CASE NUMBER:

99-211

INDEX FOR CASE: 99-211
CALDWELL COUNTY WATER DISTRICT
Construct, Finance; 278.023

IN THE MATTER OF THE APPLICATION OF CALDWELL COUNTY WATER DISTRICT OF CALDWELL COUNTY, KENTUCKY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE PURSUANT TO THE PROVISIONS OF KRS 278.023

SEQ NBR	ENTRY DATE	REMARKS
0001	05/20/99	Application.
0002	05/21/99	Acknowledgement letter.
0003	05/27/99	No deficiencies letter
0004	06/21/99	Final Order approving construction and financing.

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-211
CALDWELL COUNTY WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on June 21, 1999.

See attached parties of record.

Stephanie D. Bell
Secretary of the Commission

SB/hv
Enclosure

Mr. Thomas G. Fern
State Director
Rural Development
771 Corporate Drive
Suite 200
Lexington, KY. 40503 5477

Mr. Jerry Cloyd
Rural Development
320B Traylor Street
Princeton, KY. 42445

Mr. Harley Lowery
Manager
Caldwell County Water District
1018B West Main Street
Princeton, KY. 42445

Robert G. Threadgill
Elrod-Dunson, Inc.
P. O. Box 148269
2727 Old Elm Hill Pike
Nashville, TN. 37214

Honorable Bill W. Adams
Attorney at Law
100 East Court Square
P. O. Box 721
Princeton, KY. 42445

Honorable W. Randall Jones
Rubin & Hays
First Trust Centre
200 South Fifth Street
Louisville, KY. 40202

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CALDWELL COUNTY WATER DISTRICT OF CALDWELL COUNTY, KENTUCKY, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE PURSUANT TO PROVISIONS OF KRS 278.023	)))))	CASE NO. 99-211

O R D E R

On May 20, 1999, Caldwell County Water District ("Caldwell District") submitted an application for a Certificate of Public Convenience and Necessity to construct a $1,780,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 225 additional customers. Project funding is a $420,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development ("RD"), a $426,000 grant from the RD, an $890,000 Community Development Block Grant ("CDBG"), a $10,000 contribution from the Caldwell County Fiscal Court, and a $34,000 contribution from the applicant.

Caldwell District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum

filing requirements were met in this case on May 20, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Caldwell District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Caldwell District's proposed plan of financing with RD is accepted.

3. Caldwell District is authorized to issue bonds not to exceed $420,000.

4. Caldwell District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Three years from the effective date of this Order, Caldwell District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of June, 1999.

By the Commission

ATTEST:

Executive Director

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 27, 1999

To: All parties of record

RE: Case No. 99-211
CALDWELL COUNTY WATER DISTRICT

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

Mr. Thomas G. Fern
State Director
Rural Development
771 Corporate Drive
Suite 200
Lexington, KY. 40503 5477

Mr. Jerry Cloyd
Rural Development
320B Traylor Street
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Caldwell County Water District
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Rubin & Hays

ATTORNEYS AT LAW

First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202-3236
Telephone (502) 569-7525 Telefax (502) 569-7555 Email: rh@rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

OF COUNSEL
WM. CARL FUST

PARALEGAL
MARY M. EMBRY

May 19, 1999

Ms. Helen C. Helton
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

CASE 99-211

Re: Caldwell County Water District Water Project

Dear Ms. Helton:

Enclosed please find the original and ten (10) copies of the Application of Caldwell County Water District for an Order approving construction financing and issuing a Certificate of Public Convenience and Necessity pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, and the Preliminary and Final Engineering Reports, of which two copies are enclosed.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By W. Randall Jones

WRJ:jlm
Enclosures
cc: Distribution List

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 21, 1999

To: All parties of record

RE: Case No. 99-211
CALDWELL COUNTY WATER DISTRICT
(Construct, Finance; 278.023)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received May 20, 1999 and has been assigned Case No. 99-211. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell
Secretary of the Commission

SB/jc

Mr. Thomas G. Fern
State Director
Rural Development
771 Corporate Drive
Suite 200
Lexington, KY. 40503 5477

Mr. Jerry Cloyd
Rural Development
320B Traylor Street
Princeton, KY. 42445

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

OF COUNSEL
WM. CARL FUST

PARALEGAL
MARY M. EMBRY

May 19, 1999

Ms. Helen C. Helton
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

CASE 99-211

Re: Caldwell County Water District Water Project

Dear Ms. Helton:

Enclosed please find the original and ten (10) copies of the Application of Caldwell County Water District for an Order approving construction financing and issuing a Certificate of Public Convenience and Necessity pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, and the Preliminary and Final Engineering Reports, of which two copies are enclosed.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By
W. Randall Jones

WRJ:jlm
Enclosures
cc: Distribution List

DISTRIBUTION LIST

Account No. 494.0000

Re: Caldwell County Water District Waterworks Revenue Bonds, Series 2000, Phase IV (South County Project)

Mr. Thomas G. Fern
State Director
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771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477
Telephone: (606) 224-7336

Mr. Jerry Cloyd
Rural Development
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Fax: (502) 569-7555

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CALDWELL COUNTY WATER DISTRICT OF CALDWELL COUNTY, KENTUCKY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND FINANCE PURSUANT TO THE PROVISIONS OF KRS 278.023	)))))	**NO.** 99-211

APPLICATION

This Application of the Caldwell County Water District (the "Applicant") of Caldwell County, Kentucky, respectfully shows:

1. That the Applicant is a water district of Caldwell County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statues.

2. That the post office address of the Applicant is:

Caldwell County Water District
c/o Mr. Harley Lowery, Manager
1018 B West Main Street
Princeton, Kentucky 42445

3. That the Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting the Applicant to construct a water-works construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of the Applicant; and (ii) approval of the proposed plan of financing said Project.

4. That the proposed Phase IV project consists of the installation of approximately 46 miles of 2-inch through 8-inch pipeline and associated appurtenances. This project will provide a safe, dependable water supply for approximately 225 new customers in rural Caldwell County.

5. That the Applicant proposes to finance the construction of the Project through (i) issuance of $420,000 of its Waterworks Revenue Bonds, (ii) a Rural Development ("RD") grant

in the amount of $426,000, (iii) a Community Development Block grant ("CDBG") in the amount of $890,000, (iv) a Caldwell County Fiscal Court ("Fiscal Court") grant in the amount of $10,000, and (v) a contribution from the Applicant in the amount of $34,000. The Applicant has a commitment from the RD to purchase said $420,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 4.75% per annum, as set out in the RD Letter of Conditions filed herewith as an Exhibit.

6. That the Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Public Service Commission.

7. That the Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application:

A. Copy of RD Letter of Conditions.

B. Copy of RD Letter of Concurrence in Bid Award.

C. Copy of Preliminary and Final Engineering Reports.

D. Certified statement from the Chairman of the Applicant, based upon statements of the Engineers for the Applicant, concerning the following:

(1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10;

(2) All other state approvals or permits have already been obtained;

(3) The existing rates of the Applicant shall produce the total revenue requirements set out in the engineering reports; and

(4) Setting out the dates when it is anticipated that construction will begin and end.

8. That the foregoing constitutes the documents necessary to obtain the approval of the Public Service Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Minimum Filing Requirements" specified in 807 KAR 5:069, Section 3.

WHEREFORE, the Applicant, the Caldwell County Water District, asks that the Public Service Commission of the Commonwealth of Kentucky grant to the Applicant the following:

a. A Certificate of Public Convenience and Necessity permitting the Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of the Applicant.

b. An Order approving the financing arrangements made by the Applicant, viz., the issuance of $420,000 of Caldwell County Water District Waterworks Revenue Bonds at an interest rate of not exceeding 4.75% per annum; a grant from RD in the amount of $426,000; a CDBG grant in the amount of $890,000; a grant from the Fiscal Court in the amount of $10,000; and a contribution from Applicant in the amount of $34,000.

CALDWELL COUNTY WATER DISTRICT

By: _____
Chairman
Board of Water Commissioners

RUBIN & HAYS

By: _____
Counsel for Applicant
First Trust Centre
200 South Fifth Street
Louisville, Kentucky 40202
(502) 569-7525

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF CALDWELL)

The undersigned, Scott Woford, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the Caldwell County Water District, the Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this May 18, 1999.

Scott Woford, Chairman
Caldwell County Water District

Subscribed, sworn and acknowledged to before me by Scott Woford, Chairman of the Board of Commissioners of the Caldwell County Water District, on this May 18, 1999.

My Commission expires: 5/15/2003.

Notary Public
In and for said County and State

(Seal of Notary)

USDA United States Department of Agriculture

Rural Development

Corporate Drive, Suite 200
Lexington, KY 40503-5477
(606) 224-7336 TTY(606) 224-7422

IGMV - I am to Ck w/ Russ Hayes CDBG

October 30, 1998

Mr. Scott Woford
Chairman, Caldwell County Water District
1018-B West Main Street
Princeton, Kentucky 53556

Dear Mr. Woford:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed $420,000, a RUS grant not to exceed $426,000, a Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) of $890,000, and a cash contribution from the Caldwell County Fiscal Court in the amount of $10,000.

If Rural Development makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 days before loan closing.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 1,214 water users, of which 989 are existing users and 225 are new users contributing $34,000 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Rural Development Manager will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

1a. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

1b. Drug-Free Work Place:

Prior to grant approval, the Water District will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the bond. Principal payment will not be deferred for a period in excess of two (2) years from the date of the bond. Payments will be in accordance with applicable KRS which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the Water District to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

Rural Development encourages the use of the Preauthorized Debit (PAD) payment process, which authorizes the electronic withdrawal of funds from your bank account on the exact installment payment due date (contact the Rural Development Manager for further information).

3. Funded Depreciation Reserve Account:

The Water District will be required to deposit $205.00 per month into a "Funded Depreciation Reserve Account". The monthly deposits are for the life of the loan.

The required deposits to the Reserve Account are in addition to the requirements of the Water District's prior bond resolutions.

The monthly deposits to the Reserve Account are required to commence the first full fiscal year after the facility becomes operational.

4. Security Requirements:

A pledge of gross water revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible. If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the Water District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

5. Land Rights and Real Property:

The Water District will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

6. Organization:

The Water District will be legally organized under applicable KRS which will permit them to perform this service, borrow and repay money.

7. Business Operations:

The Water District will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the Water District after review by Rural Development. At no later than loan pre-closing, the Water District will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, bookkeeping, making and delivering required reports and audits.

8. Accounts, Records and Audits:

The Water District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with subsection 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed.

9. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The Water District will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The Water District will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

10. Insurance and Bonding:

The following insurance and bonding will be required:

A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the Water District. The Water District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.

B. Worker's Compensation - The Water District will carry worker's compensation insurance for employees in accordance with applicable state laws.

C. Fidelity Bond - The Water District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is $145,000.

D. Real Property Insurance - The Water District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the Water District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.

E. Flood Insurance - The Water District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

11. Planning and Performing Development:

210 dm³

A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "20" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Rural Development Manager is prepared to furnish the necessary guide for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:

1. Final plans, specifications and bid documents.
2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
3. Legal Service Agreements.
4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the Water District will obtain advance clearance from Bond Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

12. Compliance with Section 504 of the Rehabilitation Act of 1973:

The Water District will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

13. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the Water District.

14. Compliance with Special Laws and Regulations:

The Water District will be required to conform with any and all state and local laws and regulations affecting this type project.

15. System Operator:

The Water District is reminded that the system operator must have an Operator's Certificate issued by the State.

16. Prior to Pre-Closing the Loan, the Water District will be Required to Adopt:

A. Form RD 1942-47, "Association Loan Resolution (Public Body)."

B. Form RD 400-1, "Equal Opportunity Agreement."

C. Form RD 400-4, "Assurance Agreement."

D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."

E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."

F. FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

The Water District must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

17. Refinancing and Graduation Requirements:

The Water District is reminded that if at any time it shall appear to the Government that the Water District is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the Water District will apply for and accept such loan in sufficient amount to repay the Government.

18. Commercial Interim Financing:

The Water District will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the Water District will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

19. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Water District prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA-Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

During construction, the Water District shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Water District, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Water District.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the Water District and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Monthly audits of the Water District's construction account records shall be made by Rural Development.

20. Cost of Facility:

Breakdown of Costs:

Development	$ 1,351,600
Land and Rights	5,000
Legal and Administrative	25,000
Engineering	237,500
Interest	27,000
Contingencies	133,900
TOTAL	$ 1,780,000

Financing:

RUS Loan	$ 420,000
RUS Grant	426,000
HUD-CDBG	890,000
Caldwell County Fiscal Court	10,000
Applicant Contribution	34,000
TOTAL	$ 1,780,000

21. Use of Remaining Project Funds:

The applicant contribution and Caldwell County Fiscal Court contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/CDBG grant funds and refunded in proportion to participation in the project. If the amount of unused grant funds exceeds the grants, that part would be RUS loan funds.

22. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	1,000	gallons @ $	15.50 - Minimum Bill.
Next	2,000	gallons @ $	6.50 - per 1,000 gallons.
Next	7,000	gallons @ $	5.00 - per 1,000 gallons.
Next	20,000	gallons @ $	3.50 - per 1,000 gallons.
All Over	30,000	gallons @ $	2.50 - per 1,000 gallons.

23. Water Purchase Contract:

The Water District will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

24. Commitment of HUD Grant and Fiscal Court Contribution:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the HUD Grant in the amount of $890,000 and for the Caldwell County Fiscal Court contribution in the amount of $10,000.

25. Floodplain Construction:

The Water District will be required to pass and adopt a Resolution or amend its By-Laws whereby the Water District will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the Water District and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

26. Water Loss:

The Summary Addendum indicates a present water loss of 32 percent. The District must provide a plan to reduce water losses to a more acceptable level of 15% prior to receiving authorization to advertise for construction bids. The plan will need Rural Development concurrence.

27. Final Approval Conditions:

Final approval of this loan will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

In accordance with the intent of Congress as expressed in the FY 1998 Appropriations Act, recipients of Water and Waste assistance provided by the Rural Utilities Service are encouraged, in expending the assistance, to purchase only American-made equipment and products.

If you desire to proceed with your application, the Rural Development Manager will allot a reasonable portion of his time to provide guidance in application processing.

Sincerely,

THOMAS G. FERN
State Director
Rural Development

Enclosures

cc: Rural Development Manager - Princeton, Kentucky
Community Development Manager - Princeton, Kentucky
Pennyrile ADD - Hopkinsville, Kentucky
Bill W. Adams - Princeton, Kentucky
Rubin and Hays - Louisville, Kentucky
Elrod-Dunson - Nashville, Tennessee
PSC - ATTN: Claude Rhorer - Frankfort, Kentucky

USDA United States Department of Agriculture

Rural Development

771 Corporate Drive, Suite 200
Lexington, KY 40503-5477
(606) 224-7336 TTY (606) 224-7422

March 31, 1999

Mr. Scott Woford, Chairman
Caldwell County Water District
1018 B West Main Street
Princeton, Kentucky 42445

Re: Letter of Conditions Dated October 30, 1998

Dear Mr. Woford:

This letter shall serve as Amendment No. 1 to your Letter of Conditions dated October 30, 1998. The purpose of the amendment is to revise the water user rates and charges.

Paragraph numbered "22" is revised to read as follows:

22. Rates and Charges:

Rates and charges for facilities and services rendered by the Water District must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

First	1,000	gallons @ $	16.50 - Minimum Bill.
Next	3,000	gallons @ $	7.75 - per 1,000 gallons.
Next	6,000	gallons @ $	6.00 - per 1,000 gallons.
Next	20,000	gallons @ $	4.25 - per 1,000 gallons.
All Over	30,000	gallons @ $	3.50 - per 1,000 gallons.

The cost for a new connection tap fee shall be $ 600.00.

B

USDA United States Department of Agriculture

Rural Development

771 Corporate Drive, Suite 200
Lexington, KY 40503-5477
(606) 224-7336 TTY(606) 224-7422

May 13, 1999

SUBJECT: Caldwell County Water District
Phase IV Water System Expansion
Concurrence in Contract Award

TO: Rural Development Manager
Princeton, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of the subject contract to the low bidder, James Parsons Construction Company, in the amount of $981,355.00.

Jane Hunter Brown
for THOMAS G. FERN
State Director
Rural Development

cc: Rubin and Hays
Louisville, Kentucky

Elrod Dunson, Inc.
Nashville, Tennessee

CERTIFICATE OF CHAIRMAN OF CALDWELL COUNTY WATER DISTRICT, AS TO STATEMENT REQUIRED BY SECTION 3(2)(D) OF 807 KAR 5:069

I, Scott Woford, hereby certify that I am the duly qualified and acting Chairman of the Caldwell County Water District of Caldwell County, Kentucky, and that said District is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the District (the "Project"), in cooperation with the Engineers for the District, Elrod-Dunson, Inc., Nashville, Tennessee.

Based on information furnished to me by said Engineers for the District, I hereby certify as follows:

1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.

2. That all other state approvals and/or permits have already been obtained.

3. That the existing rates of the District shall produce the total revenue requirements set out in the engineering reports.

4. That it is now contemplated that construction of the Project will begin on or about July 12, 1999, and will end on or about April 8, 2000.

IN TESTIMONY WHEREOF, witness my signature this May 18, 1999.

Chairman
Caldwell County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF CALDWELL)

Subscribed and sworn to before me by Scott Woford, Chairman of the Board of Commissioners of the Caldwell County Water District, on this May 18, 1999.

Notary Public
In and For Said State and County

(Seal of Notary)

ELROD-DUNSON INC.
CONSULTING ENGINEERS
Nashville • Knoxville
Bowling Green, KY

FINAL ENGINEERING REPORT
CALDWELL COUNTY WATER DISTRICT
WATER SYSTEM EXPANSION - PHASE IV
APRIL 1999

1.	Construction (Contract W98-01):		$ 981,355
2.	Legal:		$ 25,000
	Bond Attorney:	$12,500	
	Local Attorney:	$ 7,500	
	Advertising, Easement Recording, Highway Construction Bonds:	$ 5,000	
3.	Interest During Construction:		$ 27,000
4.	Engineering:		$ 182,922
	Preliminary Engineering Report:	$ 5,000	
	PSC Related:	$ 3,500	
	Hydraulic Analysis (DOW Req'd):	$ 4,000	
	Design:	$104,887	
	Inspection:	$ 45,535	
	Easement/Permit Assistance And Revisions:	$ 20,000	
		SUBTOTAL:	**$1,216,277**
5.	Planning:		$ 7,500
6.	Administration:		$ 35,000
7.	Contingencies:		$ 521,110
	TOTAL PROJECT COSTS:		**$1,779 887**

Funding Sources:

CBGB:	$ 889,887
RD Grant:	$ 426,000
RD Loan:	$ 420,000
Caldwell Co.:	$ 10,000
CCWD:	$ 34,000
Total:	$1,779,887

Prepared By:

Robert G. Threadgill, Jr.
P.E. No. 15,367
May 6, 1999

STATE OF KENTUCKY • ROBERT G. THREADGILL, JR. • PE 15367 • REGISTERED PROFESSIONAL ENGINEER

C:\MYFILES\PROJ2295\OPPCCALDWELL.WPD

PRELIMINARY ENGINEERING REPORT

FOR

CALDWELL COUNTY WATER DISTRICT

1998 WATER SYSTEM EXPANSION

OCTOBER 1997

P.O. BOX 148269, 2727 OLD ELM HILL PIKE
NASHVILLE, TENNESSEE 37214 • 615-885-3344•

ELROD•DUNSON INC.
CONSULTING ENGINEERS
Nashville • Knoxville
Bowling Green, KY

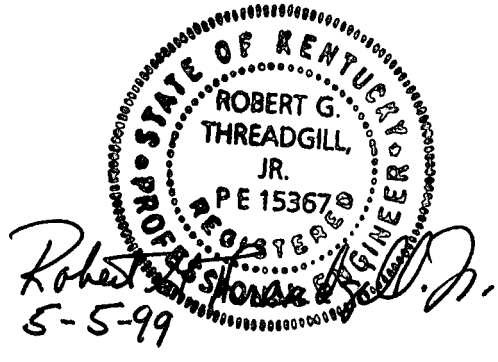
PRELIMINARY ENGINEERING REPORT

FOR

CALDWELL COUNTY WATER DISTRICT

1998 WATER SYSTEM EXPANSION

OCTOBER 1997



ELROD·DUNSON, INC.
CONSULTING ENGINEERS
2727 OLD ELM HILL PIKE
P.O. BOX 148269
NASHVILLE, TENNESSEE 37214
615-885-3344

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SECTION I
INTRODUCTION

A. PURPOSE

The Caldwell County Water District Commissioners are committed to providing a safe and reliable water supply to the citizens of the County. In effort to do so, the Water District procured Elrod·Dunson, Inc. in 1996 to develop this Engineering Report with emphasis on the feasibility of extending water lines through the southwestern portion of the county., In the Spring of 1997, Elrod·Dunson was instructed to add areas in the northern portion of the county to the study. Future projects will concentrate on other areas of the county, until the entire county is served.

The project area is generally bounded by; Lyon County to the west; Crittenden and Webster Counties to the north; Hopkins County to the northeast; a line running from Cedar Bluff across county through Dripping Springs to the county line near the Illinois Central Railroad, all being to the east; and the Trigg County line to the south. The project area includes the Interstate 24 and Hwy 139 interchange. This interchange cannot develop to its potential without water being available.

Presently only 29% of the population in Caldwell County is served by a public water supply. The remaining 71% of the population is served by private sources including wells, cisterns and springs. Many of these private sources are contaminated and out breaks of water borne illnesses have been associated with them. This report evaluates the costs associated with providing a safe, dependable water supply to many of the denser populated areas of Caldwell County.

The Creswell area is one of the more densely populated areas in the County that is not served by public water. It is located in the north central portion of the County and was added to the original study area.

B. HISTORY OF WATER DISTRICT

In February 1966, an Order was entered in the Caldwell County court creating the Sandlick Road - Hopkinsville Road Water District. At such time three (3) commissioners were appointed to conduct the Water District's business.

On February 23, 1972, the Public Service Commission of Kentucky issued an Order

approving the formation of the Caldwell County Water District.

The Caldwell County Times of Princeton, Kentucky published a Notice of Petition for the Sandlick Road - Hopkinsville Road Water District in July 1973. The Water District petitioned the County Court to add additional territory to the system boundaries and officially change the name to the Caldwell County Water District. The following month (August 1973) the County Court approved the expansion of the "Caldwell County Water District", without specifically mentioning a change of name. Commissioners of the Caldwell County Water District were appointed on September 8, 1973 and have continued since that time to be appointed and/or reappointed and have conducted business as the Caldwell County Water District.

In August 1983, the County Judge/Executive entered an Order specifically changing the name of the Sandlick Road - Hopkinsville Road Water District to the Caldwell County Water District.

C. NEED FOR THE PROJECT

The vast majority (approximately 71%) of the citizens of Caldwell County do not have a public water supply available for their homes. Water to these individuals is served by private sources including wells, cisterns and springs. Many of the private sources are contaminated and out-breaks of water borne illnesses have been associated with them. This report evaluates the costs associated with providing a safe, dependable water supply to many of denser populated areas of Caldwell County, presently not served by a public water supply.

D. PROJECT AREA

The attached "Project Location Map" shows the existing water district's system and the proposed expansion of the system and the proposed expansion of the system as described in this report. The project was broken down into five (5) different areas as the Map shows:

Area	Road, Community or Neighborhood
A.	Highway 293 North area
B.	Highway 139 North area
C.	Fairview Church area
D.	Melanie Road
E.	Cadiz Road area

Over 75 different roads and/or road segments were evaluated over the county in or near these five areas for the preparation of this report. Table I-1 indicates the road segments that were evaluated. The roads and road segments were selected for evaluation by the water district based on their knowledge of the county and petitions by residents for water.

TABLE I-1
CALDWELL COUNTY WATER DISTRICT
ROADS AND ROAD SEGMENTS EVALUATION

Line No.	Roads and Road Segments	Pipe Size (in)	Pipe Length (LF)	Potential Customers on Road Segments
1	Hwy 139	6	4500	5
2	ROCK SPRINGS ROAD	4	5800	4
3	THOMAS BOND ROAD	3	2500	1
4	Hwy 126/128	6	26000	17
4A	Hwy 126/128 (So. of HWY. 514)	4	2000	0
4B	Hwy 126/128 (Connect to BLWD)	4	4600	1
5	Hwy 672	4	4200	1
6	MASHBURN RD.	4	15800	4
7	HARMONY CH. ROAD	4	11100	5
8	HARTIGAN ROAD	3	2600	1
9	Hwy 128 (fm Hwy 126 to Mashburn)	6	5400	3
9A	Hwy 128 (fm Mashburn to Otter Pd. Rd.)	4	5300	1
10	OTTER POND ROAD	6	11000	6
11	SIMS ROAD	4	16200	11
12	CRAVENS ROAD	4	8500	8
13	BILL CRAVENS ROAD	3	3000	0
14	HOPSON ROAD	6	6900	5
15	Hwy 514	4	21600	17
16	RED HILL ROAD	3	6000	0
17	BLUE SPRINGS ROAD	4	11600	5
18	BLUE SPRINGS ROAD WEST	3	5300	0
19	BARRETT ROAD	3	6900	1
20	Cadiz Rd. (Hwy 139) fm Silver Star to Eddy Ck. Rd.	8	4800	3
21	Cadiz Rd. fm Eddy Ck. Rd. to Hwy 126	8	2000	1
22	Cadiz Rd. fm Hwy 126 to Hwy 1272	8	4800	1
23	Cadiz Rd. fm Hwy 1272 to Hopson (Hwy 514)	8	12600	10
24	Cadiz Rd. fm Hopson to I-24	8	11500	14
25	Hwy 1272 fm Hwy 139 to Hwy 1451	4	9000	3
26	Hwy 1272 fm Hwy 1451	4	4700	1
26A	Hwy 1272 fm Seg. 26 to Lyon Co.	4	4000	5
27	Hwy 1451 from Hwy 1272 to Hwy 514	4	2300	2
28	Hwy 514 from Hwy 1451 to Lyon Co.	4	4600	2
29	Hwy 514 from Hwy 1451 to Hwy 139	4	8700	2
30	HOLLOWELL ROAD	4	3500	1
31	EDDY CREEK ROAD	8	14500	14

32	Hwy 903 from Eddy Creek Road	8	6300	1
33	Hwy 903 from Hwy 293 to Seg. 32	8	8300	0
34	TANDY ROAD	3	3000	1
35	ETHRIDGE ROAD	3	4400	1
36	SILVER STAR ROAD	8	5700	5
37	SHADY GROVE ROAD	6	4500	0
38	SHADY GROVE ROAD to Hwy 139N	6	7800	12
39	Hwy 139N to Creswell Road	6	8900	6
40	CRESWELL ROAD	4	5400	13
41	GOODSPRING ROAD SECT. 1	6	13700	6
41A	GOODSPRING ROAD SECT. 2	6	16400	11
41B	GOODSPRING ROAD SECT. 3	6	11600	7
42	DALTON ROAD	6	8448	4
43	Hwy 139 fm Creswell Rd. to Towery Cem. Rd.	4	8500	13
43A	Hwy 139 fm Towery Cem. Rd. to Hwy 1592	4	12000	10
44	Hwy 139 fm Hwy 1592 to Crittenden Co.	2	5000	1
45	Hwy 293 fm Crisp Rd. to Hwy 70	6	15200	10
46	Hwy 293 fm Hwy 70 to Hwy 1592	4	13000	9
47	Hwy 293 fm Hwy 1592 to CO. Line	4	7000	10
48	Hwy 70 from Hwy 293 to Williamson Cem. Rd.	4	9000	8
49	Princeton Olney Rd. to Fairview Church Rd.	4	2600	5
50	Prin. Olney Rd. fm Fairview Ch. Rd to Nichols Rd	4	12700	6
51	Prin. Olney Rd fm Nichols Rd to Needmore Rd	4	12500	6
52	Nichols Rd. fm Prin. Olney Rd to Edwards Rd	4	8600	5
53	WEST WHITE SULPHUR ROAD	4	8000	6
54	Old Fredonia Rd fm W. White Sul. to Skinframe	4	12500	18
55	Old Fredonia Rd fm Prin. to W. White Sul. Rd	6	6500	5
56	Old Fred. Rd fm Skinframe to Crider Dulaney Rd	4	8200	3
57	Old Fred. Rd fm Crider Dulaney Rd to Co. Line	3	8800	4
58	CRIDER DULANEY ROAD	4	10000	12
59	MELANIE ROAD	3	3100	4
60	Claxton Rd. fm Hwy 278 to Jones Keeney Rd	4	15000	16
61	Claxton Rd. fm Jones Keeney Rd to End	2	2900	2
62	CRAIG CEMETARY ROAD	2	8500	1
63	BOBBY GILL ROAD	2	3000	1
64	WEBSTER & WALNUT HILL RDS.	4	10700	7
65	SHORT HWY 70	4	2640	8
66	TRAYLOR ROAD	3	1580	4
67	BOITNETT FORD ROAD	2	800	2
68	WEST FORK ROAD	3	1850	3
69	FAIRVIEW CHURCH ROAD	3	5300	13
70	JO JONES ROAD (North)	8	10000	3
71	JO JONES ROAD (East)	3	5500	3

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SECTION II
EXISTING FACILITIES

A. GENERAL

The Caldwell County Water District covers the entire County except the cities of Princeton and Fredonia. The facilities are in relatively good condition, the majority of the system was installed from 1984 to the present, and still suitable for continued use. The District does not have a water intake or treatment facility, but purchases water intake or treatment facility, but purchases water from the City of Princeton. The water rate charges to the District by the City of Princeton is shown in Table II-1, below. The water rate structure is based on cubic feet instead of gallons. The equivalent volume in gallons is shown in parentheses.

TABLE II-1
CITY OF PRINCETON - WATER RATE STRUCTURE

Meter Size	Usage Range	Monthly Rate
5/8"	0-150 cf (0-1100 gal.)min.	$ 4.25
	Next 950 cf (7,100 gal.)	$1.40/100 cf($1.87/1000 gal)
	Next 8900 cf (66,600 gal.)	$1.10/100 cf ($1.47/1000 gal.)
	Over 10,000 cf (74,800 gal.)	$0.85/100 cf ($1.14/1000 gal.)
1"	0 - 750 cf (0-5600 gal.) min.	$ 12.65
2"	0 - 3800 cf (0-28,400 gal.) min.	$ 47.25
3"	0 - 7400 cf (0-55,350 gal.) min.	$ 86.85
4"	0 - 19,450 cf (0-145,500 gal) min.	$195.78

The Water District has six (6) existing master meters connected to the Princeton Water System. The meter sizes are as follows:

Size	Quantity
2"	3
3"	1
4"	1
6"	1

The purchase agreement between the District and the City of Princeton is based on a 2-inch meter (see Appendix A of this report).

Caldwell County Water District purchased 36,150,540 gallons of water during the 12 month period of July 1996 to June 1997 from the City of Princeton. During the same time period, the District sold 24,743,049. This amount to a 32 percent loss. The loss in water is attributed to three (3) main factors:

1.) Meters read by residents (sometimes only once every 3 months);
2). Broken water mains; and
3). Flushing water mains during construction work and as part of maintenance program.

Since the 1996 construction project was finished, the percent loss was reduced to approximately 19% for the months of May & June 1997.

B. DISTRIBUTION SYSTEM

The Caldwell County Water District is comprised of over 92 miles of 4", 6" and 8" water lines which provide potable water to approximately 722 homes, churches, schools and businesses. Table II-2 summaries the known line sizes and quantities of the distribution system.

TABLE II-2
CALDWELL COUNTY WATER DISTRICT
EXISTING DISTRIBUTION SYSTEM

Pipe Size	Type	Total Known Length
4"	PVC	150,300 L.F.
6"	PVC	332,400 L.F.
8"	PVC	3,500 L.F.

There are three (3) booster pump stations in the distribution system, that are used to provide pressure to the higher elevations in the system and fill the three (3) storage tanks. The booster stations are listed in Table II-3, showing capacity of the pumps and location.

TABLE II-3
CALDWELL COUNTY WATER DISTRICT - BOOSTER STATIONS

Station Name or Location	Pump Rate	Pump Head
Dawson Road	65 gpm	140 ft.
Hopkinson Road	70 gpm	180 ft.
Dalton Road	70 gpm	130 ft.

C. STORAGE FACILITIES

The Water District has three (3) water storage tanks in the system with a total volume of 370,000 gallons. Two (2) of these tanks are standpipes that are located at high points in east and south Caldwell County. The third tank is located in the northwest part of the County and is a 100,000 gallon elevated tank. General information for each tank is summarized in Table II-4.

TABLE II-4
CALDWELL COUNTY WATER DISTRICT - EXISTING WATER STORAGE TANK

Name	Sized (gallons)	Overflow Elev.	Ground Elev.	Type
Hwy 91 South	220,000	814	721	Standpipe-Bolted Steel
James Kinney Road	50,000	771	668	Standpipe-Welded Steel
Dalton Road	100,000	829	707	Elevated
TOTAL	370,000			

Water sales for the period between July 1996 and June 1997 averaged 2,061,921gallons per month. This is equivalent to less than 69,000 gallons of water sold per day. Even with a water loss of 65 percent, the total volume of water used is less than the storage available. Assuming a peak demand of four (4) times the average daily demand, the peak daily usage would equal 276,000 gallons. Therefore, it appears that the existing storage tanks are sufficient.

D. FUTURE PLANS

The goal of the District Commissioners is to provide potable water to the citizens of the County. Therefore as funds are made available, the District will continue to expand the water distribution system throughout the county. The main objective of the District is to continue to expand the system without raising the water user rate to the customers.

Another area of the County where water line extensions are being planned is the Lake Beshear area. An application has been submitted to Rural Development, however, no approval has been given as of this date. There will be approximately 270 new customers added to the system with this project at a project cost of approximately $1,600,000.

SECTION III
PROPOSED FACILITIES

A. GENERAL

The District Commissioners are faced with many challenges in there quest to provide potable water to all the residents of Caldwell County. The biggest challenge or most critical is the ability to generate sufficient revenue to pay the existing and proposed construction loans plus the daily operating expenses.

The purpose of this Report is to try to maximize the number of customers that can be served in the project areas of the county. The original report evaluated the southwestern portion of the county. In the spring of 1997, the District instructed Elrod·Dunson to evaluate additional areas located in northern portions of the County and add them to the project.

B. BASIS OF EVALUATION

The main objective of the Water District is to extend the water system (adding new customers without causing a rate increase. The method chosen to accomplish this, requires using the existing water rates and determining the project costs that this value will support. It was assumed that the average customer would use approximately 2,000 gals. of water per month. The present water rate for 2,000 gals, is $20.50, thus, this value was used to find the cost effective breakpoint for construction of new lines.

The District purchases water from the City of Princeton at each meter with the rates shown in Table II-1 of this report.

First 28,400 gallons - $47.25
Next 46,400 gallons - $1.47/1000 gallons
All over 74,800 gallons - $1.14/1000 gallon

During the period of July 1996 thru June 1997, the Water District purchased 36,150,541 gals at a cost of $43,341.63 for a cost per 1000 gals of $1.20.

During 1996, the District budget costs (excluding water purchased and debt retirement of loans) was approximately $125,500.

There are presently 722 existing customers in the Water District, thus the cost per customer is $173.83 per year or $14.49 per month. The monthly minimum bill of $14.50 for 1000 gals. covers this cost. Assuming that there will be at least 180 new customers with this project, the total customers on the system will be increased to 900.

Thus, the cost per customer per year will be reduced to approximately (125,500/900) $140.

Therefore, the money available per customer for new construction will be approximately:

Income - $20.50/mo. * 12 mo/yr.	= $246/yr.
Operating Costs - $140 + ($1.20 * 2 * 12)	= $169/yr.
Money Available for Const.	= $77/yr./cust.

Financing a construction project with the U.S.D.A. Rural Development (R.D.) program allows the loan to be set up for a pay back in 38 years. R.D. requires that 20% of the annual payment amount be set aside for coverage and depreciation, therefore, the annual available construction money would be ($77 * 0.8) $61.60. The total amount of funds generated per customer for construction would be ($61.60 * 38) $2341. If grant funds can be obtained with the loan, the construction cost per customer can be increased.

The Rural Development program also provides grant monies for some applications. Assuming a 50% grant can be obtained with the loan, the construction costs per customer can be increased to ($2341 * 2) $4682.

The Department of Local Government also implements a program that grants monies to communities for construction of water lines. This program is known as the Community Development Block Grant (CDBG) program. If the total construction project can be funded with a 50% grant under the CDBG program, the construction cost per customer can be increased to ($2341 * 4) $9364. Thus, any water line that costs less than $9,364/customer to construct would not require a rate increase for the Water District. However, if the proposed funding scenario is different than described above, the break point will change.

C. EVALUATION OF PROPOSED WATER LINES

The roads and/or road segments listed in Table I-1 of this report were evaluated to determine probable construction costs. Administration and engineering costs were assumed to be 30% of the construction costs. A house count on each road was made to determine potential customers. Over 75 roads and/or road segments were evaluated. Some of the road segments have construction costs per customer over the break point of $9,364, however, these are main distribution lines (back bone of the system) and must be installed to supply water to the other segments.

Exhibit 2 of this report shows the probable costs associated with each road and/or road segment in a spread sheet form. Once these costs were determined, the project costs

were sorted. All lines necessary to supply water to the road segments that had project costs below $9,364 were also added to the project. Table III-1 shows the roads and/or road segments that were determined to be cost-effective to construct or necessary for the proposed project. The table also indicates the line size, length and number of customers proposed for each road segment. Exhibit 1 indicates the location of the lines in this project. The lines are grouped in areas as shown on the figure and indicated in the table. Table III-2 summarizes the probable construction costs associated with the proposed project. Table III-3 lists the total probable project costs which includes the administrative, legal, planning, interest during construction and contingencies, as well as the construction costs. The proposed project has a total probable cost of $1,780,000. This breaks down to a cost of ($1,780,000/225) $7911.11 per customer which is below the $9,364 break point value.

All costs generated were prepared based on engineering experience and results of recent bids on similar work. The cost opinions were prepared to determine the feasibility of the project. Although the intention is for the cost opinion to accurately represent the actual project cost, these are opinions only.

NOTE: The costs shown in Exhibit 2 for Associated Project Costs were 30% of the construction cost for each line. This was used as a "rule-of-thumb" to determine the feasibility of a particular line. Once the lines to be included with the project were determined, the associated costs were more accurately shown in Table III-3.

TABLE III-1
CALDWELL COUNTY WATER DISTRICT
PROPOSED PROJECT FOR 1997

AREA	Line No.	Road Name	Pipe Size (in)	Pipe Length (LF)	Proposed Customers (EA)
A	66	TRAYLOR ROAD	3	1580	4
	65	SHORT HWY 70	4	2640	8
	67	BOITNETT FORD ROAD	2	800	2
	48	Hwy 70 from Hwy 293 to Williamson Cem. Rd.	4	9000	8
	64	WEBSTER & WALNUT HILL RDS.	4	10700	7
	46	Hwy 293 fm Hwy 70 to Hwy 1592	4	13000	9
	47	Hwy 293 fm Hwy 1592 to CO. Line	4	7000	10
	45	Hwy 293 fm Crisp Rd. to Hwy 70	6	15200	10
B	40	CRESWELL ROAD	4	5400	11
	37	SHADY GROVE ROAD	6	4500	0
	43	Hwy 139 fm Creswell Rd. to Towery Cem. Rd.	4	8500	13
	38	SHADY GROVE ROAD to Hwy 139N	6	7800	15
	43A	Hwy 139 fm Towery Cem. Rd. to Hwy 1592	4	12000	10
	39	Hwy 139N to Creswell Road	6	8900	6
	68	WEST FORK ROAD	3	1850	3
C	49	Princeton Olney Rd. to Fairview Church Rd.	4	2600	5
	50	Prin. Olney Rd. fm Fairview Ch. Rd to Nichols Rd	4	12700	6
	69	FAIRVIEW CHURCH ROAD	3	5300	14
D	59	MELANIE ROAD	3	3100	4
E	70	JO JONES ROAD (North)	8	10000	4
	71	JO JONES (East)	3	5500	2
	36	SILVER STAR ROAD	8	5700	5
	20	Cadiz Rd. (Hwy 139) fm Silver Star to Eddy Ck. Rd.	8	4800	3
	21	Cadiz Rd. fm Eddy Ck. Rd. to Hwy 126	8	2000	1
	22	Cadiz Rd. fm Hwy 126 to Hwy 1272	8	4800	2
	23	Cadiz Rd. fm Hwy 1272 to Hopson (Hwy 514)	8	12600	10
	24	Cadiz Rd. fm Hopson to Merrick Rd.	8	6500	14
	15	Hwy 514	4	21600	15
	1	Cadiz Rd. fm Silver Star to Rocksprings Rd.	6	4500	5
	11	SIMS ROAD	4	16200	12
	17	BLUE SPRINGS ROAD	4	9000	7

225

TABLE III-2
OPINION OF PROBABLE CONSTRUCTION COSTS
CALDWELL COUNTY WATER DISTRICT
WATER SYSTEM IMPROVEMENTS
AUGUST 1997

Distribution System

46,400 L.F. 8" SDR21 PVC Water Line @ $6.60/L.F.	$ 306,240
40,900 L.F. 6" SDR21 PVC Water Line @ $5.00/L.F.	$ 204,500
130,340 L.F. 4" SDR21 PVC Water Line @ $3.25/L.F.	$ 423,605
17,330 L.F. 3" SDR21 PVC Water Line @ $3.20/L.F.	$ 55,456
800 L.F. 2" SDR21 PVC Water Line @ $2.40/L.F.	$ 1,920
235,770 L.F. Detection Wire @ $0.30/L.F.	$ 70,731
21 Ea. 8" Gate Valves @ $537.00/Ea.	$ 11,277
16 Ea. 6" Gate Valves @ $408.50/Ea.	$ 6,536
37 Ea. 4" Gate Valves @ $324.00/Ea.	$ 11,988
4 Ea. 3" Gate Valves @ $296.00/Ea.	$ 1,184
1 Ea. 2" Gate Valves @ $276.00/Ea.	$ 276
152 Ea. LMI Water Meters @ $305.00/Ea.	$ 46,360
73 Ea. NON LMI Water Meters @ $305.00/Ea.	$ 22,265
6,690 L.F. 3/4 inch Service Line @ $2.35/L.F.	$ 15,720
3,120 L.F. Service Line Road Bores @ $5.75/L.F.	$ 17,940
300 L.F. 8" Road Bores w/encasement @ $76.94/L.F.	$ 23,082
150 L.F. 6" Road Bores w/encasement @ $58.29/L.F.	$ 8,743
600 L.F. 4" Road Bores w/encasement @ $52.46/L.F.	$ 31,476
50 L.F. 3" Road Bores w/encasement @ $50.47/L.F.	$ 2,523
50 L.F. 2" Road Bores w/encasement @ $45.00/L.F.	$ 2,250
160 L.F. 8" Pipe Creek Crossing @ $33.40/L.F.	$ 5,344
240 L.F. 6" Pipe Creek Crossing @ $25.38/L.F.	$ 6,091
160 L.F. 4" Pipe Creek Crossing @ $19.45/L.F.	$ 3,112
1 Ea. 8" TS & Valve @ $1317.00/Ea.	$ 1,317
2 Ea. 6" TS & Valve @ $1147.00/Ea.	$ 2,294
1 Ea. 3" TS & Valve @ $1100.00/Ea.	$ 1,100
21 Ea. Air Release Valves @ $1003.00/Ea.	$ 21,063
2 Ea. 8" Master Meter @ $5500.00/Ea.	$ 11,000
16 Ea. 3" Blow Offs @ $791.00/Ea.	$ 12,656
950 L.F. Pavement Replacement @ $19.80/L.F.	$ 18,810
2 Ea. Connection to Existing Lines (8") @ $550.00/Ea.	$ 1,100
1 Ea. Connection to Existing Lines (6") @ $537.00/Ea.	$ 537
6 Ea. Connection to Existing Lines (4") @ $519.00/Ea.	$ 3,114
	$1,351,610

OPINION OF PROBABLE PROJECT COSTS
CALDWELL COUNTY WATER DISTRICT
WATER SYSTEM EXPANSION
AUGUST 1997

TOTAL CONSTRUCTION		$1,351,610
LEGAL (bond/local counsel: Rights-of way)		$ 30,000
INTEREST DURING CONSTRUCTION		$ 27,000
ENGINEERING:		$ 195,000
Preliminary Engineering	$ 5,000	
PSC Related Work	$ 3,500	
Hydraulic Analysis (DOW Req'd)	$ 4,000	
Design	$105,000	
Inspection	$ 57,500	
Easement Assistance & Drawing Preparation 250 x $80/Draw.	$ 20,000	
	SUBTOTAL:	$1,603,610
PLANNING		$ 7,500
ADMINISTRATION		$ 35,000
CONTINGENCIES		$ 133,890
	TOTAL PROJECT COSTS:	**$1,780,000**

SECTION IV
FINANCIAL AND MANAGERIAL CAPABILITY

The Caldwell County Water District owns, maintains and operates its own potable water distribution system and is responsible for same. The District has the ability and authority to enter into agreements for financing, design and construction of required improvements and additions to its facilities.

It is the mission and commitment of the Water District to provide a safe and reliable water supply to the rural citizens of Caldwell County. As illustrated in Section III, one customer paying a water bill of $246 per year can support a project loan of $2341 over a 38 year period. The proposed project anticipated the addition of 225 new customers, as shown in Table III-1. Therefore, a loan amount of (225 * $2341) $526,725 can be supported without the need to raise existing water rates. A tap fee of $450 per customer is required by the District and can be used as part of the local contribution (101,250) towards the project.

If the District tries to fund the entire project using a 50% loan/grant from U.S.D.A. - Rural Development, the loan amount would be approximately:

TOTAL PROJECT - $1,780,000

50% Loan/Grant	- $890,000
Tap Fees	- $101,250
LOAN	- $788,750

A loan of $788,750 is greater than $526,725 and would require a water rate increase. Thus, additional grant monies are necessary to prevent an increase of water rates.

An application was submitted to the CDBG program requesting a grant of $890,000. This program requires that households with low to moderate incomes be given a free tap, therefore, the local share would be reduced. Caldwell County has also committed to $10,000 towards the project. The breakdown for funding of the project is as follows:

Source	Amount	Type
CDBG	$890,000	Grant
RD	$445,000	Grant
RD	$400,350	Loan
Tap Fees*	$ 34,650	Cash
County	$ 10,000	Cash

TOTAL PROJECT COST - $1,780,000

*77 - Non LMI Taps

The FmHA Summary Addendum for this project is included as an appendix to this report. This data was prepared using 1996-1997 water use data and projected 1999 income and expenses. The summary addendum indicates that the existing rate structure must be increased to meet the existing financial requirements of the Water District. Without the proposed project the water rates will need to be increased approximately 32% to meet existing financial requirements. The additional customers (225) proposed for this project, will allow the Water District to increase the rates by only 15%.

SECTION V
CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

- The Caldwell County Water District is committed to furnishing the rural residents of the County with a safe and reliable drinking water supply in compliance with the regulations of the Safe Drinking Water Act (SDWA) and the State of Kentucky Division of Water (DOW).

- Individual rural wells are potential health concerns due to coliform and mineral contamination.

- The only method to reasonably eliminate the potential health hazard from individual wells is by expanding the existing distribution system to provide potable water to property owners presently served by individual private systems.

- The Caldwell County Water District does not have sufficient annual revenues to support an expansion project.

- Grant and low interest loan funds need to be secured to design and construct the proposed project.

B. RECOMMENDATIONS

- Submit Engineering Report to U.S.D.A. Rural Development for review and approval.

- Apply for RD grant and loan funds to finance a portion of the project.

- Apply to the Department of Local Government for a $890,000 Community Development Block Grant to complete project funding.

- Authorize Elrod·Dunson, Inc., to begin design of the proposed project once funding is obtained.

- Promote the proposed project in a positive manner in an effort to generate enthusiasm from the potential customers who will be the beneficiaries of the project.

USDA-FmHA
Form FHA 442-30
(Rev. 4-19-72)

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 17th day of November, 19 95, between the (City of) Princeton Water & Wastewater Commission, 101 East Market Street, Princeton, Kentucky 42445 (Address), hereinafter referred to as the "Seller" and the Caldwell County Water District, P.O. Box 291, Princeton, Kentucky 42445 (Address), hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of K.R.S., for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. SEE LETTER enacted on the 16TH day of NOVEMBER, 19 95, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Caldwell County Water District, and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Caldwell County Water District of the Purchaser, enacted on the 12TH day of OCTOBER, 19 95, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Caldwell County Water District, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky, Pure Water Drinking Standards in such quantity as may be required by the Purchaser not to exceed 3,000,000 gallons per month.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at normal pressure from an existing See attachment #1 inch main supply at a point located _____

_____.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on 25th day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 10th day of each month, for water delivered in accordance with the following schedule of rates:

a. $ 47.25 for the first 3800 Cubic Ft. ~~gallons~~, which amount shall also be the minimum rate per month.

b. $ 1.10 cents per 100 Cu.Ft. ~~1000 gallons~~ for water in excess of 3800 Cubic Ft. ~~gallons~~ but less than 10,000 Cubic Ft. ~~gallons~~

c. $ 0.85 cents per 100 Cu.Ft. ~~1000 gallons~~ for water in excess of 10,000 Cubic Ft. ~~gallons~~

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of construction cost ~~dollars~~ which shall cover any and all costs of the Seller for installation of the metering equipment and the construction cost to be bid by purchaser and approved by

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That thirty (30) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of $ 1.75/1000 Gal. which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in six (6) counterparts, each of which shall constitute an original.

Seller:
(City of)
Princeton Water & Wastewater Commission

By Virginia G. Routen

Title Superintendent

Attest: Nancy Ramey
Secretary

Purchaser:

Caldwell County Water District

By [signature]

Title Chairman

Attest: Randall P. Clarke
Secretary

This contract is approved on behalf of the Farmers Home Administration this 20 day of December, 19 95.

By [signature]

Title Program Manager

1. 8" main supply located at Corporate Limit, U.S. Highway 62 East, of Princeton, Caldwell County, Kentucky

2. 8" main supply located at Corporate Limit, U.S. Highway 62 West, of Princeton, Caldwell County, Kentucky

3. 8" main supply located at Corporate Limit, Kentucky Highway 91 North, of Princeton, Caldwell County, Kentucky

4. 10" main supply located at McGowan Road, Kentucky Highway 128 South, of Princeton, Caldwell County, Kentucky

5. 8" main supply located at Kentucky Highway 128, Kentucky Highway 91 South, of Princeton, Caldwell County, Kentucky

6. 16" main supply located at Kentucky Highway 293 South, Kentucky Highway 903 South, of Princeton, Caldwell County, Kentucky

7. 8" main supply located at Kentucky Highway 293 North, Nichols Road North of Princeton, Caldwell County, Kentucky

PRINCETON WATER & WASTEWATER
101 E. MARKET ST
PRINCETON, KY 42445
PHONE 502-365-9301
FAX 502-365-4669

The following excerpt is provided to the Caldwell County Water District. It is taken from the minutes of the Princeton Water & Wastewater Commission meeting on November 16, 1995.

....A motion was made by Johnny Holloway and seconded by Bob Brock to extend the current contract with the Caldwell County Water District for an additional four years. All Aye.

The additional four years will make the contract valid for a total of (40) forty years. Superintendent Routen is to sign the new contract upon its review....

Virginia G. Routen

Virginia G. Routen
Superintendent, Princeton Water & Wastewater

MOTION

I MOVE THAT THE BOARD AUTHORIZE THE CHAIRMAN, SCOTT WOFORD, TO NEGOTIATE AND CONSUMMATE A WATER PURCHASE CONTRACT WITH THE CITY OF PRINCETON, KENTUCKY, SAID PURCHASE CONTRACT TO BE FOR FORTY (40) YEARS.

THE AFORESAID SCOTT WOFORD IS AUTHORIZED TO EXECUTE, ON BEHALF OF THE CALDWELL COUNTY WATER DISTRICT, ANY AND ALL DOCUMENTS REQUIRED TO CONSUMMATE SAID CONTRACT.

CERTIFICATE

THIS IS TO CERTIFY THAT THE FOREGOING MOTION WAS PROPERLY MADE BEFORE THE CALDWELL COUNTY WATER DISTRICT AT A REGULAR MEETING ON OCTOBER 12, 1995, RECEIVED A SECOND AND WAS DULY CARRIED.

CALDWELL COUNTY WATER DISTRICT

BY Randall Cook

_____, SECRETARY

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED July 1998

FOR

CALDWELL COUNTY WATER DISTRICT

(Name of Project)

APPLICANT CONTACT PERSON Harley Lowery

APPLICANT PHONE NUMBER 1-502-365-9381

APPLICANT TAX IDENTIFICATION NUMBER (TIN) _____

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

In order to avoid unnecessary delays in application processing, the applicant and its consulting engineer should prepare a summary of the preliminary report in accordance with this Guide.

Please complete the applicable sections of the Summary Addendum. ***Please note, if water and sewer revenue will <u>both</u> be taken as security for the loan, all user information and characteristics of <u>both</u> utility systems will be needed even though the project will benefit only <u>one</u> utility.***

Feasibility reviews and <u>grant determinations</u> may be processed more accurately and more rapidly if the Summary/Addendum is submitted simultaneously with the preliminary engineering report, or as soon thereafter as possible.

I. GENERAL

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.
The project will provide water lines and services in 5 different areas of Caldwell County, Kentucky. Areas A, B and C are located north of the Western Kentucky Parkway along HWY 293, HWY 139 and Princeton-Olney Road, respectively. Two areas south of the Parkway are also included with this project along HWY 139, HWY 514 and Melanie Road. Approximately 225 new users will be added to the system with this project.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM (N/A)

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

_____

3. Cost per 1,000 gallons if sewage treatment is contracted:

$ _____

4. Date Constructed _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

_____

_____

D. Number and Capacity of Sewage Lift Stations _____

_____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ *8"* _____

10" _____ *12"* _____, *Larger* _____

Date(s) Constructed _____

F. Conditions of Existing System: Briefly describe the conditions and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

_____

_____

_____

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

Existing Water Purchase Contract with the City of Princeton, Kentucky for 3,000,000 gallons per month. This will need to be increased to 5,000,000.

If the applicant purchases water:

Seller(s):

1. City of Princeton, Kentucky
2. _____
3. _____

Price/1,000 gallons:

1. $1.20
2. _____
3. _____

Present Estimated Market Value of Existing System: $ 3,223,283

B. Water Storage:

Type: Ground Storage Tank - Elevated Tank 1

Standpipe 2 Other -

Number of Storage Structures 3

Total Storage Volume Capacity 370,000 gals.

Date Storage Tank(s) Constructed 1987,1994 & 1997

C. Water Distribution System:

Pipe Material PVC

Lineal Feet of Pipe: 3" Diameter - 4" 150,300

6" 332,400 8" 3,500

10" 12"

Date(s) Water Lines Constructed 1973, 1986, 1995-97

Number and Capacity of Pump Station(s) #1 - 65 gpm @ TDH-140', #2-65 gpm @ TDH-180' & #3-70 gpm @ TDH-130'

D. Condition of Existing Water System:

Briefly describe the condition and suitability for continued use of facility now owned by the applicant. Include any major renovation that will be needed within five to ten years.

The majority of the existing system has been constructed since 1984 of PVC pipe and is in good condition. No renovation is forseen at this time.

E. Percentage of Water Loss Existing System 32

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type Water/Sewer*		Amount on Deposit in Reserve Account
1993A Issue	USDA	$207,549	12/31/98	____%	____%	$7,148
1993B Issue	USDA	$398,047	12/31/98	____%	____%	$10,937
1996 Issue	USDA	$900,000	12/31/98	____%	____%	$5,256
1998 Issue	USDA	$800,000	12/31/99	____%	____%	$0
19___ Issue		$		____%	____%	

* If a combined issue, show attributable portion to each system.

B. Principal and Interest Payments: (Begin with Next Fiscal Year Payment)

Date of Issue	Bond/Note Holder	Payment Year 1998 Principal Payment	Payment Year 1998 Interest Payment	Payment Year 1999 Principal Payment	Payment Year 1999 Interest Payment	Payment Year 2000 Principal Payment	Payment Year 2000 Interest Payment
1993A Issue	USDA	3,640	11,834	3,849	11,725	4,071	11,503
1993B Issue	USDA	4,151	19,889	4,358	19,682	4,576	19,464
1996 Issue	USDA	-0-	43,875	8,598	43,875	9,017	43,456
1998 Issue	USDA	-0-	-0-	-0-	40,000	-0-	40,000
19___ Issue							
19___ Issue							

V. EXISTING SHORT-TERM INDEBTEDNESS

A. List of All Short Term Debts: (Do Not Show Any Debt Listed in Paragraph IV Above)

Lender or Lessor	Date of Issue (Month & Year)	Principal Balance	Purpose (Water and/ or Sewer)	Payment Date	Principal & Interest Payment (P&I)	Date to Be Paid In Full
Bank		40,000	Water	1/23/99		1/23/2000

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water	N/A	*Sewer*	N/A
Number of Storage Tank Sites	Water	3	*Sewer*	"
Number of Pump Stations:	Water	3	*Sewer*	"
Total Acreage:	Water	Acres	*Sewer*	" *Acres*
Purchase Price:	Water	$ 9,000	*Sewer*	$ "

VII. NUMBER OF EXISTING USERS

	Water	*Sewer* N/A
Residential (In Town) *	0	
Residential (Out of Town) *	989	
Non-Residential (In Town)	0	
Non-Residential (Out of Town)	0	
Total	989	
Number to Total Potential Users Living in the Service Area	2500	

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residence.

VIII. CURRENT WATER AND SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

Meter Size	Water Connection Fee	*Sewer Connection Fee*
5/8" x 3/4"	$ 450.00	$
1 - Inch	$ 450.00	$

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill _____ *%* *Minimum Charge $* _____

Other: (If Charge Not Based on Water Bill) _____

_____

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	1,000	Gallons @ $	14.50	Minimum.
Next	2,000	Gallons @ $	6.00	per 1,000 Gallons.
Next	7,000	Gallons @ $	4.50	per 1,000 Gallons.
Next	20,000	Gallons @ $	3.00	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	30,000	Gallons @ $	1.80	per 1,000 Gallons.

Date This Rate Went Into Effect April 1993

If More Than One Rate Schedule, Please Include All Schedules.

XI. ANALYSIS OF ACTUAL SEWER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

N/A

For Period _____ *to* _____.

All Meter Sizes	Monthly Sewer Usage	Average	Residential		Non-Residential	
			No. of Users	Usage (1000)	No. of Users	Usage (1000)
	0 - 2,000 Gallons	1,000				
	2,000 - 3,000 Gallons	2,500				
	3,000 - 4,000 Gallons	3,500				
	4,000 - 5,000 Gallons	4,500				
	5,000 - 6,000 Gallons	5,500				
	6,000 - 7,000 Gallons	6,500				
	7,000 - 8,000 Gallons	7,500				
	8,000 - 9,000 Gallons	8,500				
	9,000 - 10,000 Gallons	9,500				
	10,000 - 11,000 Gallons	10,500				
	11,000 - 12,000 Gallons	11,500				
	12,000 - 13,000 Gallons	12,500				
	13,000 - 14,000 Gallons	13,500				
	14,000 - 15,000 Gallons	14,500				
	15,000 - 16,000 Gallons	15,500				
	16,000 - 17,000 Gallons	16,500				
	17,000 - 18,000 Gallons	17,500				
	18,000 - 19,000 Gallons	18,500				
	19,000 - 20,000 Gallons	19,500				
	_____ - _____ Gallons	_____				
	_____ - _____ Gallons	_____				
	_____ - _____ Gallons	_____				
		Total	( )	( )	( )	( )
		Average Usage		( )		( )

XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period _____ to _____.

All Meter Sizes	Monthly Water Usage	Average	Residential No. of Users	Residential Usage (1000)	Non-Residential No. of Users	Non-Residential Usage (1000)
	0 - 2,000 Gallons	1,000	267	267	8	8
	2,000 - 3,000 Gallons	2,500	127	317.5	0	0
	3,000 - 4,000 Gallons	3,500	168	588	-	-
	4,000 - 5,000 Gallons	4,500	303	1,363.5	-	-
	5,000 - 6,000 Gallons	5,500	53	291.5	-	-
	6,000 - 7,000 Gallons	6,500	25	162.5	-	-
	7,000 - 8,000 Gallons	7,500	12	90	-	-
	8,000 - 9,000 Gallons	8,500	12	102	-	-
	9,000 - 10,000 Gallons	9,500	7	66.5	-	-
	10,000 - 11,000 Gallons	10,500	6	63	-	-
	11,000 - 12,000 Gallons	11,500	0	0	-	-
	12,000 - 13,000 Gallons	12,500	4	50	-	-
	13,000 - 14,000 Gallons	13,500	0	0	-	-
	14,000 - 15,000 Gallons	14,500	1	14.5	-	-
	15,000 - 16,000 Gallons	15,500	0	0	-	-
	16,000 - 17,000 Gallons	16,500	0	0	-	-
	17,000 - 18,000 Gallons	17,500	0	0	-	-
	18,000 - 19,000 Gallons	18,500	0	0	-	-
	19,000 - 20,000 Gallons	19,500	0	0	-	-
	23,000 - 24,000 Gallons	23,500	0	0	2	47
	30,000 - 31,000 Gallons	30,500	0	0	1	30.5
	103,000 - 104,000 Gallons	103,500	0	0	1	103.5
		Total	985	3,376	12	189
		Average Usage		3.4		15.8

Total Water Purchased and/or Produced	_____	4,268
Total Water Sold	_____	3,577

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

_____

3. Cost per 1,000 gallons if sewage treatment is contracted:

$ _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

_____

_____

D. Number and Capacity of Sewage Lift Stations _____

_____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ *8"* _____

10" _____ *12"* _____*, Larger* _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ *Acres*

Purchase Price *$* _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

A. Water Source: Describe adequacy of source (quality and quantity). Include an explanation of raw water source, raw water intake structure, treatment plant capacity, and current level of production (WTP). Also describe the adequacy of Water Purchase Contract if applicable.

The Water District will need to sign a new contract with Princeton, Kentucky for additional water. Existing Contract is for 3,000,000 gallons per month. Must be increased to 5,000,000 gallons to cover Lake Beshear and this project.

B. Water Storage:

Type: Ground Storage Tank - Elevated Tank -

Standpipe - Other -

Number of Storage Structures -

Total Storage Volume Capacity -

C. Water Distribution System:

Pipe Material PVC

Lineal Feet of Pipe: 3" Diameter 7,680 4" 92,940

6" 76,900 8" 44,400

10" 12"

Number and Capacity of Pump Station(s) N/A

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites NA

Number of Pump Sites NA

Number of Other Sites NA

Total Acreage NA Acres

Purchase Price $ NA

XVII. *NUMBER OF NEW SEWER USERS* N/A

*Residential (In Town) ** _____

*Residential (Out of Town) ** _____

Non-Residential (In Town) _____

Non-Residential (Out of Town) _____

Total _____

Number to Total Potential Users Living in the Service Area _____

**Note:* *Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.*

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION N/A

Meter Size	Connection Fee
5/8" x 3/4"	$ _____
1 - Inch	$ _____
1-1/2 Inch	$ _____
2 - Inch	$ _____
3 - Inch	$ _____
4 - Inch	$ _____
5 - Inch	$ _____
6 - Inch	$ _____

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	0
Residential (Out of Town) *	215
Non-Residential (In Town)	0
Non-Residential (Out of Town)	10
Total	225
Number to Total Potential Users Living in the Service Area	2500

*Note: Residential Users: Classify by type of user regardless of quantity of water used. This classification should include those meters serving individual rural residences.

XX. PROPOSED WATER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION:

Meter Size	Connection Fee
5/8" x 3/4"	$ 450.00
1 - Inch	$ 450.00
1-1/2 Inch	$ 450.00
2 - Inch	$ 450.00
3 - Inch	$
4 - Inch	$
5 - Inch	$
6 - Inch	$

XXI. SEWER RATES - PROPOSED N/A

A. Proposed Rate Schedule without RUS Grant:

Percentage of Water Bill _____ *% Minimum Charge $* _____

Other: (If Charge Not Based on Water Bill) _____

_____

Proposed Rate Schedule: (Without RUS Grant)

First	_____	*Gallons @ $*	_____	*Minimum.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
All Over	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

Percentage of Water Bill _____ *% Minimum Charge $* _____

Other: (If Charge Not Based on Water Bill) _____

_____

Recommended Rate Schedule: (With RUS Grant)

First	_____	*Gallons @ $*	_____	*Minimum.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
Next	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*
All Over	_____	*Gallons @ $*	_____	*per 1,000 Gallons.*

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	1000	Gallons @ $	16.00	Minimum.
Next	2000	Gallons @ $	7.00	per 1,000 Gallons.
Next	7000	Gallons @ $	6.00	per 1,000 Gallons.
Next	20,000	Gallons @ $	4.00	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	30,000	Gallons @ $	3.00	per 1,000 Gallons.

The above proposed rate, without RUS grant, must be completed for each grant. If the applicant/engineer desires, there is no objection to recommending a proposed rate with an estimated RUS grant in the Table below. However, the preparer should remember that the Table (A) above must be completed prior to Table (B).

B. Recommended Rate Schedule with RUS Grant:

First	1,000	Gallons @ $	15.50	Minimum.
Next	2,000	Gallons @ $	6.50	per 1,000 Gallons.
Next	7,000	Gallons @ $	5.00	per 1,000 Gallons.
Next	20,000	Gallons @ $	3.50	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	30,000	Gallons @ $	2.50	per 1,000 Gallons.

If more than one rate, use additional sheets.

XXIII. FORECAST OF SEWER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

N/A

Meter Size*	Monthly Sewer Usage	Average Average Rate	Residential			Non-Residential		
			No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
_____	- _____ Gallons	_____						
_____	- _____ Gallons	_____						
_____	- _____ Gallons	_____						
	Sub-Total		( )	( )	( )	( )	( )	( )
	Average Monthly Rate	( )						
	Average Monthly Usage			( )			( )	

* *Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )	( )	( )	( )
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )	( )	( )	( )
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )	( )	( )	( )
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )	( )	( )	( )
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )	( )	( )	( )

* *Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

	_____ - _____ Gallons								
	_____ - _____ Gallons								
5-	_____ - _____ Gallons								
Inch	_____ - _____ Gallons								
	_____ - _____ Gallons								
	_____ - _____ Gallons								
	Sub-Total		( )	( )	( )	( )	( )	( )	
	_____ - _____ Gallons								
	_____ - _____ Gallons								
6-	_____ - _____ Gallons								
Inch	_____ - _____ Gallons								
	_____ - _____ Gallons								
	_____ - _____ Gallons								
	Sub-Total		( )	( )	( )	( )	( )	( )	
	TOTALS		( )	( )	( )	( )	( )	( )	

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	*Number of Units*	*Number of Meters*	*Revenue Calculations*

* *Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

XXIV. FORECAST OF SEWER USAGE - INCOME - NEW USERS - EXTENSION ONLY

N/A

Meter Size*	Monthly Sewer Usage	Average Rate	Residential			Non-Residential		
			No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500						
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	Sub-Total		( )	( )	( )	( )	( )	( )
	Average Monthly Rate	( )						
	Average Monthly Usage			( )			( )	

* *Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )			
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )			
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )			
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )			
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total		( )	( )	( )	( )	( )	( )			

* *Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

	_____ - _____ Gallons										
	_____ - _____ Gallons										
5-	_____ - _____ Gallons										
Inch	_____ - _____ Gallons										
	_____ - _____ Gallons										
	_____ - _____ Gallons										
	Sub-Total			( )	( )	( )	( )	( )	( )		
	_____ - _____ Gallons										
	_____ - _____ Gallons										
6-	_____ - _____ Gallons										
Inch	_____ - _____ Gallons										
	_____ - _____ Gallons										
	_____ - _____ Gallons										
	Sub-Total			( )	( )	( )	( )	( )	( )		
	TOTALS			( )	( )	( )	( )	( )	( )		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	*Number of Units*	*Number of Meters*	*Revenue Calculations*

* *Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.*

** *Number of users should reflect the actual number of "meter settings".*

XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS

Meter Size	Monthly Sewer Usage			Average	Average Rate	Residential			Non-Residential		
						No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 -	2,000	Gallons	1,000	$15.50	259	259	$4,014.50	8	8	$124.00
	2,000 -	3,000	Gallons	2,500	$25.25	127	317.5	$3,206.75	0	0	$0.00
	3,000 -	4,000	Gallons	3,500	$31.00	168	588	$5,208.00	0	0	$0.00
	4,000 -	5,000	Gallons	4,500	$36.00	303	1363.5	$10,908.00	0	0	$0.00
	5,000 -	6,000	Gallons	5,500	$41.00	53	291.5	$2,173.00	0	0	$0.00
	6,000 -	7,000	Gallons	6,500	$46.00	25	162.5	$1,150.00	0	0	$0.00
	7,000 -	8,000	Gallons	7,500	$51.00	12	90	$612.00	0	0	$0.00
	8,000 -	9,000	Gallons	8,500	$56.00	12	102	$672.00	0	0	$0.00
	9,000 -	10,000	Gallons	9,500	$61.00	7	66.5	$427.00	0	0	$0.00
5/8	10,000 -	11,000	Gallons	10,500	$65.25	6	63	$391.50	0	0	$0.00
x	11,000 -	12,000	Gallons	11,500	$68.75	0	0	$0.00	0	0	$0.00
3/4	12,000 -	13,000	Gallons	12,500	$72.25	4	50	$289.00	0	0	$0.00
Inch	13,000 -	14,000	Gallons	13,500	$75.75	0	0	$0.00	0	0	$0.00
	14,000 -	15,000	Gallons	14,500	$79.25	1	14.5	$79.25	0	0	$0.00
	15,000 -	16,000	Gallons	15,500	$82.75	0	0	$0.00	0	0	$0.00
	16,000 -	17,000	Gallons	16,500	$86.25	0	0	$0.00	0	0	$0.00
	17,000 -	18,000	Gallons	17,500	$89.75	0	0	$0.00	0	0	$0.00
	18,000 -	19,000	Gallons	18,500	$93.25	0	0	$0.00	0	0	$0.00
	19,000 -	20,000	Gallons	19,500	$96.75	0	0	$0.00	0	0	$0.00
	23,000 -	24,000	Gallons	23,500	$110.75	0	0	$0.00	2	47	$221.50
	30,000 -	31,000	Gallons	30,500	$134.75	0	0	$0.00	1	30.5	$134.75
	103,000 -	104,000	Gallons	103,500	$317.25	0	0	$0.00	1	103.5	$317.25
			Sub-Total			977	3,368	$29,131.00	12	189	$797.50
			Average Monthly Rate		$30.26						
			Average Monthly Usage				3.45			15.75	

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				

* Breakdown of meter size usage is <u>not</u> required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
6-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total			(____)	(____)	(____)	(____)	(____)	(____)		
	TOTALS			(977)	(3,368)	(29,131.00)	(12)	(189)	(797.50)		

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	Number of Units	Number of Meters	Revenue Calculations

* Breakdown of meter size usage is not required unless different water rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVI. FORECAST OF WATER USAGE - INCOME - NEW SYSTEM - EXTENSION ONLY

Meter Size	Monthly Sewer Usage	Average	Average Rate	Residential			Non-Residential		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000	$15.50	13	13	$201.50	7	7	$108.50
	2,000 - 3,000 Gallons	2,500	$25.25	98	245	$2,474.50	2	5	$50.50
	3,000 - 4,000 Gallons	3,500	$31.00	60	210	$1,860.00	0	0	$0.00
	4,000 - 5,000 Gallons	4,500	$36.00	20	90	$720.00	0	0	$0.00
	5,000 - 6,000 Gallons	5,500	$41.00	7	38.5	$287.00	0	0	$0.00
	6,000 - 7,000 Gallons	6,500	$46.00	5	32.5	$230.00	0	0	$0.00
	7,000 - 8,000 Gallons	7,500	$51.00	2	15	$102.00	0	0	$0.00
	8,000 - 9,000 Gallons	8,500	$56.00	2	17	$112.00	0	0	$0.00
	9,000 - 10,000 Gallons	9,500	$61.00	2	19	$122.00	0	0	$0.00
5/8	10,000 - 11,000 Gallons	10,500	$65.25	2	21	$130.50	0	0	$0.00
x	11,000 - 12,000 Gallons	11,500	$68.75	2	23	$137.50	0	0	$0.00
3/4	12,000 - 13,000 Gallons	12,500	$72.25	1	12.5	$72.25	0	0	$0.00
Inch	13,000 - 14,000 Gallons	13,500	$75.75	1	13.5	$75.75	0	0	$0.00
	14,000 - 15,000 Gallons	14,500	$79.25	0	0	$0.00	0	0	$0.00
	15,000 - 16,000 Gallons	15,500	$82.75	0	0	$0.00	0	0	$0.00
	16,000 - 17,000 Gallons	16,500	$86.25	0	0	$0.00	0	0	$0.00
	17,000 - 18,000 Gallons	17,500	$89.75	0	0	$0.00	0	0	$0.00
	18,000 - 19,000 Gallons	18,500	$93.25	0	0	$0.00	0	0	$0.00
	19,000 - 20,000 Gallons	19,500	$96.75	0	0	$0.00	0	0	$0.00
	23,000 - 24,000 Gallons	23,500	$110.75	0	0	$0.00	0	0	$0.00
	30,000 - 31,000 Gallons	30,500	$134.75	0	0	$0.00	1	30.5	$134.75
	103,000 - 104,000 Gallons	103,500	$317.25	0	0	$0.00	0	0	$0.00
	Sub-Total			215	750	$6,525.00	10	42.5	$293.75
	Average Monthly Rate		$30.31						
	Average Monthly Usage				3.49			4.25	

	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
1-1/2	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4-	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Inch	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
	Sub-Total	(____)	(____)	(____)	(____)	(____)	(____)				

* Breakdown of meter size usage is <u>not</u> required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
5-	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
Inch	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	Sub-Total			(____)	(____)	(____)		(____)	(____)	(____)	
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
6-	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
Inch	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	____ - ____ Gallons	____	____	____	____	____	____	____	____	____	____
	Sub-Total			(____)	(____)	(____)		(____)	(____)	(____)	
	TOTALS			(215)	(750)	(6525.00)		(10)	(42.5)	(293.75)	

MULTI-FAMILY AND APARTMENT USER ANALYSIS

If billed as a typical user, the information should be included in the residential information above. If not billed as a typical residential user, please explain below.

Name of Unit	Number of Units	Number of Meters	Revenue Calculations

* Breakdown of meter size usage is not required unless different sewer rates are charged based on size of water meter.

** Number of users should reflect the actual number of "meter settings".

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM) N/A

(As of the last full operating year.)

A. Operating Income:

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. Non-Operating Income:

Interest on Deposits	$ _____
Other (Identify)	_____
Total Non-Operating Income	$ _____

D. Net Income $ _____

E. Debt Repayment:

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. Balance Available for Coverage $ _____

XXVIII. ***PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - EXISTING SYSTEM AND NEW USERS*** *(1st Full Year of Operation) Year Ending* _____ N/A

A. Operating Income:

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. Non-Operating Income:

Interest on Deposits	$ _____
Other (Identify)	_____
Total Non-Operating Income	$ _____

D. Net Income $ _____

E. Debt Repayment:

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. Balance Available for Coverage $ _____

XXIX. *PROPOSED OPERATING BUDGET - (SEWER SYSTEM) - NEW USERS - EXTENSION ONLY (1st Full Year of Operation) Year Ending* _____ N/A

A. *Operating Income:*

Sewer Revenue	$ _____
Late Charge Fees	_____
Other (Describe)	_____
Less Allowances and Deductions	(_____)
Total Operating Income	$ _____

B. *Operation and Maintenance Expenses:*
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Operation Expense	$ _____
Maintenance Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating and Maintenance Expenses	$ _____
Net Operating Income	$ _____

C. *Non-Operating Income:*

Interest on Deposits	$ _____
Other (Identify)	_____
Total Non-Operating Income	$ _____

D. *Net Income* $ _____

E. *Debt Repayment:*

RUS Interest	$ _____
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	$ _____

F. *Balance Available for Coverage* $ _____

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)
(As of the last full operating year.)

A. Operating Income:

Water Sales	$ 359,142
Disconnect/Reconnect/Late Charge Fees	
Other (Describe)	2,000
Less Allowances and Deductions	(-)
Total Operating Income	$ 361,142

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	$ 61,468
Pumping Expense	-
Water Treatment Expense	-
Transmission and Distribution Expense	79,000
Customer Accounts Expense	-
Administrative and General Expense	82,350
Total Operating Expenses	$ 222,818
Net Operating Income	$ 138,324

C. Non-Operating Income:

Interest on Deposits	$ -
Other (Identify)	-
Total Non-Operating Income	$ -

D. Net Income $ 138,324

E. Debt Repayment:

RUS Interest	$ 115,295
RUS Principal	16,809
Non-RUS Interest	3,600
Non-RUS Principal	6,684
Total Debt Repayment	$ 142,388

F. Balance Available for Coverage $ (4064)

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2000

A. Operating Income:

Water Sales	$ 440,967
Disconnect/Reconnect/Late Charge Fees	
Other (Describe)	2,000
Less Allowances and Deductions	(-)
Total Operating Income	$ 442,967

B. Operation and Maintenance Expenses:
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	$ 75,159
Pumping Expense	-
Water Treatment Expense	-
Transmission and Distribution Expense	85,000
Customer Accounts Expense	-
Administrative and General Expense	87,000
Total Operating Expenses	$ 247,159
Net Operating Income	$ 195,808

C. Non-Operating Income:

Interest on Deposits	$ -
Other (Identify)	-
Total Non-Operating Income	$ -

D. Net Income $ 195,808

E. Debt Repayment:

RUS Interest	$ 134,452
RUS Principal	17,667
Non-RUS Interest	3,000
Non-RUS Principal	7,284
Total Debt Repayment	$ 162,403

F. Balance Available for Coverage $ 33,405

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS - EXTENSION ONLY (1st Full Year of Operation) Year Ending 2000

A. Operating Income:	
Water Sales	$ 81,825
Disconnect/Reconnect/Late Charge Fees	-
Other (Describe)	
Less Allowances and Deductions	( )
Total Operating Income	$ 81,825
B. Operation and Maintenance Expenses: (Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	$ 13,691
Pumping Expense	-
Water Treatment Expense	-
Transmission and Distribution Expense	6,000
Customer Accounts Expense	-
Administrative and General Expense	4,650
Total Operating Expenses	$ 24,341
Net Operating Income	$ 57,484
C. Non-Operating Income:	
Interest on Deposits	$ -
Other (Identify)	-
Total Non-Operating Income	$ -
D. Net Income	$ 57,484
E. Debt Repayment:	
RUS Interest	$ 20,016
RUS Principal	0
Non-RUS Interest	-
Non-RUS Principal	-
Total Debt Repayment	$ 20,016
F. Balance Available for Coverage	$ 37,468

XXXIII. ESTIMATED PROJECT COST - SEWER N/A

(Round to nearest $100)

	Collection	*Treatment*	*Total*
Development			
Land and Rights			
Legal			
Engineering			
Interest			
Contingencies			
Initial Operating and Maintenance			
Other			
TOTAL			

XXXIV. PROPOSED PROJECT FUNDING - SEWER N/A

	Collection	*Treatment*	*Total*
Applicant - User Contribution Fees			
Other - Applicant Contribution			
RUS Loan			
RUS Grant			
ARC Grant (If applicable)			
CDBG (If applicable)			
Other (Specify)			
Other (Specify)			

XXXV. ESTIMATED PROJECT COST - WATER

Development	$ 1,351,610
Land and Rights	5,000
Legal	25,000
Engineering	195,000
Interest	27,000
Contingencies	133,890
Initial Operating and Maintenance	-
Other Administration & Planning	42,500
TOTAL	$ 1,780,000

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	$ 34,650
Other Applicant Contribution (County)	10,000
RUS Loan	400,350
RUS Grant	445,000
ARC Grant (If applicable)	-
CDBG (If applicable)	890,000
Other (Specify)	
Other (Specify)	
TOTAL	$ 1,780,000