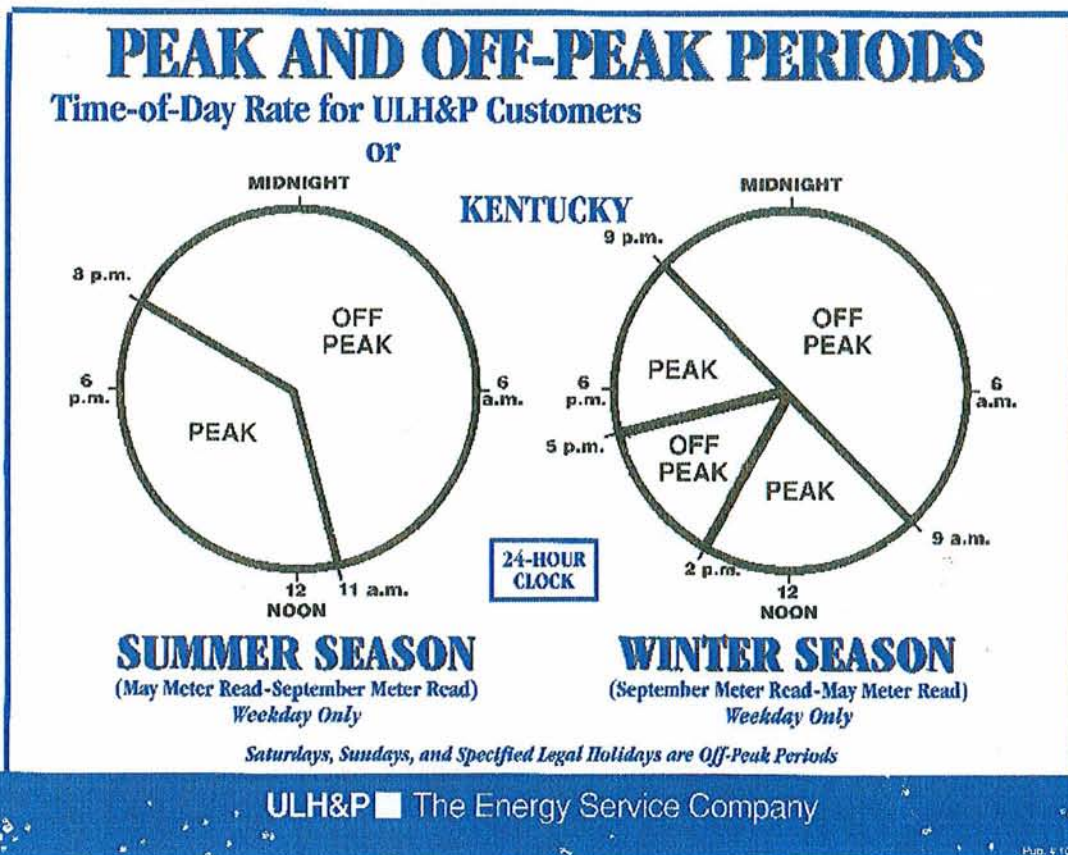
4.1 River pumps are turned on after **8:00 p.m.**

River pumps are turned off before **11:00 a.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pumps fail to shut down automatically.

All day on Saturday and Sunday are considered Off-Peak pumping.

5.0 Holiday Pumping:

- 5.1 Most nationally recognized holidays are also considered Off-Peak pumping days. Off-peak pumping holidays include: New Year's Day, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day. Follow instructions from the Operations Manager before altering pumping schedules on these days. If a holiday is not in this list, operate pumps according to the off-peak schedule for that day.
- 5.2 There are some Northern Kentucky Water District holidays that **are not** considered off-peak pumping holidays by Duke Energy, including when NKWD observes the 4<sup>th</sup> of July on a different day (like when it falls on a weekend), the day after Thanksgiving, and Christmas Eve.



## **OFF PEAK PUMPING at ORPS2**

### 1.0 **Purpose:**

- 1.1 To endure economic operation of river pumps by operating them during off-peak hours, resulting in lower demand charges on the monthly electric bill.

### 2.0 **No one shall deviate from this off-peak pumping schedule without the prior approval of the Operations Manager.**

### 3.0 **Winter pumping hours: (September meter reading – May meter reading)**

- 3.1 River pumps are turned on after **9:00 p.m.**

River pumps are turned off before **9:00 a.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pump fails to shut down automatically.

Winter pumping hours also allow an afternoon pumping run.

River pumps are turned on after **2:00 p.m.**

River pumps are turned off before **5:00 p.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pump fails to shut down automatically.

### 4.0 **Summer pumping hours: (May meter reading – September meter reading)**

- 4.1 River pumps are turned on after **8:00 p.m.**

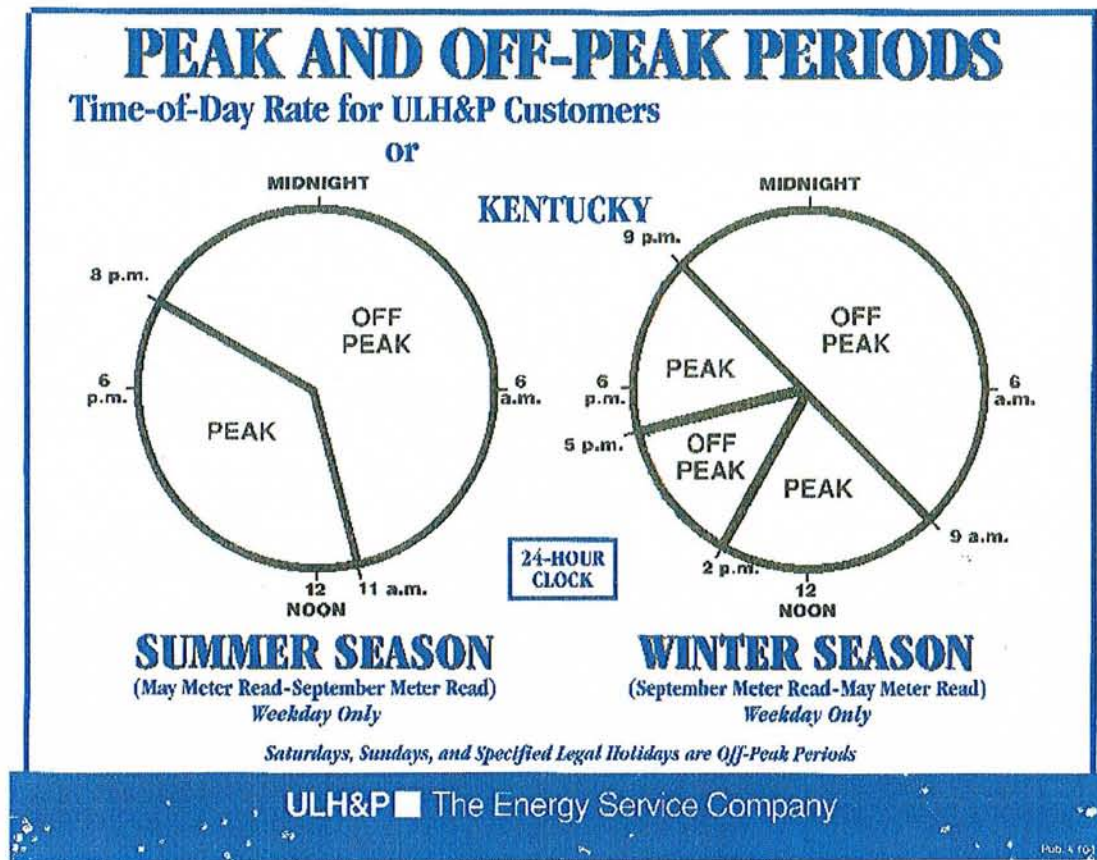
River pumps are turned off before **11:00 a.m.** The Plant Supervisor will determine the programmed pump stop time so that there is adequate time to respond if the pump fails to shut down automatically.

### 5.0 **Holiday Pumping:**

- 5.1 Most nationally recognized holidays are also considered Off-Peak pumping days. Off-peak pumping holidays include: New Year's Day, President's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas Day. Follow instructions from the Operations

Manager before altering pumping schedules on these days. If a holiday is not in this list, operate pumps according to the off-peak schedule for that day.

- 5.2 There are some Northern Kentucky Water District holidays that **are not** considered off-peak pumping holidays by Duke Energy, including when NKWD observes the 4<sup>th</sup> of July on a different day (like when it falls on a weekend), the day after Thanksgiving, and Christmas Eve.



- 6.0 Notify the FTTP operator if it is necessary to leave a river pump at ORPS2 running all night so that they don't think it was left on by mistake and turn it off.
- 7.0 Approximate raw water pump capacities at ORPS2:
- Pump 1 – 6,700 gpm (9.0 MGD)
  - 4.1 Pump 2 – 5,000 gpm (7.2 MGD)
  - 4.2 Pump 3 – 4800 gpm (6.9 MGD)



Summary of Duke PowerShare Program  
August 5, 2010

Again this year we will participate in the Duke Power Share program at the Dudley and US 27 pump stations. The PowerShare season starts June 1 and runs through September 30. During times of high electrical demands or system emergencies, Duke can call to ask us to run our generators instead of buying power from them. The District will be paid about \$22,000 for participating in the PowerShare program. Our actual profit or loss, if any, will depend on how many times they call us, the price of diesel fuel, and this summer's weather conditions. Since the economy is still down, Duke is predicting very few events this coming summer. We did not experience any events for the summer of 2009 and received \$13,687 for participating in the program. We will continue to track the income and expenses related to PowerShare and base our participation each year on whether the program continues to be profitable for the District.

The difference in the amount paid in 2009 and the amount to be paid in 2010 are due to contract changes. Last year's contract allowed Duke to call up to 12 events. This year, up to 15 events can be called – up to 10 by Duke and up to 5 by MISO (Midwest Independent Transmission System Operator). MISO is the group that operates the grid across much of North America and distributes power between utilities.

NKWD had a one (1) hour test on June 23 and 8-hour events on July 7 and July 23. We ran generators at Dudley and US 27 pump stations on June 23 and July 7. We "bought through" on July 23 because it was still cheaper than running our generators.

District's responses to PSC second data request of July 30, 2010

- Q31. Provide a copy of NKWD's current written policies, programs, or procedures, in any, to promote the general conservation of water and to reduce unaccounted for water.
- A31. Please see attached Water Shortage Response Plan. NKWD has a meter testing program that conforms with PSC regulations that helps ensure meters are registering accurately. Additionally, NKWD tracks system flushing usage, plant usage, fire department usage, main break losses and other items on a monthly basis for review internally. NKWD selects water mains for replacement using a prioritization system that includes main breaks and leaks per mile per year as well as number of discolored water calls associated with a given segment of water main. By targeting these items, the main replacement program helps reduce unaccounted for water by reducing water loss associated with breaks and reducing flushing requirements to respond to discolored water calls.

# WATER SHORTAGE RESPONSE PLAN

## Northern Kentucky Water District

### SECTION 1 - INTRODUCTION

Northern Kentucky Water District (NKWD) provides drinking water to most of Campbell and Kenton counties and portions of Boone in Northern Kentucky for retail customers and portions of Boone and Pendleton counties as wholesale customers. The NKWD presently meets the water needs of this service area by operating 3 treatment plants having a combined capacity of 64 MGD. In addition, the NKWD has in place an Emergency Supply Agreement with the Boone Florence Water Commission, the Boone County Water District, and the City of Florence, Kentucky to supply water to NKWD through six interconnections in Kenton County in the event of an emergency.

It is necessary for NKWD to monitor the overall production, system demands, and storage levels on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. Water shortages generally occur for two reasons, a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the event and response. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the NKWD's President.

In addition to background information and terminology used in this document, the Plan contains three critical components:

1. Determination of water shortage state based on monitoring demand, production, and storage reserves on a daily basis (Section 5);
2. Conservation measures (Section 6); and
3. Communication and education of NKWD's customers on the shortage and water restrictions (Section 7).

Enforcement will be handled under the Kenton County and Campbell County ordinances.

### SECTION 2 - PURPOSE

The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the NKWD's service area in the event a shortage is declared.

### SECTION 3 - DEFINITIONS

These terms are applicable only for this Plan unless specifically noted.

A. "Customer" shall mean any person or entity using water for any purpose from the NKWD's water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.



- B. "Raw Water Supplies" shall mean all water potentially available to persons in the NKWD's service area.
- C. "Treated Water" shall mean water that has been introduced by the NKWD into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Class 1 – Essential Water Uses:

The following uses of water, listed by site or user type, are essential.

*Domestic:* water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

*Health Care Facilities:* patient care and rehabilitation, including related filling and operation of swimming pools.

*Water Hauling:* sales of domestic use where not reasonably available elsewhere.

*Public Use:* firefighting and health and public protection purposes, if specifically approved by health officials.

Class 2 – Socially or Economically Important Uses:

The following uses of water, listed by site or user type, are socially or economically important.

*Domestic:* personal, in-house water use including kitchen, bathroom and laundry.

*Water Hauling:* non-domestic, when other sources are not reasonably available elsewhere.

*Commercial and Civic Use:* commercial car and truck washes, laundromats, restaurants, clubs and eating places, schools, churches, motels/hotels and similar commercial establishments.

*Outdoor Non-Commercial Watering:* minimal watering of vegetable gardens and trees where necessary to preserve them.

*Outdoor Commercial or Public Watering* (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock,
- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,

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- watering of woody plants where necessary to preserve them,
- minimal watering of golf course greens.

*Recreational:* operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

*Air Conditioning:* refilling for startup at the beginning of the cooling season, makeup of water during the cooling season, and refilling specifically approved by health officials where the system has drained for health protection or repair services.

Class 3 – Non-Essential Uses:

Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

*Public Use:* use of fire hydrants (excluding Class 1 and Class 2 uses), including use of sprinkler caps, testing fire apparatus and fire department drills; flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials.

*Commercial and Civic Use:* serving water in restaurants, clubs, or eating places, except by customer request; failure to repair a controllable leak; increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

*Ornamental Purposes:* of fountains, reflecting pools and artificial waterfalls.

*Outdoor Non-Commercial Watering:*

- use of water for dirt control or compaction,
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

*Outdoor Commercial or Public Watering:*

- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process,
- use of water or dirt control or compaction,

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- watering of lawns, parks golf course fairways, playing fields and other recreational areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

*Recreational uses other than those specified in Class 2.*

*Non-commercial washing of motor and other vehicles.*

*Air Conditioning (see also Class 2 purposes):* refilling cooling towers after draining.

D. Water Shortage Response Stages:

*“Advisory”* shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.

*“Alert”* shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.

*“Emergency”* shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

*“Rationing”* shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

**SECTION 4 - APPLICABILITY**


The provisions of this Plan shall apply to all retail and wholesale customers of the NKWD. When implemented, this Plan becomes the NKWD’s Water Shortage Response Regulation.

**SECTION 5 - DETERMINATION OF WATER SHORTAGE RESPONSE STAGE**

The key parameters to monitor are the daily production and the demand based on pumping and distribution storage volume and the ability to refill storage tanks. The Operations Manager will monitor these parameters daily. A Water Shortage Response Stage will be assessed based on the following criteria:

- A. **Advisory** – A water shortage advisory may be declared when the amount of treated water or raw water available for treatment is projected to be up to 10 percent above demand (combined production of plants reaches 58 MGD) or there are periods or low water pressure in one or more areas of the system due to system failure or inadequacies.
- B. **Alert** – A water alert may be declared when the amount of treated water or raw water available for treatment is projected to be up to 7.5 percent above demand (combined production of plants reaches 59 MGD) or raw water supplies may not be adequate to meet normal needs.

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- C. Emergency - A water alert may be declared when the amount of treated water or raw water available for treatment is projected to be up to 5 percent above demand (combined production of plants reaches 61 MGD) or there are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies are below the level necessary to normal needs.
- D. Rationing – Water rationing shall be required when the amount of treated water or raw water available for treatment are below the level necessary meet essential needs, and in the opinion of the NKWD, mandatory rationing is required to ensure adequate water is available to maintain public health and safety.

The Operations Manager will immediately begin communications with the President, Department Vice Presidents, and appropriate supervisors to alert them to the situation at hand when any of these stages are observed. After consultation, the President or authorized delegate will decide what level of conservation of the Water Shortage Response Plan to implement and the affected service area(s).

## SECTION 6- CONSERVATION MEASURES

Conservation measures will be implemented based on the Water Shortage Response Stage as follows:

### A. Advisory or Level 1:

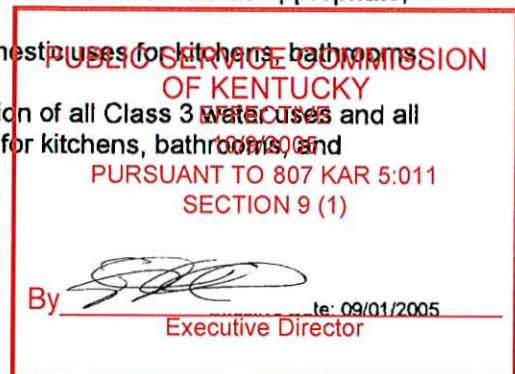
- 1) Declare a Water Shortage Advisory;
- 2) Provide proper notice to all customers and to local news media as appropriate;
- 3) Request voluntary conservation of all non-essential Class 3 water uses;
- 4) Request wholesale customers issue request for voluntary conservation of all non-essential Class 3 water uses;
- 5) Eliminate all water leaks.

### B. Alert or Level 2:

- 1) Declare a Water Shortage Alert;
- 2) Provide proper notice to all customers and to local news media as appropriate;
- 3) Prohibit all non-essential Class 3 water uses;
- 4) Request wholesale customers issue prohibition of all non-essential Class 3 water uses;
- 5) Eliminate all water leaks.

### C. Emergency or Level 3:

- 1) Declare a Water Shortage Emergency;
- 2) Provide proper notice to all customers and to local news media as appropriate;
- 3) Prohibit all Class 3 water uses;
- 4) Prohibit all Class 2 uses of water except domestic uses for kitchens, bathrooms and laundries.
- 5) Request wholesale customers issue prohibition of all Class 3 water uses and all Class 2 uses of water except domestic uses for kitchens, bathrooms, and laundries;
- 6) Eliminate all water leaks.



D. Rationing or Level 4:

- 1) Declare a Water Shortage Rationing;
- 2) Provide proper notice to all customers and to local news media as appropriate;
- 3) Prohibit all Class 2 and 3 water uses;
- 4) Request wholesale customers issue prohibition of all Class 2 and Class 3 water uses;
- 5) Eliminate all water leaks.
- 6) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to local media.

Once the President declares the level of conservation in the Plan, the NKWD will implement the following internal measures for all Water Shortage Response stages:


- Suspend the flushing program and all non-essential flushing. All personnel will be directed to keep essential flushing to a bare minimum.
- Leak detection will become the highest priority of the flushing crew until the shortage is declared over.
- Initiate daily meter readings of NKWD's wholesale customers.
- Suspend the flushing of new lines unless the new line will contribute towards alleviating the problem.
- Suspend the issuing of hydrant permits.

SECTION 7 - COMMUNICATION

Since this Plan primarily relies on customer conservation to ensure an adequate supply of drinking water to all customers, the most important part of the Plan will be keeping the customers informed at all times. Their awareness and understanding of the situation from the initial stages of concern and continuing through each phase of the Plan is the key to an efficient and adequate response to a water shortage problem. The President or authorized delegate will be the official spokesperson of the NKWD and will communicate with the following people:

- The NKWD Board of Commissioners.
  - The Judge Executives of Campbell and Kenton Counties even if their respective county has not entered into the conservation measures yet.
  - Employees district-wide, especially those with high customer profiles or telephone access.
  - Radio, television, and newspapers
- A. Wholesale Customers - The NKWD will convey pertinent information to wholesale customers as well as the Boone Florence Water Commission, the Boone County Water District, and the City of Florence as the situation changes, when the parties are affected by the shortage. The President or Vice President of Engineering & Distribution will be the NKWD-authorized people to communicate the need to institute the conservation measures to wholesale customers.

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- B. Fire Departments - The Vice President of Engineering & Distribution will initiate communications with all fire departments within the affected areas to suspend all wet drills and to limit water use to the bare minimum needed to provide adequate fire protection.
- C. Golf Courses - The Operations Manager will communicate daily with the Kenton County and Campbell County golf courses.
- D. Retail Customers - The Vice President of Account Services & Billing will be charged with the responsibility of communication and education on the details of the Water Shortage Response Stage including large users, public works departments (i.e. Sanitation District No. 1), police departments, and the general public and to establish a public education program that includes the following techniques:
  - Retrofit Kits (toilet tank displacement kits, shower restrictors)
  - Customer leak detection kits
  - Bill inserts and brochures on water conservation tips
  - Radio and television public service announcements
  - Videotapes
  - Newspaper and radio ads on general conservation tips
  - Use public events as educational tools.
  - Public instruction about the 4 levels of the Water Emergency Supply Plan including how the workings of odd/even watering.
  - The definition of "Non-essential Outdoor Watering".

**SECTION 8 – DURATION OF WATER SHORTAGE DECLARATION**

Any water shortage declaration shall remain in effect until water supplies and service conditions have returned to normal. The decision to issue, upgrade, downgrade or withdraw the level of declaration will be made by the President of NKWD or authorized delegate based on demand, storage volume, and predicted rainfall and other factors.

**SECTION 9 - ENFORCEMENT**

This plan will be enforced as outlined in appropriate county ordinances.

**SECTION 10 – EFFECTIVE DATE**

This plan shall take effect immediately upon approval by the Public Service Commission.

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Q32A. State whether NKWD has conducted or commissioned any studies, audits, or reviews of its management and operation practices since January 1, 2008.

A32A. No.

Q32B. If yes,

(1) Provide a copy of the findings of each study, audit and review.

(2) Describe the actions that NKWD has taken on the findings and recommendations of each study, audit, and review.

N/A