

BCDES IS COMMITTED TO CONTINUAL IMPROVEMENT AND MEETING THE NEEDS OF OUR CUSTOMERS

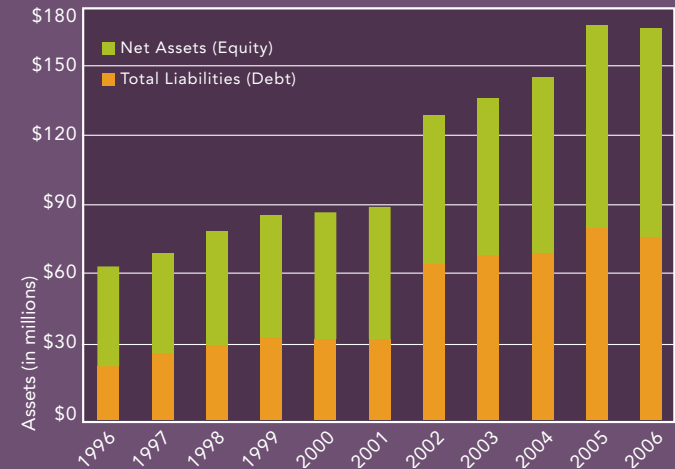
BCDES meets the needs of its customers by using 20-year master plans for all key performance areas. BCDES also tackles challenges in its strategic business plan and links strategic initiatives to each employee's performance plan to make sure all employees are part of the improvement process. Using water and wastewater modeling, growth-pattern predictions and other key indicators, each plan analyzes our position and challenges at specific future milestones.

BCDES uses numerous master plans including:

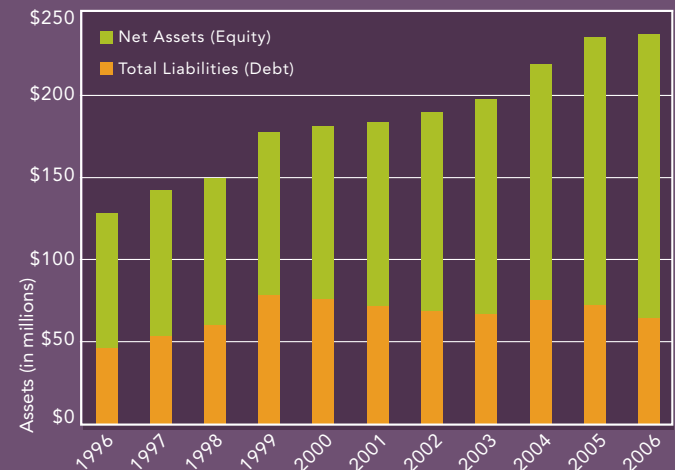
- ✍ Water system model
- ✍ Wastewater collection system model
- ✍ Wastewater treatment model
- ✍ Information technology master plan
- ✍ Human resources and staffing management plan
- ✍ Operating assets replacements and improvements plan
- ✍ Financial management plan
- ✍ Solid Waste management plan

In 2006, BCDES had a 3.2% return on assets. Based on industry benchmark data, BCDES' return on assets is above the industry average. The median for the industry is 2.0%.

TOTAL WATER SYSTEM ASSETS & CAPITAL STRUCTURE



TOTAL WASTEWATER SYSTEM ASSETS & CAPITAL STRUCTURE



Source: Butler County's 2006 Comprehensive Annual Financial Report (CAFR)