

Rubin & Hays

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

PARALEGAL
MARY M. EMBRY

September 21, 2005

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 2005-00388

RECEIVED

SEP 23 2005

PUBLIC SERVICE
COMMISSION

Re: Reid Village Water District - KRS 278.023 Application

Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Application of the Reid Village Water District for a Certificate of Public Convenience and Necessity to construct, finance and increase rates pursuant to KRS 278.023.

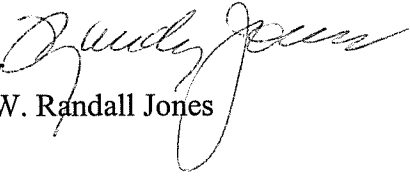
Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the exception of the **Preliminary and Final Engineering Reports, of which one (1) copy is enclosed.**

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. 883.0000

Re: Reid Village Water District Waterworks Revenue Bonds, Series 2005, in the principal amount of \$400,000

Mr. Kenneth Slone
State Director
Rural Development
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

Telephone: (859) 224-7336
Fax: (859) 224-7340

Mr. John Johnson
Rural Development
90 Howard Drive, Suite 3
Shelbyville, Kentucky 40065

Telephone: (502) 633-3294
Fax: (502) 633-0552

Mr. Don Crabtree, Chairman
Ms. Terri Rice
Reid Village Water District
P.O. Box 610
Mt. Sterling, Kentucky 40353

Telephone: (859) 498-0062
Fax: (859) 497-9984

Alan B. Peck, Esq.
White, Peck, Carrington, Williams & Neal, LLP
P.O. Box 950
Mt. Sterling, Kentucky 40353

Telephone: (859) 498-2872
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Mr. Ron Gastineau
Gastineau and Associates, Inc.
104 Barkley Estates
Nicholasville, Kentucky 40356

Telephone: (859) 887-5796

W. Randall Jones, Esq.
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

Telephone: (502) 569-7525
Fax: (502) 569-7555

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 23 2005

In the Matter of:

**THE APPLICATION OF REID VILLAGE)
WATER DISTRICT FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023.)**

CASE NO. 2005-06388

A P P L I C A T I O N

This Application of the Reid Village Water District ("Applicant") respectfully shows:

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

2. That the post office address of Applicant is:

Reid Village Water District
c/o Ms. Terri Rice, Manager
P.O. Box 610
Mt. Sterling, Kentucky 40353

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

4. That the project consists of the construction and installation of approximately 3,300 feet of 8 inch water line and appurtenances, a booster pumping station and a 100,000 gallon water storage tank.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$400,000 of its Waterworks Revenue Bonds, and (ii) a Rural Development ("RD") grant in the amount of \$125,000. Applicant has a commitment from RD to purchase said \$400,000 of bonds maturing over a 40-year period, at an interest rate of not exceeding 4.50% per annum, as set out in the RD Letter of Conditions filed herewith as an Exhibit.

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

7. That 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 Contract Award.
- C. Copy of Preliminary and Final Engineering Reports.
- D. Certified statement from the Chairman of Applicant, based upon statements of the Engineers for 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 proposed rates of 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 Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Rate Increase pursuant to Section 2 of 807 KAR 5:069, in the Mt. Sterling Advocate, which is the newspaper of general circulation in Applicant's service area and in Montgomery County, Kentucky. Said Notice sets out the current rates and the proposed rates of Applicant and a short description of the Project. A copy of said Notice is filed herewith as an Exhibit.

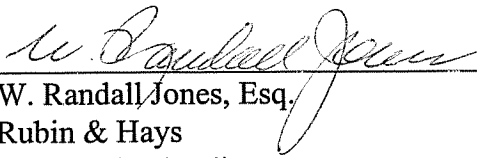
9. That the foregoing constitutes the documents necessary to obtain the approval of the Kentucky Public Service Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the "Minimum Filing Requirements" specified in 807 KAR 5:069, Section 1.

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

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of Applicant.
- b. An Order approving the financing arrangements made by Applicant, viz., the issuance of (i) \$400,000 of Reid Village Water District Waterworks Revenue Bonds at an interest rate of not exceeding 4.50% per annum, and (ii) an RD grant in the amount of \$125,000.
- c. An Order approving the proposed increased rates as set out in Section 25 of the RD Letter of Conditions, filed herewith as an Exhibit.

Reid Village Water District

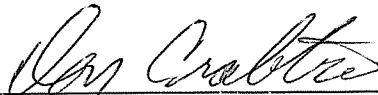
By: 
Chairman
Board of Water Commissioners


W. Randall Jones, Esq.
Rubin & Hays
Counsel for Applicant
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF MONTGOMERY)

The undersigned, Don Crabtree, being duly sworn, deposes and states that he is the Chairman of the Board of Commissioners of the Reid Village Water District, 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, believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this September, 14, 2005.



Don Crabtree, Chairman
Reid Village Water District

Subscribed and sworn to before me by Don Crabtree, Chairman of the Board of Commissioners of the Reid Village Water District, on this September 14, 2005.

My Commission expires: 7-8-6.



Notary Public, Montgomery County, Kentucky



United States Department of Agriculture
Rural Development
Kentucky State Office

January 24, 2005

Mr. Donald Crabtree, Chairman
Reid Village Water District
P.O. Box 610
Mt. Sterling, Kentucky 40353

Dear Mr. Crabtree:

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 \$400,000, and a RUS grant not to exceed \$125,000.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. 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.

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, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

1. Number of Users and Their Contribution:

There shall be 1,058 water users, all of which are existing users. The Area Director will review and authenticate the number of users prior to advertising for construction bids. No contribution is required from the Water District.

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 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.

3. Recommended Repayment Method:

Payments on this loan can be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The Water District will be required to deposit \$185.0 per month into a "Funded Depreciation Reserve Account" until the account reaches \$22,200. The deposits are to be resumed any time the account falls below the \$22,200.

The required monthly deposits to the Reserve Account and required Reserve Account levels 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 with the first month of the first full fiscal year after the facility becomes operational.

5. Security Requirements:

A combined 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.

6. 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.

7. Organization:

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

8. 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.

9. 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.

10. 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.

11. 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 \$46,000.
- 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.

12. Planning and Performing Development:

- 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 "22" 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 Area Director is prepared to furnish the necessary guide 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.

13. 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.

14. 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.

15. 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.

16. System Operator:

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

17. Prior to Pre-Closing the Loan, the Water District Will Be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- 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. RD 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.

18. 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.

19. 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.

20. 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.

21. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the Water District. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3016 (as applicable). Interest earned on grant funds in excess of \$100 (as applicable) per year will be submitted to RUS at least quarterly.

22. Cost of Facility:

Breakdown of Costs:

Development	\$ 368,200
Land and Rights	2,500
Legal and Administrative	12,000
Engineering	76,300
Interest	18,000
Contingencies	<u>48,000</u>
TOTAL	\$ 525,000

Financing:

RUS Loan	\$ 400,000
RUS Grant	<u>125,000</u>
TOTAL	\$ 525,000

23. Debt Collection Improvement Act (DCIA) of 1996:

The Debt Collection Improvement Act (DCIA) of 1996 requires that all federal payments after January 1, 1999, must be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

24. Use of Remaining Project Funds:

The applicant 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 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.

25. 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	2,000	gallons @ \$	16.75 - Minimum Bill.
Next	1,000	gallons @ \$	4.00 - per 1,000 gallons.
Next	2,000	gallons @ \$	3.90 - per 1,000 gallons.
Next	5,000	gallons @ \$	3.80 - per 1,000 gallons.
All Over	10,000	gallons @ \$	3.50 - per 1,000 gallons.

26. 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.

27. 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.

28. Mitigation Measures:

- A. The project shall be in compliance with all requirements noted in the Kentucky Department for Local Government letter dated March 23, 2004, from Mr. Ronald A. Cook, Manager.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated August 26, 2004, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without affect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.

29. Final Approval Conditions:

Final approval of this assistance 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.


If you desire to proceed with your application, the Area Director will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE
State Director

Enclosures

cc: Area Director - Shelbyville, Kentucky
Rural Development Manager - Winchester, Kentucky
Gateway ADD - Owingsville, Kentucky
Alan B. Peck - Mt. Sterling, Kentucky
Rubin and Hays - Louisville, Kentucky
Gastineau & Associates - Nicholasville, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky


CP:RCD:jb
reidvwd-loc.doc



**United States Department of Agriculture
Rural Development
Kentucky State Office**


September 15, 2005

SUBJECT: Reid Village Water District
Water Line Extensions
Contract Award Concurrence

TO: Area Director
Shelbyville, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject project to the low bidder on contract 1, United Pipeline, Inc., in the amount of \$104,926.00, and the low bidder on contract 2, Kentucky Glass Lined, Inc., in the amount of \$269,491.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.


KENNETH SLONE
State Director
Rural Development

cc: Gastineau and Associates, Inc.
Nicholasville, Kentucky

~~Rubin and Hayes
Randy Jones
Louisville, Kentucky~~

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set out in 807 KAR 5:069, Section 2, notice is hereby given to the customers of the Reid Village Water District of a change to the District's rate schedule as set forth herein. The proposed rate change is required by Rural Development in connection with a loan by RD to the District in the amount of \$400,000 to be evidenced by the issuance by the District of its Waterworks Revenue Bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising its water rates as set forth below:

Current Monthly Rates

First 2,000 gallons	\$16.34 per 1,000 gallons
All over 2,000 gallons	2.67 per 1,000 gallons

Proposed Monthly Rates

First 2,000 gallons	\$16.75 minimum bill
Next 1,000 gallons	4.00 per 1,000 gallons
Next 2,000 gallons	3.90 per 1,000 gallons
Next 5,000 gallons	3.80 per 1,000 gallons
All over 10,000 gallons	3.50 per 1,000 gallons

The RD loan proceeds will be used in conjunction with an RD Grant in the amount of \$125,000 to finance the cost of extensions, additions and improvements to the existing waterworks system of the District, consisting of the construction and installation of approximately 3,300 feet of 8 inch water line and appurtenances, a booster pumping station and a 100,000 gallon water storage tank. Signed: Don Crabtree, Chairman, Reid Village Water District

**PRELIMINARY ENGINEERING REPORT
FOR
IMPROVEMENTS AND EXTENSIONS
TO THE
REID VILLAGE WATER DISTRICT
EXTENSION 2**

COMMISSIONERS

Donald Crabtree , Chairman
Calvin Hunt, Jr.
Tom Hickey

October 2004

Prepared By:

GASTINEAU AND ASSOCIATES, Inc.
104 Barkley Estates
Nicholasville, Ky 40356

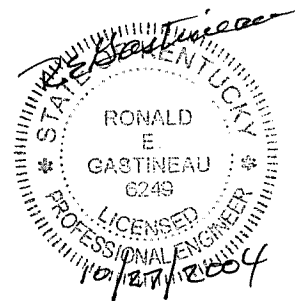


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SUMMARY ADDENDUM

**Preliminary Engineering Report
For
Reid Village Water District
Montgomery County, Kentucky**

I. AREA TO BE SERVED

The Reid Village Water District has been established in accordance with existing statues of the Commonwealth of Kentucky. All business of the Water District is transacted and reported by the Board of Commissioners whose names appear on the front of this report. The Commissioners have been appointed by the County Judge Executive and approved by the Fiscal Court of Montgomery County.

The area the District serves is in the Central Eastern part of Montgomery County generally along U.S. 60 and just west of Mt. Sterling.

Montgomery County is located roughly 30 miles west of Lexington, Kentucky along Interstate 64, which intersects the upper third of the county.

Physiographically, the area varies from gently rolling hills to moderately steep slopes. The majority of the homes and subdivisions in the District are located along U.S. 60 west of Mt. Sterling and on roads intersecting on U.S. 60.

Agriculture is a dominant economic force in the area. However, large portions of the residents work in the City of Mt. Sterling and at industrial and commercial establishments in Central Kentucky.

II EXISTING FACILITIES

The existing system of the Reid Village Water District was constructed in 1964 with three extensions constructed in the late 1970's, mid-1980's, and early 1990's. The basic components of the system are 200,000 gallon elevated storage tank, a 100,000 gallon storage tank; 4,752 feet of 8" C.I.P. water line; 66,024 feet of 6" A/C and PVC Water line, 53,900 feet of 4" A/C and PVC water line and 5,110 of 3" PVC water line.. The system is now serving 1058 customers primarily along U.S. Route 60. The District has experienced a major growth since 1995, increasing its customer base from 798 to 1058.

III PROPOSED FACILITIES AND SERVICES

A. GENERAL DESCRIPTION

The proposed extension will be 3500 feet of 8" waterline, a booster pump station, a 100,000 gallon overhead storage tank and telemetering. If funds are available, a new pick up truck will be purchased.

B. LAND, WATER AND OTHER RIGHTS

1. Land – Land for the tank site and pump station has been obtained
2. Water Rights – A stream crossing permit and a letter of non-pollution of streams will be obtained from the Division of Water.
3. Other Rights
 - a. Easements and Permits – Water lines will be located on private lands to the maximum extent possible. State Highway Department

Encroachment Permits will be obtained where necessary, to cross state highways with main and service lines.

4. Problems in Acquisitions – No special permits are required.

C. Water Supply

1. Requirements – Water usage including estimated water loss is estimated to be 5,726,000 gallons per month. This would be approximately 190,886 gallons per day.
2. Requirements as to Quality- State Board of Health requirements as to quality require that all lines and appurtenances be treated with concentrated chlorine solution and thoroughly flushed and the chlorine residual reduced to not more than 0.4 to 1.0 parts per million before serving any water users. Maintenance of this proper chlorine residual will be accomplished by adding chlorine at booster stations where necessary.
3. Water Supply – The District has a current agreement to purchase water from the City of Mt. Sterling, however, the purchase rate is negotiated on a regular basis. The agreement offers no limits on the quantity of water that can be purchased by the District. The City's treatment facilities are capable of producing additional water with sufficient reserves, to meet the District's needs.

IV. COST ESTIMATE

- A. Cost estimates, which should be accurate for the next 18 months, are presented as Appendix "A".

- B. All other items of the project cost have been itemized in detail and are given as Appendix "B".

V. ANNUAL OPERATING BUDGET

A. Income: The projected income and expenses for the District is based on existing customers and are given in this report as Appendix "E". The income from existing customers at existing rates for the system is shown in Appendix "C". The estimated income projected for the existing customers at the proposed rate is shown as Appendix "D".

B. Operation and Maintenance Costs: Operation and maintenance costs for the proposed extensions are estimated and given in this report as Appendix "E". The expenses for the entire system including proposed facilities are also shown in Appendix "E".

Bond coverage and debt services are shown in Appendix "F".

VI. MAPS, DRAWINGS AND SKETCHES

A. Maps – A map of the proposed water lines and miscellaneous structures is given as Exhibit II to this report. Exhibit I shows a vicinity sketch of the Reid Village Water District in relation to the cities of Lexington, Louisville, and Eastern Kentucky.

B. Drawings and Color Photography – These items are not considered necessary for this Preliminary Report, as there are no unusually complicated design problems.

VII. CONCLUSIONS AND RECOMMENATIONS

- A. Future Growth – Growth will occur along U.S. Route 60 between Sewell Shop Road and the Mt. Sterling Bypass, as well as in the Fogg Pike area. The Water District has prevented several subdivisions from being built because the District could not supply the necessary water to the developments. Once this project is completed building will be permitted in the service area of the proposed tank and pump station.
- B. Recommendations: It is recommended that the District's officials proceed immediately to make the necessary change in their water purchase agreement, secure funding for the project and plan for construction in 2005.

Respectfully Submitted,
GASTINEAU AND ASSOCIATES, Inc.

Ronald E Gastineau, P.E.

APPENDICES

APPENDIX A

REID VILLAGE WATER DISTRICT
EXTENSION 2
CONSTRUCTION COST ESTIMATE
24-Aug-04

ITEM	UNIT	QUANTITY	UNIT COST	COST OF ITEM
8" CL 200 PVC Pipe	LF	3500	\$6.10	\$21,350
8" Gate valve	EA	2	\$700	\$1,400
6" Tapping sleeve and valve	EA	1	\$2,200	\$2,200
8" X 6" Reducer	EA	1	\$300	\$300
Connection to 4" PVC	EA	1	\$850	\$850
8" Creek Crossing, Type II	LF	100	\$55	\$5,500
12" Steel casing pipe, bore & jack	LF	60	\$90	\$5,400
2" PRV w/ 3/4" PRV Bypass	EA	3	\$950	\$2,850
Crushed stone	TONS	350	\$15	\$5,250
Blacktop	TONS	34	\$48	\$1,632
Pumping station	EA	1	\$72,000	\$72,000
Storage tank(100,000 gallons)	EA	1	\$170,000	\$170,000
Bonds and mobilization	LS	1		\$7,500
Telemetry	LS	1		\$35,000
Miscellaneous	LS	1		\$37,000

TOTAL ESTIMATED CONSTRUCTION COST

\$368,232

**REID VILLAGE WATER DISTRICT
EXTENSION 2
ESTIMATED PROJECT COST**

PROJECT COST

Estimated Construction Cost	\$368,200
Land and Rights of Way	\$2,500
Engineering	\$40,000
Other Engineering	\$8,500
Construction Observation	\$27,800
Legal and Administrative	\$12,000
Interest During Construction	\$18,000
Contingencies	<u>\$47,800</u>
Total	\$524,800

FUNDING

RUS Loan	\$375,000
RUS GRANT	\$150,000
Total	\$525,000

PRELIMINARYENGINEERING REPORT
 REID VILLAGE WATER DISTRICT
EXISTING RATES - EXISTING CUSTOMERS

WATER BILLING RATE STRUCTURE

<u>GALLON INCREMENT</u>		<u>COST PER 1000 GALLONS</u>
FIRST	2000	\$16.34 (MINIMUM)
ALL OVER	2000	\$2.67

<u>NUMBER OF CUSTOMERS</u>	<u>MONTHLY USAGE</u>		<u>COST PER CUSTOMER</u>	<u>NET MONTHLY BILLINGS</u>
	<u>PER CUSTOMER</u>	<u>TOTAL</u>		
60	1,000	60,000	\$16.34	\$980.40
118	1,500	177,000	\$16.34	\$1,928.12
153	2,500	382,500	\$17.68	\$2,704.28
183	3,500	640,500	\$20.35	\$3,723.14
162	4,500	729,000	\$23.02	\$3,728.43
130	5,500	715,000	\$25.69	\$3,339.05
97	6,500	630,500	\$28.36	\$2,750.44
48	7,500	360,000	\$31.03	\$1,489.20
40	8,500	340,000	\$33.70	\$1,347.80
28	9,500	266,000	\$36.37	\$1,018.22
10	10,500	105,000	\$39.04	\$390.35
7	11,500	80,500	\$41.71	\$291.94
7	12,500	87,500	\$44.38	\$310.63
4	13,500	54,000	\$47.05	\$188.18
1	14,500	14,500	\$49.72	\$49.72
1	15,500	15,500	\$52.39	\$52.39
3	25,000	75,000	\$77.75	\$233.25
1	35,000	35,000	\$104.45	\$104.45
1	40,000	40,000	\$117.80	\$117.80
1	50,000	50,000	\$144.50	\$144.50
1	74,000	74,000	\$208.58	\$208.58
1	80,000	80,000	\$224.60	\$224.60
1	230,000	230,000	\$625.10	\$625.10
TOTALS	1,058	5,241,500 Gal.		\$25,950.54
YEARLY TOTALS		62,898,000 Gal.		\$311,406.42

PRELIMINARY ENGINEERING REPORT
REID VILLAGE WATER DISTRICT
PROPOSED RATES - EXISTING CUSTOMERS

WATER BILLING RATE STRUCTURE

<u>GALLON INCREMENT</u>		<u>COST PER 1000 GALLONS</u>		
FIRST	2000	\$16.75 (MINIMUM)		
NEXT	1000	\$4.00		
NEXT	2000	\$3.90		
NEXT	5000	\$3.80		
ALL OVER	10000	\$3.50		

<u>NUMBER OF CUSTOMERS</u>	<u>MONTHLY USAGE PER CUSTOMER</u>	<u>TOTAL</u>	<u>COST PER CUSTOMER</u>	<u>NET MONTHLY BILLINGS</u>
60	1,000	60,000	\$16.75	\$1,005.00
118	1,500	177,000	\$16.75	\$1,976.50
153	2,500	382,500	\$18.75	\$2,868.75
183	3,500	640,500	\$22.70	\$4,154.10
162	4,500	729,000	\$26.60	\$4,309.20
130	5,500	715,000	\$30.45	\$3,958.50
97	6,500	630,500	\$34.25	\$3,322.25
48	7,500	360,000	\$38.05	\$1,826.40
40	8,500	340,000	\$41.85	\$1,674.00
28	9,500	266,000	\$45.65	\$1,278.20
10	10,500	105,000	\$49.30	\$493.00
7	11,500	80,500	\$52.80	\$369.60
7	12,500	87,500	\$56.30	\$394.10
4	13,500	54,000	\$59.80	\$239.20
1	14,500	14,500	\$63.30	\$63.30
1	15,500	15,500	\$66.80	\$66.80
3	25,000	75,000	\$100.05	\$300.15
1	35,000	35,000	\$135.05	\$135.05
1	40,000	40,000	\$152.55	\$152.55
1	50,000	50,000	\$187.55	\$187.55
1	74,000	74,000	\$271.55	\$271.55
1	80,000	80,000	\$292.55	\$292.55
1	230,000	230,000	\$817.55	\$817.55
TOTALS	1,058	5,241,500 Gal.		\$30,155.85
YEARLY TOTALS		62,898,000 Gal.		\$361,870.20

**REID VILLAGE WATER DISTRICT
STATEMENT OF REVENUES AND EXPENSES**

	AUDIT 2002	AUDIT 2003	PROJECTED 2006
REVENUES			
User fees	\$309,671	\$315,437	\$371,560
Other water revenue	\$6,725	\$18,023	\$18,000
TOTAL REVENUES	\$316,396	\$333,460	\$389,560
EXPENSES			
Water purchased	\$115,953	\$118,575	\$125,000
Vehicle expense	\$3,526	\$3,990	\$4,000
Salaries	\$75,816	\$78,180	\$90,000
Office expense	\$17,178	\$26,543	\$20,000
Insurance	\$5,568	\$5,530	\$7,200
Water samples	\$990	\$300	\$1,000
Taxes and benefits	\$20,883	\$24,304	\$28,000
Plant improvements	\$11,957	\$5,730	\$3,000
Miscellaneous	\$9,999	\$28,240	\$27,000
Outside services	\$6,950	\$3,900	\$5,000
Depreciation	\$17,034	\$18,061	\$30,000
Supplies	\$7,857	\$7,041	\$8,100
TOTAL OPERATING EXPENSES	\$293,711	\$320,394	\$348,300
OPERATING INCOME (LOSS)	\$22,685	\$13,066	\$41,260
NON-OPERATING REVENUES (EXPENSES)			
Interest income	\$2,724	\$1,812	\$1,000
Interest expense	\$30,290	\$29,774	\$46,705
Net Non-operating revenues (expenses)	\$ (27,566)	\$ (27,962)	(\$45,705)
NET INCOME (LOSS)	\$ (4,881)	\$ (14,896)	(\$4,445)

REID VILLAGE WATER DISTRICT
DEBT SERVICE REQUIREMENTS

DEBT SERVICE @5% @ 38 YEARS = \$375,000 x.05958 =	\$22,230
EXISTING DEBT	
GECC	\$12,120
RUS	\$23,835
TOTAL	\$58,185
AVAIABLE FOR DEBT SERVICE	
NET OPERATING INCOME	\$41,260
DEPRECIATION	\$30,000
TOTAL AVAILABLE FOR DEBT SERVICE	\$71,260
BOND COVERAGE =	\$71,260.00 / \$58,185 1.22

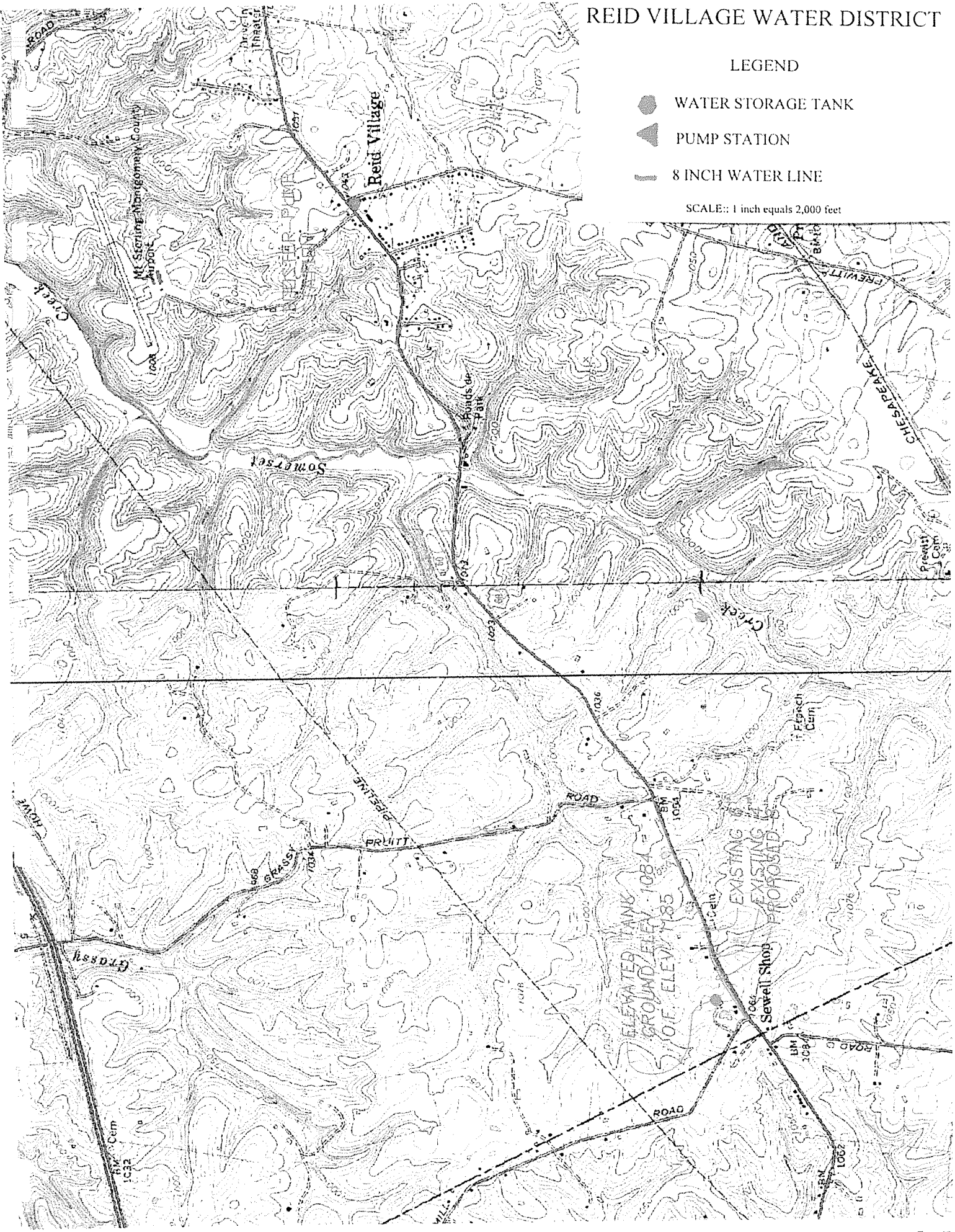
EXHIBITS

REID VILLAGE WATER DISTRICT

LEGEND

- WATER STORAGE TANK
- ▲ PUMP STATION
- 8 INCH WATER LINE

SCALE: 1 inch equals 2,000 feet



SUMMARY ADDENDUM

SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED August 25, 2004

FOR

REID VILLAGE WATER DISTRICT
(Name of Project)

APPLICANT CONTACT PERSON William C. Babington

APPLICANT PHONE NUMBER 859-887-5796

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0668616

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 both be taken as security for the loan, all user information and characteristics of both utility systems will be needed even though the project will benefit only one utility.***

Feasibility reviews and grant determinations 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.

Construction of a 100,000 gallon elevated storage tank, a booster pump station, telemetry and 3,500 feet of 8 inch PVC pipe.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

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.

Water is purchased from the city of Mt. Sterling. Water purchase contract expires July 8, 2038

If the applicant purchases water:

Seller(s):

1. _____ Mt. Sterling, KY _____
2. _____
3. _____

Price/1,000 gallons:

1. _____ \$1.78 _____
2. _____
3. _____

Present Estimated Market Value of Existing System: \$ 1,500,000

B. Water Storage:

Type: Ground Storage Tank 1 Elevated Tank 1
Standpipe _____ Other _____
Number of Storage Structures 2
Total Storage Volume Capacity 300,000
Date Storage Tank(s) Constructed 1984-1997

C. Water Distribution System:

Pipe Material PVC and AC
Lineal Feet of Pipe: 3" Diameter 300 ft 4" 29,000 ft
6" 66,500 ft 8" 4,700 ft
10" _____ 12" _____
Date(s) Water Lines Constructed 1984-1997
Number and Capacity of Pump Station(s) 1-350 GPM

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.

Excellent

E. Percentage of Water Loss Existing System 11 %

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
19 <u>84</u> Issue	<u>GECC</u>	<u>\$108,000</u>	<u>1/1</u>	<u>9 1/4% _____%</u>	<u>_____</u>
19 <u>84</u> Issue	<u>GECC</u>	<u>\$ 8,000</u>	<u>1/1</u>	<u>4 % _____%</u>	<u>_____</u>
19 <u>97</u> Issue	<u>RDA</u>	<u>\$390,000</u>	<u>1/1</u>	<u>4 7/8 % _____%</u>	<u>_____</u>
19 <u> </u> Issue	<u>_____</u>	<u>\$ _____</u>	<u>_____</u>	<u>_____ % _____%</u>	<u>_____</u>
19 <u> </u> Issue	<u>_____</u>	<u>\$ _____</u>	<u>_____</u>	<u>_____ % _____%</u>	<u>_____</u>

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

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

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 20 <u>04</u></u>		<u>Payment Year 20 <u>05</u></u>		<u>Payment Year 20 <u>06</u></u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
19 <u>84</u> Issue	<u>GECC</u>	<u>\$2,000</u>	<u>\$9,990</u>	<u>\$2,000</u>	<u>\$9,805</u>	<u>\$2,500</u>	<u>\$9,620</u>
19 <u>84</u> Issue	<u>GECC</u>	<u>\$4,000</u>	<u>\$ 320</u>	<u>\$4,000</u>	<u>\$ 160</u>	<u>_____</u>	<u>_____</u>
19 <u>97</u> Issue	<u>RDA</u>	<u>\$5,000</u>	<u>\$18,842</u>	<u>\$5,000</u>	<u>\$18,600</u>	<u>\$5,000</u>	<u>\$18,335</u>
19 <u> </u> Issue	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
19 <u> </u> Issue	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
19 <u> </u> Issue	<u>_____</u>	<u>\$11,000</u>	<u>\$29,152</u>	<u>\$11,000</u>	<u>\$28,565</u>	<u>\$8,000</u>	<u>\$27,955</u>

V. EXISTING SHORT-TERM INDEBTEDNESS

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

<u>Lender or Lessor</u>	<u>Date of Issue (Month & Year)</u>	<u>Principal Balance</u>	<u>Purpose (Water and/ or Sewer)</u>	<u>Payment Date</u>	<u>Principal & Interest Payment (P&I)</u>	<u>Date to Be Paid In Full</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites:	Water _____	Sewer _____
Number of Storage Tank Sites	Water <u>2</u>	Sewer _____
Number of Pump Stations:	Water <u>1</u>	Sewer _____
Total Acreage:	Water <u>1/4 Acres</u>	Sewer <u>Acres</u>
Purchase Price:	Water \$ <u>5,000</u>	Sewer \$ _____

VII. NUMBER OF EXISTING USERS

	<u>Water</u>	<u>Sewer</u>
Residential (In Town) *	_____	_____
Residential (Out of Town) *	<u>1,025</u>	_____
Non-Residential (In Town)	_____	_____
Non-Residential (Out of Town)	<u>33</u>	_____
Total	<u>1,058</u>	_____
Number to Total Potential Users Living in the Service Area	<u>1,081</u>	_____

*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

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ <u>390.00</u>	\$ _____
<u>1 - Inch</u>	\$ <u>Cost plus</u>	\$ _____

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	<u>2,000</u>	Gallons @ \$ <u>16.34</u>	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	<u>2,000</u>	Gallons @ \$ <u>2.37</u>	per 1,000 Gallons.

Date This Rate Went Into Effect _____

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

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

For Period _____ to _____.

<u>All Meter Sizes</u>	<u>Monthly Sewer Usage</u>	<u>Average</u>	<u>Residential</u>		<u>Non-Residential</u>	
			<u>No. of Users</u>	<u>Usage (1000)</u>	<u>No. of Users</u>	<u>Usage (1000)</u>
	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		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	SEE ENGINEERING			
	11,000 - 12,000	Gallons	11,500	REPORT APPENDIX C			
	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		()		()

Total Water Purchased and/or Produced _____
 Total Water Sold _____

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

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.

B. Water Storage:

Type: Ground Storage Tank _____ Elevated Tank 1
Standpipe _____ Other _____
Number of Storage Structures _____ 1
Total Storage Volume Capacity 100,000

C. Water Distribution System:

Pipe Material PVC
Lineal Feet of Pipe: 3" Diameter _____ 4" _____
6" _____ 8" 3,500
10" _____ 12" _____
Number and Capacity of Pump Station(s) 1-150 GPM

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	_____
Number of Pump Sites	_____
Number of Other Sites	<u>1-0.13 acres</u>
Total Acreage	<u>0.13 Acres</u>
Purchase Price	<u>\$ 5,000</u>

XVII. NUMBER OF NEW SEWER USERS

*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

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

XIX. NUMBER OF NEW WATER USERS

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.

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

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

XXI. SEWER RATES - PROPOSED

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	<u>2,000</u>	Gallons @ \$	<u>16.75</u>	Minimum.
Next	<u>1,000</u>	Gallons @ \$	<u>4.00</u>	per 1,000 Gallons.
Next	<u>2,000</u>	Gallons @ \$	<u>3.90</u>	per 1,000 Gallons.
Next	<u>5,000</u>	Gallons @ \$	<u>3.80</u>	per 1,000 Gallons.
Next	<u>10,000</u>	Gallons @ \$	<u>3.50</u>	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:

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.

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

<u>Meter Size*</u>	<u>Monthly Sewer Usage</u>	<u>Average Rate</u>	<u>Residential</u>			<u>Non-Residential</u>		
			<u>No. of Users** (1000)</u>	<u>Usage (1000)</u>	<u>Income</u>	<u>No. of Users</u>	<u>Usage (1000)</u>	<u>Income</u>
	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 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	_____	_____	_____	_____	_____
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.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* 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

<i>Meter Size*</i>	<i>Monthly Sewer Usage</i>	<i>Average Rate</i>	<i>Residential</i>			<i>Non-Residential</i>		
			<i>No. of Users** (1000)</i>	<i>Usage (1000)</i>	<i>Income</i>	<i>No. of Users</i>	<i>Usage (1000)</i>	<i>Income</i>
	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 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	_____	_____	_____	_____	_____
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.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* 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 Rate	Residential		Non-Residential	
			No. of Users** (1000)	Usage Income (1000)	No. of Users (1000)	Usage Income (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				
5/8	10,000 - 11,000 Gallons	10,500				
x	11,000 - 12,000 Gallons	11,500	SEE ENGINEERING REPORT			
3/4	12,000 - 13,000 Gallons	12,500	APPENDIX "D"			
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 water 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 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".

	-	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.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* 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 USERS - EXTENSION ONLY

Meter Size*	Monthly Sewer Usage	Average Rate	Residential			Non-Residential		
			No. of Users** (1000)	Usage (1000)	Income	No. of Users (1000)	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 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	_____	_____	_____	_____	_____	_____
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.

<u>Name of Unit</u>	<u>Number of Units</u>	<u>Number of Meters</u>	<u>Revenue Calculations</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

* 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)
(As of the last full operating year.)

A. Operating Income:

<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
Total Operating Income	\$ _____

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

<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
Total Operating and Maintenance Expenses	\$ _____
Net Operating Income	\$ _____

C. Non-Operating Income:

<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
Total Non-Operating Income	\$ _____

D. Net Income

\$ _____

E. Debt Repayment:

<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
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 _____

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 _____**

A. Operating Income:	
<i>Sewer Revenue</i>	\$ _____
<i>Late Charge Fees</i>	_____
<i>Other (Describe)</i>	_____
<i>Less Allowances and Deductions</i>	(_____)
<i>Total Operating Income</i>	\$ _____
 B. Operation and Maintenance Expenses: <i>(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)</i>	
<i>Operation Expense</i>	\$ _____
<i>Maintenance Expense</i>	_____
<i>Customer Accounts Expense</i>	_____
<i>Administrative and General Expense</i>	_____
<i>Total Operating and Maintenance Expenses</i>	\$ _____
<i>Net Operating Income</i>	\$ _____
 C. Non-Operating Income:	
<i>Interest on Deposits</i>	\$ _____
<i>Other (Identify)</i>	_____
<i>Total Non-Operating Income</i>	\$ _____
 D. Net Income	 \$ _____
 E. Debt Repayment:	
<i>RUS Interest</i>	\$ _____
<i>RUS Principal</i>	_____
<i>Non-RUS Interest</i>	_____
<i>Non-RUS Principal</i>	_____
<i>Total Debt Repayment</i>	\$ _____
 F. Balance Available for Coverage	 \$ _____

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

A. Operating Income:	
Water Sales	\$ <u>315,437</u>
Disconnect/Reconnect/Late Charge Fees	<u> </u>
Other (Describe)	<u>18,023</u>
Less Allowances and Deductions	<u>()</u>
Total Operating Income	\$ <u>333,460</u>
B. Operation and Maintenance Expenses:	
(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)	
Source of Supply Expense	\$ <u>See Appendix E</u>
Pumping Expense	<u> </u>
Water Treatment Expense	<u> </u>
Transmission and Distribution Expense	<u> </u>
Customer Accounts Expense	<u> </u>
Administrative and General Expense	<u> </u>
Total Operating Expenses	\$ <u>320,394</u>
Net Operating Income	\$ <u>13,066</u>
C. Non-Operating Income:	
Interest on Deposits	\$ <u>1,812</u>
Other (Identify)	<u> </u>
Total Non-Operating Income	\$ <u>1,812</u>
D. Net Income	\$ <u>14,878</u>
E. Debt Repayment:	
RUS Interest	\$ <u>18,842</u>
RUS Principal	<u>5,000</u>
Non-RUS Interest	<u>10,932</u>
Non-RUS Principal	<u>1,181</u>
Total Debt Repayment	\$ <u>35,955</u>
F. Balance Available for Coverage	\$ <u>(3,016)</u>

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM
AND NEW USERS (1st Full Year of Operation) Year Ending 2006

A. Operating Income:

Water Sales	\$ <u>371,560</u>
Disconnect/Reconnect/Late Charge Fees	_____
Other (Describe)	<u>18,000</u>
Less Allowances and Deductions	(_____)
Total Operating Income	\$ <u>389,560</u>

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

Source of Supply Expense	\$ <u>See Appendix E</u>
Pumping Expense	_____
Water Treatment Expense	_____
Transmission and Distribution Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating 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	\$ <u>See Appendix F</u>
RUS Principal	_____
Non-RUS Interest	_____
Non-RUS Principal	_____
Total Debt Repayment	\$ _____

F. Balance Available for Coverage

\$ _____

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

A. Operating Income:

Water Sales	\$ _____
Disconnect/Reconnect/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)

Source of Supply Expense	\$ _____
Pumping Expense	_____
Water Treatment Expense	_____
Transmission and Distribution Expense	_____
Customer Accounts Expense	_____
Administrative and General Expense	_____
Total Operating 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

\$ _____

XXXIII. ESTIMATED PROJECT COST - SEWER
(Round to nearest \$100)

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Development</i>	_____	_____	_____
<i>Land and Rights</i>	_____	_____	_____
<i>Legal</i>	_____	_____	_____
<i>Engineering</i>	_____	_____	_____
<i>Interest</i>	_____	_____	_____
<i>Contingencies</i>	_____	_____	_____
<i>Initial Operating and Maintenance</i>	_____	_____	_____
<i>Other</i>	_____	_____	_____
TOTAL	_____	_____	_____

XXXIV. PROPOSED PROJECT FUNDING - SEWER

	<u>Collection</u>	<u>Treatment</u>	<u>Total</u>
<i>Applicant - User Contribution Fees</i>	_____	_____	_____
<i>Other - Applicant Contribution</i>	_____	_____	_____
<i>RUS Loan</i>	_____	_____	_____
<i>RUS Grant</i>	_____	_____	_____
<i>ARC Grant (If applicable)</i>	_____	_____	_____
<i>CDBG (If applicable)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____
<i>Other (Specify)</i>	_____	_____	_____

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ <u>368,200</u>
Land and Rights	<u>2,500</u>
Legal	<u>12,000</u>
Engineering	<u>76,300</u>
Interest	<u>18,000</u>
Contingencies	<u>47,800</u>
Initial Operating and Maintenance	<u> </u>
Other	<u> </u>
TOTAL	\$ <u>524,800</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u> </u>
Other Applicant Contribution	<u> </u>
RUS Loan	<u>375,000</u>
RUS Grant	<u>150,000</u>
ARC Grant (If applicable)	<u> </u>
CDBG (If applicable)	<u> </u>
Other (Specify)	<u> </u>
Other (Specify)	<u> </u>
TOTAL	\$ <u>525,000</u>

FINAL ENGINEERING REPORT
FOR
IMPROVEMENTS AND EXTENSIONS
TO THE
REID VILLAGE WATER DISTRICT
EXTENSION 2

COMMISSIONERS

Donald Crabtree , Chairman
Calvin Hunt, Jr.
Tom Hickey

AUGUST 2005

Prepared By:

GASTINEAU AND ASSOCIATES, Inc.
104 Barkley Estates
Nicholasville, Ky 40356

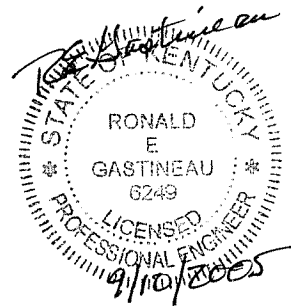


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**FINAL Engineering Report
For
Reid Village Water District
Montgomery County, Kentucky**

I. AREA TO BE SERVED

The Reid Village Water District has been established in accordance with existing statues of the Commonwealth of Kentucky. All business of the Water District is transacted and reported by the Board of Commissioners whose names appear on the front of this report. The Commissioners have been appointed by the County Judge Executive and approved by the Fiscal Court of Montgomery County.

The area the District serves is in the Central Eastern part of Montgomery County generally along U.S. 60 and just west of Mt. Sterling.

Montgomery County is located roughly 30 miles west of Lexington, Kentucky along Interstate 64, which intersects the upper third of the county.

Physiographically, the area varies from gently rolling hills to moderately steep slopes. The majority of the homes and subdivisions in the District are located along U.S. 60 west of Mt. Sterling and on roads intersecting on U.S. 60.

Agriculture is a dominant economic force in the area. However, large portions of the residents work in the City of Mt. Sterling and at industrial and commercial establishments in Central Kentucky.

II EXISTING FACILITIES

The existing system of the Reid Village Water District was constructed in 1964 with three extensions constructed in the late 1970's, mid-1980's, and early 1990's. The basic components of the system are 200,000 gallon elevated storage tank, a 100,00 gallon storage tank; 4,752 feet of 8" C.I.P. water line; 66,024 feet of 6" A/C and PVC Water line, 53,900 feet of 4" A/C and PVC water line and 5,110 of 3"PVC water line. The system is now serving 1058 customers primarily along U.S. Route 60. The District has experienced a major growth sine 1995, increasing its customer base from 798 to 1058.

III PROPOSED FACILITIES AND SERVICES

A. GENERAL DESCRIPTION

The proposed extension will be 3,300 feet of 8" waterline, a booster pump station, a 100,000 gallon storage tank and telemetering. If funds are available, a new pick up truck will be purchased.

B. LAND, WATER AND OTHER RIGHTS

1. Land – Land for the tank site and pump station has been obtained
2. Water Rights – A stream crossing permit and a letter of non-pollution of steams will be obtained from the Division of Water.
3. Other Rights
 - a. Easements and Permits – Water lines will be located on private lands to the maximum extent possible. State Highway Department

Encroachment Permits will be obtained where necessary, to cross state highways with main and service lines.

4. Problems in Acquisitions – No special permits are required.

C. Water Supply

1. Requirements – Water usage including estimated water loss is estimated to be 5,726,000 gallons per month. This would be approximately 190,886 gallons per day.
2. Requirements as to Quality- State Board of Health requirements as to quality require that all lines and appurtenances be treated with concentrated chlorine solution and thoroughly flushed and the chlorine residual reduced to not more than 0.4 to 1.0 parts per million before serving any water users. Maintenance of this proper chlorine residual will be accomplished by adding chlorine at booster stations where necessary.
3. Water Supply – The District has a current agreement to purchase water from the City of Mt. Sterling, however, the purchase rate is negotiated on a regular basis. The agreement offers no limits on the quantity of water that can be purchased by the District. The City's treatment facilities are capable of producing additional water with sufficient reserves, to meet the District's needs.

IV. COST ESTIMATE

- A. Actual construction bid amounts are presented as Appendix "A".
- B. All other items of the project cost have been itemized in detail and are given as Appendix "B".

V. ANNUAL OPERATING BUDGET

A. Income: The projected income and expenses for the District is based on existing customers and are given in this report as Appendix "E". The income from existing customers at existing rates for the system is shown in Appendix "C". The estimated income projected for the existing customers at the proposed rate is shown as Appendix "D".

B. Operation and Maintenance Costs: Operation and maintenance costs for the proposed extensions are estimated and given in this report as Appendix "E". The expenses for the entire system including proposed facilities are also shown in Appendix "E".

Bond coverage and debt services are shown in Appendix "F".

VI. MAPS, DRAWINGS AND SKETCHES

A. Maps – A map of the proposed water lines and miscellaneous structures is provided in the Exhibits section to this report.

B. Drawings and Color Photography – These items are not considered necessary for this Preliminary Report, as there are no unusually complicated design problems.

VII CONCLUSIONS AND RECOMMENATIONS

A. Future Growth – Growth will occur along U.S. Route 60 between Sewell Shop Road and the Mt. Sterling Bypass, as well as in the Fogg Pike area. The Water District has prevented several subdivisions from being built because the District

could not supply the necessary water to the developments. Once this project is completed building will be permitted in the service area of the proposed tank and pump station.

B. Recommendations: Total construction bids received for the project are within the funds originally allocated for this project. Therefore, it is recommended that the District's officials proceed immediately to complete the funding package and authorize start of construction.

Respectfully Submitted,
GASTINEAU AND ASSOCIATES, Inc.

Ronald E Gastineau, P.E.

APPENDICES

APPENDIX A

CONSTRUCTION BIDS
REID VILLAGE WATER DISTRICT

CONTRACT RVWD-1

ITEM NO.	ITEM	UNIT	QUANTITY	UNIT PRICE	COST OF ITEM
1	8" CL 200 PVC Pipe	LF	3264	\$8.86	\$28,919.04
2	Tie to existing 6" line including tapping sleeve, valve, and fittings.	EA			
		EA	1	\$1,650.00	\$1,650.00
3	Tie to existing 4" line including tapping sleeve, valve, and fittings.	EA			
		EA	1	\$1,650.00	\$1,650.00
4	Fire hydrant, including 8" X 6" tee and 6" gate valve	EA	1	\$2,420.96	\$2,420.96
5	8" blow off assembly	EA	1	\$1,408.00	\$1,408.00
6	12" Steel casing pipe, bore & jack	LF	156	\$77.00	\$12,012.00
7	Crushed stone bedding	TONS	350	\$13.00	\$4,550.00
8	Crushed stone driveway repair	TONS	35	\$22.00	\$770.00
9	Blacktop	TONS	5	\$88.00	\$440.00
10	Pumping station	EA	1	\$51,106.00	\$51,106.00
TOTAL CONTRACT RVWD-1					\$104,926.00

CONTRACT RVWD-2

ITEM NO.	ITEM	COST OF ITEM
1	Foundation design and construction	\$37,066.00
2	Furnishing and erecting storage tank	\$124,149.00
3	Painting	N/A
4	Testing and sterilization	\$750.00
5	Valve vault	\$26,900.00
6	Cathodic protection	\$1,000.00
7	Site preparation and surface restoration	\$1,000.00
8	Chain link fence including gate	\$4,900.00
9	Chlorination system including building	\$12,777.00
10	Telemetry	\$55,000.00
11	Access road	\$4,300.00
12	Mobilization and bonds	\$1,649.00
TOTAL CONTRACT RVWD-2		\$269,491.00
TOTAL PROJECT		\$374,417.00

REID VILLAGE WATER DISTRICT
EXTENSION 2
ESTIMATED PROJECT COST

PROJECT COST

Estimated Construction Cost	\$374,417
Land and Rights of Way	\$3,000
Engineering	\$40,850
Other Engineering	\$3,270
Construction Observation	\$26,960
Legal and Administrative	\$17,000
Interest During Construction	\$15,000
Contingencies	<u>\$44,503</u>
Total	\$525,000

FUNDING

RUS Loan	\$400,000
RUS GRANT	<u>\$125,000</u>
Total	\$525,000

FINAL ENGINEERING REPORT
REID VILLAGE WATER DISTRICT
EXISTING RATES - EXISTING CUSTOMERS

WATER BILLING RATE STRUCTURE

<u>GALLON INCREMENT</u>		<u>COST PER 1000 GALLONS</u>
FIRST	2000	\$16.34 (MINIMUM)
ALL OVER	2000	\$2.67

<u>NUMBER OF CUSTOMERS</u>	<u>MONTHLY USAGE</u>		<u>COST PER CUSTOMER</u>	<u>NET MONTHLY BILLINGS</u>
	<u>PER CUSTOMER</u>	<u>TOTAL</u>		
60	1,000	60,000	\$16.34	\$980.40
118	1,500	177,000	\$16.34	\$1,928.12
153	2,500	382,500	\$17.68	\$2,704.28
183	3,500	640,500	\$20.35	\$3,723.14
162	4,500	729,000	\$23.02	\$3,728.43
130	5,500	715,000	\$25.69	\$3,339.05
97	6,500	630,500	\$28.36	\$2,750.44
48	7,500	360,000	\$31.03	\$1,489.20
40	8,500	340,000	\$33.70	\$1,347.80
28	9,500	266,000	\$36.37	\$1,018.22
10	10,500	105,000	\$39.04	\$390.35
7	11,500	80,500	\$41.71	\$291.94
7	12,500	87,500	\$44.38	\$310.63
4	13,500	54,000	\$47.05	\$188.18
1	14,500	14,500	\$49.72	\$49.72
1	15,500	15,500	\$52.39	\$52.39
3	25,000	75,000	\$77.75	\$233.25
1	35,000	35,000	\$104.45	\$104.45
1	40,000	40,000	\$117.80	\$117.80
1	50,000	50,000	\$144.50	\$144.50
1	74,000	74,000	\$208.58	\$208.58
1	80,000	80,000	\$224.60	\$224.60
1	230,000	230,000	\$625.10	\$625.10
TOTALS		5,241,500 Gal.		\$25,950.54
YEARLY TOTALS		62,898,000 Gal.		\$311,406.42

FINAL ENGINEERING REPORT
 REID VILLAGE WATER DISTRICT
PROPOSED RATES - EXISTING CUSTOMERS

WATER BILLING RATE STRUCTURE

<u>GALLON INCREMENT</u>		<u>COST PER 1000 GALLONS</u>
FIRST	2000	\$16.75 (MINIMUM)
NEXT	1000	\$4.00
NEXT	2000	\$3.90
NEXT	5000	\$3.80
ALL OVER	10000	\$3.50

<u>NUMBER OF CUSTOMERS</u>	<u>MONTHLY USAGE</u>		<u>COST PER CUSTOMER</u>	<u>NET MONTHLY BILLINGS</u>
	<u>PER CUSTOMER</u>	<u>TOTAL</u>		
60	1,000	60,000	\$16.75	\$1,005.00
118	1,500	177,000	\$16.75	\$1,976.50
153	2,500	382,500	\$18.75	\$2,868.75
183	3,500	640,500	\$22.70	\$4,154.10
162	4,500	729,000	\$26.60	\$4,309.20
130	5,500	715,000	\$30.45	\$3,958.50
97	6,500	630,500	\$34.25	\$3,322.25
48	7,500	360,000	\$38.05	\$1,826.40
40	8,500	340,000	\$41.85	\$1,674.00
28	9,500	266,000	\$45.65	\$1,278.20
10	10,500	105,000	\$49.30	\$493.00
7	11,500	80,500	\$52.80	\$369.60
7	12,500	87,500	\$56.30	\$394.10
4	13,500	54,000	\$59.80	\$239.20
1	14,500	14,500	\$63.30	\$63.30
1	15,500	15,500	\$66.80	\$66.80
3	25,000	75,000	\$100.05	\$300.15
1	35,000	35,000	\$135.05	\$135.05
1	40,000	40,000	\$152.55	\$152.55
1	50,000	50,000	\$187.55	\$187.55
1	74,000	74,000	\$271.55	\$271.55
1	80,000	80,000	\$292.55	\$292.55
1	230,000	230,000	\$817.55	\$817.55
TOTALS	1,058	5,241,500 Gal.		\$30,155.85
YEARLY TOTALS		62,898,000 Gal.		\$361,870.20

**REID VILLAGE WATER DISTRICT
STATEMENT OF REVENUES AND EXPENSES**

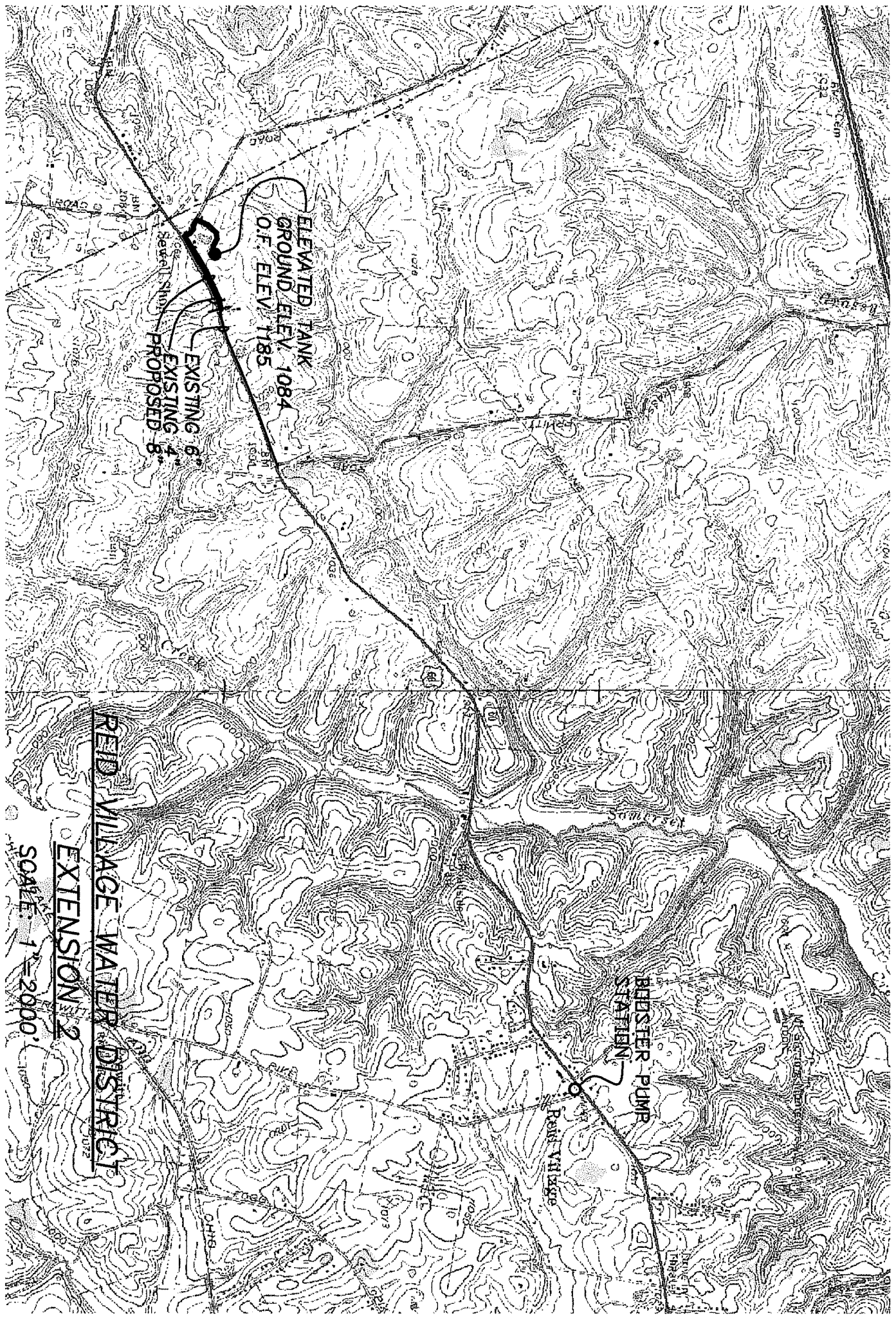
	AUDIT 2002	AUDIT 2003	PROJECTED 2006
REVENUES			
User fees	\$309,671	\$315,437	\$371,560
Other water revenue	\$6,725	\$18,023	\$18,000
TOTAL REVENUES	\$316,396	\$333,460	\$389,560
EXPENSES			
Water purchased	\$115,953	\$118,575	\$125,000
Vehicle expense	\$3,526	\$3,990	\$4,000
Salaries	\$75,816	\$78,180	\$90,000
Office expense	\$17,178	\$26,543	\$20,000
Insurance	\$5,568	\$5,530	\$7,200
Water samples	\$990	\$300	\$1,000
Taxes and benefits	\$20,883	\$24,304	\$28,000
Plant improvements	\$11,957	\$5,730	\$3,000
Miscellaneous	\$9,999	\$28,240	\$27,000
Outside services	\$6,950	\$3,900	\$5,000
Depreciation	\$17,034	\$18,061	\$30,000
Supplies	\$7,857	\$7,041	\$8,100
TOTAL OPERATING EXPENSES	\$293,711	\$320,394	\$348,300
OPERATING INCOME (LOSS)	\$22,685	\$13,066	\$41,260
NON-OPERATING REVENUES (EXPENSES)			
Interest income	\$2,724	\$1,812	\$1,000
Interest expense	\$30,290	\$29,774	\$46,705
Net Non-operating revenues (expenses)	\$ (27,566)	\$ (27,962)	(\$45,705)
NET INCOME (LOSS)	\$ (4,881)	\$ (14,896)	(\$4,445)

APPENDIX "F"

REID VILLAGE WATER DISTRICT
ESTIMATED INCOME, EXPENSE, DEBT SERVICE
AND BOND COVERAGE

ESTIMATED INCOME		\$389,560
ESTIMATED EXPENSE		\$348,300
NET OPERATING INCOME		\$41,260
PLUS INTEREST INCOME		\$1,000
PLUS DEPRECIATION		\$30,000
AVAILABLE FOR DEBT SERVICE		<u>\$72,260</u>
DEBT SERVICE		
EXISTING		
RUS	\$23,835	
GECC	<u>\$12,120</u>	
		\$35,955
PROPOSED		
\$40,000 @ 4.5% =	\$400,000 X 0.0554	<u>\$22,160</u>
TOTAL DEBT SERVICE		\$58,115
BOND COVERAGE		
	\$72,260 / \$58,115 =	1.24

EXHIBITS



**REID VILLAGE WATER DISTRICT
EXTENSION 2**

SCALE: 1" = 2000'