

Received  
on

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

MAY 20 2013

by  
State Corporation Commission  
of Kansas

In the Matter of the Application of Howison )  
Heights, Inc., for Approval of the Commission to ) Docket No. 13-HHIW-570-RTS  
Make Certain Changes in its Rates for Water )  
Service. )

**NOTICE OF FILING OF CURB'S REPLY  
TO STAFF'S REPORT AND RECOMMENDATION**

The Citizens' Utility Ratepayer Board (CURB) submits its *Reply to Staff's Report and Recommendation* regarding Staff's position supporting the application of Howison Heights, Inc. for authorization to increase customer rates.

CURB's Reply and the accompanying exhibits set forth the evidentiary basis for CURB's position that the Commission should deny the application.

Respectfully Submitted,



David Springe #15619  
Niki Christopher #19311  
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Citizens' Utility Ratepayer Board  
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(785) 271-3200  
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**VERIFICATION**

STATE OF KANSAS )  
 ) ss:  
COUNTY OF SHAWNEE )

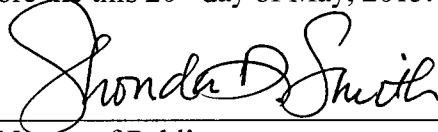
I, Niki Christopher, of lawful age, being first duly sworn upon her oath states:

That she is an attorney for the above named petitioner; that she has read the above and foregoing document, and, upon information and belief, states that the matters therein appearing are true and correct.



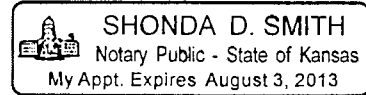
\_\_\_\_\_  
Niki Christopher

SUBSCRIBED AND SWORN to before me this 20<sup>th</sup> day of May, 2013.



\_\_\_\_\_  
Notary of Public

My Commission expires: 8-03-13.



# Citizens' Utility Ratepayer Board

## Board Members:

Nancy Jackson, Chair  
Stephanie Kelton, Vice-Chair  
Kenneth Baker, Member  
Robert L. Harvey, Member  
Ellen K. Janoski, Member



State of Kansas  
*Sam Brownback, Governor*

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## REPLY TO STAFF'S REPORT AND RECOMMENDATION

**TO:** Chairman Mark Sievers  
Commissioner Thomas E. Wright  
Commissioner Shari Feist Albrecht

**FROM:** Stacey Harden

**DATE:** May 20, 2013

**SUBJECT:** In the Matter of the Application of Howison Heights, Inc., for Approval of the Commission to Make Certain Changes in its Rates for Water Service; Docket No. 13-HHIW-570-RTS.

### STATEMENT OF QUALIFICATIONS

I joined the Citizens' Utility Ratepayer Board as a Regulatory Analyst in February 2008. Prior to joining CURB, I was the manager of a rural water district in Shawnee County, Kansas for five years. My prior experience allows me to provide valuable insight to the Commission related to water utility management, including the day-to-day operations and tax requirements. I received a Bachelor's Degree in Business Administration from Baker University in 2001 and a Masters Degree in Business Administration from Baker University in 2004. I am also an adjunct faculty member at Friends and Baker Universities, where I teach several undergraduate accounting courses.

### SUMMARY OF RECOMMENDATIONS

I recommend the Commission deny Howison Heights Inc.'s ("Howison" or "company") application for a rate increase and order any monies received by Howison from the interim rate increase ordered on April 17, 2013, be refunded to its customers. The evidence provided in its application, as well as Howison's previous rate case application, KCC Docket 12-HHIW-382-RTS ("382 Docket"), does not support the requested rate increase. Additionally, the evidence available shows a pattern of mismanagement of the utility. This mismanagement, coupled with the owner's lack of cooperation in complying with previous recommendations of Staff and

CURB invites harsh, yet deserved, criticism of the owner's ability to operate this utility efficiently.

## **BACKGROUND**

Howison is a regulated water utility company located in Saline County, Kansas, that, according to its application, provides water to 62 retail customers.<sup>1</sup> Mr. Timothy Howison is the sole operator and manager for the Howison Heights water utility system. Mr. Howison purchased the company from his father in 1984. Howison Heights Inc received its certificate of convenience on September 26, 2005, in KCC Docket No. 05-HHIW-277-COC ("277 Docket").

On March 19, 2013, Howison Heights, Inc. filed an application seeking Commission approval to increase its retail water rates by \$48,702, a 127% increase over the current rates. Howison also filed a Motion for Interim Rate Relief Subject to Refund on March 18, 2013. Howison's Motion requested that the rate increase of \$48,702, be put into effect on April 1, 2013, and remain in effect through December 31, 2013, or until the Commission makes a final determination regarding Howison's Application. Staff supported Howison's request for interim rate relief and despite CURB's argument that Howison failed to meet the standards for interim rate relief, the Commission approved Howison's request on April 17, 2013.

On May 9, 2013, Staff filed its Report and Recommendation, encouraging the Commission to make permanent Howison's rate increase request. Howison's application utilizes the same test year and cost of service used in the 382 Docket. In the 382 Docket, Staff recommended the Commission approve a rate increase of \$20,981. For its recommendation in this proceeding, Staff did not conduct any further analysis of Howison's application since the 382 rate case, nor did it update test year expenses or test year revenues. Staff simply made adjustments to salary expense, rate case expense, and income tax expense, from its recommendation in the 382 Docket. No other operating expenses or operating revenues were addressed by Staff in this proceeding. Staff did not update the 2010 test year to represent current data.

CURB recommended the Commission deny Howison's application in the 382 Docket because the company did not provide sufficient evidence to determine if the requested rates were just and reasonable. Similarly, CURB's comments in this proceeding filed on March 29, 2013, opposed Howison's request for interim rate relief because of the lack of supportive evidence presented in its application. Despite CURB's opposition, the Commission awarded Howison with an interim rate increase subject to refund. I disagree with the Commission's determination that Staff's

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<sup>1</sup> The application indicates that Howison currently serves 62 retail customers. However, its 2010 annual report filed with the KCC on May 4, 2011, indicates that it serves 61 retail customers. The Company's response to CURB Data Request No. 34 indicates that it will be losing 4 customers due to this rate increase.

“flawed”<sup>2</sup> schedules provide ample justification to award interim rate relief. However, I will not rehash all those arguments in this report. In this report I will again review the lack of evidence to support Howison’s application, as well as my opinion that Staff has misinterpreted Howison’s financial statements. I will also address concerns with the current management practices utilized by Howison. More specifically, my report will highlight the financial mismanagement of the Howison Heights water system, the co-mingling of personal finances, unregulated business and the regulated water utility, as well as the utility management’s lack of cooperation in complying with recommendations made by both Staff and CURB in the 382 Docket.

### **STAFF’S REPORT IS NOT BASED ON VERIFIED EVIDENCE**

On May 9, 2013, Staff submitted its report and recommendation to the Commission. In its report, Staff recommends the Commission approve a revenue requirement increase of \$47,231, pursuant to its investigation and audit. Both Howison’s and Staff’s revenue requirements are based upon Staff’s revenue requirement from the 382 Docket, in which Staff recommended an increase of \$20,981. In this proceeding, both Howison and Staff started with Staff’s recommendation of \$20,981, and increased it to allow for a \$23,500 salary for Howison’s operator, and rate case expense.

In its report and recommendation in the 382 Docket, Staff indicated that it was "able to trace some of the expenses reported in the Company's income statement to original documents and invoices, but a sizable percentage of reported expenses had no support."<sup>3</sup> Staff further explained that Howison’s application contained a "large volume of missing information".<sup>4</sup>

In its report and recommendation in this proceeding, Staff indicates that it used the Company’s general ledger for the test year as the beginning point in preparing Staff’s adjusting entries. Staff goes on to explain that Howison’s “record keeping deficiencies made it difficult for Staff to verify the Company’s Test Year expenses, so Staff tested the reasonableness of the expenses recorded in the Test Year’s general ledger by examining relevant source documents over a multiyear period.”<sup>5</sup> Staff further explained in its response to CURB Data Request No. 12, that it believes the “general ledger can be relied upon to provide sufficient data to develop a cost of service for the utility” and that “(b)ackup for the data in the general ledger such as canceled checks, receipts, and/or journals of original entry, *may or may not exist at this time*, but Staff is not in possession of the requested materials. Staff does believe that such backup data was utilized by Clubine and Rettele in the preparation of Mr. Howison’s 2010 general ledger and financial

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<sup>2</sup> KCC Docket No. 13-HHIW-570-RTS, *Order Granting Motion for Interim Rate Relief Subject to Refund and Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b.* at ¶15.

<sup>3</sup> February 8, 2012, KCC Staff Report and Recommendation In the Matter of the Application of Howison Heights, Inc., for Approval of Certain Changes in its Charges for Water Service; KCC Docket No. 12-HHIW-382-RTS, at page 4.

<sup>4</sup> *Id.*, at p. 6.

<sup>5</sup> KCC Docket No. 13-HHIW-570-RTS, *Notice of Filing of Staff’s Report and Recommendation*, at page 6.

statements, because without that original backup data, they would have no basis for the entries contained in Howison's 2010 ledger."<sup>6</sup> (*emphasis added*)

I am troubled by the determination from some of the KCC's most senior Staff members that a company's *unaudited* general ledger can serve as evidence in a rate proceeding, when backup data doesn't exist. Further the financial statements prepared by Clubine and Rettele are compilation statements.

In its compilation report, Clubine and Rettele indicates that its responsibility is to "conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants." ("AICPA")<sup>7</sup> According to the AICPA's website, the Statements on Standards for Accounting and Review Services No. 19 states that a compilation:

differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, the accountant will not express an opinion or provide any assurance regarding the financial statements (*emphasis added*).<sup>8</sup>

Based upon the AICPA's definition, and Clubine and Rettele's acknowledgment that Howison's financial statements are compilations, the Commission cannot conclude that the general ledger and financial statements provide sufficient evidence to support Howison's costs. The general ledger and other financial statements created by Clubine and Rettele were created without any requirement to test accounting records or obtain sufficient evidence through the examination or confirmation of source documents.

In its assessment of Howison's financial condition, Staff also indicates that "losses over the years have caused the Company to have a negative equity balance."<sup>9</sup> I disagree with this statement in its entirety. By Staff's own report, there is a sizable amount of missing evidence in this case. If

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<sup>6</sup> Staff response to CURB Data Request No 12, with general ledger, are included in Exhibit SMH-1.

<sup>7</sup> Clubine and Rettele's compilation report for 2010 is attached to the Application in KCC Docket No. 12-HHIW-382-RTS.

<sup>8</sup> <http://www.aicpa.org/Research/Standards/CompilationReview/DownloadableDocuments/AR-00080.pdf>. Full report on this standard is attached to my report as Exhibit SMH-2.

<sup>9</sup> KCC Docket No. 13-HHIW-570-RTS, Staff Report and Recommendation at page 2.

sufficient evidence doesn't exist for a Staff audit in the test year, it is unlikely sufficient evidence exists for previous years. There is no indication that Staff audited any evidence to be able to determine what comprised "losses over the years." Later in my report I will detail how the owner withdraws nearly every dollar of customer payments for either personal expenses or expenses of his other unregulated businesses. It is my opinion that this is the source of the negative equity balance.

The Commission should deny Howison's request for a rate increase because Howison has been unable to provide sufficient evidence (source documents) and Staff's report and recommendation is not based on verified evidence, but rather based solely on compilation financial statements and estimates. The compilation financial statements utilized by Staff are not a substitute for actual evidence supporting Howison's cost of service. Without sufficient evidence, the Commission should deny Howison's request to increase rates.

### **LACK OF MANAGEMENT OVERSIGHT**

Mr. Howison is the single shareholder of Howison Heights, Inc. There is no board of directors at Howison or management oversight of any kind. Because this is not a cooperative utility, the water utility ratepayers are beholden to Mr. Howison's management decisions. Further, there is no checks-and-balance system for Howison Heights, Inc. Mr. Howison reads the water meters, calculates customer bills, records customer payments, balances the checkbook, pays the bills, and maintains the system at his discretion. Additionally, Howison Heights does not obtain independent audits of its financial statements.

Because this is a regulated utility, the buck must stop with the KCC. It is the statutory responsibility of the Commission to ensure that Howison's customers are paying rates that are just and reasonable, based on real evidence supported by an audit, and that these customers are not paying for losses incurred in other unregulated businesses.

It is my opinion that Mr. Howison has not managed the finances of Howison Heights, Inc. in an appropriate manner. My review of Howison's management shows a consistent pattern of late payments on all accounts, including taxes and loans, termination notices for its electric bills, overdraft charges on the company's business checking account, and inappropriate uses of the cash available to Howison.

It is also my opinion that Mr. Howison's current management habits will not change based upon a Commission order. If the Commission should disagree with my findings and instead chooses to grant Howison a permanent rate increase now, without requiring evidence or management changes, the Commission will be setting a dangerous precedent.

## NON-PAYMENT OF TAXES

There is no evidence that Howison Heights Inc. is paying any of its statutory State taxes or its local sales and property taxes. As a retail water supplier in Kansas, Howison is required to pay the Kansas Water Protection Fee. Additionally, while residential water sales are exempt from Kansas state sales tax, these sales are subject to local Saline County sales taxes. As a property owner in Saline County, Kansas, Howison Heights is also subject to property taxes.

The Kansas Water Protection fee was established in 1989 by K.S.A. 82a-954. This statute requires a fee of \$0.032 per 1,000 gallons of water sold to be paid quarterly to the Kansas Department of Revenue no more than 45 days following the end of each quarter. According to the statute, Howison may collect the fee directly from each consumer to which water is sold at retail or may pay the amount owed to the department from money in its operating or other fund available for that purpose.<sup>10</sup>

In addition to the Kansas Water Protection Fee, Howison is required to remit local sales tax to Saline County. While residential water sales are not taxed at the state's current sales tax rate, all sales are subject to the local tax rate. The current Saline County sales tax rate is 1%.

Howison is collecting the Kansas Water Protection Fee and Saline County sales tax from its customers. Howison's current rate schedule approved in the 277 Docket, and unchanged since that time, indicates "all rates include water tax of \$0.032/1,000 plus 1.5% sales tax."<sup>11</sup> In the 382 Docket, Staff Adjustment 14 increased Howison's expenses by \$1,173 for Saline County Sales Tax and Kansas Water Protection Fee.<sup>12</sup> Staff's adjustment is incorrect, because the current KCC-approved tariff rates for Howison include both the local sales tax and Kansas Water Protection Fees.

In my review of Howison's application and the 382 Docket, I found no evidence that Howison has been remitting the Kansas Water Protection Fee or the Saline County sales tax collected from its customers. On January 11, 2012, I attended a meeting, along with Staff's Bill Baldry and John Bell, with Howison's owner and operator, Mr. Tim Howison. During that meeting I requested tax statements, specifically from the Kansas Department of Revenue regarding the water protection fee. Mr. Howison indicated that Howison Heights was not paying the water protection fee and provided me with a large stack of unopened envelopes from the Kansas Department of Revenue. In these envelopes were the blank remittance forms that accompany a water company's payment to the Kansas Department of Revenue.

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<sup>10</sup> K.S.A. 82a-954(d).

<sup>11</sup> Form RF for Howison Heights, Inc. Water Company attached as Exhibit SMH-3.

<sup>12</sup> Application, at Exhibit WEB No. 2 Part 15(a).



In a subsequent meeting held on February 20, 2013, with Staff, Mr. Howison and his counsel, I asked Mr. Howison if he had contacted the Kansas Department Revenue to follow up on delinquent taxes, penalties or fees associated with his non-payment of the Kansas Water Protection Fee. Mr. Howison indicated that he had not contacted the Department of Revenue.

Additionally, Howison is currently not paying its local property taxes to Saline County. On March 5, 2010, Howison made a payment of \$8,810.15 to the Saline County Treasurer. This payment covered tax years 2005, 2006, 2007, 2008 and 2009 and was comprised of \$7,452.68 in actual property taxes and \$1,357.47 in interest and delinquency fees.<sup>13</sup> Because Howison was delinquent, Howison's property was scheduled to be sold as part of a tax foreclosure sale in Saline County, Kansas.<sup>14</sup> Howison's payment on March 5, 2010 redeemed the property. However Howison was required to pay another \$1,031.02 to the Saline District Court for court costs associated with the redemption.<sup>15</sup>

My review of Howison's application shows that Howison has not made any property tax payments to the Saline County Treasurer since March 5, 2010. Howison's response to CURB Data Request No. 5 indicates that it has not made any property tax payments since 2010 and further reports that it owes \$7,871.97 in property taxes, penalties and fees for tax years 2010, 2011 and 2012.<sup>16</sup>

Staff's report in the 382 Docket and its report and recommendation in this proceeding are void of any concern regarding non-payment of taxes. Similarly the Commission's order granting Howison's request for interim rate relief is also void of any language regarding the payment of taxes. However, the rate scheduled approved in the Commission's order granting interim rate relief indicates that rates include water tax of \$0.032/1,000, plus sales and other tax. It is my opinion, based upon the recurring cycle of non-payment of required taxes, that Howison will continue to collect these taxes from its customers, yet will not remit these taxes to the appropriate agency.

### **CO-MINGLING OF CASH AND ACCOUNTS**

Mr. Howison is also the manager/operator of at least three unregulated businesses. Mr. Howison is a real estate/land developer, he owns and operates rental properties in Saline County and is a real estate agent employed by Remax. Mr. Howison current operates all of his businesses—including the Howison Heights water system - from two checking accounts. Of these two checking accounts, one is a personal checking account held at Sunflower State Bank and the other is the Howison Heights, Inc. business checking account held at Bennington State Bank. Mr.

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<sup>13</sup> Summary Tax Receipt from Saline County Treasurer is attached as Exhibit SMH-4.

<sup>14</sup> Saline County District Court, Petition 10-CV61, attached as Exhibit SMH-5.

<sup>15</sup> Payment Receipt from Saline County District Court is attached as Exhibit SMH-6.

<sup>16</sup> Attached and included in Exhibit SMH-1.

Howison indicated at our February 2013 meeting that he pays bills out of whichever of the two accounts currently has money in it.

I conducted a thorough review of the Howison Heights business checking account. Because a sizable percentage of reported expenses have no support, I looked to the bank statement and Howison's financial statements for clues about the company's true operating expenses. My review of Howison's business checking account and financial statements unearthed several major problems with the company's fiscal management. Below is a sample of some of the transactions that raise serious concerns:

- (1) \$4,810 was withdrawn from the business checking account on 39 occasions, for the purpose of "cash".
- (2) Checks written to retail businesses such as Dillard's, Sears, and JC Penney, with "Xmas gift" written in the check memo.
- (3) Checks written for the payment of utilities – Westar Energy, Cox Communications and Verizon Wireless – that are unrelated to Howison Heights, Inc. and appear to be related to either Mr. Howison's personal residence or one of the rental properties that Mr. Howison currently owns.
- (4) Recurring payments to Remax, LLC with the memo of "dues".
- (5) Deposits being made to the account for the purpose of "security deposit", "Remax", "rent", and "homeowners refund".
- (6) \$225.00 in overdraft charges incurred during 2010.
- (7) 42 checks were written, totaling \$1,072.21, payable to restaurants like Braums and Timberline Steakhouse in 2010.
- (8) Of the 291 withdrawals from the business checking account, based upon the copies of cancelled checks and the company's financial statements, I would classify 201 of these expenses as personal or not related to the water utility business.

Howison's bookkeeping practices have caused his personal finances, as well as the business expenses of other unregulated businesses, to be intertwined and mixed up with the expenses and revenues of the Howison Heights water utility. Because of the overwhelming lack of source

documents (specifically invoices), I cannot, with 100% certainty, advise the Commission on what are legitimate expenses for the water system.

However, in my opinion, it is clear from my review of Howison's business checking account and financial statements that this business checking account is used more a personal account for Howison's owner. Any money received from Howison's customers from the payment of their water utility bills may be deposited into this account, which might be used for legitimate Howison expense, or might be withdrawn as cash or spent on meals at local restaurants. The Commission must require Howison to develop an accounting process that isolates business revenues and expenses to prevent this co-mingling.

### **MISSING REVENUES DURING TEST YEAR**

According to Howison's payment register, actual receipts for 2010 totaled \$27,433.93. This is \$1,059.85 less than the water income listed in the company's Exhibit No. 2 (Letter to KCC) in the 382 Docket, and \$1,570.93 more than recorded in its Exhibit No. 6 (Accountants 4 year Income Statement). The 2010 revenue history shows \$28,375.96 in water sales, which does not agree with the payment register or either the letter to the KCC or the accountants 4 year income statement in the 382 Docket. I am unable to determine why the sales recorded on the payment register would be different from the water sales recorded in the revenue history, which are both different from the amounts recorded on the company's income statement.

In an effort to determine the actual revenue from water sales Howison received in 2010, I performed a review of the Bennington State Bank business checking account register for Howison Heights, Inc. During the course of the audit, I was only able to account for \$23,437.51 in deposits attributable to the sale of water. This is almost \$4,000 less than Howison's payment register which shows it collected \$27,433.93 of customer payments during the 2010 test year.

I recognize that because Howison is not using an accrual method of accounting for revenues, amounts recorded in its register as a payment in one calendar month may not be recorded as a cash deposit until the following month. Howison's discrepancy of nearly 15% in annual revenues is too large to be attributed to timing differences that may occur between cash and accrual accounting processes.

	<b>Customer Payment Register</b>	<b>Verified deposits in business checking account</b>	<b>Difference between deposits and register</b>
January	\$1,856.92	\$524.65	(\$1,332.27)
February	\$1,646.08	\$645.41	(\$1,000.67)
March	\$2,082.73	\$1,301.73	(\$781.00)
April	\$1,706.23	\$1,146.48	(\$559.75)
May	\$1,921.28	\$2,506.03	\$584.75
June	\$2,082.10	\$1,144.35	(\$937.75)
July	\$2,749.41	\$3,446.16	\$696.75
August	\$3,074.43	\$1,383.00	(\$1,691.43)
September	\$3,275.32	\$3,555.76	\$280.44
October	\$2,526.89	\$2,799.40	\$272.51
November	\$2,502.40	\$2,484.46	(\$17.94)
December	\$2,010.14	\$2,500.08	\$489.94
<b>Total:</b>	<b>\$27,433.93</b>	<b>\$23,437.51</b>	<b>(\$3,996.42)</b>

In order to determine if Howison's missing revenues problem has been remedied, I requested a copy of Howison's monthly customer payment receipt journal and a copy of its business checking account statements for 2012. Howison did not provide either of these items for my review. Howison objected to providing a copy of its 2012 business checking account statements because it is not seeking to support its 2012 operating expenses. Additionally, Howison indicated in its response to CURB Data Request No. 3 that "customer revenue for 2012 is very similar to the revenue amount previously provided to CURB in the 382 Docket."

Howison did provide to CURB a handwritten summary of the monthly revenue received from its customers in 2012.<sup>17</sup> According to Howison's hand written summary, the total revenue for 2012 from water sales is \$32,686.78. If the revenue is being reported correctly, in 2012 Howison experienced a 19% increase in revenues due to water sales as compared to its 2010 test year. In my opinion, a 19% increase in total revenue cannot be considered "very similar" to previous years.

In recent cases, Staff has been updating data beyond test year data provided by the applicant. However, in this case, Staff did not update the 2010 test year. Howison's 19% increase in revenue attributable to water sales would seem to indicate that updating the test year would be appropriate in this instance. An updated test year would allow Staff and CURB to determine which year is a more accurate depiction of the Company's revenues going forward.

<sup>17</sup> Attached and included in Exhibit SMH-1.

Further, if Howison's explanation that revenue for 2012 is "very similar" to 2010, then is the amount of missing or unaccounted for customer payments also similar? It is my opinion that this margin of uncertainty concerning customer revenues is, of itself, sufficient to justify rejecting Howison's rate increase request altogether.

### **EXCESSIVE DEBT**

Exhibit No. 1 of Howison's application in the 382 Docket is a balance sheet prepared using the income tax basis method of accounting. The balance sheet shows that at the end of 2010, Howison has total assets of \$97,801.65 and total liabilities of \$325,870.12. These amounts indicate that Howison currently has a debt ratio of 3.33, which is excessively high.

Howison holds two long-term loans at Bennington State Bank. As of January 17, 2012, one loan has a principal balance of \$217,810.63 with a current interest rate of 6.0%. The second loan at Bennington State Bank has a principal balance of \$8,939.94 and also holds an interest rate of 6.0%.

Howison also holds a long-term loan with Central National Bank. According to a letter provided by Central National Bank President, Marty G. Redden, on January 17, 2012, the current loan balance at Central National Bank is \$275,000 and has a current interest rate of 6.56%. This loan originated on August 4, 2006, and was renewed on December 15, 2010.

According to Howison's financial statements, only \$93,500 of the \$275,000 Central National Bank loan is included on the company's balance sheet. During the meeting on January 11, 2012, Mr. Tim Howison indicated that this loan was not used solely for water district business, but also for personal use and for the use of his other businesses. Mr. Howison further elaborated that it was determined that 34% of this loan was used for the water district, and therefore it is accounted for based upon a 34% allocation.

I recognize that allocations play a part in the business of regulating utilities. However allocation is typically done to assign an established and determined cost to customer classes, or to allocate costs among a company's regulated and unregulated businesses, and is based on thorough analysis of the cost of service of the utility, any shared facilities and identification of any synergies among the businesses. Allocations should not be determined by one person who assigns costs between regulated utility customers and his own personal finance needs – *with no supporting evidence*.

A specific example for the Commission to review is the first loan modification agreement with Central National Bank.<sup>18</sup> This loan advance reports that Howison Heights, Inc. and Timothy B

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<sup>18</sup> Attached to this report as Exhibit SMH-7.

Howison increased the balance of its loan by \$40,150.00 on January 17, 2007. The purpose or reason for this loan modification was to “provide additional funds to set stand pipe.” According to Staff’s report and recommendation in the 382 Docket, Howison purchased the standpipe in 1995 (which consequently has been fully depreciated even though it is not currently, nor has it ever been in service). Staff reports that the company did not have the funds needed to install the standpipe due to the financial condition of the Company. I would agree with Staff in so much as the standpipe is not in service. However, according to loan documents, in 2007 Howison received \$40,150 in “additional funds” to install the standpipe, which means Howison did have the financial means to install the standpipe. It is reasonable to ask, if the \$40,150 was not used for the purpose of installing the standpipe, what was it used for? Should the \$40,150 be included as a cost of debt for Howison Heights?

Therefore, in my opinion, there is no evidentiary basis whatsoever for determining that the utility should be allocated 34% of Mr. Howison’s debt—or any of it at all. If the Commission allows the inclusion of these debts in the calculation of the company’s revenue requirement, water customers are likely paying for debt that is not related to the provision of safe and reliable water utility service.

### **EXCESSIVE WATER LOSS PERCENTAGE**

In its response to CURB Data Request No. 10, Howison provided a copy of its 2012 municipal water use report. This report is filed annually with the Kansas Department of Agriculture and details the numbers of gallons pumped from each water well, as well as the number of gallons sold to residential customers. The difference between the gallons pumped and the gallons sold is considered unaccounted water, or water loss. According to the 2012 report, Howison pumped 10,672,000 gallons of water from its wells and sold 7,707,000 gallons of water to its customers. According to this report, Howison’s unaccounted for water is 2,965,000 gallons, which is a water loss of nearly 28%. Based upon my experience managing a small water utility company, this is an exceedingly high water loss percentage which leads to concerns regarding the company’s distribution system.

Additionally, it appears, based upon the water losses since 2008, that Howison’s water loss percentage is creeping higher each year. During my review of the 382 Docket, in 2008, 2009 and 2010, Howison reportedly consumed 20,898,000 gallons of water and sold 16,348,000 gallons to its customers, leaving 4,550,000 gallons of water – or 21.77% of its consumed water – unaccounted for.

In CURB Data Request No. 28, I asked Howison to explain these excessively high water loss percentages. In its response, Howison indicated that the loss of water is likely “due to the age and condition of the customer meters. The customer meters are not reading all of the water used by

the customers. In other words, customers are not charged for all of their usage because the meters are inaccurately reading the usage. Because of the financial condition of the utility, Howison Heights, Inc. does not have the financial ability to repair and/or replace the meters. Over 30 meters should be replaced.”<sup>19</sup>

If Howison’s response is accurate, then the Howison Heights water distribution system is in major need of improvement and repair. If nearly half of Howison’s meters are failing, the entire Howison distribution system will suffer. Howison will not be able to accurately account for actual water usage, nor will it be able to recover its actual cost of service because customer meter readings are inaccurate.

Additionally, if over half of Howison’s water meters are not recording customer water consumption accurately, how can an appropriate level of rates be established? Without accurate readings, there is no way to determine what Howison’s true cost of service is, or what billing determinants should be used in order to establish just and reasonable rates. This is yet another example of the uncertainty of Howison’s application.

### **PENDING FORECLOSURE**

On January 7, 2013, Staff and CURB were notified that Howison was the defendant in a foreclosure proceeding brought by Central National Bank.<sup>20</sup> Central National Bank is seeking recovery of \$396,442.04, plus interest and costs from Howison.<sup>21</sup> According to the lawsuit the amount being sought for recovery includes a principal balance of \$275,000, plus accumulated interest of \$59,414, plus other loan charges of \$500, with interest accruing in the unpaid balance at an annual rate of 12%. According to loan documents, this loan was given in exchange for security interest on several parcels of land, including Howison’s well sites and standpipe location. The Commission opened Docket 13-HHIW-460-GIV (“460 Docket”) to investigate the lawsuit.

On May 15, 2013, Staff provided a letter of correspondence which references an *Order for Case Management Conference* which has been rescheduled from April 10, 2013 to May 23, 2013. This conference will take place three days after final comments are filed in Howison’s current rate case proceeding.

Unfortunately, I do not know what the outcome of this case management conference will be. Nor can I advise the Commission of what will happen in the foreclosure suit currently brought against Howison. However, I caution the Commission against using this lawsuit as evidence to

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<sup>19</sup> Howison response to CURB Data Request No. 28 is attached and included in Exhibit SMH-1.

<sup>20</sup> Notification was received on January 7, 2013, in KCC Docket No. 13-HHIW-224-CPL

<sup>21</sup> Saline County District Court Case No. 12CV444, styled *Central National Bank v. Howison Heights, Inc., et al.*

establish the company's revenue requirement. A utility's revenue requirement is based upon an established cost of service, not the outcome of pending lawsuits. At this point, no one can accurately estimate for the Commission what the company's debt and interest payments may be in the future. Debt and interest payments are a vital part of the ratemaking process. Without that valuable piece of the equation, there is no assurance that rates will be just and reasonable.

Nevertheless, I would agree that it is not unreasonable to assume that a business currently being sued for non-payment of its debt is having financial problems. However, the unique disaster in this proceeding is that there is not one piece of evidence available for the Commission that proves that any portion of this debt was utilized in the provision of providing safe and reliable utility service. There is no evidence that sheds light on where money from this loan went and whether the loan balance is in any way related to providing service to Howison's water customers.

While the possibility of the bank acquiring Howison's physical assets is a shocking and perhaps frightening reality, the Commission must not use this prospect as justification for creating an artificial revenue requirement. Based upon the evidence available, it is impossible to determine if Howison's default on this loan is due to losses from the water utility or from losses incurred in Mr. Howison's other unregulated business enterprises. Therefore, while the Commission should remain actively involved in the 460 Docket and follow the court proceeding carefully, it should not use this lawsuit as justification for awarding Howison with a rate increase.

### **NON-COMPLIANCE WITH PREVIOUS RECOMMENDATIONS**

In the 382 Docket both Staff and CURB made recommendations to the Commission that would help Howison improve some of its record-keeping deficiencies. CURB recommended Howison first be required to provide evidence supporting his revenues and expenses for a period of six months. At the end of the six-month period, CURB recommended that Howison return to the Commission with evidence, so that the appropriate level of rates can be evaluated. CURB recommended that Howison collect and present the following information at the end of a six month period:

- (1) A copy of invoices – not statements or cancelled checks – for all items purchased for Howison Heights, Inc.
- (2) A copy of tax statements including the remittance advices from invoices or receipts from the agency collecting the taxes.
- (3) A copy of a current insurance policy for Howison Heights, Inc.
- (4) A copy of all terms, conditions, balances, payments on all the loans or debts currently owned by Howison Heights, Inc. as of June 30, 2012.
- (5) A copy of the Howison Heights, Inc., business checking account.



- (6) A copy of Howison's customer water usage report, customer payment history, and its accounts receivable register.
- (7) A copy of Howison's completed election to pay the Clean Water Drinking Fee filed with the Kansas Department of Revenue.

These recommendations were made by CURB on February 9, 2012. Mr. Howison was asked to collect and provide these items for a six-month period, which would have elapsed in September, 2012 – or eight months ago. At this date, Howison Heights has not provided any evidence to support that it is following the recommendations made by CURB.

Similarly, Staff recommended 14 improvements to address the deficiencies discovered in the 382 Docket and to ensure that customers continue receiving a sufficient water supply. Staff's recommendations included the following: (1) maintaining a checking account that is used exclusively for water operations and that all revenues and expenses associated with the water company be deposited or paid exclusively from this account, (2) the company purchase property liability insurance, (3) Mr. Howison create and maintain a file folder for the Company's revenues, and a separate file folder for each expense items shown in Staff's adjustments, (4) Mr. Howison keep a written log of the trips he makes to the Company's certificated area and for other water related business, and several others.<sup>22</sup> Another of Staff's recommendations was that "Staff shall review Mr. Howison's maintenance of records at the end of each quarter in 2012 or until Mr. Howison demonstrates that the maintenance of records process is working. Based on Staff's experience with Mr. Howison, Staff believes the time Staff spends on reviewing Mr. Howison's establishment and maintenance of the water company's records every quarter would make the next audit more accurate, more complete, and more efficient."<sup>23</sup>

According to Howison's response to Staff Data Request No. 1, "Howison has not had the financial ability to implement Staff's recommendations." The Commission should find this response to be unacceptable; Howison should have—at minimum—tried to adopt appropriate accounting practices, or met with Staff quarterly to review the maintenance of its accounting records. By my count, 12 of Staff's 14 recommendations in the 382 Docket, which were repeated again in this proceeding, do not require any expenditure – just a change in procedure or practice. In my opinion, Mr. Howison has no intention of complying with any recommendations made by Staff, CURB or the Commission.

Other recommendations made by Staff and CURB require a cash expense. For example, both Staff and CURB recommended Howison purchase liability insurance. However, despite both CURB and Staff recommending that Howison purchase liability insurance, Howison ignored the

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<sup>22</sup> February 8, 2012, KCC Staff Report and Recommendation In the Matter of the Application of Howison Heights, Inc., for Approval of Certain Changes in its Charges for Water Service; KCC Docket No. 12-HHIW-382-RTS, at pages 14-16.

<sup>23</sup> *Id.*

recommendation entirely. Howison did not even obtain an estimate of what it would cost, nor did it include any cost of liability insurance in its cost of service in this proceeding. Not only did Staff and CURB recommend Howison purchase liability insurance, its loan covenants also require insurance. Howison's refusal to address these simple recommendations and instead claim that he does not have the financial means to implement these changes is irresponsible and antithetic to the interests of the utility or its customers. CURB has concluded that Howison Heights, Inc.'s biggest problem is not a lack of money or cash, but rather its management's failure to do things properly.

### **FAILURE TO COMPLY WITH K.S.A. 66-122**

All of the state's regulated utilities are required to file an annual report with the Commission pursuant to K.S.A. 66-122. In the course of my investigation of Howison's application, I checked the Commission's file bank of annual reports filed by the state's utilities. I discovered that Howison has only filed one annual report since the Commission approved its certificate of convenience in 2005. The report was dated May 4, 2011, right before Howison filed its rate case in the 382 Docket.

While the contents of annual reports are not necessarily the best evidence of how a business is being managed, the annual requirement of filling out the required information on the form provided by the Commission at least encourages utilities to keep records organized and properly preserved so that filing the report each year is not an impossible chore. I strongly urge the Commission to require Howison to file an annual report each year, and to impose penalties under K.S.A. 66-123 if it fails to timely meet this requirement in the future.

### **COMPARISON TO NEIGHBORING DISTRICTS**

In granting interim rate relief, the Commission indicated that it was persuaded by a comparison of Howison's rates to those of neighboring water systems. The Commission indicates that the "evidence shows Howison's customers pay significantly less than customers of nearby water utilities, and Howison has not increased its rates in 19 years."<sup>24</sup>

It has since been discovered by Staff that an error was made in Howison's rate design. Howison's miscalculated rate design – which was approved by the Commission in its Order Granting Interim Rate Relief – calculated that for a customer using 6,000 gallons of water, the monthly bill would be \$70.19 (an increase from the current bill of \$33.00). However, after Staff discovered Howison's error and recalculated the rates, the monthly bill for a customer using 6,000 gallons will be \$87.82.

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<sup>24</sup> KCC Docket No. 13-HHIW-570-RTS, *Order Granting Motion for Interim Rate Relief Subject to Refund and Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b.* at ¶15.

In its report and recommendation, Staff compared Howison’s current rates as well as Staff’s recommended rates to one neighboring rural water district, Ottawa Rural Water District #2. I have expanded this comparison to show the rates and average bills for customers receiving water inside the city limits of Salina,<sup>25</sup> as well as from Saline Rural Water District Numbers 2 and 4. For illustrative purposes, Ottawa RWD #2 neighbors the Howison Heights system on the north and east; Saline RWD #4 is directly west of the Howison Heights system; Saline RWD #2 is southeast of the Howison Heights system.<sup>26</sup>

	Howison Heights/Staff Proposed Rates	Ottawa RWD #2	Saline RWD #4	Saline RWD #2*	City of Salina**
Minimum Monthly Charge	\$ 40.00	\$ 35.00	\$ 11.00	\$ 16.50	\$ 7.77
Rate per 1,000, for customer using less than 10,000 per month	\$ 7.938	\$ 3.500	\$ 2.500	\$ 4.600	\$ 4.040
Average customer's bill, assuming 6,000 gallons of water consumed	\$ 87.63	\$ 56.00	\$ 26.00	\$ 39.50	\$ 32.01
Add: Kansas Water Protection Fee \$0.032/1,000 gallons	\$ 0.192	\$ 0.192	\$ 0.192	\$ 0.192	\$ 0.192
Total Residential Bill, at 6,000 gallon consumption	\$ 87.82	\$ 56.19	\$ 26.19	\$ 39.69	\$ 32.20
*Saline RWD #4 : minimum monthly charge includes 1,000 gallons					
**City of Salina charges are based upon customer with a ¾" meter and does not include waste water charges					

In my opinion, the rates of other unregulated utilities are irrelevant to the Commission’s determination of Howison’s water rates. Comparison to what neighbors pay is not a part of the ratemaking analysis. In the case of water utilities, it is very hard to get an apples-to-apples comparison of customer rates. Every water district has its own unique set of features including

<sup>25</sup> In its Report and Recommendation to the Commission in 12-HHIW-382-RTS, Staff reported that an average water bill for a customer receiving water from the City of Salina was \$79.43. This average bill includes waste water charges, as well as water consumption charges. I have removed the waste water charges from my calculations.

<sup>26</sup> A map of the water districts surrounding Howison Heights is attached as Exhibit SMH-8.

the number of miles of pipeline, the terrain and size of its geographic territory, and the source(s) of its water.

However, because the Commission was previously persuaded to approve interim rates for Howison by considering the rates of neighboring water districts, I would encourage the Commission to reconsider the rates recommended by its Staff and proposed by Howison and compare them to the rates of neighboring water districts, in light of the new calculation of Howison's rates. According the chart above, if the Commission approves the rates proposed by Howison and approved by Staff, the rates paid by Howison's customer will be, at minimum, 56% higher than those paid by customers receiving water in surrounding water districts. Compared to the customers of Saline County RWD #2, Howison's customers using 6,000 gallons of water will be paying 235% more each month.

### **CONCLUSION & RECOMMENDATION**

I am sympathetic to the plight of Howison – which according to its application has only 62 customers – likely making it one of the smallest regulated utilities in the State of Kansas. It is my opinion that Howison is owned and operated by a person who is unfamiliar with the business of utility regulation in Kansas. However, it is irrelevant how big or small Howison Heights, Inc. is – Howison is still a regulated utility and therefore must be regulated in the same manner that other similar utilities are.

I understand the Commission has previously raised concerns regarding the cost of regulating such small utilities. However, just as the costs of regulation are magnified more per customer when the utility has a small rate base, so is the cost to each of those customers for the fiscal mismanagement of the utility. A poor management decision in an investor-owned utility serving 500,000 residential customers is much less likely to have the same impact on individual customers as a poor management decision in an investor-owned utility with only 62 customers. It is one thing to minimize the regulatory burden on a well-managed small utility that meets or exceeds the usual expectations of fiscal responsibility, recordkeeping and service, but it is altogether another thing to do so for a utility that is buying Christmas presents out of the utility checking account and doesn't want to find out how much it owes in taxes. To fail to protect Howison's customers from mismanagement by withholding the necessary level of analysis and oversight simply because this is a "small" utility is discriminatory. The 62 residential customers receiving water from Howison Heights deserve the same representation and critical eye of the Commission as every other customer of the regulated utilities in the state of Kansas.

The records and evidence I sought in the 382 Docket and again in this proceeding are the same as those collected in the normal course of operating any business. The Commission has traditionally required utilities to meet minimum standards for accounting and recordkeeping that are simply

not being met by Howison. There is no underlying evidentiary justification for granting recovery from customers on the basis of this application.

Further, as someone with experience managing a large rural water district, I cannot excuse the management actions and decisions being made by Howison's owner and operator. While it is true that he is unfamiliar with the nuts and bolts of regulation, his conduct simply as a small-business manager is inadequate and irresponsible. It should not take a Commission order or any type of regulation for a business owner to know better than to co-mingle the cash, assets, and debt of different businesses. Good management of businesses always includes financial responsibility and adherence to procedures. Howison has neither. The only opportunity for anyone to right the wrongs that have been committed on the customers of this water utility is now. The Commission must make Howison comply with good business practices and conform to the world of regulation.

In my opinion, the Commission should not reward Howison for the mismanagement of this utility and its refusal to adhere to basic, common sense practices. The Commission should not use ratepayer money to compensate Mr. Howison for the continued mismanagement of the water utility. Ultimately, the Commission should not increase customer bills over 150% without evidence or at minimum an expectation that the increase will improve the deficiencies in the utility.

I recommend the Commission disregard Staff's recommendation allowing Howison to raise its rates by \$47,231. Staff's report and recommendation is not based on verified evidence, but rather based solely on compilation financial statements and estimates. Further, Staff's recommendation includes a \$23,500 salary for Howison's operator, but fails to include the appropriate Federal employer tax expense, creates an additional opportunity for this utility to become subject to penalties for the non-payment of taxes. Finally, Staff's recommendations provide no evidence that giving Howison an additional \$47,231 of customer money will solve any of the inherent problems with this utility.

I recommend the Commission deny Howison Heights Inc.'s application for a rate increase and order Howison to refund to customers all revenues received by the company from the interim rate increase that was approved on April 17, 2013. Further, I recommend the Commission order Howison to provide the following information in any future proceeding considering its application for a rate increase, and advise Howison that an incomplete application will be dismissed without further consideration by the Commission:

- (1) A copy of invoices—not statements or cancelled checks—for all items purchased for Howison Heights, Inc.

- (2) A copy of tax statements including the remittance advices from invoices or receipts from the agency collecting the taxes.
- (3) A copy of a current insurance policy for Howison Heights, Inc.
- (4) A copy of all terms, conditions, balances, payments on all the loans or debts currently owed by Howison Heights, Inc. as of the date of application.
- (5) A copy of the Howison Heights, Inc., business checking account statements spanning a 12 month period..
- (6) A copy of Howison's customer water usage report, customer payment history, and its accounts receivable register.
- (7) A copy of an independent audit conducted for the test year in its application.
- (8) Copies of its most current Annual Report filed with the KCC.

EXHIBIT SMH-1

REFERENCED DATA REQUESTS

CURB-12

CURB-3

CURB-5

CURB-10

CURB-28

CURB-34

KCC STAFF-1



Mark Sievers, Chairman  
Thomas E. Wright, Commissioner  
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Howison )  
Heights, Inc. for Approval of the Commission ) Docket No. 13-HHIW-570-RTS  
To Make Certain Changes in its Rates for )  
Water Service )

**RESPONSES TO DATA REQUESTS TO THE STAFF OF THE  
KANSAS CORPORATION COMMISSION FROM THE  
CITIZENS' UTILITY RATEPAYER BOARD**

COMES NOW the Staff of the Kansas Corporation Commission and for its responses to data requests from the Citizens' Utility Ratepayer Board, states:

CURB-12. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 3 (\$2,151 to Auto Expense). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: In any rate audit, the accounting staff utilizes the applicant's general ledger and financial statements as a starting point. We have followed this procedure in this docket, thus Staff utilized Howison's 2010 general



ledger as the basis for developing a cost of service for Howison in this current docket.

Because Staff's cost of service in this docket is based upon the 2010 test year used in Howison's previous rate case the 382 docket, Staff is attaching for your review a copy of Howison's 2010 general ledger.

Staff's understanding is that this ledger was prepared by Clubine and Rettele, a professional CPA firm in Salina, KS, based upon data that Mr. Howison supplied to them. Clubine and Rettele use this same data and general ledger to prepare financial statements for submissions to his lenders and to file income tax returns for Mr. Howison.

The general ledger has not been audited by an independent CPA. When asked, Howison explained the water company is not publicly traded, it can't withstand the additional expense, and a CPA audit is not required by Howison's lenders.

Staff believes that the general ledger can be relied upon to provide sufficient data to develop a cost of service for the utility. In developing the overall cost of service and all of its adjustments in the 382 docket, Staff used Howison's general ledger accounts as the starting point. If necessary, additional professional judgment was applied by Mr. Baldry, Mr. Bell and Mr. Grady who have a combined 50 years of rate making experience.

Staff's workpapers contained in its R&R in the 382 docket delineate the derivation of all of Staff's adjustments and constitute the available body of evidence for those adjustments. Backup for the data in the general ledger such as canceled checks, receipts, and/or journals of original entry, may or may not exist at this time, but Staff is not in possession of the requested materials. Staff does believe that such backup data was utilized by Clubine and Rettele in the preparation of Mr. Howison's 2010 general ledger and financial statements, because without that original backup data, they would have no basis for the entries contained in Howison's 2010 ledger.

- CURB-13. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has

demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .”. Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff’s Adjustment No 5 (\$3,427 to Contract Labor). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff’s adjustment.

RESPONSE: Please see Staff’s response to CURB Data Request No. 12.

CURB-14. In paragraph 15 of the Commission’s *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights “has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff’s accounting schedules and Report and Recommendation” that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that “With Staff’s schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .”. Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff’s Adjustment No 7 (\$35,469 to Interest Expense). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff’s adjustment.

RESPONSE: Please see Staff’s response to CURB Data Request No. 12.

CURB-15. In paragraph 15 of the Commission’s *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights “has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff’s accounting schedules and Report and Recommendation” that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that “With Staff’s schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .”. Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 10 (\$979 to Permits & Fees). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

CURB-16. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 11 (\$323 to postage). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

CURB-17. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 13 (\$646 to Supplies). If supporting evidence is not available, please explain why evidence is not available and provide all

assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

CURB-18. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 14 (\$1,322 to utility property taxes). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

CURB-19. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 15 (\$210 to Utilities Expense). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

CURB-20. In paragraph 15 of the Commission's *Order Granting Motion for Interim Rate Relief Subject to Refund and Granting Motion for Waiver of Filing Requirements Under K.A.R. 82-1-231b* in KCC Docket No. 13-HHIW-570-RTS, the Commission concluded that Howison Heights "has made a prima facie showing that its current rates are no longer just and reasonable by relying on Staff's accounting schedules and Report and Recommendation" that were prepared by Staff and filed in KCC Docket No. 12-HHIW-382-RTS and filed in this case by Howison Heights, and stated that "With Staff's schedules from the 382 Docket, Howison has demonstrated that it has a significant deficiency in revenue which is not subject to recovery. . .". Regarding these schedules prepared by Staff,

Please provide evidence (invoices, receipts, etc) that support Staff's Adjustment No 16 (\$85 to Donations). If supporting evidence is not available, please explain why evidence is not available and provide all assumptions, calculations, and/or workpapers that were used in Staff's adjustment.

RESPONSE: Please see Staff's response to CURB Data Request No. 12.

Submitted By: David Springe

Submitted To: Michael Neeley

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed: William E. Baldry

Name: William E. Baldry

Position: Senior Auditor

Dated: May 7, 2013

VERIZON X, 177

called X D.S.O. \$4,551

5:24 PM

01/20/11

Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
Bennington - H.H.						45.85
1/9/2010	3512	Hickory Hut BBQ			9.20	36.66
1/9/2010	3514	Braums			21.33	15.32
1/11/2010	4400	Bayards			27.00	-11.68
1/12/2010			Deposit	300.02		288.34
1/14/2010		Westar Energy			197.94	90.40
1/14/2010	4402	Cash			75.00	15.40
1/18/2010	3503	Dillons			50.00	-34.60
1/19/2010	3504	Braums			18.33	-52.93
1/19/2010	3505	Sams			113.09	-166.02
1/19/2010	3506	La Casita			23.00	-189.02
1/19/2010			Deposit	382.00		192.98
1/20/2010	3507	Rods			45.00	147.98
1/20/2010	3508	City of Salina			83.79	64.19
1/20/2010			Deposit	142.65		206.84
1/22/2010	3509	Cash			75.00	131.84
1/29/2010		Bank Charges			6.67	125.17
2/9/2010	3513	Timberline Steakhouse			32.00	93.17
2/10/2010	3510	Solomon State Bank			152.00	-58.83
2/11/2010		Overdraft Charge			22.50	-81.33
2/11/2010	3515	La Hacienda			24.16	-105.49
2/12/2010			Deposit	203.62		98.13
2/17/2010	3516	Tyler Grace	MOV 413 E. MINN.		25.00	73.13
2/22/2010	3517	Braums			23.22	49.91
2/22/2010	4401	Timberline Steakhouse			43.00	6.91
2/22/2010			Deposit	441.79		448.70
2/23/2010	3521	Cash			100.00	348.70
2/24/2010	3522	City of Salina			167.25	181.45
2/25/2010	3523	Rods			69.10	112.35
2/25/2010			Deposit	1,183.50		1,295.85
2/25/2010	3524	Cox Communications			496.76	799.09
2/26/2010		Bank Charges			6.93	792.16
2/26/2010	3526	Cash			200.00	592.16
2/26/2010	3525	Kevin Miller			65.00	527.16
2/26/2010			Deposit	4,200.00		4,727.16
2/28/2010	3529	Dillons	Note 11/24/10		30.00	4,697.16
2/28/2010	3530	Dillons			41.01	4,656.15
3/1/2010		Regional Adj			8.95	4,647.20
3/1/2010		Regional Adj			1,501.72	3,145.48
3/1/2010		Bank Debit			2,021.33	1,124.15
3/1/2010	3531	Rods			52.10	1,072.05
3/2/2010		Shoppers ACH			450.00	622.05
3/8/2010			Deposit	350.70		972.75
3/25/2010		Bennington State Bank			500.91	471.84
3/25/2010		Bennington State Bank			3,399.78	-2,927.94
3/25/2010			Deposit	362.00		-2,565.94
3/25/2010			Deposit	4,372.00		1,806.06
3/30/2010			Deposit	417.03		2,223.09
3/31/2010		Bank Charges			6.91	2,216.18
3/31/2010	3532	Sams			71.40	2,144.78
4/2/2010			Deposit	25.00		2,169.78
4/4/2010	3518	Dillons			40.00	2,129.78
4/5/2010		Westar Energy			223.53	1,906.25
4/5/2010		Kansas Gas Service			312.79	1,593.46
4/6/2010	3519	Lowe's			14.33	1,579.13
4/8/2010	3520	South High School			50.00	1,529.13
4/20/2010			Deposit	354.63		1,883.76
4/20/2010			Deposit	350.00		2,233.76
4/20/2010			Deposit	416.85		2,650.61
4/21/2010	3534	Cox Communications			441.72	2,208.89
4/22/2010	3535	Rods			77.00	2,131.89
4/26/2010	3533	Verizon Wireless			434.45	1,697.44
4/30/2010		Bank Charges			4.17	1,693.27
4/30/2010	3538	Mary Pat Weese			40.00	1,653.27
4/30/2010			Deposit	220.75		1,874.02
4/30/2010			Deposit	364.00		2,238.02
5/2/2010	3539	Rods			75.19	2,162.83
5/2/2010	3540	Timberline Steakhouse			57.00	2,105.83
5/3/2010	3537	Verizon Wireless			189.07	1,916.76
5/3/2010	3541	Cash			200.00	1,716.76
5/4/2010	3542	Rods			47.00	1,669.76
5/4/2010	3543	Lowe's			77.97	1,591.79
5/4/2010	3544	Lowe's			84.90	1,506.89
5/5/2010	3545	Duane's			165.11	1,341.78
5/5/2010	3546	Central National Bank			242.92	1,098.86
5/13/2010	3547	DS&D			453.18	605.68
5/14/2010			Deposit	320.25		925.93
5/14/2010			Deposit	406.00		1,331.93
5/18/2010	3548	Rods			73.25	1,258.68

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Accrual Basis

Howison Heights, Inc.  
**General Ledger**  
 As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
5/20/2010			Deposit	706.03		1,964.71
5/27/2010	3549	Division of Water Resources			150.00	1,814.71
5/28/2010		Bank Charges			7.08	1,807.63
5/28/2010	3536	Cash			200.00	1,607.63
5/28/2010			Deposit	91.00		1,698.63
5/28/2010			Deposit	398.00		2,096.63
5/29/2010	3550	Lowes			91.12	2,005.51
6/3/2010	3551	Sams			77.23	1,928.28
6/15/2010		Cash			200.00	1,728.28
6/15/2010	3552	Cox Communications			451.23	1,277.05
6/15/2010			Deposit	794.35		2,071.40
6/15/2010			Deposit	350.00		2,421.40
6/17/2010		Cash			200.00	2,221.40
6/17/2010	3553	Rods			57.78	2,163.64
6/19/2010	3554	Sid Young			200.00	1,963.64
6/21/2010	3555	No Payee Listed			31.49	1,932.15
6/23/2010	3556	mid Kansas Conoco			44.84	1,887.31
6/24/2010	3557	Solomon State Bank			47.00	1,840.31
6/26/2010	3559	Brookville Hotel			69.59	1,770.72
6/26/2010	3558	Rods			68.50	1,702.22
6/29/2010	3560	Cash			200.00	1,502.22
6/29/2010	3561	Salina Supply			93.85	1,408.37
6/30/2010		Bank Charges			4.55	1,403.82
7/1/2010		Toyota			640.34	763.48
7/1/2010			Deposit	341.60		1,105.08
7/1/2010			Deposit	596.15		1,701.23
7/2/2010	3562	Bengstons			56.90	1,644.33
7/2/2010	3563	La Casita			50.00	1,594.33
7/7/2010	3564	US Postmaster			44.30	1,550.03
7/8/2010	3565	DS&O			500.00	1,050.03
7/14/2010	3527	Timberline Steakhouse			50.00	1,000.03
7/15/2010	3566	Braums			18.63	981.40
7/16/2010		Cash			200.00	781.40
7/16/2010		Bennington State Bank			1,000.00	-218.60
7/16/2010	3568	Rods			69.00	-287.60
7/16/2010			Deposit	554.50		266.90
7/16/2010			Deposit	748.66		1,015.56
7/17/2010	3569	Rods			61.35	954.21
7/21/2010	3571	La Casita			19.22	934.99
7/21/2010	3572	City of Salina			29.36	905.63
7/21/2010	3573	Timberline Steakhouse			30.00	875.63
7/22/2010	3567	Verizon Wireless			210.95	664.68
7/22/2010	3575	Cash			200.00	464.68
7/23/2010	3576	Solomon State Bank			47.00	417.68
7/24/2010	3578	Rods			105.00	312.68
7/24/2010	3579	O'Reilly Auto Parts			29.19	283.49
7/26/2010	3574	Rods			42.90	240.59
7/26/2010	3580	La Casita			21.79	218.80
7/27/2010	3577	Sams			20.00	198.80
7/27/2010	3581	Braums			18.39	180.41
7/28/2010		Cash			200.00	-19.59
7/28/2010		Bennington State Bank			700.00	-719.59
7/28/2010			Deposit	485.00		-234.59
7/28/2010			Deposit	720.25		485.66
7/29/2010	3583	Pump Mart			71.75	413.91
7/30/2010		Bank Charges			9.47	404.44
8/2/2010		Westar Energy			176.00	228.44
8/2/2010	3582	Sams			66.35	162.09
8/3/2010	3584	Braums			20.57	141.52
8/4/2010	3585	Bayards			25.00	116.52
8/4/2010	3586	Powersports			60.55	55.97
8/4/2010			Deposit	241.00		296.97
8/5/2010		Cash			100.00	196.97
8/5/2010	3587	Rods			74.30	122.67
8/9/2010	3588	La Casita			22.00	100.67
8/9/2010	3589	Rods			45.25	55.42
8/10/2010		Commerce Bank			150.00	-94.58
8/10/2010		Overdraft Charge			15.00	-109.58
8/10/2010	3590	Rods			77.61	-167.19
8/11/2010	3591	La Casita			18.24	-205.43
8/11/2010	3592	Braums			22.60	-228.03
8/11/2010			Deposit	362.00		133.97
8/12/2010	3593	Solomon State Bank			150.00	-16.03
8/13/2010		Cash			100.00	-116.03
8/13/2010			Deposit	200.00		83.97
8/14/2010	3594	Rods			48.60	35.37
8/15/2010	3596	Braums			23.22	12.15
8/17/2010	3599	Ryan's Electric Service			53.00	-40.85
8/18/2010		Overdraft Charge			7.50	-48.35

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Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
8/18/2010	3595	Sams			14.16	-62.51
8/27/2010		Cash			100.00	-162.51
8/27/2010		Bennington State Bank			1,200.00	-1,362.51
8/27/2010			Deposit	1,580.00		217.49
8/30/2010	3597	Comcare			45.50	171.99
8/30/2010	3598	Braums			10.32	161.67
8/31/2010		Bank Charges			8.40	153.27
9/1/2010		Cash			100.00	53.27
9/1/2010			Deposit	541.00		594.27
9/2/2010	3600	US Postmaster			28.00	566.27
9/3/2010	3620	Rods			43.00	523.27
9/3/2010	3822	Salina Journal			100.00	423.27
9/3/2010	3621	Rods			74.00	349.27
9/3/2010	3623	Cash			100.00	249.27
9/6/2010	3625	Braums			19.72	229.55
9/7/2010	3601	Walmart			25.41	204.14
9/7/2010	3626	Jim's			8.37	195.77
9/8/2010			Deposit	614.02		809.79
9/8/2010	3628	Rods			70.01	739.78
9/8/2010	3627	KDHE			150.00	589.78
9/10/2010	3630	Solomon State Bank			150.00	439.78
9/10/2010	3624	Verizon Wireless			51.92	387.86
9/10/2010	3629	JCPenney			37.86	350.00
9/12/2010	3631	Braums			23.65	326.35
9/13/2010		Beneficial			300.00	26.35
9/14/2010		Cash			100.00	-73.65
9/14/2010		Bennington State Bank			700.00	-773.65
9/14/2010			Deposit	891.00		-117.35
9/16/2010	3632	Verizon Wireless			218.31	-100.96
9/17/2010	3633	Sinclair			70.00	-170.96
9/18/2010			Deposit	455.16		284.20
9/18/2010	3635	Timberline Steakhouse			33.00	251.20
9/18/2010	3634	Braums			13.69	237.51
9/20/2010	3636	Cash			100.00	137.51
9/22/2010	3637	Lowe's			43.22	94.29
9/23/2010	3638	Salina Concrete			252.13	-157.84
9/24/2010			Deposit	545.58		387.74
9/24/2010	3639	Le Cesita			16.09	371.65
9/24/2010	3641	Cash			100.00	271.65
9/25/2010	3640	U.S. Post Office			15.90	255.75
9/25/2010	3642	Pump Mart			66.00	189.75
9/27/2010	3643	Timberline Steakhouse			31.00	158.75
9/28/2010			Deposit	509.00		667.75
9/28/2010	3645	Solomon State Bank			275.00	392.75
9/28/2010	3644	Cash			100.00	292.75
9/28/2010	3647	ReMax			117.00	175.75
9/30/2010		Bank Charges			10.73	165.02
9/30/2010	3648	Sinclair			72.51	92.51
9/30/2010	3649	Salina Journal			200.00	-107.49
10/1/2010		Commerce Bank			100.00	-207.49
10/1/2010	3650	La Casita			15.13	-222.62
10/2/2010			Deposit	272.56		49.94
10/4/2010	3651	Cash			100.00	-50.06
10/6/2010	3653	Braums			17.69	-67.75
10/7/2010	3654	Cash			100.00	-167.75
10/7/2010	3655	Rods			57.53	-225.28
10/7/2010	3656	Brandon Stewart			825.00	-1,050.28
10/7/2010			Deposit	1,021.00		-29.28
10/8/2010	3652	Sams			6.00	-35.28
10/12/2010	3657	Bayards			11.00	-46.28
10/12/2010	3658	Rods			74.46	-120.74
10/13/2010	3659	Braums			14.54	-135.28
10/15/2010		Cash			50.00	-185.28
10/15/2010	3680	Sunflower Bank			250.03	-435.31
10/15/2010	3661	Verizon Wireless			359.34	-794.65
10/15/2010			Deposit	463.10		-331.55
10/15/2010			Deposit	440.16		108.61
10/18/2010	3663	Solomon State Bank			125.00	-16.39
10/19/2010		Beneficial			300.00	-316.39
10/19/2010	3662	U.S. Post Office			40.52	-356.91
10/20/2010	3602	Timberline Steakhouse			35.00	-391.91
10/20/2010	3664	Rods			75.40	-467.31
10/21/2010		Cash			100.00	-567.31
10/21/2010	3603	DS&O			672.16	-1,139.47
10/21/2010	3605	Water Products			2,414.78	-3,554.25
10/21/2010	3604	Sid Young			200.00	-3,754.25
10/21/2010			Deposit	3,700.00		-54.25
10/22/2010	3606	Cesey's			30.44	-84.69
10/22/2010	3608	Mid Kansas Tool			292.13	-376.82



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Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
10/22/2010	3609	City of Salina			178.38	-555.20
10/25/2010		Cash			100.00	-655.20
10/25/2010	3610	Sinclair			60.60	-715.80
10/25/2010			Deposit	519.31		-196.49
10/25/2010			Deposit	654.00		457.51
10/26/2010	3613	Sid Young			100.00	357.51
10/26/2010	3607	Rods			44.00	313.51
10/26/2010	3612	Salina Supply			72.94	240.57
10/26/2010	3615	Dillards			124.43	116.14
10/26/2010			Deposit	1,000.00		1,116.14
10/26/2010	3614	ReMax International			119.00	997.14
10/26/2010	3611	Water Products			671.70	325.44
10/28/2010	3618	Long McArthur			178.19	147.25
10/28/2010	3617	Sid Young			150.00	-2.75
10/29/2010		Westar Energy			225.23	-227.98
10/29/2010		Bank Charges			10.08	-238.06
10/29/2010		Cash			100.00	-338.06
10/29/2010			Deposit	254.27		-83.79
11/1/2010	3616	Rods			72.00	-155.79
11/2/2010	3665	Salina Supply			555.07	-710.86
11/2/2010			Deposit	566.00		-144.86
11/4/2010	3666	Cash			100.00	-244.86
11/4/2010	3668	Diesel Fuel Injection	- well - track		16.11	-260.97
11/4/2010	3667	Sinclair			28.52	-289.49
11/5/2010		Overdraft Charge			15.00	-304.49
11/5/2010	3670	Sid Young			150.00	-454.49
11/6/2010	3671	Rods			40.00	-494.49
11/7/2010	3674	Dillons			63.88	-558.37
11/8/2010		Overdraft Charge			30.00	-588.37
11/8/2010	3669	Sams			30.17	-618.54
11/8/2010	3676	Timberline Steakhouse			29.00	-647.54
11/8/2010	3675	Rods			45.00	-692.54
11/9/2010		Overdraft Charge			15.00	-707.54
11/9/2010	3673	Walmart			38.70	-746.24
11/9/2010	3678	Braums			29.27	-775.51
11/9/2010	3677	U.S. Post Office			30.24	-805.75
11/10/2010		Cash			100.00	-905.75
11/10/2010		Bennington State Bank			500.91	-1,406.66
11/10/2010	3680	ES&O			500.00	-1,906.66
11/10/2010			Deposit	358.00		-1,548.66
11/10/2010			Deposit	488.05		-1,060.61
11/10/2010			Deposit	825.00		-235.61
11/11/2010	3681	Rods			77.65	-313.26
11/12/2010		Cash			150.00	-463.26
11/12/2010	3679	Sams			22.64	-485.90
11/12/2010	3683	U.S. Post Office			44.00	-529.90
11/12/2010	3682	Kansal Eye Physician & Surgeons...			100.00	-629.90
11/12/2010	3684	American Family Ins			371.84	-1,001.74
11/12/2010			Deposit	653.86		-347.88
11/15/2010	3685	Pack 20			30.00	-377.88
11/15/2010		Transfer to Personal			100.00	-477.88
11/16/2010		Overdraft Charge			15.00	-492.88
11/17/2010		Overdraft Charge			15.00	-507.88
11/17/2010		Cash			100.00	-607.88
11/17/2010	3686	Sears			15.14	-623.02
11/17/2010	3687	Rods			32.00	-655.02
11/17/2010			Deposit	390.00		-265.02
11/18/2010		Overdraft Charge			30.00	-295.02
11/20/2010		Cash			100.00	-395.02
11/20/2010	3689	Sid Young			100.00	-495.02
11/20/2010			Deposit	4,951.68		4,456.66
11/21/2010	3689	Dillons			50.50	4,406.16
11/22/2010		Beneficial			300.00	4,106.16
11/22/2010		Bennington State Bank			3,400.00	706.16
11/22/2010	3690	Comcare			243.00	463.16
11/22/2010	3691	Cash			100.00	363.16
11/23/2010	3692	Dillons			54.81	308.35
11/24/2010		Westar Energy			188.44	119.91
11/24/2010		Cash			100.00	19.91
11/24/2010	3693	Rods			45.50	-25.59
11/24/2010	3696	Sofomon State Bank			2,815.00	-2,840.59
11/24/2010	3698	Sunflower Bank			626.16	-3,466.75
11/24/2010	3695	Mid Kansas Tool			237.24	-3,703.99
11/24/2010	3697	Sunflower Bank			400.00	-4,103.99
11/24/2010			Deposit	4,200.00		96.01
11/24/2010	3694	ReMax			116.00	-19.99
11/26/2010		Commerce Bank			100.00	-119.99
11/27/2010	3699	Orsheln			38.91	-158.90
11/29/2010		Cash			200.00	-358.90

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Accrual Basis

Howison Heights, Inc.  
General Ledger  
As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
11/29/2010			Deposit	568.50		209.60
11/29/2010			Deposit	423.91		633.51
11/29/2010	3701	Speakeasy			19.00	614.51
11/30/2010		Bank Charges			12.40	602.11
11/30/2010	3700	Walmart			32.01	570.10
11/30/2010			Deposit	17.94		588.04
12/1/2010	3702	Sams			363.25	224.79
12/2/2010	3703	Smoky Hill Trading			85.51	139.28
12/5/2010	3704	Rods			34.00	105.28
12/8/2010		Beneficial			300.00	-194.72
12/8/2010		Overdraft Charge			15.00	-209.72
12/7/2010		Overdraft Charge			15.00	-224.72
12/8/2010	3705	Solomon State Bank			72.00	-296.72
12/9/2010		Overdraft Charge			30.00	-326.72
12/10/2010		Cash			60.00	-386.72
12/10/2010	3707	Sid Young			125.00	-511.72
12/10/2010	3706	Rods			68.50	-580.22
12/10/2010			Deposit	481.63		-98.59
12/11/2010	3708	Rods			48.01	-146.60
12/12/2010	3709	Dillons			32.48	-179.08
12/12/2010			Deposit	302.25		123.17
12/13/2010	3710	Cash			100.00	23.17
12/16/2010	3712	ReMax			116.00	-92.83
12/17/2010	3714	Central National Bank			290.55	-383.38
12/17/2010	3713	Verizon Wireless			156.21	-539.59
12/17/2010			Deposit	750.00		210.41
12/19/2010	3715	No Payee Listed			35.25	175.16
12/20/2010		Cash			100.00	75.16
12/20/2010	3711	Sams			49.60	25.58
12/20/2010	3716	City of Salina			100.00	-74.44
12/20/2010	3717	Cox Communications			250.00	-324.44
12/20/2010			Deposit	779.76		455.32
12/22/2010	3719	Salina Supply			154.68	300.64
12/22/2010	3718	Long McArthur			33.59	267.05
12/22/2010	3720	Dillards			159.91	107.14
12/23/2010	3721	Timberline Steakhouse			36.00	71.14
12/24/2010			Deposit	210.31		281.45
12/27/2010		Cash			100.00	181.45
12/27/2010	3722	Rods			74.00	107.45
12/28/2010	3723	Bayards			20.00	87.45
12/30/2010	3724	Solomon State Bank			725.00	-637.55
12/30/2010			Deposit	503.19		-134.36
12/31/2010		Bank Charges			10.58	-144.94
12/31/2010			Deposit	205.00		60.06
Total Bennington - H.H.				51,536.57	51,522.36	60.06
Accounts Receivable						2,095.81
12/31/2010	AJE1	All	REVERSE 2009 ACCOUNTS RECEIVABLE		2,095.81	0.00
12/31/2010	AJE2	All	RECORD 2010 ACCOUNTS RECEIVABLE	2,631.21		2,631.21
Total Accounts Receivable				2,631.21	2,095.81	2,631.21
Land						4,000.00
Total Land						4,000.00
Equipment						67,823.94
Total Equipment						67,823.94
Waterwells						207,867.05
Accumulated Depreciation						-174,751.20
12/31/2010	AJE4		RECORD 2010 DEPRECIATION		9,829.41	-184,580.61
Total Accumulated Depreciation				0.00	9,829.41	-184,580.61
Loan from Stockholder						-11,665.93
3/1/2010		Bank Debit	Loan #33-187	216.96		-11,448.97
3/25/2010		Bennington State Bank	Loan #33-187	455.74		-10,993.23
8/25/2010	4878	Bennington State Bank	Loan #33-187	19.29		-10,973.94
11/10/2010		Bennington State Bank	Loan #33-187	347.73		-10,626.21
Total Loan from Stockholder				1,039.72	0.00	-10,626.21
Loan from Bennington						-225,877.04
3/25/2010		Bennington State Bank	Loan #32-657	1,324.12		-224,552.92
6/3/2010	4833	Bennington State Bank	Loan #32-657	790.89		-223,762.03
11/22/2010		Bennington State Bank	Loan #32-657	548.35		-223,213.68
12/31/2010	AJE6		RECORD 12/1/10 PYMT ON #120032-657	1,469.77		-221,743.91
Total Loan from Bennington				4,133.13	0.00	-221,743.91

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Accrual Basis

**Howison Helghts, Inc.**  
**General Ledger**  
 As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
<b>Stockholder Distributions</b>						0.00
1/5/2010	4737	A-1 Well Service	Maintenance		1,000.00	-1,000.00
1/9/2010	3512	Hickory Hut BBQ		9.20		-990.80
1/9/2010	3514	Braums		21.33		-969.47
1/11/2010	4400	Bayards	RE-Meal (Ed)	27.00		-942.47
1/11/2010	4738	Deposit		272.71		-669.76
1/12/2010			Internal Revenue Service		300.02	-969.78
1/13/2010	4739	Deposit	Chemquest - Returned Check	698.82		-270.96
1/14/2010		Westar Energy		197.94		-73.02
1/14/2010	4402	Cash		75.00		1.98
1/18/2010	3503	Dillons		50.00		51.98
1/19/2010	3504	Braums		11.33		70.31
1/19/2010	3505	Sams		113.09		183.40
1/19/2010	3506	La Casita	RE-Meal	23.00		206.40
1/19/2010	4740	Deposit		292.25		498.85
1/20/2010	3507	Rods	RE - Gas	45.00		543.65
1/20/2010	3508	City of Selina		83.79		627.44
1/22/2010	3509	Cash		75.00		702.44
1/25/2010	4741	Deposit		552.31		1,254.75
1/28/2010	4742	Deposit		182.00		1,436.75
2/9/2010	3513	Timberline Steakhouse		32.00		1,468.75
2/10/2010	3510	Solomon Stata Bank	349 W Ellsworth	152.00		1,620.75
2/11/2010	3515	La Hacienda	RE-Meal (M Nelson)	24.16		1,644.91
2/12/2010	4743	Deposit		389.00		2,033.91
2/17/2010	3516	Tyler Grace	Donation	25.00		2,058.91
2/22/2010	3517	Braums		23.22		2,082.13
2/22/2010	4401	Timberline Steakhouse		43.00		2,125.13
2/22/2010	4744	Deposit		326.85		2,451.98
2/23/2010	3521	Cash		100.00		2,551.98
2/24/2010	3522	City of Salina	1212 Meyer	167.26		2,719.23
2/25/2010	3523	Rods	RE - Gas	69.10		2,788.33
2/25/2010			RaMax		1,183.50	1,604.83
2/25/2010	3524	Cox Communications		496.76		2,101.59
2/25/2010	4745	Deposit		192.32		2,293.91
2/26/2010	3526	Cash		200.00		2,493.91
2/26/2010	3525	Kevin Miller	Donation	65.00		2,558.91
2/28/2010	3529	Dillons		30.00		2,588.91
2/28/2010	3530	Dillons		41.01		2,629.92
3/1/2010		Regional Adj	Fifth Third Bank	8.95		2,638.87
3/1/2010		Regional Adj	Fifth Third Bank	1,501.72		4,140.59
3/1/2010	3531	Rods	RE - Gas	52.10		4,192.69
3/1/2010	4746	Deposit		83.00		4,275.69
3/2/2010		Shoppers ACH		450.00		4,725.69
3/4/2010	4759	Casey's	Gas		40.59	4,685.10
3/4/2010	4760	Casey's			422.63	3,262.47
3/4/2010	4765	Saline County Treasurer		8,810.15		-5,547.68
3/4/2010	4766	Saline County Treasurer	Fee	1,031.02		-6,578.70
3/5/2010	4770	Clubina & Rattale		575.00		-7,153.70
3/8/2010	4773	Campbell & Johnson	Drawing & Submittals for KDHE Approval	2,085.72		-9,239.42
3/9/2010	4775	Ginder Hydraulic	Hoses/Radiator - Tractor Repair	3,983.95		-13,223.37
3/9/2010	4777	A-1 Well Service - Labor		2,555.73		-15,779.10
3/10/2010	4783	Bartlett & Wast Engineers	Appraisal Fee	699.20		-16,478.30
3/11/2010	4790	Bengstons	Veh Maint		325.09	-16,803.39
3/18/2010	4791	Deposit		506.00		-16,297.39
3/18/2010	4792	Deposit		250.00		-16,047.39
3/31/2010	3532	Sams		71.40		-15,975.99
4/4/2010	3518	Dillons		40.00		-15,935.99
4/5/2010		Westar Energy		223.53		-15,712.46
4/5/2010		Kansas Gas Service		312.79		-15,399.67
4/6/2010	3519	Lowe's	124 S 11th	14.33		-15,385.34
4/8/2010	3520	South High School	Junior Magazines	50.00		-15,335.34
4/9/2010	4804	Becker Tire	Tractor Tire		868.14	-16,203.48
4/15/2010	4810	Secretary of State of Kansas			55.00	-16,258.48
4/16/2010	4813	Miller's Diesel	Tractor		325.54	-16,584.02
4/16/2010	4814	Salina Supply			73.51	-16,657.53
4/17/2010	4808	MKC	Tractor Fuel		35.57	-16,693.10
4/17/2010	4816	Sutherlands			36.57	-16,729.67
4/21/2010	3534	Cox Communications		441.72		-16,287.95
4/22/2010	3535	Rods	RE - Gas	77.00		-16,210.95
4/26/2010	3533	Venzon Wireless		434.45		-15,776.50
4/30/2010	3538	Mary Pat Weese	Salina South Volleyball	40.00		-15,736.50
5/2/2010	3539	Rods	RE - Gas	75.19		-15,661.31
5/2/2010	3540	Timberline Steakhouse		57.00		-15,604.31
5/3/2010	3537	Verizon Wireless		189.07		-15,415.24
5/3/2010	3541	Cash		200.00		-15,215.24
5/4/2010	3543	Lowe's		77.97		-15,137.27
5/4/2010	3544	Lowe's		84.90		-15,052.37
5/5/2010	3545	Duane Grace	124 S 11th	165.11		-14,887.26
5/6/2010	3546	Central National Bank	Close Vintage Designs	242.92		-14,644.34

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Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
5/18/2010	3548	Rods	RE - Gas	73.25		-14,571.09
5/28/2010	3536	Cash		200.00		-14,371.09
5/29/2010	3550	Lowe's	Paint - 1212 Meyer	91.12		-14,279.97
6/3/2010	3551	Sams		77.23		-14,202.74
6/3/2010	4833	Bennington State Bank				-17,627.52
6/3/2010	4838	Rods	Gas		2,424.78	-17,627.52
6/4/2010	4842	Sid Young			43.00	-17,670.52
6/8/2010	4848	Chemquest			200.00	-17,870.52
6/15/2010		Cash		200.00		-18,662.22
6/15/2010	3552	Cox Communications		451.23		-18,462.22
6/17/2010		Cash		200.00		-18,010.99
6/21/2010	3555	No Payee Listed	Memo says "BV"	31.49		-17,810.99
6/23/2010	3556	mid Kansas Conoco	Diesel - Big Valley	38.11		-17,779.50
6/23/2010	3556	mid Kansas Conoco		6.73		-17,741.39
6/24/2010	3557	Solomon State Bank		47.00		-17,734.66
6/26/2010	3559	Brookville Hotel		69.59		-17,687.66
6/29/2010	3560	Cash		200.00		-17,618.07
7/1/2010		Toyota		640.34		-17,418.07
7/1/2010	4857	Rods	Gas		43.00	-15,777.73
7/2/2010	3562	Bengstons	RE - Veh Maint	56.90		-16,820.73
7/2/2010	3563	La Casita	RE-Meal	50.00		-16,763.83
7/8/2010	4865	DS&O			163.03	-16,713.83
7/14/2010	3527	Timberline Steakhouse		50.00		-16,876.86
7/15/2010	3566	Braums		18.63		-16,826.86
7/16/2010		Cash		200.00		-16,808.23
7/16/2010	3568	Rods	RE - Gas	69.00		-16,608.23
7/17/2010	3569	Rods	RE - Gas	61.35		-16,539.23
7/21/2010	3571	La Casita	RE-Meal	19.22		-16,477.88
7/21/2010	3572	City of Salina	1212 Mayer	29.36		-16,458.66
7/21/2010	3573	Timberline Steakhouse		30.00		-16,429.30
7/22/2010	3567	Verizon Wireless		210.85		-16,399.30
7/22/2010	3575	Cash		200.00		-16,188.35
7/23/2010	3576	Solomon State Bank	413 E Minneapolis & 124 S 11th	47.00		-15,988.35
7/24/2010	3578	Rods	RE - Gas	105.00		-15,941.35
7/24/2010	3579	O'Reilly Auto Parts	RE - Veh Maint	29.19		-15,836.35
7/26/2010	3580	La Casita	RE-Meal	21.79		-15,807.16
7/27/2010	3577	Sams	Medical	20.00		-15,785.37
7/27/2010	3581	Braums		16.39		-15,765.37
7/28/2010		Cash		200.00		-15,746.98
7/29/2010	3563	Pump Mart	RE - Gas	71.75		-15,546.98
8/2/2010		Westar Energy		176.00		-15,475.23
8/2/2010	3582	Sams		66.35		-15,299.23
8/3/2010	3584	Braums		20.57		-15,232.88
8/4/2010	3585	Bayards	RE - Meal	25.00		-15,212.31
8/4/2010	3586	Powersports		60.55		-15,187.31
8/5/2010		Cash		100.00		-15,126.76
8/5/2010	3587	Rods	RE - Gas	74.30		-15,026.76
9/9/2010	3588	La Casita	RE-Meal	22.00		-14,952.46
6/10/2010		Commerce Bank		150.00		-14,930.46
8/10/2010	3590	Rods	RE - Gas	77.61		-14,780.46
8/11/2010	3591	La Casita	RE-Meal	18.24		-14,702.85
8/11/2010	3592	Braums		22.60		-14,684.61
8/12/2010	3593	Solomon State Bank	349 Wellsworth	150.00		-14,662.01
8/13/2010		Cash		100.00		-14,512.01
8/14/2010	3594	Rods	RE - Gas	46.60		-14,412.01
8/15/2010	3596	Braums		23.22		-14,363.41
8/17/2010	3599	Ryan's Electric Service	124 S 11th - Rental	53.00		-14,340.19
8/18/2010	3595	Sams		14.16		-14,287.19
8/23/2010	4866	Deposit		528.00		-14,273.03
8/24/2010	4867	Deposit		863.43		-13,745.03
8/25/2010	4878	Bennington State Bank			300.00	-12,881.60
8/27/2010		Cash		100.00		-13,181.60
8/27/2010			S&P Coin		1,000.00	-13,081.60
8/30/2010	3597	Comcare	Medical	45.50		-14,036.10
8/30/2010	3598	Braums		10.32		-14,025.78
9/1/2010		Cash		100.00		-13,925.78
9/3/2010	3620	Rods	RE - Gas	43.00		-13,882.78
9/3/2010	3622	Salina Journal	RE - Advertising	100.00		-13,782.78
9/3/2010	3621	Rods	RE - Gas	74.00		-13,706.78
9/3/2010	3623	Cash		100.00		-13,608.78
9/6/2010	3625	Braums		19.72		-13,589.06
9/7/2010	3601	Walmart		25.41		-13,563.65
9/7/2010	3626	Jim's		8.37		-13,555.28
9/8/2010	3628	Rods	RE - Gas	70.01		-13,485.27
9/10/2010	3630	Solomon State Bank	349 Wellsworth	150.00		-13,335.27
9/10/2010	3624	Verizon Wireless		51.92		-13,283.35
9/10/2010	3629	JCPenney		37.86		-13,245.49
9/12/2010	3631	Braums		23.65		-13,221.84
9/13/2010		Beneficial		300.00		-12,921.64

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Accrual Basis

Howison Heights, Inc.  
General Ledger  
As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
9/14/2010		Cash		100.00		-12,821.84
9/16/2010	3632	Verizon Wireless		218.31		-12,603.53
9/17/2010	3633	Sinclair	RE - Gas	70.00		-12,533.53
9/18/2010	3635	Timberline Steakhouse		33.00		-12,500.53
9/18/2010	3634	Braums		13.69		-12,486.84
9/20/2010	3638	Cash		100.00		-12,386.84
9/22/2010	3637	Lowes	413 E Minneapolis	43.22		-12,343.62
9/24/2010	3639	La Casita		16.09		-12,327.53
9/24/2010	3641	Cash		100.00		-12,227.53
9/25/2010	3640	U.S. Post Office	RE - Postage	15.90		-12,211.63
9/25/2010	3642	Pump Mart	RE - Gas	66.00		-12,145.63
9/27/2010	3643	Timberline Steakhouse		31.00		-12,114.63
9/28/2010	3645	Solomon State Bank		275.00		-11,839.63
9/28/2010	3644	Cash		100.00		-11,739.63
9/29/2010	3647	ReMax	RE - Dues	117.00		-11,622.63
9/30/2010	3646	Sinclair	RE - Gas	72.51		-11,550.12
9/30/2010	3649	Salina Journal	RE - Advertising	200.00		-11,350.12
10/1/2010		Commerce Bank		100.00		-11,250.12
10/1/2010	3650	La Casita	RE - Meal (L. Weisel)	15.13		-11,234.99
10/4/2010	3651	Cash		100.00		-11,134.99
10/6/2010	3653	Braums		17.69		-11,117.30
10/7/2010	3654	Cash		100.00		-11,017.30
10/7/2010	3655	Rods	RE - Gas	57.53		-10,959.77
10/7/2010	3656	Brandon Stewart	Return Deposit - 413 E Minneapolis	825.00		-10,134.77
10/7/2010			413 E Minneapolis - Rent		500.00	-10,634.77
10/7/2010			413 E Minneapolis - Rent		325.00	-10,959.77
10/8/2010	3652	Sams	Medical	6.00		-10,953.77
10/12/2010	3657	Bayards		11.00		-10,942.77
10/12/2010	3658	Rods	RE - Gas	74.46		-10,868.31
10/13/2010	3659	Braums		14.54		-10,853.77
10/15/2010		Cash		50.00		-10,803.77
10/15/2010	3680	Sunflower Bank	Paid Off	250.03		-10,553.74
10/15/2010	3681	Verizon Wireless		359.34		-10,194.40
10/18/2010	3663	Solomon State Bank		125.00		-10,069.40
10/19/2010		Beneficial		300.00		-9,769.40
10/20/2010	3602	Timberline Steakhouse		85.00		-9,734.40
10/20/2010	3664	Rods	RE - Gas	75.40		-9,659.00
10/21/2010		Cash		100.00		-9,559.00
10/21/2010			Land Title - 3 Lots GEE		3,700.00	-13,259.00
10/22/2010	3609	City of Salina	1212 Meyer	178.38		-13,080.62
10/25/2010		Cash		100.00		-12,980.62
10/25/2010	3610	Sinclair	RE - Gas	60.60		-12,920.02
10/26/2010	3607	Rods	RE - Gas	44.00		-12,876.02
10/26/2010	3615	Dillards	Mel - Birthday	124.43		-12,751.59
10/28/2010			Central Bank		1,000.00	-13,751.59
10/26/2010	3614	ReMax International	RE - Dues	119.00		-13,632.59
10/28/2010	3618	Long McArthur	RE - Veh Maint	178.19		-13,454.40
10/29/2010		Westar Energy		225.23		-13,229.17
10/29/2010		Cash		100.00		-13,129.17
11/1/2010	3616	Rods	RE - Gas	72.00		-13,057.17
11/2/2010			American Family - Homeowners Refund		566.00	-13,623.17
11/4/2010	3686	Cash		100.00		-13,523.17
11/4/2010	3687	Sinclair	RE - Gas	28.52		-13,494.65
11/6/2010	3671	Rods	RE - Gas	40.00		-13,454.65
11/7/2010	3674	Dillions		63.88		-13,390.77
11/8/2010	3669	Sams		30.17		-13,360.60
11/8/2010	3676	Timberline Steakhouse		29.00		-13,331.60
11/9/2010	3673	Walmart	Contributions - Food Bank	18.70		-13,312.90
11/9/2010	3678	Braums		29.27		-13,283.63
11/9/2010	3673	Walmart	Cash	20.00		-13,263.63
11/10/2010		Cash		100.00		-13,163.63
11/10/2010			R Wilson-413 E Minneapolis		500.00	-13,663.63
11/10/2010			R Wilson-413 E Minneapolis		325.00	-13,988.63
11/11/2010	3681	Rods	RE - Gas	77.65		-13,910.98
11/12/2010		Cash		150.00		-13,760.98
11/12/2010	3679	Sams		22.64		-13,738.34
11/12/2010	3682	Kansal Eye Physician & Surgeons...	Medical	100.00		-13,638.34
11/12/2010	3684	American Family Ins	Auto	371.84		-13,266.50
11/12/2010			ReMax		397.86	-13,664.36
11/15/2010	3685	Pack 20	Popcorn	30.00		-13,634.36
11/15/2010		Transfer to Personal		100.00		-13,534.36
11/17/2010		Cash		100.00		-13,434.36
11/17/2010	3686	Sears	Remote	15.14		-13,419.22
11/17/2010	3687	Rods	RE - Gas	32.00		-13,387.22
11/20/2010		Cash		100.00		-13,287.22
11/20/2010			ReMax - 1522 Austin		4,951.68	-18,238.90
11/21/2010	3689	Dillions	RE - Gas	50.50		-16,188.40
11/22/2010		Beneficial		300.00		-17,688.40
11/22/2010	3690	Comcare	Medical	243.00		-17,645.40

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Accrual Basis

Howison Heights, Inc.  
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As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
11/22/2010	3691	Cash		100.00		-17,545.40
11/23/2010	3692	Dillons		54.81		-17,490.59
11/24/2010		Westar Energy		188.44		-17,302.15
11/24/2010		Cash		100.00		-17,202.15
11/24/2010	3696	Solomon State Bank	349 W Ells, 1212 Meyer, 413 E Minn	2,815.00		-14,387.15
11/24/2010	3698	Sunflower Bank		626.16		-13,760.99
11/24/2010	3697	Sunflower Bank	Transfer to Sunflower Checking	400.00		-13,360.99
11/24/2010	3694	ReMax	RE - Dues	116.00		-13,244.99
11/26/2010		Commerce Bank		100.00		-13,144.99
11/29/2010		Cash		200.00		-12,944.99
11/29/2010	3701	Speakeasy		19.00		-12,925.99
11/30/2010	3700	Walmart		32.01		-12,893.98
12/1/2010	3702	Sams	Prescription Drugs	363.25		-12,530.73
12/2/2010	3703	Smoky Hill Trading	RE - Gas	85.51		-12,445.22
12/5/2010	3704	Rods	RE - Gas	34.00		-12,411.22
12/6/2010		Beneficial		300.00		-12,111.22
12/8/2010	3705	Solomon State Bank	413 E Minn	72.00		-12,039.22
12/10/2010		Cash		60.00		-11,979.22
12/10/2010	3706	Rods	RE - Gas	68.50		-11,910.72
12/11/2010	3708	Rods	RE - Gas	48.01		-11,862.71
12/12/2010	3709	Dillons		32.48		-11,830.23
12/13/2010	3710	Cash		100.00		-11,730.23
12/16/2010	3712	ReMax	RE - Dues	116.00		-11,614.23
12/17/2010	3714	Central National Bank	Nov 2010 - Jodi	290.55		-11,323.68
12/17/2010	3713	Verizon Wireless		156.21		-11,167.47
12/17/2010			A Russo-124 S 11th		750.00	-11,917.47
12/19/2010	3715	No Payee Listed		35.25		-11,882.22
12/20/2010		Cash		100.00		-11,782.22
12/20/2010	3711	Sams		49.60		-11,732.62
12/20/2010	3716	City of Salina	1212 Meyer	100.00		-11,632.62
12/20/2010	3717	Cox Communications		250.00		-11,382.62
12/22/2010	3718	Long McArthur	RE - Veh Maint	33.59		-11,349.03
12/22/2010	3720	Dillards	Mel - Xmas	159.91		-11,189.12
12/23/2010	3721	Timberline Steakhouse		36.00		-11,153.12
12/27/2010		Cash		100.00		-11,053.12
12/27/2010	3722	Rods	RE - Gas	74.00		-10,979.12
12/28/2010	3723	Bayards	RE - Meal (Mike)	20.00		-10,959.12
12/30/2010	3724	Solomon State Bank	124 S 11th	725.00		-10,234.12
12/30/2010			Welgel Insurance		117.00	-10,351.12
12/31/2010	AJE3		RECORD CASH EXPENSES		3,051.79	-13,402.91
12/31/2010		Central National Bank	Loan #26046911		11,631.79	-25,034.70
12/31/2010	AJE6		RECORD 12/1/10 PYMT ON #120032-657		1,800.00	-26,834.70
12/31/2010	AJE4		RECLASSIFY 2010 PAID IN CAPITAL	26,427.14		-407.56
Total Stockholder Distributions				60,581.00	60,988.56	-407.56
Add'l Pd In Capital						-136,544.10
12/31/2010	AJE4		RECLASSIFY 2010 PAID IN CAPITAL		26,427.14	-162,971.24
Total Add'l Pd In Capital				0.00	26,427.14	-162,971.24
Common Stock						-5,000.00
Total Common Stock						-5,000.00
Retained Earnings						272,005.62
Total Retained Earnings						272,005.62
Water Income						0.00
1/11/2010	4738	Deposit			272.71	-272.71
1/19/2010			Water Income	382.00		-654.71
1/19/2010	4740	Deposit			292.25	-946.96
1/20/2010			Water Income	142.65		-1,089.61
1/25/2010	4741	Deposit			552.31	-1,641.92
1/28/2010	4742	Deposit			182.00	-1,823.92
2/12/2010			Water Income	203.62		-2,027.54
2/12/2010	4743	Deposit			389.00	-2,416.54
2/22/2010			Water Income	441.79		-2,858.33
2/22/2010	4744	Deposit			326.85	-3,185.18
2/25/2010	4745	Deposit			192.32	-3,377.50
3/1/2010	4746	Deposit			83.00	-3,460.50
3/8/2010			Water Income	350.70		-3,811.20
3/18/2010	4791	Deposit			506.00	-4,317.20
3/18/2010	4792	Deposit			250.00	-4,567.20
3/25/2010			Water Income	362.00		-4,929.20
3/25/2010			Water Income	172.00		-5,101.20
3/30/2010			Water Income	417.03		-5,518.23
4/2/2010			Water Income	25.00		-5,543.23
4/20/2010			Water Income	354.63		-5,897.86
4/20/2010			Water Income	350.00		-6,247.86
4/20/2010			Water Income	416.85		-6,664.71
4/30/2010			Water Income	220.75		-6,885.46

5:24 PM

01/20/11

Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
4/30/2010			Water Income		364.00	-7,249.46
5/14/2010			Water Income		320.25	-7,569.71
5/14/2010			Water Income		408.00	-7,975.71
5/20/2010			Water Income		706.03	-8,681.74
5/28/2010			Water Income		91.00	-8,772.74
5/28/2010			Water Income		398.00	-9,170.74
6/15/2010			Water Income		794.35	-9,965.09
8/15/2010			Water Income		350.00	-10,315.09
7/1/2010			Water Income		341.60	-10,656.69
7/1/2010			Water Income		596.15	-11,252.84
7/16/2010			Water Income		554.50	-11,807.34
7/16/2010			Water Income		748.66	-12,556.00
7/28/2010			Water Income		485.00	-13,041.00
7/28/2010			Water Income		720.25	-13,761.25
8/4/2010			Water Income		241.00	-14,002.25
8/11/2010			Water Income		382.00	-14,384.25
8/13/2010			Water Income		200.00	-14,584.25
8/23/2010	4866	Deposit			528.00	-15,092.25
8/24/2010	4867	Deposit			663.43	-15,955.68
8/27/2010			Water Income		580.00	-16,535.68
9/1/2010			Water Income		541.00	-17,076.68
9/6/2010			Water Income		614.02	-17,690.70
9/14/2010			Water Income		891.00	-18,581.70
9/18/2010			Water Income		455.16	-19,036.86
9/24/2010			Water Income		545.56	-19,582.42
9/28/2010			Water Income		509.00	-20,091.42
10/2/2010			Water Income		272.56	-20,364.00
10/7/2010			Water Income		196.00	-20,560.00
10/15/2010			Water Income		463.10	-21,023.10
10/15/2010			Water Income		440.16	-21,463.26
10/25/2010			Water Income		519.31	-21,962.57
10/25/2010			Water Income		654.00	-22,636.57
10/29/2010			Water Income		254.27	-22,690.84
11/10/2010			Water Income		358.00	-23,248.84
11/10/2010			Water Income		488.05	-23,736.89
11/12/2010			Water Income		256.00	-23,992.89
11/17/2010			Water Income		390.00	-24,382.69
11/29/2010			Water Income		568.50	-24,951.39
11/29/2010			Water Income		423.91	-25,375.30
11/30/2010			Water Income		17.94	-25,393.24
12/10/2010			Water Income		481.63	-25,874.87
12/12/2010			Water Income		302.25	-26,177.12
12/20/2010			Water Income		779.76	-26,956.68
12/24/2010			Water Income		210.31	-27,167.19
12/30/2010			Water Income		386.19	-27,553.38
12/31/2010			Water Income		205.00	-27,758.38
12/31/2010	AJE1		REVERSE 2009 ACCOUNTS RECEIVABLE	2,095.61		-25,662.57
12/31/2010	AJE2	All	RECORD 2010 ACCOUNTS RECEIVABLE		2,631.21	-26,293.78
12/31/2010	AJE7		RECORD CREDIT GIVEN FOR MOWING ...		200.00	-26,493.78
Total Water Income				2,095.81	30,589.59	-26,493.78
Hookup Fee Income						0.00
2/26/2010			Land Title - L25, BV Hookup		4,200.00	-4,200.00
3/25/2010			Lynn Abstract - Lot 35		4,200.00	-8,400.00
11/24/2010			Lynn Abstract - Lot 34 BV		4,200.00	-12,600.00
Total Hookup Fee Income				0.00	12,600.00	-12,600.00
Auto						0.00
3/4/2010	4759	Casey's	Gas	40.59		40.59
3/11/2010	4790	Bengstons	Veh Maint	325.09		365.68
4/17/2010	4808	MKC	Tractor Fuel	35.57		401.25
5/4/2010	3542	Rods	Well - Gas	47.00		448.25
6/3/2010	4838	Rods	Gas	43.00		491.25
6/17/2010	3553	Rods	Well - Gas	57.76		549.01
6/26/2010	3558	Rods	Well - Gas	68.50		617.51
7/1/2010	4857	Rods	Gas	43.00		660.51
7/26/2010	3574	Rods	Well - Gas	42.90		703.41
8/9/2010	3589	Rods	Well - Gas	45.25		748.66
10/22/2010	3806	Casey's	Well - Fuel	30.44		779.10
11/4/2010	3668	Diesel Fuel Injection	Well	16.11		795.21
11/8/2010	3675	Rods	Well - Fuel	45.00		840.21
11/24/2010	3693	Rods	Well - Gas	45.50		865.71
12/31/2010	AJE3		RECORD CASH EXPENSES	32.41		918.12
Total Auto				918.12	0.00	918.12

*Well Only!*

*OK*

4,200.00  
4,200.00  
4,200.00

5:24 PM

01/20/11

Accrual Basis

Howison Heights, Inc.
General Ledger
As of December 31, 2010

Table with columns: Date, Num, Name, Memo, Debit, Credit, Balance. Includes sections for Bank Fees, Contract Labor, Depreciation, Interest, Legal & Accounting, and Mowing Expense.



5:24 PM

01/20/11

Accrual Basis

### Howison Heights, Inc. General Ledger

As of December 31, 2010

Date	Num	Name	Memo	Debit	Credit	Balance
<b>Permits &amp; Fees</b>						0.00
3/4/2010	4766	Saline County Treasurer	Fee	1,031.02		1,031.02
3/10/2010	4783	Bartlett & West Engineers	Appraisal Fee	699.20		1,730.22
5/27/2010	3549	Division of Water Resources	Well	150.00		1,880.22
9/8/2010	3627	KDHE	Well - Fee	150.00		2,030.22
<b>Total Permits &amp; Fees</b>				2,030.22	0.00	2,030.22
<b>Postage</b>						0.00
7/7/2010	3564	US Postmaster	Well	44.30		44.30
9/2/2010	3600	US Postmaster	Well	26.00		72.30
10/19/2010	3662	U.S. Post Office	Well	40.52		112.82
11/9/2010	3677	U.S. Post Office	Well	30.24		143.06
11/12/2010	3683	U.S. Post Office	P.O. Box	44.00		187.06
12/31/2010	AJE3		RECORD CASH EXPENSES	113.39		300.45
<b>Total Postage</b>				300.45	0.00	300.45
<b>Repairs &amp; Maintenance</b>						0.00
1/5/2010	4737	A-1 Well Service	Maintenance	1,000.00		1,000.00
3/9/2010	4775	Ginder Hydraulic	Hoses/Radiator - Tractor Repair	3,983.95		4,983.95
4/16/2010	4813	Miller's Diesel	Tractor	325.54		5,309.49
11/24/2010	3695	Mid Kansas Tool	Mowers	237.24		5,546.73
12/31/2010	AJE3		RECORD CASH EXPENSES	200.00		5,746.73
<b>Total Repairs &amp; Maintenance</b>				5,746.73	0.00	5,746.73
<b>Supplies</b>						0.00
1/13/2010	4739	Deposit	Chemquest - Returned Check		698.82	-698.82
4/9/2010	4804	Becker Tire	Tractor Tire	668.14		169.32
4/16/2010	4814	Salina Supply		73.51		242.83
4/17/2010	4816	Sutherlands		36.57		279.40
6/8/2010	4848	Chemquest		791.70		1,071.10
6/29/2010	3561	Salina Supply	Well	93.85		1,164.95
9/23/2010	3638	Salina Concrete	Well	252.13		1,417.08
10/21/2010	3605	Water Products	Well	2,414.78		3,831.86
10/22/2010	3608	Mid Kansas Tool	Well - Compr	292.13		4,123.99
10/26/2010	3612	Salina Supply	Well	72.94		4,196.93
10/26/2010	3611	Water Products	Well	671.70		4,868.63
11/2/2010	3685	Salina Supply	Well	555.07		5,423.70
11/27/2010	3699	Orsheln	Well	38.91		5,462.61
12/22/2010	3719	Salina Supply	Well	154.68		5,617.29
12/31/2010	AJE3		RECORD CASH EXPENSES	105.99		5,723.28
<b>Total Supplies</b>				6,422.10	698.82	5,723.28
<b>Taxes</b>						0.00
3/4/2010	4765	Saline County Treasurer		8,810.15		8,810.15
4/15/2010	4810	Secretary of State of Kansas		55.00		8,865.15
<b>Total Taxes</b>				8,865.15	0.00	8,865.15
<b>Utilities</b>						0.00
3/4/2010	4760	DS&O		1,422.63		1,422.63
5/13/2010	3547	DS&O	Well	493.18		1,915.81
7/8/2010	3565	DS&O	Well	500.00		2,415.81
7/8/2010	4865	DS&O		163.03		2,578.84
10/21/2010	3603	DS&O	Well	572.16		3,151.00
11/10/2010	3680	DS&O	Well	500.00		3,651.00
12/31/2010	AJE3		RECORD CASH EXPENSES	900.00		4,551.00
<b>Total Utilities</b>				4,551.00	0.00	4,551.00
<b>TOTAL</b>				194,751.69	194,751.69	0.00

*the ONLY?*  
*Z*

*2504/MO. = 26.94*  
*60(44) = 2640*  
*2640 / 12 MO. = 220*  
*3.72*

*OK X*

5:23 PM

01/20/11

Accrual Basis

**Howison Heights, Inc.**  
**Trial Balance**  
 As of December 31, 2010

	Dec 31, 10	
	Debit	Credit
Bennington - H.H.	60.06	
Accounts Receivable	2,631.21	
Land	4,000.00	
Equipment	67,823.94	
Waterwells	207,867.05	
Accumulated Depreciation		184,580.61
Loan from Stockholder		10,626.21
Loan from Bennington		221,743.91
Stockholder Distributions		407.56
Add'l Pd in Capital		162,971.24
Common Stock		5,000.00
Retained Earnings	272,005.62	
Water Income		28,493.78
Hookup Fee Income		12,600.00
Auto	OK 918.12	
Bank Fees	OK 566.47	
Contract Labor	OK 7,566.45	
Depreciation	OK 9,829.41	
Interest	OK 25,163.15	
Legal & Accounting	OK 575.00	
Mowing Expense	OK 200.00	
Permits & Fees	OK 2,030.22	
Postage	300.45	
Repairs & Maintenance	5,746.73	
Supplies	5,723.28	
Taxes	OK 8,865.15	
Utilities	OK 4,551.00	
<i>3779.25/mo.</i>		
<i>CONTRACTOR</i>		
<b>TOTAL</b>	<b>626,423.31</b>	<b>626,423.31</b>

*1031<sup>22</sup> Fees  
Legal*

*05-09*

EXHIBIT NO. 6  
**Howison Heights, Inc.**  
**Profit & Loss**  
**Accrual Basis**

	2010	2009	2008	2007
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Water Income	25,863	23,482	22,050	24,348
Hookup Fee Income	12,600	8,400	16,800	8,400
<b>Total Income</b>	<b>38,463</b>	<b>31,882</b>	<b>38,850</b>	<b>32,748</b>
<b>Expense</b>				
Auto	918	429	128	1,048
Bank Fees	566	363	988	638
Contract Labor	7,566	580	4,959	3,451
Depreciation	9,829	10,844	11,315	9,955
Interest	25,163	14,046	15,708	18,419
Legal & Accounting	575	-	530	959
Meals	-	64	-	94
Mowing Expense	200	-	-	-
Permits & Fees	2,030	1,925	1,483	354
Postage	300	125	112	666
Repairs & Maintenance	5,747	860	1,965	14,757
Supplies	5,759	4,395	2,984	6,029
Taxes	8,865	110	55	55
Utilities	4,551	4,392	3,209	3,051
<b>Total Expense</b>	<b>72,071</b>	<b>38,131</b>	<b>43,435</b>	<b>59,477</b>
<b>Net Ordinary Income</b>	<b>(33,608)</b>	<b>(6,250)</b>	<b>(4,585)</b>	<b>(26,729)</b>
<b>Net Income</b>	<b>(33,608)</b>	<b>(6,250)</b>	<b>(4,585)</b>	<b>(26,729)</b>

## Exhibit No. 7

### Howison Heights, Inc.

#### Prior 4 Years Fixed Costs

<u>Direction</u>	<u>2010</u>	<u>2 Yr. Avg.</u>	<u>4 Yr. Avg.</u>
1. Auto	918	674	631
- 2. Bank Fees	566	465	639
- 3. Contract Labor	7566	4073	4139
4. Depreciation	9829	10,337	10,486
*5. Interest	25,163	19,605	18,419
6. Legal & Accounting	575	288	516
- *7. Mowing	*200	300	300
8. Permits & Fees	2030	1978	1448
- 9. Postage	300	213	301
- 10. Repairs & Maintenance	5747	3304	5832
- 11. Supplies	5759	5077	4792
*12. Taxes	*8865	4488	2271
13. Utilities	4551	4472	3801

Average =  $53,542/12 = \$4462/\text{month}$

Net Income <33,608> <19,929> <17,793>

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Howison Heights, )  
Inc. for Approval of the Commission to Make ) Docket No. 13-HHIW- 570-RTS  
Certain Changes in its Rates for Water Service )

**RESPONSES TO DATA REQUESTS TO HOWISON HEIGHTS, INC.  
FROM THE CITIZENS' UTILITY RATEPAYER BOARD**

COMES NOW Howison Heights, Inc. and for its responses to data requests from the Citizens'

Utility Ratepayer Board, states:

CURB-1. Please provide a copy of all responses to data requests issued by the KCC Staff in this proceeding.

RESPONSE: See attached responses.

CURB-2. Please provide a copy of Howison Heights Inc.'s monthly water sales journal for calendar year 2012. Please separate applicable taxes charged to customers from actual water sales.

RESPONSE: Water sales for 2012 are attached. Applicable taxes charged to customers from actual water sales is not included.

CURB-3. Please provide a copy of Howison Heights Inc.'s monthly customer payment receipt journal for calendar year 2012.

RESPONSE: Monthly customer payment receipts for 2012 are on Howison Heights, Inc.'s computer and have not been printed and provided because of the voluminous nature of the requested documents. Customer revenue for 2012 is very similar to the revenue amount previously provided to CURB in the 382 Docket.

CURB-4. Please provide invoices to support operating expenses incurred by Howison Heights Inc. during calendar year 2012. Specifically, please include invoices supporting the following expenses:

- Auto Expense (2013 mileage log, maintenance invoices, receipts for diesel fuel for equipment, etc)
- Contract Labor expense
- Accounting and Legal expenses
- Permits and Fees expense

- Postage
- Repair and Maintenance for water distribution system
- Supplies for water distribution system
- Utility bills for water distribution system

RESPONSE: Objection. Howison Heights, Inc. is not seeking to support 2012 operating expenses. Notwithstanding said objection, Howison Heights, Inc.'s 2012 operating expenses are similar to the operating expenses included in the KCC Staff's Report and Recommendation filed in Docket No. 12-HHIW-382-RTS ("382 Docket").

CURB-5. Please provide copies of all tax statements for calendar years 2011 and 2012 (include Saline County property tax, Saline County sales tax, and Kansas Water Protection Fee). Please provide payment receipts for each of these taxes during 2011 and 2012.

RESPONSE: Tax statements for 2011 and 2012 are attached. Property tax payment receipts are attached. Howison Heights, Inc. has not paid other taxes.

CURB-6. Please provide a copy of Howison Heights, Inc.'s water quality reports received from the Kansas Department of Health and Environment. Additionally, please include the invoice for water sample testing.

RESPONSE: Water quality reports received from KDHE are attached.

CURB-7. Please provide a copy of the 2012 bank statements for the Howison Heights Inc. business checking account and any other account that operating expenses are paid from.

RESPONSE: See Response to CURB-4.

CURB-8. Please provide a copy of Howison Heights Inc.'s 2011 and 2012 audited financial statements.

RESPONSE: None. The 2011 tax return is attached.

CURB-9. Please provide a copy of Howison Heights Inc.'s insurance policies. Please, include effective dates, coverage limits and premium paid to insurer.

RESPONSE: None.

CURB-10. Please provide a copy of the 2012 Kansas Water Use Report submitted to the Division of Water Resources.

RESPONSE: 2012 Kansas Water Use Report submitted to the Division of Water Resources is attached.

CURB-11. Please provide a comprehensive list of all loans owed by Howison Heights, Inc. This list should include principal amount of loans, current interest rates, minimum payment required per loan agreement, and an explanation of whether the payments on each loan are current.


RESPONSE: A list of loans, principal amount of loan, current interest rate and minimum payment have been filed with the Commission in this docket.

Submitted By: David Springe  
Submitted To: James Flaherty

If, for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:   
Name: Timothy B. Howison  
Position: President  
Dated: 4/22/13

# CURB 3

JAN 2012	1,985.02	2012 Monthly Revenue Received
FEB	<del>1,884.38</del> 1,977.84	
MR	1,844.38	
April	1,649.14	
May	2,814.90	
Je	3,175.76	
July	3,691.39	
Aug	4,534.36	
Sept	3,509.82	
OCT	6,572.24 (1 \$4200 hookup included)	
NOV	2,566.29	
Dec	2,565.64	
	<hr/> 36,886.78	Gross Income

*Jim Howison*



TOTAL TAXES ON PARCEL

TAXLT031

Date - Time:

4/22/2013 - 3:213PM

Parcel Description

Tax Unit: 105 Parcel #: 9704105 CAMA #: 000.00.0.00.00.00.00.00.00 Tax Year From: 2004 Tax Year To: 2012  
 Address: UNKNOWN SITUS ADDRESS - Summary of Taxes Due as of 4/22/2013

NameID	Name 1	Name 2	Name Type
HOW100009	HOWISON HEIGHTS INC	TIM HOWISON - OWNER	Owner

Summary of Taxes Due							
	1st Half Taxes	2nd Half Taxes	Total Taxes Due	Penalty 1st Half	Penalty 2nd Half	Fees	Total Amount Due
Tax Amount:	3,634.96	3,634.98	7,269.92	329.98	240.07	32.00	7,871.97

Tax Year	1st Half Taxes	2nd Half Taxes	Total Taxes Due	Penalty 1st Half	Penalty 2nd Half	Fees	Total Amount Due
2012	1,315.65	1,315.65	2,631.30	27.00	0.00	0.00	2,658.30
2011	996.64	996.64	1,993.28	90.41	63.27	16.00	2,162.96
2010	1,322.67	1,322.67	2,645.34	212.57	176.80	16.00	3,050.71
2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CURB 5

*Tim Howison*

Curb 10 - 4 pgs

2012 MUNICIPAL WATER USE REPORT (PUBLIC WATER SUPPLY)

PART B: MONTHLY WATER USE SUMMARY

NOTE: REPORT WATER PUMPED, PURCHASED, AND SOLD FOR THE MONTH OF ACTUAL USE. REPORT ALL AMOUNTS IN UNITS OF 1000 GALLONS.

- Column 1: The amount of water diverted, by month, from all points of diversion (wells or intakes). If possible, raw water meters should be read at the same time of the month as customer meters. The total amount in this column should equal the total of the amounts reported in PART A.
Column 2: The amount of water purchased, by month, from all other public water supply systems or the Kansas Water Office. Please provide further detail in PART E.
Column 3: The amount of water sold, by month, to all other public water supply systems. Please provide further detail in PART E.
Column 4: The amount of water sold, by month, to all industrial, pasture, stockwater, feedlot, and bulk water service connections. For rural water districts, include the amount of water sold to farmsteads using at least 200,000 gallons of water per year. Also include metered power plant usage, even if this water is supplied free.
Column 5: The amount of water sold, by month, to your residential, commercial and institutional customers (include hospitals, schools and prisons).
Column 6: The amount of water used, by month, that is metered at individual service connections and supplied free, such as for public service, treatment processes, and connections receiving free water. Please record metered power plant usage with industrial water use in Column 4.
Column 7: The amount of unaccounted for water, by month. The gallons reported in this column are found by adding the numbers in Columns 1 and 2 and subtracting the numbers in Columns 3, 4, 5, and 6. If you do not sell water to your customers, this column simply represents the total amount of water that you diverted or purchased.

Table with 7 columns: Column 1 (Raw Water Diverted Under Your Rights), Column 2 (Water Purchased From All Sources), Column 3 (Water Sold to Other Public Water Suppliers), Column 4 (Water Sold to Your Industrial, Stock, and Bulk Customers), Column 5 (Water Sold to Your Residential and Commercial Customers), Column 6 (Metered Water Provided Free), Column 7 (Unaccounted For Water). Rows include months from Jan to Dec and a Total row. Handwritten calculations are present in several cells.

PART C: POPULATION, SERVICE CONNECTIONS, AND WATER RATES

- 1. Population served: 250 Estimate the number of persons served directly by your distribution system (Columns 5, 6, and 7).
2. Number of ACTIVE water service connections as of December 31:
a. 62 Residential
b. 0 Commercial/Institutional
c. 0 Industrial
d. 0 Pasture/Stockwater/Feedlot
e. 0 Other (specify)
f. 62 Total ACTIVE Service Connections
3. If you are a city, how many of the active residential water service connections shown in 2a. are located outside of your city limits.
4. Date of last water rate change (Month and Year): 1995 If rates changed during the previous year, please attach a copy of new rate structures that apply to residential users.

Two Million Nine Hundred Sixty-Six HOWISON HEIGHTS WATER DISTRICT Sixty-Six Thousand

32822

Apr 19 2013 03:52pm

#481 P. 003/044

04/19/2013 15:43

CURB 10

785 825 5695

Received:

FROM: REMAX ADVANTAGE REALTORS INC.

Received:

**CURB 10**

Apr 19 2013 03:52pm

From: REMAX ADVANTAGE REALTORS INC.

785 825 5695

04/19/2013 15:43

#481 P.004/044

2012  
MUNICIPAL WATER USE REPORT  
(PUBLIC WATER SUPPLY)

IMPORTANT: YOU MUST REPORT ANNUAL USAGE OR THE REASON FOR NON-USAGE, IN ORDER TO PROTECT YOUR RIGHT TO USE WATER

This is the annual Water Use Report required to retain all Vested or Appropriation Rights. Please begin by reading the instructions for Part A on the reverse side of this page. Also present are instructions for name and address changes, which include information needed if you have disposed of your interest in any one or more of the water right file numbers listed below. If you have any questions on how to complete this form, please contact the Water Use Coordinator at (785) 296-1054. Please make a copy of the entire Water Use Report for your records, and return the original report to:

Water Use Coordinator  
Kansas Department of Agriculture  
Division of Water Resources  
109 SW 9th, Second Floor  
Topeka, Kansas 66612-1283

**COMPLETE AND RETURN BY MARCH 1, 2013**

PART A: POINTS OF DIVERSION

Water Right File Number	Legal Descriptions Point(s) of Diversion	Water Meter Data			U N I T	Hours	Pump Rate (gpm)	Well Data			
		Beginning Water Meter Reading	Ending Water Meter Reading	Metered Quantity Of Water				Well Depth	Depth to Water	Date	
. 42780-00 2105N 2600W 12-13S- 3W 1 AKA: GEO CTR											
. 42780-00 2400N 2600W 12-13S- 3W 4 AKA: BATT 1 OF 2 WELLS		7,415	8,123	708			250	135	65	3-1-1	
. 42780-00 1810N 2600W 12-13S- 3W 5 AKA: BATT 1 OF 2 WELLS		14,355	24,319	9,964			250	118	50	"	
. 42781-00 5080N 2500W 12-13S- 3W 2											
				TOTAL 10,672,000 Gallons							

Check here if you are purchasing from or selling water to other public water suppliers and report amounts on PART B, Columns 2 and 3, and PART E.

Date: 3-1-13 Telephone: 785-825-6449

I submit this report as the best information available. I understand that knowingly falsifying the report is a violation of state law.

12 32822 1 1 - MUN Stock SA 76 2849

Office Use FO CO GMD

HOWISON HEIGHTS WATER DISTRICT

1212 MEYER DR  
SALINA, KS 67401

Tim Howison

Name (Printed or Typed)

*Tim Howison*

Name (Signature)

Owner  Tenant  Agent

### WATER USE REPORT MUNICIPAL USE (PUBLIC WATER SUPPLY)

**NOTE:** If you hold water rights for uses other than municipal, the appropriate Water Use Report(s) will be mailed under separate cover.

#### INSTRUCTIONS AND DEFINITIONS FOR PART A:

- Water Right File Number:** The file number that was originally assigned by the Division of Water Resources to the application for permit to appropriate water for beneficial use or the file number that was originally assigned to the order determining and establishing a vested right to continue the beneficial use of water.
- Point of Diversion:** The point from which water is obtained, be it a well, dam or intake. **If no water was used from one or more points of diversion, then the reason for non-usage must be given for each of the points of diversion.**
- Legal Descriptions:** **If an error exists in a legal description, mark through the incorrect portion and enter the correct description immediately above it.** The location of each point of diversion is given by a qualifier followed by the section, township, and range. The qualifier is used to describe the specific location of the point of diversion within the section. For example, "NC S2 NW" reads "near the center of the South Half of the Northwest Quarter." The qualifiers may be the number of feet North and number of feet West of the Southeast corner of the section. In some cases, a portion is included on the next line following the term "aka" (also known as).
- Water Meter Data:** If the meter has malfunctioned during the year, please indicate in this space and provide hours pumped and pump rate.
- Beginning Meter Reading:** If a WATER METER is installed, report this year's BEGINNING METER READING (this is the same as last year's ending meter reading), APPLYING ANY MULTIPLICATION FACTOR SHOWN ON THE FACE OF THE METER.
- Ending Meter Reading:** If a WATER METER is installed report this year's ENDING METER READING, APPLYING ANY MULTIPLICATION FACTOR SHOWN ON THE FACE OF THE METER.
- Metered Quantity:** If a WATER METER is installed, subtract this year's beginning meter reading from this year's ending meter reading and report the difference, APPLYING ANY MULTIPLICATION FACTOR SHOWN ON THE FACE OF THE METER. Please have the water meter checked to verify its accuracy, if it has not been checked by a qualified person within the past three years.
- Meter Unit:** Indicate the unit of measure recorded by your water meter (enter "A" for acre-feet, "AI" for acre-inches or "G" for gallons).
- Hours Pumped:** Enter the number of hours the pump was operated during the calendar year.
- Est. Pump Rate:** Enter the average rate of pumping in gallons per minute.
- Well Data:**
  - Well Depth: enter the depth to bottom of well in feet.
  - Depth to Water: enter the depth to water in feet.
  - Date Measured: enter the date of the last depth to water measurement.

#### INSTRUCTIONS FOR NAME, ADDRESS CHANGES:

1. Please check your name and address, which is printed on the reverse side of this page in the lower left corner. If it is incorrect or incomplete, make any necessary changes in the space provided below. If you are no longer the person responsible for completing this report for one or more of the water right file numbers listed on the reverse side of this page, please print or type the information requested below.

Check one:     Address Correction                     New Correspondent                     New Owner

Water Right File Number(s): \_\_\_\_\_

Name of New Owner/Title: \_\_\_\_\_

Address: \_\_\_\_\_

Date of Change:                    Month \_\_\_\_\_                    Year \_\_\_\_\_                    Telephone: ( \_\_\_\_\_ ) \_\_\_\_\_

IF YOU HAVE ADDITIONAL INFORMATION REGARDING THIS WATER USE REPORT, PROVIDE BELOW OR ATTACH ANOTHER PAGE.

### MUNICIPAL WATER USE REPORT (PUBLIC WATER SUPPLY)

#### PART D: WASTEWATER DISCHARGE

N/A

Check one:

- No wastewater treatment
- Pond or lagoon
- Wastewater treatment facility
- Other facility treats wastewater

If lagoon or treatment facility discharges to a stream, complete the following:

Amount of Discharge, in 1,000 gallons: \_\_\_\_\_

Does the above amount include rainwater:  Yes  No

Name of stream receiving discharge: \_\_\_\_\_

#### PART E: WATER SOLD TO OR PURCHASED FROM OTHER ENTITIES (Report all amounts in units of 1000 gallons)

Please provide the name of each ENTITY that water was sold to or purchased from during the year. Water purchased from the Kansas Water Office should also be recorded here. Report all quantities in units of 1000 gallons. Copy this form as needed to completely report sold and purchased water. The total amount of water purchased each month should be entered in Column 2 of PART B, and the total amount sold each month should be entered in Column 3 of Part B.

NONE

Name: \_\_\_\_\_

County: \_\_\_\_\_

\_\_\_\_ Sold To      \_\_\_\_ Purchased From

Jan.		
Feb.		
Mar.		
Apr.		
May		
June		
July		
Aug.		
Sept.		
Oct.		
Nov.		
Dec.		
Total		

Name: \_\_\_\_\_

County: \_\_\_\_\_

\_\_\_\_ Sold To      \_\_\_\_ Purchased From

Jan.		
Feb.		
Mar.		
Apr.		
May		
June		
July		
Aug.		
Sept.		
Oct.		
Nov.		
Dec.		
Total		

Name: \_\_\_\_\_

County: \_\_\_\_\_

\_\_\_\_ Sold To      \_\_\_\_ Purchased From

Jan.		
Feb.		
Mar.		
Apr.		
May		
June		
July		
Aug.		
Sept.		
Oct.		
Nov.		
Dec.		
Total		

Name: \_\_\_\_\_

County: \_\_\_\_\_

\_\_\_\_ Sold To      \_\_\_\_ Purchased From

Jan.		
Feb.		
Mar.		
Apr.		
May		
June		
July		
Aug.		
Sept.		
Oct.		
Nov.		
Dec.		
Total		

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Howison Heights,            )  
Inc. for Approval of the Commission to Make                    )  
Certain Changes in its Rates for Water Service                 )         Docket No. 13-HHIW-570-RTS

**RESPONSES TO DATA REQUESTS TO HOWISON HEIGHTS, INC.  
FROM THE CITIZENS' UTILITY RATEPAYER BOARD**

COMES NOW Howison Heights, Inc. and for its responses to data requests from the Citizens'

Utility Ratepayer Board, states:

CURB-21. Please refer to CURB Data Request 5. The Company's response indicates that "property tax receipts are attached." The attachment included in response to CURB DR 5 is a property tax statement, which does not include record of payment on utility property taxes. Has Howison Heights, Inc. paid any utility property tax for tax years 2010, 2011 or 2012? If so, please provide a copy of the payment receipt or cancelled check.

RESPONSE: No.

CURB-22. Please refer to CURB Data Request 8. In response to CURB's request for 2011 and 2012 audited financial statements, the Company's response was "none." Has Howison Heights, Inc. had an independent party conduct an audit of Howison Heights, Inc.'s financial statements for 2011 and 2012? If so, please attach the auditor's report.

RESPONSE: No.

CURB-23. Does Howison Heights, Inc. charge its customers Saline County sales tax? If so, please provide the amount of sales tax collected from its customers during 2010, 2011 and 2012?

RESPONSE: No.

CURB-24. Does Howison Heights, Inc. charge its customers the Kansas Water Protection Fee? If so, please provide the amount of Kansas Water Protection Fee collected from its customers during 2010, 2011 and 2012.

RESPONSE: Howison Heights, Inc.'s existing rates do not include separate Kansas Water Protection Fee.

CURB-25. Please provide a statement from the Kansas Department of Revenue showing amount

due by Howison Heights, Inc. for Kansas Water Protection Fees. In addition, please provide either receipts, remittance forms, or cancelled checks that record and verify payment to the Kansas Department of Revenue for the Kansas Water Protection Fee.

**RESPONSE:** Howison Heights, Inc. does not have these documents.

**CURB-26.** In reference to the Rate Schedule tariff sheet included in the Company's application, it indicates that "all rates include water tax of 3.2¢/1,000 gallons, plus application sales and other tax and fees ..." Please identify the application sales and other tax and fees to be charged to Howison's customers. In addition, please clarify whether the taxes will be in addition to the volumetric rates included in the applications, or whether the taxes are embedded in the volumetric rate.

**RESPONSE:** See, Howison Heights, Inc.'s Amended Section 2 and Amended Section 5 to the Application filed on March 19, 2012.

**CURB-27.** Please refer to CURB Data Request 2. The Company's response states that "applicable taxes charged to customers from actual water sales is not included." Please identify all taxes that are charged to customers from water sales and the amounts collected by Howison for these taxes during 2012.

**RESPONSE:** None.

**CURB-28.** Please refer to KCC Staff Data Request 4. The 2012 Master Meter Readings attached to the Company's response show that the NS Well experienced a water loss of 68.6441% and that the SS Well experienced a water loss of 24.8796%. Please explain why the water loss percentages are so high.

**RESPONSE:** All three (3) wells merge at the wellhouse and exit into one distribution pipe. One (1) well is off all the time (NN well) and is strictly a backup. The NS well kicks on when the SS well starts to fall behind because of heavy usage. The loss is the difference between the Master Meter Reading at the wellhouse vs. the total of all individual customer meters combined for the month. The cumulative loss, is known, but it is impossible to know which well or wells lost water. Also, the "loss of water" is likely due to the age and condition of the customer meters. The customer meters are not reading all of the water used by the customers. In other words, customers are not charged for all of their usage because the meters are inaccurately reading the usage. Because of the financial condition of the utility, Howison Heights, Inc. does not have the financial ability to repair and/or replace the meters. Over 30 meters should be replaced. Water will run through meters and yet the meter sometimes will not read the usage. With proper meter replacement what is referred to as "loss of water" should drop to under 10%. In addition, Howison Heights, Inc. system has very large water lines. If there is a break with large pumps and large lines you lose a substantial amount of water. The loss of water occurs primarily because of these two items.

Submitted By: David Springe

Submitted To: James Flaherty

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

Cur 6 21-28

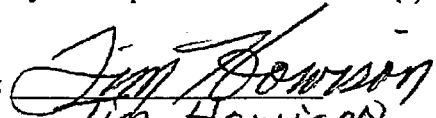
I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Signed:

Name:

Position:

Dated:

  
Tim Howison  
OWNER/OPR.  
4-25-13



BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of Howison Heights, )  
Inc. for Approval of the Commission to Make ) Docket No. 13-HHIW-570-RTS  
Certain Changes in its Rates for Water Service )

**RESPONSES TO DATA REQUESTS TO HOWISON HEIGHTS, INC.  
FROM THE CITIZENS' UTILITY RATEPAYER BOARD**

COMES NOW Howison Heights, Inc. and for its responses to data requests from the Citizens'  
Utility Ratepayer Board, states:

CURB-34. Since December 31, 2010, how many new residential customers have been added to  
the Howison Heights water system?

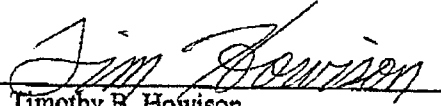
RESPONSE: One (1) residential customer has been added to the Howison Heights water system  
since December 31, 2010. However, due to the recent increase in rates, Howison  
Heights will be losing four (4) customers.

Submitted By: David Springe  
Submitted To: James Flaherty

If, for some reason, the above information cannot be provided by the date requested, please  
provide a written explanation of those reasons.

VERIFICATION OF RESPONSE

I have read the foregoing Data Request and Answer(s) thereto and find the answer(s) to be true,  
accurate, full and complete and contain no material misrepresentations or omissions to the best of my  
knowledge and belief; and I will disclose to the Citizens' Utility Ratepayer Board any matter  
subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data  
Request.

Signed:   
Name: Timothy B. Howison  
Position: President  
Dated: 5/13/13

Kansas Corporation Commission  
Information Request

Request No.: 1

Company Name                      Howison Heights, Inc.                      HHIW  
Docket Number                      13-HHIW-570-RTS  
Request Date                      March 28, 2013  
Date Information Needed                      April 11, 2013

RE:    Staff Recommendations

**Please Provide the Following:** In Docket No. 12-HHIW-382-RTS, Staff included a list of recommendations in its Report and Recommendation such as maintaining a checking account for water operations that is separate from the owner's personal checking account, providing receipts and documents whenever money is transferred to or from the water company, purchasing property liability insurance, etc.

1.    Please provide a list of Staff's recommendations Howison Heights water company has implemented.

**RESPONSE:** Howison has not had the financial ability to implement Staff's recommendations. Howison will be able to address the recommendations with the additional cash flow provided by the rate increase.

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Jim Howison

Date: 3-28-13

## AR Section 80

### *Compilation of Financial Statements*

Issue date, unless otherwise indicated: December 2009

Source: SSARS No. 19

**Note:** Paragraphs 2.1–.64 of SSARS No. 19, issued in December 2009, have been codified in this section and are effective for compilations and reviews of financial statements for periods ending on or after December 15, 2010. Early implementation of the requirements and guidance in paragraph 2.21 (par. .21) is permitted.

**.01** This section establishes standards and provides guidance on compilations of financial statements. The accountant is required to comply with the provisions of this section whenever he or she is engaged to report on compiled financial statements or submits financial statements to a client or to third parties.

#### **Establishing an Understanding**

**.02** The accountant should establish an understanding with management regarding the services to be performed for compilation engagements<sup>1</sup> and should document the understanding through a written communication with management. Such an understanding reduces the risks that either the accountant or management may misinterpret the needs or expectations of the other party. For example, it reduces the risk that management may inappropriately rely on the accountant to protect the entity against certain risks or to perform certain functions that are management's responsibility. The accountant should ensure that the understanding includes the objectives of the engagement, management's responsibilities, the accountant's responsibilities, and the limitations of the engagement. In some cases, the accountant may establish such understanding with those charged with governance.

**.03** An understanding with management and, if applicable, those charged with governance, regarding a compilation of financial statements should include the following matters:

- The objective of a compilation is to assist management in presenting financial information in the form of financial statements.
- The accountant utilizes information that is the representation of management (owners) without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with the applicable financial reporting framework.
- Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

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<sup>1</sup> See paragraph .28 of QC section 10B, *A Firm's System of Quality Control*.

- Management is responsible for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- Management is responsible to prevent and detect fraud.
- Management is responsible for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities.
- Management is responsible for making all financial records and related information available to the accountant.
- The accountant is responsible for conducting the engagement in accordance with SSARSs issued by the AICPA.
- A compilation differs significantly from a review or an audit of financial statements. A compilation does not contemplate performing inquiry, analytical procedures, or other procedures performed in a review. Additionally, a compilation does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, the accountant will not express an opinion or provide any assurance regarding the financial statements.
- The engagement cannot be relied upon to disclose errors, fraud,<sup>2</sup> or illegal acts.<sup>3</sup>
- The accountant will inform the appropriate level of management of any material errors and of any evidence or information that comes to the accountant's attention during the performance of compilation procedures that fraud or an illegal act may have occurred.<sup>4</sup> The accountant need not report any matters regarding illegal acts that may have occurred that are clearly inconsequential and may reach agreement in advance with the entity on the nature of any such matters to be communicated.
- The effect of any independence impairments on the expected form of the accountant's compilation report, if applicable.

These matters should be communicated in the form of an engagement letter. Examples of engagement letters for a compilation of financial statements are presented in Compilation Exhibit A, "Illustrative Engagement Letters."

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<sup>2</sup> For purposes of the SSARSs, *fraud* is an intentional act that results in a misstatement in compiled financial statements

<sup>3</sup> For purposes of the SSARSs, *illegal acts* are violations of laws or government regulations, excluding fraud.

<sup>4</sup> Whether an act is, in fact, fraudulent or illegal is a determination that is normally beyond the accountant's professional competence. An accountant, in reporting on financial statements, presents himself or herself as one who is proficient in accounting and compilation services. The accountant's training, experience, and understanding of the client and its industry may provide a basis for recognition that some client acts coming to his or her attention may be fraudulent or illegal. However, the determination about whether a particular act is fraudulent or illegal would generally be based on the advice of an informed expert qualified to practice law or may have to await final determination by a court of law.

.04 An understanding with management or, if applicable, those charged with governance, also may include other matters, such as the following:

- Fees and billings
- Any limitation of or other arrangements regarding the liability of the accountant or the client, such as indemnification to the accountant for liability arising from knowing misrepresentations to the accountant by management (regulators may restrict or prohibit such liability limitation arrangements)
- Conditions under which access to compilation documentation may be granted to others
- Additional services to be provided relating to regulatory requirements

.05 If the compiled financial statements are not expected to be used by a third party and the accountant does not expect to issue a compilation report on the financial statements, the accountant should include in the engagement letter an acknowledgment of management's representation and agreement that the financial statements are not to be used by a third party. The engagement letter also should address the following additional matters if applicable:

- Material departures from the applicable financial reporting framework may exist, and the effects of those departures, if any, on the financial statements may not be disclosed.
- Substantially all disclosures (and statement of cash flows, if applicable) required by the applicable financial reporting framework may be omitted.
- Reference to supplementary information.

## Compilation Performance Requirements

### Understanding of the Industry

.06 The accountant should possess an understanding of the industry in which the client operates, including the accounting principles and practices generally used in the industry sufficient to enable the accountant to compile financial statements that are appropriate in form for an entity operating in that industry.

.07 The requirement that the accountant possess a level of knowledge of the industry in which the client operates does not prevent the accountant from accepting a compilation engagement for an entity in an industry with which the accountant has no previous experience. It does, however, place upon the accountant a responsibility to obtain the required level of knowledge. The accountant may do so, for example, by consulting AICPA guides, industry publications, financial statements of other entities in the industry, textbooks and periodicals, appropriate continuing professional education, or individuals knowledgeable about the industry.

### Knowledge of the Client

- .08 The accountant should obtain knowledge about the client, including
- an understanding of the client's business and
  - an understanding of the accounting principles and practices used by the client.

Form RF

THE STATE CORPORATION COMMISSION OF KANSAS

Howison Heights Inc. Water Co.  
(Name of Issuing Utility)

All customers, all in Saline County  
(Territory to which schedule is applicable) KS

Index \_\_\_\_\_

SCHEDULE Water Rates

Replacing Schedule \_\_\_\_\_ Sheet \_\_\_\_\_

which was filed \_\_\_\_\_

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 1 of 1 Sheets

**HOWISON HEIGHTS, INC.**  
Rate Schedule Effective May 1, 1995

**RATE SCHEDULE**

All rates include water tax of 3.2¢/1000 gallons plus 1.5% sales tax.

Gallons Used Minimum Charge	Amount Due
Up to 4,000	25.00
5,000	29.00
6,000	33.00
7,000	37.00
8,000	41.00
9,000	44.00
10,000	47.00
11,000	50.00
12,000	53.00
13,000	55.00
14,000	57.00
15,000	59.00
16,000	61.00
17,000	63.00
18,000	65.00
19,000	67.00
20,000	69.00
21,000	71.00
22,000	73.00
23,000	75.00
24,000	77.00
25,000	79.00

Over 25,000, add \$2.00 per 1,000 gallons inclusive with all taxes.

Issued May 1, 1995  
Month Day Year

Effective May 1, 1995  
Month Day Year

X by Jim Howison Owner/Opn.  
Signature of Officer Title

Receipt Information

30312 2005/4-9704105 Redempt-787 HOWISON HEIGHTS INC	1,388.60
ESCAPE TAX 7-3-06 CO 2005-462	
2005 taxes paid in full.	
Interest	479.66
Delinquency Fees	16.00
30313 2006/4-9704105 Redempt-2796 HOWISON HEIGHTS INC	1,377.66
2006 taxes paid in full.	
Interest	413.12
Delinquency Fees	16.00
30314 2007/4-9704105 Redempt-3734 HOWISON HEIGHTS INC	1,389.98
2007 taxes paid in full.	
Interest	260.65
Delinquency Fees	16.00
30315 2008/4-9704105 Redempt-4853 HOWISON HEIGHTS INC	1,597.52
2008 taxes paid in full.	
Interest <i>16,500</i>	127.92
Delinquency Fees	16.00
30316 2009/4-9704105 HOWISON HEIGHTS INC	1,698.92
2009 taxes paid in full.	
Interest <i>14,850</i>	12.12
Total	8,810.15

Payment Information  
CHECK 4765 Tim Howison

8,810.15

*Well - TAXES  
(some years back)*

*2010 went to \$2700*

HOWISON HEIGHTS INC  
TIM HOWISON - OWNER  
~~721 E NEAL AVE~~ 1212 Meyer Dr  
SALINA KS 67401-~~5527~~5274

A petition for tax foreclosure was filed in the District Court of Saline County, Kansas.  
 Below is a list of the properties included in the petition.  
 For more information contact the Treasurer's Office at 785-309-5860.

Petition: 10-CV61  
 Date Filed: February 3, 2010  
 Tax Sale date: 7/10/2012 10am  
 Updated: 1/28/2013

Status: Redeemed= tax paid by owner prior to sale date, property removed from sale.  
 Sold=property sold at auction  
 Not Sold=Did not sell at auction. Ownership reverts back to owner of deed.  
 Dismissed=property dismissed from sale by County Counselor

<u>Parcel #</u>	<u>Owners Name</u>	<u>Legal Description</u>	<u>Physical Address</u>	<u>Status</u>
1-07258	Hogard Etta Maye	S 35 N 40 LT 6 BLK 3 MORRISONS 2nd Add	433 S PHILLIPS 67401	SOLD
1-03341	Mattison Larry	S 92 LT 54 LESS R/R R/W ELM ST WEAVERS ADD	W ELM ST 67401	NOT SOLD
1-03643	Maltbie Penni	LT 15 BLK 1 WOODLAND ADD	N 5th STREET 67401	SOLD
1-13202	Chrzanowski Jennifer	N4 OF S14 LOT 21 BLK 21, Belmont Add Repl Blks 20 & 21	MONTCLAIR DR	SOLD
1-09263	Thomas Lolita J	Likins-Foster Add S23, T14, R3, Blk 7, Lot 8	1507 Pawnee Ave 67401	REDEEMED
1-19651	Hodges Bill Truck Co Inc	W 50 N 47 Lots ½ Blk 2 Hawks Add	E Kingman Rd 67448	SOLD
1-29439	Gypsum City of	Abandoned RR R/W PT or all lots 3-12 & 21-24 Blk 6 & N/2 Vac Third St. & That Portion of Alley Adj to SD Lts, Hawks Add	Hawks St. 67448	SOLD
1-29445	Gypsum City of	Abandoned RR from Adams St Adams St 67448	Gypsum Original Town	REDEEMED

S-HWS



<u>Parcel #</u>	<u>Owners Name</u>	<u>Legal Description</u>	<u>Physical Address</u>	<u>Status</u>
		SE to City Limits-CN Blks 19-22 Gypsum City OT & Blks 18-20 Kingmans Add & All Streets & Alleys Prev CN within RR R/W		
1-29731	Sullivan Ruth	W/2 SE/4 W US 81 Exc Rd RW 03-13-03	W Humbarger Rd 67401	SOLD
1-15502	Nelson-Roth Inc	Streets & Paving in Centennial Subdivision PT SE/4, 27-14-03, Commerce Ctr Pt Blk 24 Schilling		SOLD
1-06268	Burkholder Carl A	University Add, Lot PT 21 & 23, S 2.5 N 81.25 Lots 21 & 23, University Pl 14-14-3	S Phillips Ave 67401	SOLD
1-06967	Miller Charles & Samantha	West Have First Add S14 T14 R3 Blk 4 Lot 3	612 Viemont Ave 67401	SOLD
1-30065	CitiFinancial Mortgage Co	E126 S 10 Lt 5 Blk1 Morrisons Add	s 9 <sup>th</sup> St. 67401	SOLD
1-00506	Zimmerman Cary D & Ree Teresa K	New Cambria Original Town, S170 lt 1 & Lt 19 Blk	2208 N. Weaver Rd 67401	SOLD
1-05039	Rupp Thomas A & Mary Ann	N 1 S 101 Lts 5, 6, & 7 Blk 7 Oakdale Add	S. Oakdale Ave 67401	DISMISSED
1-05599	Rupp Thomas A & Mary Ann	S 1 of E 22' of W/2 of Lot 158, Eight St OT	S. 9th st 67401	NOT SOLD
1-17729	Rupp Thomas A & Mary Ann	Pt Lot 5 Blk 4 Beg NW Cor Lot 5 Th Nely 2.5 <sup>th</sup> Sely 152' Th Nwly 152" To POB		NOT SOLD
1-19068	Missouri Valley Inv Co	N 5 Lot 7 Blk 8 Mayfair Add	Sherwood Ln 67401	SOLD
1-19826	Schwartz Katherine	Lts 13-18 Blk 4 Less Dike & PT S Vac Kingman Rd Adj to PT Kingman Add S34-T15-R01	Gypsum Ave 67448	SOLD

SMH-5

<u>Parcel #</u>	<u>Owners Name</u>	<u>Legal Description</u>	<u>Physical Address</u>	<u>Status</u>
1-19685	Kohman Merle, Howard & Dixon Arlene Frances	Lt 12 Blk 8 Hawks Add S33-T15-R01	4 <sup>th</sup> St 67448	SOLD
1-19890	Tonn Grain Inc	Lts 1 thru 12 Blk 13 & Vac Aly & 60 x 100 Vac PT Gypsum Ave Kingmans Add	Gypsum Ave 67448	SOLD
1-19891	Tonn Grain Inc	E/2 Lts 13 thru 24 Blk 20 Kingmans Add S34-T15-R01	Gypsum Ave 67448	SOLD
1-19932	Tonn Grain Inc	Lots 1 thru 4 Blk 18 Kingmans Add S34-T15-R01	5th St 67448	SOLD
1-19981	Allison Trucking Co	Lot in N/2 SW/4 Beg 880 W & 230 S of NE Cor TH S 221.9 TH Nely 131.5 TH Ely 150 TH E 460 To Dike TH Wly, Alg Dike 692.7 S34-T15-R01	Landlocked 67448	SOLD
1-20121	Wolf Rose	Tract Used for Easements Beg 25 S of NE Cor of NW/4 S Holmes Rd 67401 TH S To the S Line N/2 NW/4 TH W 20 N 834.8 W 417.4 S 834.8 W 40 N 8 Acres 4.05 S09-T15-R01		DISMISSED
1-21414	Johnson Jarold	Imp on RR Land S03-T15-R05	W Old Highway 40 67425	REDEEMED
1-28289	Missouri Pacific Railroad	TR Bgn 185 W NE Cor SE/4 TH W 200 Sly 2015 E 180 N 227 N Main St 67442 20 E 20 N 2000 To POB 9.94 acres S09-T16-R04		DISMISSED
1-28607	Martin Barbara & Appleton Janice L	194 N & 25 E SW Cor N/2 SW/4 E 170 Beg E125 N 15 W 125 S 15 to POB, S10-T16-R04	Landlocked 67442	SOLD
1-29440	Gypsum City of	Aband RR R/W Btwn Maple & Spring St PT or All Lots 1-6& 16-21 & Alley Adj to SD Lts & E/2 Vac Spring St, Hawks Add S33-T15-R01	Spring St, Gypsum 67448	DISMISSED

SMH-5

<u>Parcel #</u>	<u>Owners Name</u>	<u>Legal Description</u>	<u>Physical Address</u>	<u>Status</u>
1-29441	Gypsum City of	Aband RR R/W Pt or All Lts 13-15 Blk 7 & S/2 Vac Third St & W/2 Vac Spring St Adj to SD Lots, Hawks Add, S33-T15-R01	Spring St, Gypsum 67448	DISMISSED
1-01053	Stimmel BB Heirs of	TR Beg 30 W 673.6 N of SE Cor of W/2 of SW/4 TH W 62 N 600 Alg Ctr Cr S 578 & W 30 Vac 5 <sup>th</sup> St to POB	N. 5 <sup>th</sup> St. 67401	SOLD
1-01059	Tappendick Oscar Estate	N 30 of S 232 of W 254 Less R/W Also E 20 of W 264 of S 232 of Lt 1, Surveyors Plat 53.42 acres	N 5th St. Salina 67401	SOLD
1-03253	Saline County Trust #10274	E 3' of W 70' L 59 10 St Bishops Add	N 10 <sup>th</sup> St. 67401	NOT SOLD
1-04416	Busboom John G	S 5 N 155 Res 1 Riverside Park Reserves 1-2&3	N Oakdale Ave 67401	NOT SOLD
1-05042	Wicken Constance L	Oakdale Add, Blk 007, Lt PT 8&9, E 32.5 Lt 8& E 32.5 N 11 Lt 9 Blk 7, S13-T14-R03	121B S Oakdale Av	SOLD
1-06688	F&F Enterprises Inc	Lts 4&6 McCarty's PRLT Phillips 4th Add	715 Spruce St/ 305 S Phillips	REDEEMED
1-07490	Hilt William Jr & Cynthia c/o Ideal Cleaners	N 2 L13 & All L14& N54 L15 Blk 1 Rep of Rep of Morrison Third Add E of Tenth St	503 S. 10 <sup>th</sup> 67401	SOLD
1-10744	Joseph Jack	PT L14-16 Blk 3 College View Add	Anderson St 67401	SOLD
1-10854	Erickson Peggy JoAnn	Bgn SE Cor Lt 8 Blk 5 Then SE W 93.6 NW 60 E 125 S 51 To POB Being PT Lt 8 Blk 5	912 S. 2 <sup>nd</sup> St 67401	SOLD
1-11166	White Jerrold	PT Lt 27 Beloit Ave Beg At NE Cor Lt 27 TH S 64 NW 67 E Beloit Ave 67401 E 20 To POB KWU Addition to the Grounds of		NOT SOLD

S-HWS

<u>Parcel #</u>	<u>Owners Name</u>	<u>Legal Description</u>	<u>Physical Address</u>	<u>Status</u>
1-11170	Busboom John G	PT Lt 25 Beloit Ave Beg at SW Cor Lt 25 TH N 60 SE 64 W 22 to POB	Alley Access 67401	NOT SOLD
1-13219	Plante George	S 1 N 64 Lt 2 Blk 21 Belmont Add	Mayfair Dr 67401	SOLD
1-15315	Fain Thomas	Pt Lots 9 & 10 Blk 2 Beg At SW Cor Lot 8 TH Ely 169 WLY 80 NWLY 95 to POB	Bret Ave 67401	SOLD
1-18310	Gile Robert M & Donna J	Lot 5 Block 1 Giles Add	Louise Ln 67401	NOT SOLD
1-02213	Boswell Deearl & Thelma	Blk 016 Lot 4 Blk 16 EMI Add S01-T14-R03	N 4th Street 67401	SOLD
1-02214	Boswell D M	EMI Add, S1-T14-R3 Block 16, Lot 6	1109 N 4 <sup>th</sup> St 67401	SOLD
1-03822	Zerger Ted & Home Resort Inc.	Jones Add Lot 87 & 89 Third St, S12-T14-R03	400 Forest Save 67401	SOLD
1-03885	Lloyds of Kansas LLC	Calkins Add, Acres 1 All Lots 33 & 34, PT Lots 12-16 & 31 32 35 & 36 B 9 Daf Beg Int S R/W Uprrr & W RW Santa Fe 33.44 S TH S 139.84 W 28.39 NW 36.91 W	N Santa Fe Ave 67401	SOLD
1-05877	Bonilla Antonio	Santa Fe Park Add, S13-T14-R3, Lt 4 E 55 Lt 7 Blk 2	114 E. Prescott Ave 67401	SOLD
4-970410!	Howison Heights Inc	State Assessed Utility		REDEEMED
1-01539	Rundquist Ralph Rev Trust	Glendale City OT Blk 001, Lot 9 S28-T13-R05	Main St 67401	REDEEMED

SMH-5

RECEIPT

SALINE COUNTY DISTRICT COURT

300 W. ASH

SALINA, KS 67402-1760

CASE NUMBER 10 CV 61 DATE PAID 3-5-10

CASE CAPTION Saline County

vs.

Howison Wright

RECEIVED FROM Tim Howison

CK. # 47166 CK. DATE 3-4-10

Selflower - Bank

RECEIVED FOR:

DOCKET FEE .....

JUDGMT./REST. ....

FINE AMT. ....

OTHER Appt. 1. order 3/03/02

TOTAL PAID ..... 3/031.02

3-5-10  
RE TAXPS  
Well  
CLK. CODE    

SMH-6

SMH -7

(148) HAA 0144  
Append

**Central National Bank**  
Loan Modification Agreement

This agreement relates to Loan #: 36911 Originally Dated: 8/4/2006

Borrower(s): Howison Heights, Inc. This agreement dated: 1/17/2007

Timothy B. Howison Modification Fee: \$ 150.00

Definitions: As used in this agreement, the term "I" means the Borrower(s) named above; "You" means the Lender named above; "Original Obligation" means my previous agreement to pay you money (referred to above by Loan Number and original date), and any related agreements such as a security agreement.

By entering into this agreement, we are modifying one or more of the following terms or conditions of the original obligation:

Maturity Date:  Yes  No  
Modification: \_\_\_\_\_

Payment Date:  Yes  No  
Modification: \_\_\_\_\_

Interest Rate:  Yes  No  
Modification: \_\_\_\_\_

Amount/Credit Line:  Yes  No  
Modification: Allow a one-time advance of \$40,150.00, making the current balance \$150,300.00. This advance includes the mod fee.

Collateral/Security:  Yes  No  
Modification: Add a Real Estate Mortgage dated 1/17/2007 as additional collateral.

Reason for Modification: Provide additional funds to set stand pipe.

This agreement does not, in any way, satisfy or cancel the original obligation. Except as specifically amended by this agreement, all other terms of the original obligation remain in effect. This means and includes, but is not limited to: (1) Property which secures the original obligation will continue to secure my total responsibility to pay you as amended by this agreement. (2) All parties who have a responsibility to pay you in any way the original obligation (including any co-makers, endorsers and guarantors) remain responsible for the total amount I owe you as amended by this agreement. If you require the consent to this extension by any additional party, I agree to obtain such consent, and this extension agreement will not be effective if the consent is not obtained. (3) Any post maturity interest rate provided for in the original obligation (except as specifically contracted for here) shall now begin to apply after the last scheduled payment of the original obligation as amended by this agreement. (4) You will not be responsible to further extend the payments affected by this agreement or any other scheduled payments. All other scheduled payments not affected by this agreement shall remain due as previously scheduled. (5) All provisions for default, remedies, attorneys' fees (if any) etc. remain in effect. (6) My responsibility (if any) to provide insurance on the property which secures the original obligation (if any) shall remain in effect. However, the term of such insurance policy will not be extended to cover any additional term resulting from this agreement unless contracted for and any additional premium is paid. (7) The term for any Credit Life and/or Disability Insurance coverages purchased in connection with the original obligation will not be extended for the additional term provided for in this agreement unless contracted for and any additional premium paid. (8) This document, together with other written agreements of the parties, is the final expression of the agreement between the parties. This document may not be contradicted by evidence of prior or contemporaneous oral agreements of the parties.

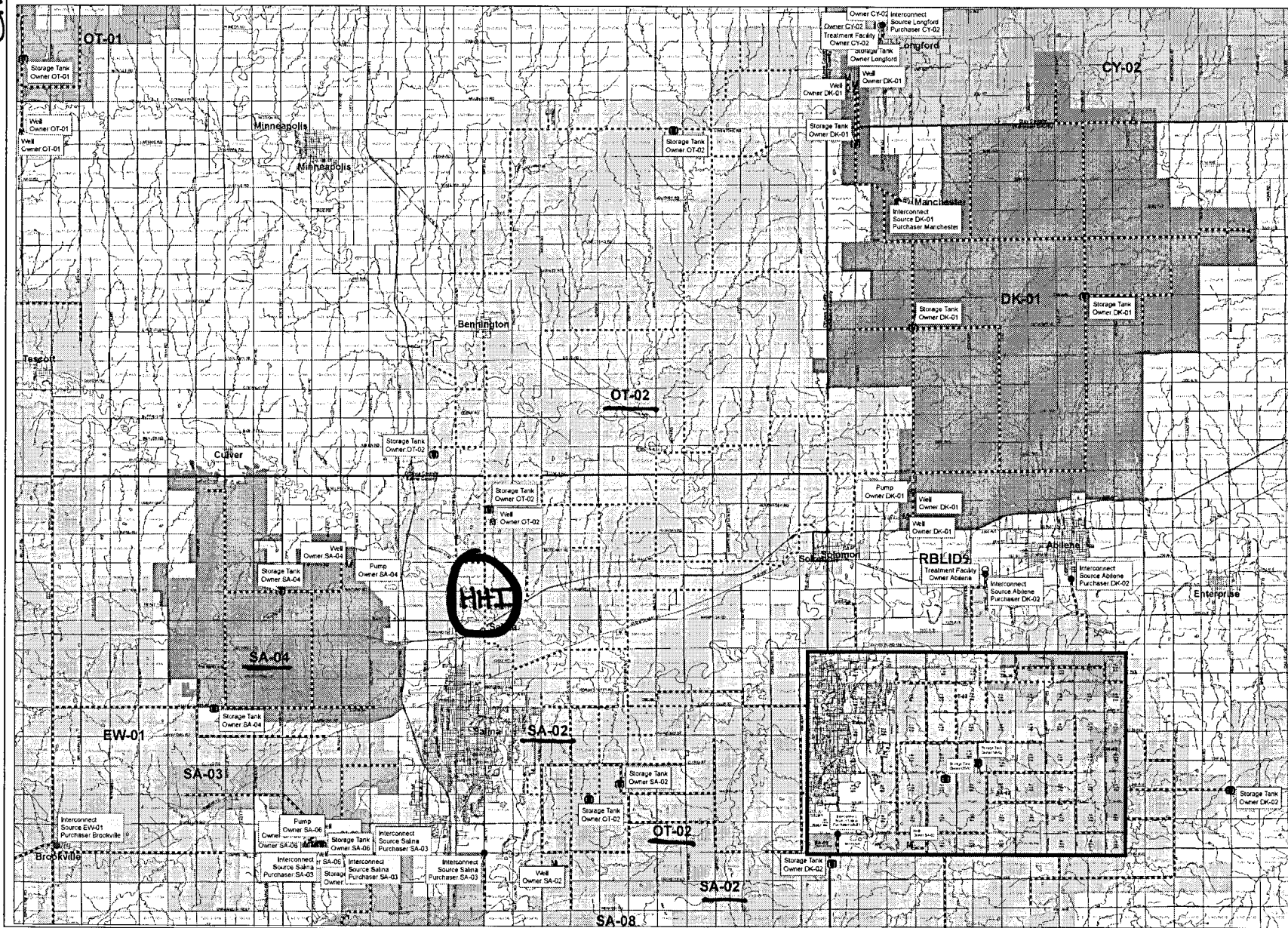
[Signature]  
Lender Representative Signature

[Signature]  
Timothy B. Howison, President/Secretary  
[Signature]  
Timothy B. Howison, Individually

150.00  
34.26  
-----  
115.74  
150.00  
-----  
265.74

SMH-8

# Ottawa RWD #02



**Legend**

- Interconnects
- ⊕ Pump
- ⊙ Storage Tank
- Surface Intake
- Q Treatment Facility
- M Well

**Mainline Diameter**

- Pipelines Outside of Study Area
- Less than 4 inch
- - - 4 to 6 inch
- · · · Greater than 6 inch

- Roads
- ~ Streams
- PLSS
- County Boundary
- City Boundary
- ▨ Lakes

0 1 2 4 Miles

Locator Map: Study Area



Ottawa RWD #02  
June 2006

**CERTIFICATE OF SERVICE**

13-HHIW-570-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 20<sup>th</sup> day of May, 2013, to the following parties who have waived receipt of follow-up hard copies:

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TIMOTHY B. HOWISON, PRESIDENT  
HOWISON HEIGHTS, INC  
1212 MEYER DR  
SALINA, KS 67401-5274  
[timhowison.remax@yahoo.com](mailto:timhowison.remax@yahoo.com)



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Shonda Smith  
Office Manager