



High Knob Utilities, Inc.

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Website: <http://www.hkui.org>

Revenue

Unmetered Fee	\$ 126,600.00
Metered Charges	95,000.00
Reconnect Fee	1,000.00
Tap Fees (est. 15)	13,125.00
Other	500.00
Interest Income	<u>400.00</u>
Total Revenue ¹	\$ 236,625.00

Expense

Lab Testing	\$ 3,000.00
Utility Power	6,000.00
Chemicals	1,000.00
Materials & Supplies	
Office supplies	500.00
Capital improvements	5,000.00
Maintenance (material only)	12,000.00
Other parts and materials	<u>5,000.00</u>
	22,500.00
<u>CONTRACTUAL SERVICES</u>	
Water Operator	20,000.00
Administrator (HKOAI office staff)	19,000.00
Professional & Legal (tax consult., audits)	7,000.00
Other (HKOAI field staff)	20,000.00
Backhoe	11,500.00
Rent	2,400.00
Transportation (incl. gas & maint.) ²	18,500.00
Insurance	1,000.00
Regulatory Commission Fees	725.00
Bad Debt	500.00
Office Communication (phones, ans. service, pagers)	3,000.00
Cell Phone	2,000.00
Postage	2,000.00
Association Memberships	175.00
Miscellaneous other	1,000.00
Gross Receipt Taxes	6,000.00
Interest expense	24,000.00
Staff training	8,720.00
Fencing of reservoirs	5,000.00
January 2006 VWSRF loan payment	30,800.00
3 rd Emergency Generator ³	<u>5,000.00</u>
Subtotal	220,820.00
Reserve (for future capital improvements)	<u>15,805.00</u>
Total Expense	236,625.00

¹ By vote of both HKOAI and HKUI boards, water capitalization fees collected by HKOAI for payment to HKUI will instead be applied to the outstanding reimbursement owed to HKOAI by HKUI for paving repairs generated by the water improvement project. As this money is not being received by HKUI, it is not included in the revenue amounts.

² Includes \$12,500.00 for ½ cost of a new pickup truck (split with HKOAI).

³ In addition to two included in Capital Improvements and Other Contractual Services.

2005 Capital Improvement Projects

1. Replacement of water main on Chestnut Trail.
2. Installation of water main between Salt Lick Spring and Deer Trail.
3. Installation of 15 residential taps.
4. Installation of six flushing valves.
5. Replacement of 20 defective water meters.
6. Construction of a meter test bench.
7. Installation of backup power generation at three critical well sites.
8. Removal of six “U” connections at various locations in the system.
9. Fencing of selected reservoir sites.