

September 9, 2015

RECEIVED

SEP 09 2015

PUBLIC SERVICE
COMMISSION

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

RE: ARF Application
Harrison County Water Association

Dear Mr. Derouen:

Enclosed for filing are the original and five (5) copies of the Harrison County Water Association's ARF Application for an adjustment to its water rates. The ARF Application is being filed pursuant to 807 KAR 5:076.

The ARF Application uses calendar year 2014 as the Test Year, with appropriate adjustments to normalize revenues and expenses.

A copy of the ARF Application has been provided to the Office of Rate Intervention in the Attorney General's Office.

My electronic mail address is dianalukins@yahoo.com.

Yours truly,
Danny Northcutt, Superintendent
Harrison County Water Association
P.O. Box 215, Cynthiana, Kentucky 41031

Enclosures

cc: Office of the Attorney General, Rate Intervention

RECEIVED

SEP 09 2015

**PUBLIC SERVICE
COMMISSION**

ARF Application

Harrison County Water Association

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Harrison County Water Association, INC

(Name of Utility)

2167 US Highway 27 South

(Business Mailing Address - Number and Street, or P.O. Box)

Cynthiana, KY 41031

(Business Mailing Address - City, State, and Zip)

(859) 234-4284

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Danny Northcutt

(Name)

P.O. Box 215

(Address - Number and Street or P.O. Box)

Cynthiana, KY 41031

(Address - City, State, Zip)

(859) 234-4284

(Telephone Number)

dianalukins@yahoo.com

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

YES NO N/A

- | | | | | |
|----|---|-------------------------------------|-------------------------------------|--|
| 1. | a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2. | a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. | Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2014.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 255,707.47 and total revenues from service rates of \$ 2,568,686.04. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 5647 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>\$ 0</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/> | <input type="checkbox"/> | |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed William R. Joakim
Officer of the Company/Authorized Representative

Title President

Date 8/19/15

COMMONWEALTH OF KENTUCKY
 COUNTY OF Harrison

Before me appeared William R. Joakim who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Danny D. Northcutt
 Notary Public
 My commission expires: April 10, 2018

EXHIBIT LIST

Harrison County Water Association

1. Customer Notice
2. Reasons for Rate Increase
3. Current and Proposed Rates
4. Statement of Adjusted Operations
5. Revenue Requirement Calculation
6. Billing Analysis (Current and Proposed Rates)
7. Depreciation Schedule
8. Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
9. Statement of Disclosure of Related Party Transactions
10. Resolution

CUSTOMER NOTICE

Notice is hereby given that the Harrison County Water Association expects to file an application on or about September 9, 2015 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Meter Size	Current Rates	Proposed Rates	Dollar Increase	Percent Increase
5/8" x 3/4" Meter				
First 2,000 gallons	\$16.81 Minimum Bill	\$18.67 Minimum Bill	\$1.86	11.06%
Next 1,000 gallons	6.28 per 1,000 gallons	6.97 per 1,000 gallons	0.69	10.99%
Next 2,000 gallons	6.12 per 1,000 gallons	6.80 per 1,000 gallons	0.68	11.11%
Next 45,000 gallons	5.62 per 1,000 gallons	6.24 per 1,000 gallons	0.62	11.03%
Over 50,000 gallons	4.78 per 1,000 gallons	5.31 per 1,000 gallons	0.53	11.09%
3/4" Meter				
First 3,000 gallons	\$23.09 Minimum Bill	\$25.64 Minimum Bill	\$2.55	11.04%
Next 2,000 gallons	6.12 per 1,000 gallons	6.80 per 1,000 gallons	0.68	11.11%
Next 45,000 gallons	5.62 per 1,000 gallons	6.24 per 1,000 gallons	0.62	11.03%
Over 50,000 gallons	4.78 per 1,000 gallons	5.31 per 1,000 gallons	0.53	11.09%
1" Meter				
First 5,000 gallons	\$35.33 Minimum Bill	\$39.24 Minimum Bill	\$3.91	11.07%
Next 45,000 gallons	5.62 per 1,000 gallons	6.24 per 1,000 gallons	0.62	11.03%
Over 50,000 gallons	4.78 per 1,000 gallons	5.31 per 1,000 gallons	0.53	11.09%

1 1/2" Meter

First	10,000 gallons	\$63.43 Minimum Bill	\$70.44 Minimum Bill	\$7.01	11.05%
Next	40,000 gallons	5.62 per 1,000 gallons	6.24 per 1,000 gallons	0.62	11.03%
Over	50,000 gallons	4.78 per 1,000 gallons	5.31 per 1,000 gallons	0.53	11.09%

2" Meter

First	15,000 gallons	\$91.53 Minimum Bill	\$101.64 Minimum Bill	\$10.11	11.05%
Next	35,000 gallons	5.62 per 1,000 gallons	6.24 per 1,000 gallons	0.62	11.03%
Over	50,000 gallons	4.78 per 1,000 gallons	5.31 per 1,000 gallons	0.53	11.09%

Bulk Loading Station		\$6.83 per 1000 gallons	\$7.59 per 1,000 gallons	\$0.76	11.13%
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If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$29.21 to \$32.44. This is an increase of \$3.23 or 11.06%.

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

Harrison County Water Association has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the Harrison County Water Association's office located at 2167 US Highway 27 South, Cynthiana, KY 41031. You may contact the office at 859-234-4284.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at

<http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

Reasons for Rate Increase

Harrison County Water Association (the “Association”) is requesting a 11.06% across-the-board rate increase for its retail customers. The Association needs the rate increase for the following reasons:

1. To enable the Association to pay its annual principal payments on its existing long term debts from water revenues rather than from depreciation reserves;
2. To enable the Association to meet the coverage requirements set forth in its existing debt instruments;
3. To restore the Association to a sound financial condition; and
4. To enable the Association to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

CURRENT AND PROPOSED RATES
Harrison County Water Association

<u>Current Rates</u>			<u>Proposed Rates</u>		
<u>5/8 x 3/4" Meter</u>			<u>5/8 x 3/4" Meter</u>		
First 2,000 Gallons	\$16.81	Minimum Bill	First 2,000 Gallons	\$18.67	Minimum Bill
Next 1,000 Gallons	6.28	Per 1,000 Gallons	Next 1,000 Gallons	6.97	Per 1,000 Gallons
Next 2,000 Gallons	6.12	Per 1,000 Gallons	Next 2,000 Gallons	6.80	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>3/4" Meter</u>			<u>3/4" Meter</u>		
First 3,000 Gallons	\$23.09	Minimum Bill	First 3,000 Gallons	\$25.64	Minimum Bill
Next 2,000 Gallons	6.12	Per 1,000 Gallons	Next 2,000 Gallons	6.80	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>1" Meter</u>			<u>1" Meter</u>		
First 5,000 Gallons	\$35.33	Minimum Bill	First 5,000 Gallons	\$39.24	Minimum Bill
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>1-1/2" Meter</u>			<u>1-1/2" Meter</u>		
First 10,000 Gallons	\$63.43	Minimum Bill	First 10,000 Gallons	\$70.44	Minimum Bill
Next 40,000 Gallons	5.62	Per 1,000 Gallons	Next 40,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>2" Meter</u>			<u>2" Meter</u>		
First 15,000 Gallons	\$91.53	Minimum Bill	First 15,000 Gallons	\$101.64	Minimum Bill
Next 35,000 Gallons	5.62	Per 1,000 Gallons	Next 35,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
Bulk Loading Sta. Rates	\$6.83	Per 1,000 Gallons	Bulk Loading Sta. Rates	\$7.59	Per 1,000 Gallons

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 14

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales				0.00
Metered Water Sales	2,231,628.00	81,350.57	a.	2,312,978.57
Bulk Loading Stations				0.00
Fire Protection Revenue				0.00
Sales for Resale				0.00
Total Sales of Water	2,231,628.00	81,350.57		2,312,978.57
Other Water Revenues				
Forfeited Discounts	44,834.00			44,834.00
Miscellaneous Service Revenues	6,900.00			6,900.00
Rents from Water Property				0.00
Other Water Revenues	23,580.00			23,580.00
Total Other Water Revenues	75,314.00	0.00		75,314.00
Total Operating Revenues	2,306,942.00	81,350.57		2,388,292.57
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	360,968.00	10,829.04	b.	371,797.04
Salaries and Wages - Officers	12,600.00			12,600.00
Employee Pensions and Benefits	159,889.00			159,889.00
Purchased Water	1,109,568.00	6,579.00	c.	1,116,147.00
Purchased Power	84,010.00	-5,242.22	c.	78,767.78
Fuel for Power Production				0.00
Chemicals				0.00
Materials and Supplies	79,852.00			79,852.00
Contractual Services	111,012.00			111,012.00
Water Testing				0.00
Rents				0.00
Transportation Expenses	48,519.00			48,519.00
Insurance	31,606.00			31,606.00
Regulatory Commission Expenses				0.00
Bad Debt Expense	18,559.00			18,559.00

Miscellaneous Expenses	43,328.00			43,328.00
Total Operation and Maintenance Expenses	2,059,911.00	12,165.82		2,072,076.82
Depreciation Expense	466,323.00	-22,274.00	d.	444,049.00
Amortization Expense				0.00
Taxes Other Than Income	32,671.00	828.42	e.	33,499.42
Income Tax Expense				0.00
Total Operating Expenses	2,558,905.00	-9,279.76		2,549,625.24
Utility Operating Income	-251,963.00	90,630.33		-161,332.67

References

- a. Increase in revenue from Purchased Water Adjustment, Case No. 2015-00029:
325,402.294 gallons sold x \$0.25 PWA factor = \$81,350.57.
- b. The Association has granted it's employees a 3 percent across the board wage increase.
- c. Harrison's test year water loss was 21.24%. Regulations set the maximum allowable loss for rate-making purposes at 15%, therefore the costs to purchase and pump the loss above this limit must be deducted.

Water Purchased	427,836,000 *	Test year Purchased Water expense	\$ 1,109,568
Less: Water Sold	325,402,294 *	Plus: PWA increase	80,862 *
Flushing	11,580,000 **	Total before adjustment	\$ 1,190,430
Water Loss	90,853,706		
Water Loss Percentage	21.24%		

* from Case No. 2015-00029
** from Annual Financial Report

Required decrease in Purchased Water expense:
\$1,190,430 x 6.24% = \$74,282.83

Total Adjustment:
PWA increase \$ 80,862
Req'd. decrease (74,283)
Adjustment to PW expense \$ 6,579

Required decrease in Purchased Power expense:
\$84,010 x 6.24% = \$5,242.22

- d. The depreciation expense reported for 2014 is adjusted to bring asset lives within ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Water Utilities". See attached tabulation.
- e. FICA taxes (7.65%) associated with the employees' wage increase are added:
\$ 10,829.04 x 7.65% = \$ 828.42

DEPRECIATION EXPENSE ADJUSTMENT

<u>Asset</u>	<u>Date of Service</u>	<u>Original Cost</u>	<u>Audit Amounts</u>		<u>Proforma Amounts</u>		<u>Adjustment</u>
			<u>Asset Life</u>	<u>Depr. Exp.</u>	<u>Asset Life</u>	<u>Depr. Exp.</u>	
Structures & Improvements							
Construction thru 12-31-97	12/31/98	\$ 71,513	20	\$ 3,576	35	\$ 2,043	\$ (1,532)
Additions	12/31/98	20,000	20	1,000	35	571	(429)
Pump station - KY 356	12/31/02	93,578	20	4,679	35	2,674	(2,005)
Pump station - KY 356/1852	12/31/02	82,408	20	4,120	35	2,355	(1,766)
Fence	07/04/04	2,769	20	138	35	79	(59)
Storage extension to building	12/31/06	4,700	20	235	35	134	(101)
1893 Pump Station	12/31/07	260,558	20	13,028	35	7,445	(5,583)
Pump Station Fence	06/25/08	3,740	20	187	35	107	(80)
1893 Pump Station	12/31/08	18,245	20	912	35	521	(391)
Other Trans. & Dist. Plant							
Equipment - Neptune	12/31/99	2,800	10	280	35	80	(200)
Improvements	12/31/02	2,914	38	78	50	58	(20)
Improvements	01/15/03	2,355	38	63	50	47	(16)
Office Furniture & Equipment							
18V Reciprocating Saw	08/29/05	355	13	28	15	24	(4)
Fridge	10/07/10	736	7	105	20	37	(68)
Saw	11/08/10	316	13	24	15	21	(3)
Water Cooler	10/11/11	788	5	158	20	39	(118)
Telephone System	11/08/13	2,260	7	323	10	226	(97)
Pipe Cutting Saw	12/03/13	313	13	24	15	21	(3)
Oddville Pump Station							
Pump Station	12/31/05	456,414	20	22,821	35	13,040	(9,780)
Additions	12/31/06	795	20	40	35	23	(17)
TOTALS				\$ 51,819		\$ 29,545	\$ (22,274)

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$2,549,625.24
Plus: Average Annual Debt Principal and Interest Payments*	93,869.00
Debt Coverage Requirement**	18,773.80
Total Revenue Requirement	<u>2,662,268.04</u>
Less: Other Operating Revenue	-75,314.00
Non-operating Revenue	
Interest Income	<u>-18,268.00</u>
Revenue Required from Rates	2,568,686.04
Less: Revenue from Sales at Present Rates	<u>-2,312,978.57</u>
Required Revenue Increase	<u><u>\$255,707.47</u></u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates 11.06%

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

BILLING ANALYSIS WITH CURRENT RATES

Harrison County Water Association, Inc.

Period from Feb. 2014 thru Jan. 2015 *

SUMMARY

Meter Size	Gallons Sold	Revenue	
5/8 Inch	307,612,795	2,169,407.16	
3/4 Inch	6,012,610	32,782.08	
1 Inch	6,482,520	39,228.84	
1.5 Inch	543,730	3,332.46	
2 Inch	4,551,700	22,781.59	
3 Inch	0	0.00	
4 Inch	0	0.00	
6 Inch	0	0.00	
8 Inch	0	0.00	
10 Inch	0	0.00	
Bulk Sales	6,500	42.77	
Totals	325,209,855	\$2,267,572.89	
Less Jan'15 - Jan'14 Sales		18,203.73 *	
Estimated 2014 Sales per BA		2,249,369.16	
Less Reported 2014 Sales		2,231,628.00	
Difference		\$17,741.16	0.79%

* The data set for January 2014 bills is corrupted and cannot be used in this analysis. The billing information for February 2014 through January 2015 is presented and an adjustment made for the increase in revenue that occurred in January 2015 compared to January 2014.

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 1,000	NEXT 2,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	2,000	18807	18,059,888	18,059,888					18,059,888
NEXT	1,000	11745	29,424,876	23,490,000	5,934,876				29,424,876
NEXT	2,000	17803	69,579,861	35,806,000	17,803,000	16,170,861			69,579,861
NEXT	45,000	17851	166,305,580	35,702,000	17,851,000	35,702,000	77,050,580		166,305,580
ALL OVER	50,000	218	24,242,590	436,000	218,000	436,000	9,810,000	13,342,590	24,242,590
		66,424	307,612,795	113,293,888	41,806,876	52,308,861	86,860,580	13,342,590	- 307,612,795

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	66424	113,293,888	\$16.31 \$1,083,375.44
NEXT	1,000		41,806,876	6.03 252,095.46
NEXT	2,000		52,308,861	5.87 307,053.01
NEXT	45,000		86,860,580	5.37 466,441.31
All Over	50,000		13,342,590	4.53 60,441.93
TOTAL	66,424	307,612,795		\$2,169,407.16

3/4 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 3,000	NEXT 2,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	3,000	95	83,590	83,590				83,590
NEXT	2,000	16	62,810	48,000	14,810			62,810
NEXT	45,000	86	1,602,230	258,000	172,000	1,172,230		1,602,230
ALL OVER	50,000	34	4,263,980	102,000	68,000	1,530,000	2,563,980	4,263,980
		231	6,012,610	491,590	254,810	2,702,230	2,563,980	0 6,012,610

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	3,000	231	491,590	\$22.34 \$5,180.54
NEXT	2,000		254,810	5.87 1,495.73
NEXT	45,000		2,702,230	5.37 14,510.98
All Over	50,000		2,563,980	4.53 11,614.83
TOTAL	231	6,012,610		\$32,782.08

1 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	5,000	205	601,740	601,740			601,740
NEXT	45,000	234	3,363,840	1,170,000	2,193,840		3,363,840
ALL OVER	50,000	22	2,516,940	110,000	990,000	1,416,940	2,516,940
		461	6,482,520	1,881,740	3,183,840	1,416,940	0 6,482,520

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	461	1,881,740	\$34.08	\$15,710.88
NEXT	45,000		3,183,840	5.37	17,097.22
All Over	50,000		1,416,940	4.53	6,418.74
TOTAL		461	6,482,520		\$39,226.84

1.5 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 10,000	NEXT 40,000	ALL OVER 50,000	TOTAL
FIRST	10,000	8	51,630	51,630			51,630
NEXT	40,000	28	492,100	280,000	212,100		492,100
ALL OVER	50,000	0	0	0	0	0	0
		36	543,730	331,630	212,100	0	0 543,730

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	36	331,630	\$60.93	\$2,193.48
NEXT	40,000		212,100	5.37	1,138.98
All Over	50,000		0	4.53	0.00
TOTAL		36	543,730		\$3,332.46

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 15,000	NEXT 35,000	ALL OVER 50,000	TOTAL
FIRST	15,000	13	17,300	17,300			17,300
NEXT	35,000	4	161,100	60,000	101,100		161,100
ALL OVER	50,000	19	4,373,300	285,000	665,000	3,423,300	4,373,300
		36	4,551,700	362,300	766,100	3,423,300	0 4,551,700

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	15,000	36	362,300	\$87.78	\$3,160.08
NEXT	35,000		766,100	5.37	4,113.96
All Over	50,000		3,423,300	4.53	15,507.55
TOTAL		36	4,551,700		\$22,781.59

BILLING ANALYSIS WITH PROPOSED RATES

Harrison County Water Association, Inc.

Period from Feb. 2014 thru Jan. 2015 *

SUMMARY

Meter Size	Gallons Sold	Revenue	
5/8 Inch	307,612,795	2,500,089.43	
3/4 Inch	6,012,610	38,132.20	
1 Inch	6,482,520	45,480.75	
1.5 Inch	543,730	3,859.34	
2 Inch	4,551,700	26,617.23	
3 Inch	0	0	
4 Inch	0	0	
6 Inch	0	0	
8 Inch	0	0	
10 Inch	0	0	
Bulk Sales	6,500	49.34	
Totals	325,209,855	\$2,614,228.29	
Less Sales Rev. w/ Ex. Rates		2,312,978.57 *	
Less Jan.15 - Jan.14 Sales		20,952.49 **	
Rev. Incr. per Billing Analysis		280,297.23	12.12%
Req'd Rev. Incr. Per Rate Study		255,707.47	11.06%
Difference		\$24,589.76	1.06%

* Includes increase in sales revenue from Purchased Water Adjustment of March 2015.

** The data set for January 2014 bills is corrupted and cannot be used in this analysis. The billing information for February 2014 through January 2015 is presented and an adjustment made for the increase in revenue that occurred in January 2015 compared to January 2014. The adjustment is factored to account for the increase in revenue from the PWA and the proposed rate increase.

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 1,000	NEXT 2,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	2,000	18807	18,059,888	18,059,888					18,059,888
NEXT	1,000	11745	29,424,876	23,490,000	5,934,876				29,424,876
NEXT	2,000	17803	69,579,861	35,608,000	17,803,000	16,170,861			69,579,861
NEXT	45,000	17851	166,305,580	35,702,000	17,851,000	35,702,000	77,050,580		166,305,580
ALL OVER	50,000	218	24,242,590	436,000	218,000	436,000	9,810,000	13,342,590	24,242,590
		66,424	307,612,795	113,293,888	41,806,876	52,308,861	86,860,580	13,342,590	- 307,612,795

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	113,293,888	\$18.67	\$1,240,136.08
NEXT	1,000	41,806,876	6.97	291,393.93
NEXT	2,000	52,308,861	6.80	355,700.25
NEXT	45,000	86,860,580	6.24	542,010.02
All Over	50,000	13,342,590	5.31	70,849.15
TOTAL	66,424	307,612,795		\$2,500,089.43

3/4 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 3,000	NEXT 2,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	3,000	95	83,590	83,590				83,590
NEXT	2,000	16	62,810	48,000	14,810			62,810
NEXT	45,000	86	1,602,230	258,000	172,000	1,172,230		1,602,230
ALL OVER	50,000	34	4,263,980	102,000	68,000	1,530,000	2,563,980	4,263,980
		231	6,012,610	491,590	254,810	2,702,230	2,563,980	0 6,012,610

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	3,000	231	491,590	\$25.64
NEXT	2,000		254,810	6.80
NEXT	45,000		2,702,230	6.24
All Over	50,000		2,563,980	5.31
TOTAL	231	6,012,610		\$38,132.20

1 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 5,000	NEXT 45,000	ALL OVER 50,000	TOTAL
FIRST	5,000	205	601,740	601,740			601,740
NEXT	45,000	234	3,363,840	1,170,000	2,193,840		3,363,840
ALL OVER	50,000	22	2,516,940	110,000	990,000	1,416,940	2,516,940
		461	6,482,520	1,881,740	3,183,840	1,416,940	0 6,482,520

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	461	1,881,740	\$39.24 \$18,089.64
NEXT	45,000		3,183,840	6.24 19,867.16
All Over	50,000		1,416,940	5.31 7,523.95
TOTAL	461	6,482,520		\$45,480.75

1.5 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 10,000	NEXT 40,000	ALL OVER 50,000	TOTAL
FIRST	10,000	8	51,630	51,630			51,630
NEXT	40,000	28	492,100	280,000	212,100		492,100
ALL OVER	50,000	0	0	0	0	0	0
		36	543,730	331,630	212,100	0	0 543,730

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	36	331,630	\$70.44 \$2,535.84
NEXT	40,000		212,100	6.24 1,323.50
All Over	50,000		0	5.31 0.00
TOTAL	36	543,730		\$3,859.34

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 15,000	NEXT 35,000	ALL OVER 50,000	TOTAL
FIRST	15,000	13	17,300	17,300			17,300
NEXT	35,000	4	161,100	60,000	101,100		161,100
ALL OVER	50,000	19	4,373,300	285,000	685,000	3,423,300	4,373,300
		36	4,551,700	382,300	766,100	3,423,300	0 4,551,700

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	15,000	36	382,300	\$101.64 \$3,659.04
NEXT	35,000		766,100	6.24 4,780.46
All Over	50,000		3,423,300	5.31 18,177.72
TOTAL	36	4,551,700		\$26,617.23

Harrison County Water District
 Depreciation Schedule
 12/31/2014

6/22/2015

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
ACCOUNT 328			420-A									
	Reservoir & Stand Pipes	20.00	23,392		-	23,392	-	23,392	-	23,392	-	23,392
		20.00	635		-	635	-	635	-	635	-	635
		20.00	66,348		-	66,348	-	66,348	-	66,348	-	66,348
		20.00	1,014		-	1,014	-	1,014	-	1,014	-	1,014
		20.00	43,218		-	43,218	-	43,218	-	43,218	-	43,218
	Switzer Tank	20.00	79,183		-	79,183	-	79,183	-	79,183	-	79,183
	Mudlick Tank	20.00	78,142		-	78,142	-	78,142	-	78,142	-	78,142
	Kelat Tank	20.00	74,445		-	74,445	-	74,445	-	74,445	-	74,445
	Lair Tank	20.00	55,208		-	55,208	-	55,208	-	55,208	-	55,208
	Cathodic Protection sytem	20.00	1,050	30	35	906	35	941	35	976	35	1,011
	4" Gate Valve Twin Creek	20.00	163	30	5	138	5	144	5	149	5	155
	Alberta Tank	20.00	126,810	30	4,227	107,788	4,227	112,015	4,227	116,242	4,227	120,469
	75 PSI Transducer	20.00	274	30	9	226	9	235	9	244	9	253
	A/D Card	20.00	631	30	21	518	21	539	21	560	21	581
	Mudlick Tank Repairs	20.00	18,060	30	602	14,523	602	15,125	602	15,727	602	16,329
	Ky 32 Tank	20.00	226,365	30	7,545	182,035	7,545	189,580	7,545	197,126	7,545	204,671
	Switzer Tank repairs	20.00	24,203	30	807	19,059	807	19,866	807	20,673	807	21,480
12/31/1995		20.00	700	30	23	548	23	572	23	595	23	618
12/31/1998	Construction thru 12-31-97	20.00	167,476	30	5,583	112,325	5,583	117,907	5,583	123,490	5,583	129,072
12/31/1998		20.00	1,822	30	61	1,154	61	1,215	61	1,275	61	1,336
2/4/2000	Rawdon Myers Inc.	20.00	662	30	22	353	22	375	22	397	22	419
12/31/2002	Phase 9A Tank	20.00	255,063	30	8,502	110,527	8,502	119,029	8,502	127,532	8,502	136,034
2/3/2004	Rectifiers	20.00	8,755	30	292	2,845	292	3,137	292	3,429	292	3,721
11/8/2004	Sandpipe Tank	20.00	15,221	30	507	4,439	507	4,947	507	5,454	507	5,962
9/7/2005	Bluegrass Electric	20.00	1,100	30	37	275	37	312	37	348	37	385
12/31/2005	New electric service	20.00	1,052	30	35	245	35	281	35	316	35	351
9/8/2009	Tank Digital Upgrade	20.00	34,765	30	1,159	3,477	1,159	4,635	1,159	5,794	1,159	6,953
			<u>1,305,756</u>	<u>540</u>	<u>29,472</u>	<u>982,968</u>	<u>29,472</u>	<u>1,012,440</u>	<u>29,472</u>	<u>1,041,913</u>	<u>29,472</u>	<u>1,071,385</u>

Harrison County Water District
 Depreciation Schedule
 12/31/2014

6/22/2015

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
	Transmission & Distribution		420-A									
33.33		33.33	134,386		-	134,386	-	134,386	-	134,386	-	134,386
33.33		33.33	3,450		-	3,450	-	3,450	-	3,450	-	3,450
33.33		33.33	4,088		-	4,088	-	4,088	-	4,088	-	4,088
33.33		33.33	1,485		-	1,485	-	1,485	-	1,485	-	1,485
33.33		33.33	2,081	50	42	2,081	10	2,081	-	2,081	-	2,081
33.33		33.33	532,162	50	10,643	524,200	7,962	532,162	-	532,162	-	532,162
33.33		33.33	731	50	15	695	15	709	15	724	15	739
33.33		33.33	564	50	11	528	11	539	11	550	11	562
33.33		33.33	1,075,598	50	21,512	973,458	21,512	994,970	21,512	1,016,482	21,512	1,037,994
33.33		33.33	682,567	50	13,651	612,403	13,651	626,055	13,651	639,706	13,651	653,357
33.33		33.33	264,774	50	5,295	237,645	5,295	242,941	5,295	248,236	5,295	253,532
15.00		15.00	391		-	391	-	391	-	391	-	391
15.00		15.00	290		-	290	-	290	-	290	-	290
15.00		15.00	17,523		-	17,523	-	17,523	-	17,523	-	17,523
17.85		17.85	5,756		-	5,756	-	5,756	-	5,756	-	5,756
34.48		34.48	865,390	50	17,308	629,618	17,308	646,925	17,308	664,233	17,308	681,541
34.48		34.48	110	50	2	80	2	82	2	84	2	87
34.48		34.48	807	50	16	578	16	594	16	610	16	626
34.48		34.48	1,380	50	28	984	28	1,012	28	1,039	28	1,067
34.48		34.48	246	50	5	174	5	179	5	183	5	188
34.48		34.48	469	50	9	331	9	340	9	350	9	359
34.48		34.48	195	50	4	136	4	140	4	144	4	148
34.48		34.48	400	50	8	279	8	287	8	295	8	303
34.48		34.48	228	50	5	159	5	164	5	168	5	173
34.48		34.48	24,581	50	492	17,294	492	17,785	492	18,277	492	18,769
34.48		34.48	7,432	50	149	5,301	149	5,449	149	5,598	149	5,746
34.48		34.48	11,940	50	239	8,516	239	8,754	239	8,993	239	9,239
34.48		34.48	7,290	50	146	5,128	146	5,274	146	5,420	146	5,566
34.48		34.48	2,102	50	42	1,474	42	1,516	42	1,558	42	1,600
34.48		34.48	51	50	1	35	1	36	1	37	1	38
34.48		34.48	980	50	20	670	20	690	20	709	20	729
34.48		34.48	3,432	50	69	2,323	69	2,392	69	2,460	69	2,529
34.48		34.48	338	50	7	218	7	224	7	231	7	238
34.48		34.48	720	50	14	463	14	477	14	492	14	506
34.48		34.48	2,460	50	49	1,564	49	1,613	49	1,662	49	1,712
34.48		34.48	1,279	50	26	810	26	836	26	861	26	887
34.48		34.48	5,834	50	117	3,696	117	3,812	117	3,929	117	4,046
34.48		34.48	2,911	50	58	1,844	58	1,902	58	1,960	58	2,018
34.48		34.48	633,134	50	12,663	399,255	12,663	412,730	12,663	425,393	12,663	438,055
34.48		34.48	6,539	50	131	4,061	131	4,192	131	4,323	131	4,453
34.48		34.48	503	50	10	309	10	319	10	329	10	339
34.48		34.48	266	50	5	162	5	167	5	172	5	177
34.48		34.48	767	50	15	465	15	480	15	496	15	511
34.48		34.48	173	50	3	105	3	108	3	112	3	115
34.48		34.48	366	50	7	221	7	228	7	236	7	243
34.48		34.48	3,115	50	62	1,847	62	1,910	62	1,972	62	2,034
34.48		34.48	2,957	50	59	1,705	59	1,764	59	1,823	59	1,882
34.48		34.48	7,137	50	143	4,115	143	4,257	143	4,400	143	4,543
34.48		34.48	10,066	50	201	5,803	201	6,004	201	6,205	201	6,407
34.48		34.48	350	50	7	199	7	206	7	213	7	220
34.48		34.48	53,088	50	1,062	29,089	1,062	30,151	1,062	31,212	1,062	32,274

Harrison County Water District
 Depreciation Schedule
 12/31/2014

6/22/2015

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
		34.48	1,530	50	31	835	31	865	31	896	31	927
		34.48	2,350	50	47	1,243	47	1,290	47	1,337	47	1,384
		34.48	85	50	2	45	2	46	2	48	2	50
		34.48	85	50	2	45	2	46	2	48	2	50
		34.48	3,720	50	74	1,932	74	2,007	74	2,081	74	2,156
		34.48	2,400	50	48	1,219	48	1,267	48	1,315	48	1,363
		34.48	450	50	9	224	9	233	9	242	9	251
		34.48	1,789,974	50	35,799	887,287	35,799	923,087	35,799	958,886	35,799	994,686
		34.48	7,185	50	144	3,405	144	3,549	144	3,693	144	3,836
		34.48	918,087	50	18,362	428,468	18,362	446,830	18,362	465,192	18,362	483,553
		34.48	1,368	50	27	635	27	662	27	690	27	717
		34.48	4,132	50	83	1,888	83	1,971	83	2,054	83	2,136
		34.48	18,895	50	378	8,088	378	8,466	378	8,843	378	9,221
		34.48	6,420	50	128	2,562	128	2,690	128	2,819	128	2,947
12/31/1998	Construction thru 12-31-97	34.48	2,701,001	50	54,020	1,100,346	54,020	1,154,366	54,020	1,208,386	54,020	1,262,406
12/31/1998		34.48	2,106	50	42	779	42	822	42	864	42	906
12/31/1999	Line extensions	34.48	5,184	50	104	1,768	104	1,872	104	1,975	104	2,079
12/31/2000	Line extensions	34.48	2,610	50	52	814	52	867	52	919	52	971
4/28/2000	Judy Water District	34.48	109,939	50	2,199	34,303	2,199	36,502	2,199	38,701	2,199	40,899
4/19/2001	Line extensions	34.48	1,048	50	21	286	21	307	21	328	21	349
8/3/2001	KY AM Line extensions	34.48	4,576	50	92	1,218	92	1,309	92	1,401	92	1,492
1/1/2002	Water lines phase 9A	34.48	965,642	50	19,313	245,287	19,313	264,599	19,313	283,912	19,313	303,225
12/31/2002	Line extensions	34.48	36,641	50	733	8,245	733	8,977	733	9,710	733	10,443
8/6/2003	50 ft. Water Main	34.48	100	50	2	14	2	16	2	18	2	20
5/20/2003	Line extensions	34.48	7,340	50	147	1,013	147	1,160	147	1,307	147	1,453
9/30/2003	Water lines phase 9B	34.48	1,235,094	50	24,702	170,449	24,702	195,151	24,702	219,853	24,702	244,554
12/31/2006	Airport Rd./Infermary Rd.	34.48	123,345	50	2,467	13,445	2,467	15,912	2,467	18,379	2,467	20,846
12/31/2007	Friendship Rd Extension	34.48	213,424	50	4,268	17,074	4,268	21,342	4,268	25,611	4,268	29,879
12/1/2008	Colony East Line	34.48	8,625	50	173	532	173	704	173	877	173	1,049
12/31/2008	Friendship Rd Extension	34.48	2,790	50	56	167	56	223	56	279	56	335
12/31/2008	River Crossing	34.48	32,000	50	640	1,920	640	2,560	640	3,200	640	3,840
12/31/2008	Ammerman/Davis Lane	34.48	266,751	50	5,335	15,991	5,335	21,326	5,335	26,661	5,335	31,996
12/31/2008	Robinson Union Bridge	34.48	10,302	50	206	618	206	824	206	1,030	206	1,236
1/1/2008	Paris Water Line Extension	34.48	108,407	50	2,168	6,504	2,168	8,673	2,168	10,841	2,168	13,009
1/1/2008	Prince Lane	34.48	27,000	50	540	1,620	540	2,160	540	2,700	540	3,240
1/1/2008	Floyd	34.48	27,000	50	540	1,620	540	2,160	540	2,700	540	3,240
1/1/2008	KY 356	34.48	27,000	50	540	1,620	540	2,160	540	2,700	540	3,240
1/1/2008	Beamer	34.48	58,000	50	1,160	3,480	1,160	4,640	1,160	5,800	1,160	6,960
1/1/2009	Ammerman/Davis Lane - additional costs	34.48	7,741	50	155	464	155	619	155	774	155	929
1/1/2009	Peacock Rd Extension	34.48	29,377	50	588	1,763	588	2,350	588	2,938	588	3,525
5/11/2012	HMI Upgrade		7,222	10			722.20	722		1,444		2,167
6/4/2012	GPS Project		42,000	10			4,200.00	4,200	4,200	8,400	4,200	12,600
1/12/2013	Phase 10- Water Main and Pump Stations		2,121,494	50			42,429.88	42,430	42,430	84,860	42,430	127,290
9/1/2012	West By Pass relocation		88,847	50			1,776.94	1,777	1,777	3,554	1,777	5,331
10/12/2012	U.S. 27 N Line relocation		95,929	50			1,918.58	1,919	1,919	3,837	1,919	5,756
5/12/2012	Lafferty Pike water main relocation		836	50			16.72	17	17	33	17	50
8/13/2013	Lair Butterfly Gate Valves		2,318	50			-	-	46	46	46	93
12/31/2014	Lafferty Pike Extension		2,632	50			-	-	-	-	53	53
			15,515,884		259,745	6,616,594	308,096	6,925,502	300,171	7,225,673	300,223	7,525,896

Harrison County Water District
Depreciation Schedule
12/31/2014

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
Meters												
9/5/2003	State Barn Meter	20.00	1,015		-	1,015	-	1,015	-	1,015	-	1,015
10/31/2004	Meter Reimbursement		(800)		-	-	-	-	-	-	-	-
8/8/2006	2" water meter	10.00	350	35	10	90	10	100	10	110	10	120
12/12/2006	Paris master meter	10.00	1,201	35	34	240	34	275	34	309	34	343
3/25/2008	Cynthiana Master Meter	10.00	3,650	35	104	339	104	443	104	548	104	652
5/22/2009	Stokely Lane MM	10.00	3,389	35	97	290	97	387	97	484	97	581
11/30/2010	2010 Meter Additions		156,592	35	4,474	8,948	4,474	13,422	4,474	17,896	4,474	22,370
12/30/2011	2011 Meter Additions		260,488	35	7,443	7,443	7,443	14,885	7,443	22,328	7,443	29,770
12/30/2012	2012 Meter Additions		110,864	35	3,168	3,168	3,168	6,335	3,168	9,503	3,168	12,671
12/30/2013	2013 Meter Additions		176,487	35	-	-	-	5,042	5,042	10,084	5,042	15,126
12/30/2014	2014 Meter Additions		282,808	35	25	143	25	169	25	194	25	219
					12,187	36,659	15,355	52,014	20,398	72,411	28,478	100,889
						1,015,087						
						420-A						
Meter Installation												
3/30/2001		33.33	14,179		-	14,179	-	14,179	-	14,179	-	14,179
8/20/2001		33.33	53,881	40	1,034	53,881	-	53,881	-	53,881	-	53,881
12/11/2006	Paris Master Meter	33.33	12,919	40	323	12,532	323	12,855	64	12,919	-	12,919
		33.33	5,649	40	141	5,395	141	5,537	113	5,650	-	5,650
		33.33	20,079	40	502	18,573	502	19,075	502	19,577	502	20,079
		14.93	8,550		-	8,550	-	8,550	-	8,550	-	8,550
		14.93	8,975		-	8,975	-	8,975	-	8,975	-	8,975
		14.93	10,020		-	10,020	-	10,020	-	10,020	-	10,020
		14.93	10,920		-	10,920	-	10,920	-	10,920	-	10,920
		14.93	13,623		-	13,623	-	13,623	-	13,623	-	13,623
		14.93	457		-	457	-	457	-	457	-	457
		14.93	18,500		-	18,500	-	18,500	-	18,500	-	18,500
		14.93	1,025		-	1,025	-	1,025	-	1,025	-	1,025
		14.93	1,225	40	31	676	31	707	31	738	31	768
		14.93	2,853	40	71	1,495	71	1,567	71	1,638	71	1,709
		14.93	3,705	40	93	639	93	732	93	825	93	917
					2,195	179,441	1,161	180,602	874	181,475	697	182,172
						186,560						
						420-A						

Harrison County Water District
 Depreciation Schedule
 12/31/2014

6/22/2015

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
Office Furniture & Equipment												
		5.00	450	-	-	450		450.34		450.34		450.34
		5.00	579	-	-	579		579.02		579.02		579.02
		5.00	156	-	-	156		156.16		156.16		156.16
		5.00	8,171	-	-	8,171		8,171.27		8,171.27		8,171.27
		5.00	125	-	-	125		125.00		125.00		125.00
		5.00	297	-	-	297		297		297		297
		5.00	1,724	-	-	1,724		1,724		1,724		1,724
		5.00	628	-	-	628		628		628		628
		5.00	184	-	-	184		184		184		184
		5.00	257	-	-	257		257		257		257
		5.00	1,507	-	-	1,507		1,507		1,507		1,507
		5.00	426	-	-	426		426		426		426
		5.00	200	-	-	200		200		200		200
		5.00	395	-	-	395		395		395		395
		5.00	145	-	-	145		145		145		145
		5.00	260	-	-	260		260		260		260
		5.00	5,100	-	-	5,100		5,100		5,100		5,100
		5.00	2,000	-	-	2,000		2,000		2,000		2,000
		5.00	1,200	-	-	1,200		1,200		1,200		1,200
		5.00	1,102	-	-	1,102		1,102		1,102		1,102
		5.00	731	-	-	731		731		731		731
		5.00	236	-	-	236		236		236		236
		5.00	200	-	-	200		200		200		200
		5.00	146	-	-	146		146		146		146
		5.00	100	-	-	100		100		100		100
		5.00	276	-	-	276		276		276		276
		5.00	509	-	-	509		509		509		509
		5.00	3,313	-	-	3,313		3,313		3,313		3,313
		5.00	380	-	-	380		380		380		380
		5.00	30,742	-	-	30,742		30,742		30,742		30,742
		5.00	152	-	-	152		152		152		152
		5.00	592	-	-	592		592		592		592
		5.00	473	-	-	473		473		473		473

Harrison County Water District
Depreciation Schedule
12/31/2014

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
5.00		5.00	200		-	200		200		200		200
5.00		5.00	2,575		-	2,575		2,575		2,575		2,575
5.00		5.00	183		-	183		183		183		183
5.00		5.00	273		-	273		273		273		273
5.00		5.00	1,174		-	1,174		1,174		1,174		1,174
5.00		5.00	347		-	347		347		347		347
5.00		5.00	1,308		-	1,308		1,308		1,308		1,308
5.00		5.00	360		-	360		360		360		360
5.00		5.00	200		-	200		200		200		200
5.00		5.00	1,552		-	1,552		1,552		1,552		1,552
5.00		5.00	22,492		-	22,492		22,492		22,492		22,492
5.00		5.00	1,554		-	1,554		1,554		1,554		1,554
5.00		5.00	10,301		-	10,301		10,301		10,301		10,301
5.00		5.00	12,824		-	12,824		12,824		12,824		12,824
5.00		5.00	1,508		-	1,508		1,508		1,508		1,508
5.00		5.00	3,695		-	3,695		3,695		3,695		3,695
5.00		5.00	1,541		-	1,541		1,541		1,541		1,541
5.00		5.00	363		-	363		363		363		363
5.00		5.00	782		-	782		782		782		782
5.00		5.00	7,020		-	7,020		7,020		7,020		7,020
5.00		5.00	2,211		-	2,211		2,211		2,211		2,211
5.00		5.00	5,277		-	5,277		5,277		5,277		5,277
5.00		5.00	1,482		-	1,482		1,482		1,482		1,482
5.00		5.00	1,500		-	1,500		1,500		1,500		1,500
5.00		5.00	402		-	402		402		402		402
5.00		5.00	10,726		-	10,726		10,726		10,726		10,726
5.00		5.00	4,891		-	4,891		4,891		4,891		4,891
5.00		5.00	4,253		-	4,253		4,253		4,253		4,253
5.00		5.00	7,420		-	7,420		7,420		7,420		7,420
5.00		5.00	785		-	785		785		785		785
5.00		5.00	371	18	21	233	21	255	21	276	21	297
5.00		5.00	1,113	7	159	1,081	32	1,113	-	1,113	-	1,113
5.00		5.00	793	23	35	458	35	493	35	529	35	564
5.00		5.00	1,325	7	189	1,287	38	1,325	-	1,325	-	1,325
5.00		5.00	843	23	37	391	37	428	37	466	37	503
5.00		5.00	33,318	7	4,760	32,366	952	33,318	-	33,318	-	33,318
5.00		5.00	355	13	28	256	28	284	28	313	28	341
5.00		5.00	900	38	24	456	24	480	24	504	24	528
20.00		20.00	146,015	10	14,602	72,399	14,602	87,001	14,602	101,602	14,602	116,204
5.00		5.00	8,075	18	461	4,268	461	4,730	461	5,191	461	5,653
5.00		5.00	768	23	34	341	34	375	34	409	34	443
5.00		5.00	1,166	23	52	499	52	551	52	603	52	655
5.00		5.00	4,282	10	428	1,927	428	2,355	428	2,783	428	3,212
7.00		7.00	63,200	7	9,029	27,086	9,029	36,114	9,029	45,143	9,029	54,171
			2,266	7	324	971	324	1,295	324	1,619	324	1,942
			1,059	10	106	318	106	424	106	530	106	635
			528	5	106	317	106	422	106	528	106	634
			962	10	96	289	96	385	96	481	96	577
			765	10	77	230	77	306	77	383	77	459
			316	7	105	315	105	421	105	526	105	631
			788	13	24	73	24	97	24	122	24	146
			788	5	158	158	158	315	158	473	158	630
			2,260	7	-	-	189	189	189	379	189	568
			313	13	-	-	-	-	323	323	323	646
			1,032	-	-	-	-	-	24	24	24	48
			1,921	-	-	-	-	-	-	-	-	-

INSIGNIFICANT FOR 2014, MAKE SURE TO CATCH UP DEPRECIATION IN 2015. - BJH

Harrison County Water District
 Depreciation Schedule
 12/31/2014

6/22/2015

Date	Description	Life	Cost/Price	Adjusted Life	Deprec. Expense 2011	Accum. Deprec. 12/31/2011	Deprec. Expense 2012	Accum. Deprec. 12/31/2012	Deprec. Expense 2013	Accum. Deprec. 12/31/2013	Deprec. Expense 2014	Accum. Deprec. 12/31/2014
Transportation Equipment			420-A									
		5.00	374		-	374	-	374	-	374	-	374
		5.00	5,000		-	5,000	-	5,000	-	5,000	-	5,000
		5.00	4,200		-	4,200	-	4,200	-	4,200	-	4,200
		5.00	1,370		-	1,370	-	1,370	-	1,370	-	1,370
		5.00	10,795		-	10,795	-	10,795	-	10,795	-	10,795
		5.00	15,797		-	15,797	-	15,797	-	15,797	-	15,797
		5.00	120		-	120	-	120	-	120	-	120
		5.00	11,700		-	11,700	-	11,700	-	11,700	-	11,700
		5.00	12,100		-	12,100	-	12,100	-	12,100	-	12,100
12-31-95		5.00	17,830		-	17,830	-	17,830	-	17,830	-	17,830
12-31-96		5.00	31,744		-	31,744	-	31,744	-	31,744	-	31,744
12-31-97		5.00	17,104		-	17,104	-	17,104	-	17,104	-	17,104
12-31-98	Truck & Equipment	5.00	22,239		-	22,239	-	22,239	-	22,239	-	22,239
3-8-00	Tractor supply Co	5.00	265		-	265	-	265	-	265	-	265
3-3-00	TE Services Corp	5.00	1,575		-	1,575	-	1,575	-	1,575	-	1,575
6-20-00	Camargo Transmission	5.00	1,100		-	1,100	-	1,100	-	1,100	-	1,100
8-3-00	P&J Trailer sales	5.00	645		-	645	-	645	-	645	-	645
11/08/01	Stigers-Lo Boy Trailer	5.00	7,950		-	7,950	-	7,950	-	7,950	-	7,950
12/31/2002	F-150 Ford Pickup Truck	5.00	15,406		-	15,406	-	15,406	-	15,406	-	15,406
10/27/03	2 Chevy Trucks 2004	5.00	28,433	7		23,559	-	23,559	-	23,559	-	23,559
1/21/2004	2004 F150	5.00	23,576	7	3,368	22,902	674	23,576	-	23,576	-	23,576
8/18/2005	14KGVW Trailer	5.00	3,869	7	553	3,758	111	3,869	-	3,869	-	3,869
9/20/2005	2006 Ford F150	5.00	18,991	7	2,713	18,448	543	18,991	-	18,991	-	18,991
4/17/2006	2006 Chevy picky up	5.00	13,059	7	1,866	11,815	1,244	13,059	-	13,059	-	13,059
4/18/2006	Tax & reg on 2006 Chevy	5.00	807	7	115	730	77	807	-	807	-	807
4/18/2006	Tool box	5.00	254	7	36	230	24	254	-	254	-	254
5/19/2010	2 Ford F150 Trucks		32,732	7			9,352	9,352	4,676	14,028	4,676	18,704
7/19/2010	Radios for new trucks		1,083	7			309	309	155	464	155	619
11/1/2010	Disposal of 2 Chevy Trucks		(28,433)			(23,559)		(23,559)		(23,559)		(23,559)
9/21/2012	2012 F350		33,350	7			4,764	4,764	4,764	9,529	4,764	14,293
11/6/2012	Radio in new truck		619	7			88	88	88	177	88	265
10/19/2012	2001 F150 Truck		6,549	5			1,310	1,310	1,310	2,620	1,310	3,929
9/17/2013	2013 F150 Truck		17,463	7			-	-	2,495	2,495	2,495	4,989
			<u>329,665</u>		<u>8,651</u>	<u>235,198</u>	<u>18,495</u>	<u>253,693</u>	<u>13,488</u>	<u>267,181</u>	<u>13,488</u>	<u>280,669</u>
Oddville Pump Station			420-A									
12/31/2005	Pump Station	20.00	456,414	20	22,821	136,926	22,821	159,747	22,821	182,568	22,821	205,388
12/31/2006	Additions	20.00	795	20	40	199	40	239	40	278	40	318
			<u>457,209</u>	420-A	<u>22,860</u>	<u>137,125</u>	<u>22,860</u>	<u>159,985</u>	<u>22,860</u>	<u>182,846</u>	<u>22,860</u>	<u>205,706</u>
Grand Totals			<u>20,871,940</u>		<u>418,139</u>	<u>9,501,052</u>	<u>472,688</u>	<u>9,975,673</u>	<u>461,002</u>	<u>10,436,675</u>	<u>466,323</u>	<u>10,902,998</u>

Harrison County Water Association, Inc

Schedule of Annual Debt Payments

As of December 31,2014

C,

<u>DUE DATE</u>	LOAN	LOAN CODE	AMOUNT
April 6	Phase IX(a)	91-16	37,609.00
November 25	Contract 25	91-20	16,912.00
December 2	Phase X	91-21	<u>39,348.00</u>
Total Annual			<u>93,869.00</u>
Monthly Requirement			<u>7,822.42</u>

Due Dates, Loan Codes, & Amounts confirmed on USDA Form RD 1951-9

C

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HARRISON COUNTY WATER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

5. LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in long-term debt:

	December 31, 2013	Additions	Retirements	December 31, 2014	Due Within One Year
Loans payable	<u>\$ 1,614,085</u>	<u>\$ -</u>	<u>\$ (45,189)</u>	<u>\$ 1,568,906</u>	<u>\$ 34,694</u>

The annual requirements to amortize all loans outstanding as of December 31, 2014 are as follows:

Year Ending December 31,	Principle	Interest	Total
2015	\$ 34,694	\$ 59,175	\$ 93,869
2016	36,098	57,771	93,869
2017	37,561	56,308	93,869
2018	39,086	54,783	93,869
2019	40,675	53,194	93,869
2020-2024	229,681	239,664	469,345
2025-2029	280,880	188,465	469,345
2030-2034	288,780	126,119	414,899
2035-2039	200,799	80,501	281,300
2040-2044	167,738	46,597	214,335
2045-2049	174,992	21,748	196,740
2050	<u>37,922</u>	<u>1,138</u>	<u>39,060</u>
	<u>\$ 1,568,906</u>	<u>\$ 985,463</u>	<u>\$ 2,554,369</u>

6. COMPLIANCE WITH LOAN AGREEMENT

The loan agreement between Rural Development (U.S. Department of Agriculture) concerning the various loans requires certain reserves be created and maintained as follows:

Principal and interest reserve – This account is required to accumulate a balance sufficient to retire the next installment payment on the loans. The required balance at December 31, 2014 totaled \$34,305. The balance of investments as of December 31, 2014 and 2013 totaled \$104,487 and \$117,687, respectively.

Depreciation reserve – This account is required to maintain a reserve for unusual repairs. The required balance at December 31, 2014 totaled \$67,220. The balance of investments as of December 31, 2014 and 2013 totaled \$95,000 for each year.

7. DEFINED CONTRIBUTION PLAN

The Association has contributed to the employees' IRA account, a defined contribution plan, annually for all full-time employees. The plan is funded by contributions from employees of up to \$3,250 per employee and the Association matches these contributions. For the years ended December 31, 2014 and 2013, employee contributions totaled \$27,500 and \$22,500, respectively and employer contributions totaled \$27,500 and \$22,500, respectively.

TERM NBR 718 OPR ID 718 COMMUNITY PROGRAM - CLOSED

CNUM	20-049-0610904390	NAME	HARRISON CO. WATER	STDT	083115	ACDT	083115
DOLN	120210	FCOD	9120	LNUM	21	ZSPC	0
XAON	885,000.00	XAOA		INR1	5.0000	SPCL	0
PTC1	26,044.08	PTC3		JTAN	2	FPCD	
ICRT	105,751.92	INCR		BCOD	0	FLAG	
FC10	285,573.43	FCIN		EPMT		.00	CSDT
SSTS	.00	SSC3		INXT		.00	ICCD 0
		EMCD	0	PNXT		.00	DLNQ .00
UNPN	858,955.92	UNPA		LNOA	03	RCCT	.00
UNIN	19,202.96	UNIA		FYLN	50	DACN	70.5991
XALN	.00	ZDLN	000000	QNCA		DACA	
IN01	26,550.00	DT01	120211	TY01	3	DPCD	7
IN02	26,550.00	DT02	120212	TY02	3	KCOD	00
IN03	39,348.00	DT03	120213	TY03	2	VCOD	0
IN04		DT04		TY04		RCOD	1 ETBC 8
XANI	39,348.00	ZDNI	120215	JTOI	2	CCCD	0 UACD 0
CT01		CT03		MOIN		PAYC	2 TDCD 0
STAN		STAA		QSTA		ZDLP	120214
NAF1	ASSOCIATION	NAF2	P. O. BOX 215	LRDT	041613	ZDLR	071815
NAF3	CYNTHIANA, KY	NAF4		ZIPC	41031	RGT2	1
CASE NUMBER: 20 049 0610904390		STATUS TYPE: C1		LOAN: 21	ACDT: 083115		
END OF STATUS							

Payment



TERM NBR 718 OPR ID 718 COMMUNITY PROGRAM - CLOSED

CNUM	20-049-0610904390	NAME	HARRISON CO. WATER	STDT	083115	ACDT	083115
DOLN	040601	FCOD	9120	LNUM	16	ZSPC	0
XAON	656,000.00	XAOA		INRI	4.7500	SPCL	0
PTC1	214,954.23	PTC3		JTAN	2	FPCD	
ICRT	398,673.77	INCR		BCOD	0	FLAG	
FC10	224,993.77	FCIN		EPMT	100,000.00	CSDT	
SSTS	.00	SSC3		INXT	.00	ICCD	0
		FMCD	0	PNXT	.00	DLNQ	.00
UNPN	441,045.77	UNPA		LNOA	03	RCCT	.00
UNIN	8,437.28	UNIA		FYLN	41	DACN	57.3964
XALN	.00	ZDLN	000000	QNCA		DACA	
IN01	31,160.00	DT01	040602	TY01	3	DPCD	7
IN02	31,160.00	DT02	040603	TY02	3	KCOD	00
IN03	37,609.00	DT03	040604	TY03	2	VCOD	0
IN04		DT04		TY04		RCOD	1 ETBC 8
XANI	37,609.00	ZDNI	040616	JTOI	2	CCCD	0 UACD 0
CT01		CT03		MOIN		PAYC	2 TDCD 0
STAN		STAA		QSTA		ZDLP	040615
NAF1	ASSOCIATION	NAF2	P. O. BOX 215	LRDT	041613	ZDLR	071815
NAF3	CYNTHIANA, KY	NAF4		ZIPC	41031	RGT2	1
CASE NUMBER: 20 049 0610904390		STATUS TYPE: C1		LOAN: 16	ACDT: 083115		
END OF STATUS							

Payment →

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

State			
KENTUCKY			
County			
HARRISON			
Case No.			
20-49-610904390			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA
91	16		

KIND OF LOAN:

- ASSOCIATION- ORGANIZATION
- HOUSING-ORGANIZATION
- PUBLIC BODY
- OTHER

Date APRIL 6, 2001

FOR VALUE RECEIVED, HARRISON COUNTY WATER ASSOCIATION, INC.
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 90 HOWARD

DRIVE, SUITE 3 SHELBYVILLE, KY 40065, or at such other place as the Government may hereafter designate in writing, the principal amount of SIX HUNDRED FIFTY-SIX THOUSAND AND NO/100'S dollars (\$ 656,000.00), plus interest on the unused principal balance at the rate of FOUR AND THREE/FOURTHS percent (4.75 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

- \$ INTEREST ONLY on APRIL 6, 2002,
- \$ INTEREST ONLY on APRIL 6, 2003,
- \$ _____ on _____,
- \$ _____ on _____ and
- \$ 37,609.00 thereafter on the 6TH DAY OF APRIL of each YEAR

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

HARRISON COUNTY WATER ASSOCIATION, INC

(Name of Borrower)

William R. Toadvine

(Signature of Executive Official)

PRESIDENT, WILLIAM R. TOADVINE

(Title of Executive Official)

P. O. BOX 215

(Post Office Box No. or Street Address)

CYNTHIANA, KY 41031

(City, State, and Zip Code)

(CORPORATE SEAL)

ATTEST:

Charles L. Lohr
(Signature of Attesting Official)

Secretary
(Title of Attesting Official)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$656,000.00	04 / 06 / 01	(6) \$	/ /
(2) \$	/ /	(7) \$	/ /
(3) \$	/ /	(8) \$	/ /
(4) \$	/ /	(9) \$	/ /
(5) \$	/ /	(10) \$	/ /
TOTAL			

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA

(Name of Agency)

BY _____

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

State			
KENTUCKY			
County			
HARRISON			
Case No.			
20-49-610904390			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA
91	20		

- KIND OF LOAN:
- ASSOCIATION- ORGANIZATION
 - HOUSING-ORGANIZATION
 - PUBLIC BODY
 - OTHER

Date NOVEMBER 25, 2003

FOR VALUE RECEIVED, HARRISON COUNTY WATER ASSOCIATION, INC.
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 90 HOWARD
DRIVE, SUITE 3 SHELBYVILLE, KY 40065, or at such other place as the Government may hereafter designate in

writing, the principal amount of THREE HUNDRED THOUSAND AND NO/100'S dollars
(\$ 300,000.00), plus interest on the unused principal balance at the rate of FOUR AND FIVE-EIGHTHS percent
(4.625 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

- \$ INTEREST ONLY on NOVEMBER 25, 2004,
- \$ INTEREST ONLY on NOVEMBER 25, 2005,
- \$ _____ on _____,
- \$ _____ on _____, and
- \$ 16,912.00 thereafter on the 25TH of NOVEMBER of each YEAR

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable FORTY (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

HARRISON COUNTY WATER ASSOCIATION, INC

(Name of Borrower)

(CORPORATE SEAL)

William R. Toadvine

(Signature of Executive Official)

ATTEST:

PRESIDENT, WILLIAM R. TOADVINE

(Title of Executive Official)

P. O. BOX 215

(Post Office Box No. or Street Address)

Charles Tubbs

(Signature of Attesting Official)

(Title of Attesting Official)

CYNTHIANA, KY 41031

(City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$56,300.00	11 / 25 / 03	(6) \$	/ /
(2) \$	/ /	(7) \$	/ /
(3) \$	/ /	(8) \$	/ /
(4) \$	/ /	(9) \$	/ /
(5) \$	/ /	(10) \$	/ /
TOTAL			

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA

(Name of Agency)

BY _____

91-21

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

State Kentucky			
County Harrison			
Case No. 20-049-610904390			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

KIND OF LOAN:

- ASSOCIATION- ORGANIZATION
- HOUSING-ORGANIZATION
- PUBLIC BODY
- OTHER

Date 12-02-2010

FOR VALUE RECEIVED, Harrison County Water Association, Inc
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in 486 Helton

Street, Williamstown KY 41097, or at such other place as the Government may hereafter designate in writing, the principal amount of eight hundred eighty five thousand dollars (\$ 885,000.00), plus interest on the unpaid principal balance at the rate of three percent (3.0 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ Interest only on 12-02-2011 ,
 \$ Interest only on 12-02-2012 ,
 \$ 39,348.00 on 12-02-2013 ,
 \$ _____ on _____ , and
 \$ 39,348.00 thereafter on the 2nd of each year

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

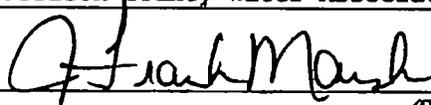
This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

(CORPORATE SEAL)

ATTEST:


 (Signature of Attesting Official)
 Charles R Tribble, Secretary
 (Title of Attesting Official)

Harrison County Water Association, Inc
 (Name of Borrower)
 V-Prm
 (Signature of Executive Official)
 William R Toadvine, President
 (Title of Executive Official)
 P O Box 25, 2167 US Highway 27 South
 (Post Office Box No. or Street Address)
 Cynthiana KY 41031
 (City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)\$		(6)\$	
(2)\$		(7)\$	
(3)\$		(8)\$	
(4)\$		(9)\$	
(5)\$		(10)\$	
		TOTAL	\$0.00

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA

 (Name of Agency)

BY _____

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON Co. WATER ASSOC. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

DANNY D. Northcutt
(Print Name)

Danny D. Northcutt
(Signed)

Manager
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF State At Large

Subscribed and sworn to before me by Danny D. Northcutt
(Name)

this 2nd day of August, 2015

Gara L. Schroder (Signature)
NOTARY PUBLIC
State-at-Large
12-17-15

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON CO. WATER ASSOC. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

William R Tozdrine
(Print Name)

William R Tozdrine
(Signed)

President
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by William R. Toddvine
(Name)

this 24th day of August, 2018.

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large
4/10/2018

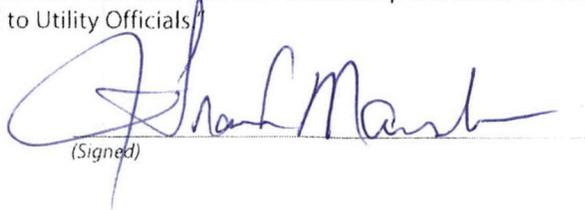
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Harrison Co. Water Assoc. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

J. FRANK MARSH
(Print Name)


(Signed)

Vice President
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by J. Frank Marsh
(Name)

this 24th day of August, 2018.

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large 4/10/2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON Co. Water Assoc. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

PATTY HANNA
(Print Name)

Patty Hanna
(Signed)

Director / SECRETARY
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by Patty HANNA
(Name)

this 24th day of August, 2015.

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large
4/10/2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON Co. WATER ASSOC. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Lewis B. Furnish
(Print Name)

Lewis B. Furnish
(Signed)

Treasurer
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by Lewis B. Furnish
(Name)

this 24th day of August, 2015

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large 4/10/2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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GARY CARTER
(Print Name)

Gary Carter
(Signed)

Board Member
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by Gary Carter
(Name)

this 25th day of August, 2015.

Danny D. Kithcutt
NOTARY PUBLIC
State-at-Large
4/10/2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON Co. WATER ASSOC. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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Russell Garty
(Print Name)

[Signature]
(Signed)

Board Member
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by Russell Gray
(Name)

this 21st day of August, 2015.

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large
4/10/2018

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between HARRISON Co. WATER Assoc. ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

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Paul D. Wilson
(Print Name)

Paul D. Wilson
(Signed)

BOARD MEMBER
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF HARRISON

Subscribed and sworn to before me by Paul D. Wilson
(Name)

this 24th day of August, 2018.

Danny D. Northcutt
NOTARY PUBLIC
State-at-Large
4/10/2018

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HARRISON COUNTY WATER ASSOCIATION, INC. PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS PRESIDENT TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the Harrison County Water Association (“Association”) is a water association created and organized under the provisions of KRS Chapter 273. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the Association take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the Association to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF HARRISON COUNTY WATER ASSOCIATION, INC AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Association proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The President is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The President, Superintendent, and all other appropriate Association Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE BOARD OF HARRISON COUNTY WATER ASSOCIATION at a meeting held on August 19, 2015, signed by the President, and attested by the Secretary.

ATTEST:

William R. Goadsone
PRESIDENT

Patty Hanna
SECRETARY

CERTIFICATION

I, Secretary of the Harrison County Water Association (the "Association"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of the Association at a meeting properly held on August 19, 2015, signed by the President of the Board, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 19th day of August, 2015.

Patty Hanna
SECRETARY

CURRENT AND PROPOSED RATES
Harrison County Water Association
APPENDIX A

<u>Current Rates</u>			<u>Proposed Rates</u>		
<u>5/8 x 3/4" Meter</u>			<u>5/8 x 3/4" Meter</u>		
First 2,000 Gallons	\$16.81	Minimum Bill	First 2,000 Gallons	\$18.67	Minimum Bill
Next 1,000 Gallons	6.28	Per 1,000 Gallons	Next 1,000 Gallons	6.97	Per 1,000 Gallons
Next 2,000 Gallons	6.12	Per 1,000 Gallons	Next 2,000 Gallons	6.80	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>3/4" Meter</u>			<u>3/4" Meter</u>		
First 3,000 Gallons	\$23.09	Minimum Bill	First 3,000 Gallons	\$25.64	Minimum Bill
Next 2,000 Gallons	6.12	Per 1,000 Gallons	Next 2,000 Gallons	6.80	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>1" Meter</u>			<u>1" Meter</u>		
First 5,000 Gallons	\$35.33	Minimum Bill	First 5,000 Gallons	\$39.24	Minimum Bill
Next 45,000 Gallons	5.62	Per 1,000 Gallons	Next 45,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>1-1/2" Meter</u>			<u>1-1/2" Meter</u>		
First 10,000 Gallons	\$63.43	Minimum Bill	First 10,000 Gallons	\$70.44	Minimum Bill
Next 40,000 Gallons	5.62	Per 1,000 Gallons	Next 40,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
<u>2" Meter</u>			<u>2" Meter</u>		
First 15,000 Gallons	\$91.53	Minimum Bill	First 15,000 Gallons	\$101.64	Minimum Bill
Next 35,000 Gallons	5.62	Per 1,000 Gallons	Next 35,000 Gallons	6.24	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons	Over 50,000 Gallons	5.31	Per 1,000 Gallons
Bulk Loading Sta. Rates	\$6.83	Per 1,000 Gallons	Bulk Loading Sta. Rates	\$7.59	Per 1,000 Gallons