DAMON R. TALLEY, P.S.C.

112 N. LINCOLN BLVD.
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HODGENVILLE, KENTUCKY 42748

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DAMON R. TALLEY — ATTORNEY AT LAW

November 29, 2005

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

Case 2005-00484

RECEIVED
NOV 29 2005
PUBLIC SERVICE COMMISSION

RE: East Daviess County Water Association, Inc.

Dear Ms. O'Donnell:

Enclosed are the original and ten (10) copies of the Application of the East Daviess County Water Association, Inc.

The Application is being filed pursuant to the provisions of KRS 278.023 and 807 KAR 5:069 which requires Commission approval within 30 days.

Should you need any additional information, please let me know.

Yours truly,
DAMON R. TALLEY, P.S.C.

Damon R. Talley

DAMON R. TALLEY, ATTORNEY
FOR EAST DAVIESS COUNTY
WATER ASSOCIATION, INC.

DRT:ms

Enclosures
cc: Edwin Payne
East Daviess County Water Association, Inc.

3/EDCWA/O'Donnell 11-29-05

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST DAVIESS COUNTY WATER ASSOCIATION, INC., DAVIESS, HANCOCK, AND OHIO COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS AND IMPROVEMENTS TO ITS WATER DISTRIBUTION SYSTEM; (2) SEEKING APPROVAL OF REVISED WATER SERVICE RATES AND CHARGES; AND (3) SEEKING APPROVAL OF THE PROPOSED PLAN OF FINANCING, PURSUANT TO THE PROVISIONS OF KRS 278.023 AND 807 KAR 5:069.	)	CASE NO. 2005-00484

** *** **** ******* **** *** **

The Applicant, **EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**, (the "Association) situated in Daviess, Hancock, and Ohio Counties, Kentucky, acting by and through its Board of Directors, respectfully tenders this Application and requests that the Public Service Commission of Kentucky (the "Commission") enter its Order pursuant to KRS 278.023 and 807 KAR 5:069: (1) issuing a Certificate of Public Convenience and Necessity authorizing the Association to construct major additions and improvements to its water system (the "Project") for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural and commercial use in the area served by the

Association; (2) approving the adjustment of water rates and charges to be levied and collected by the Association; (3) and approving the proposed plan of financing said Project. In support of this Application, and in conformity with the regulations of the Commission, the Association states as follows:

1. The Association is a non-profit corporation which was organized and established on May 7, 1970, pursuant to the provisions of KRS Chapter 273. The Association is now, and has been since its inception, regulated by the Commission. All records and proceedings of the Commission with reference to the Association are incorporated into this Application by reference. A certified copy of the Articles of Incorporation of the Association is attached hereto and incorporated herein by reference as **EXHIBIT 1**.

2. The mailing address of the Association is:

East Daviess County Water Association, Inc.
9210 Kentucky Highway 144
Philpot, Kentucky 42366

ATTENTION: Edwin Payne, General Manager
TELEPHONE: (502) 281-5187

3. The governing body of the Association is its Board of Directors. The present members of the Board of Directors, and their respective offices, are as follows: Jerome Hamilton, President; Paul Fullenwider, Vice-President; Cletus Greer, Secretary; Lester Dunaway, Treasurer; and William Haynes, Director

4. The Project consists of the construction of a 300,000 gallon elevated,

water storage tank and the installation of approximately 28,000 feet of 10 inch water transmission lines.

5. The Project cost is $1,160,000. The Association proposes to finance the construction of the Project through a loan from the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the "USDA-RD"). The loan is in the amount of $585,000. It will be for a 40 year period with an interest rate not to exceed 4.375%. The balance of the Project cost will be funded by grants totalling $575,000. The financing sources are as follows:

RD Loan	$585,000.
KIA 2020 Grant	100,000.
Coal Development Fund Grant	250,000.
Tobacco/Coal Grant	225,000.
TOTAL	**$ 1,160,000.**

6. The Association has entered into an agreement with the USDA-RD which sets forth the specific terms and conditions for obtaining the loan. The Letter of Conditions, which contains these terms and conditions, is attached hereto and incorporated herein by reference as **EXHIBIT 2.**

7. On November 1, 2005, the USDA-RD amended the original Letter of Conditions by changing several paragraphs, including paragraph 24, which sets forth the rates and charges. The revised schedule setting forth the water rates and charges required by the USDA-RD is contained in Amendment No. 1 to the Letter

of Conditions which is attached hereto and incorporated herein by reference as **EXHIBIT 3**.

8. The Association's consulting engineers, Johnson, Depp & Quisenberry, Owensboro, Kentucky (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report, as well as detailed plans and specifications, for the construction and installation of the Project. The Preliminary Engineering Report and the Final Engineering Report are attached hereto and incorporated herein by reference as **EXHIBITS 4 and 5**. **EXHIBITS 4 and 5** contain, among other things, a description of the Project, cost figures and other pertinent financial data and projections, data justifying the proposed rate schedule, and proposed plans for the financing of the Project.

9. It is the opinion of the Board of Directors of the Association that the public health, safety and general welfare of the citizens and inhabitants of the area served by the Association will be promoted and served by the construction of the Project and the proposed method of financing the Project.

10. The Association has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has received data prepared by the Engineers showing the bids received and the recommendation of the Engineers with respect thereto. The Engineers' bid

tabulations and best bid recommendations are attached hereto and incorporated herein by reference as **EXHIBITS 6 and 7**.

11. The USDA-RD has approved the Association's proposed award of the best bids as evidenced by the Letter of Concurrence in Bid Award dated October 15, 2005, which is attached hereto and incorporated herein by reference as **EXHIBIT 8**.

12. Attached hereto and incorporated herein by reference as **EXHIBIT 9** is a certified statement from the President of the Association, based upon the statements, representations, and professional opinions of the Engineers for the Association, concerning the following:

A. 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;

B. All other state approvals or permits have already been obtained;

C. The proposed rates of the Association shall produce the total revenue requirements set out in the engineering reports; and

D. Setting out the dates when it is anticipated that construction will begin and end.

13. The Association does not contemplate having the Project constructed with any deviation from minimum construction standards or operating conditions of the Commission.

14. The proposed adjusted water rates and charges of the Association are set forth in Amendment No. 1 to the Letter of Conditions (**EXHIBIT 3**) and in the Notice of Adjustment of Water Rates which is attached hereto and incorporated herein by reference as **EXHIBIT 10**.

15. The Association has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Adjustment of Water Rates pursuant to Section 2 of 807 KAR 5:069 in The Messenger-Inquirer, Owensboro, Kentucky, which is the newspaper of general circulation in the Association's service area. This Notice sets out the current rates and the proposed rates of the Association and a brief description of the Project. A copy of the newspaper clipping and an Affidavit of Publication evidencing publication in the newspaper will be submitted to the Commission promptly upon receipt thereof.

16. The Association plans to use any contingency funds remaining after construction of the Project to make additional water system improvements. These improvements will be made with the approval and under the supervision of the USDA-RD.

17. The Association respectfully represents to the Commission that there is a genuine need and demand for the Project.

WHEREFORE, the Applicant, the East Daviess County Water Association, Inc., respectfully requests the Commission to issue the following:

A. A Certificate of Public Convenience and Necessity authorizing the construction and installation of the Project;

B. An Order approving the proposed plan of financing which consists of a loan which will be provided by the USDA-RD in the amount of $585,000, at a rate not to exceed 4.375% and to be repaid over a period not to exceed 40 years; and

C. An Order approving the proposed schedule of water service rates and charges as set forth in Amendment No. 1 to the Letter of Conditions filed herewith as **EXHIBIT 3.**

Respectfully submitted,

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

BY: Jerome Hamilton
JEROME HAMILTON, PRESIDENT

Damon R. Talley

DAMON R. TALLEY, P.S.C.
Counsel for Applicant
P.O. Box 150
Hodgenville, KY 42748
(270) 358-3187 FAX (270) 358-9560
email: drtalley@alltel.net

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF LARUE)

The undersigned, JEROME HAMILTON, being first duly sworn, deposes and states that he is the President of the Board of Directors of the East Daviess County Water Association, Inc. of Daviess County, Hancock County, and Ohio County Kentucky; that he has read the foregoing Application and has noted the contents thereof; and that the statements of fact set forth therein are true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this November 29th, 2005.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

BY: Jerome Hamilton
JEROME HAMILTON, PRESIDENT

Subscribed and sworn to before me by Jerome Hamilton, in his capacity as President of the Board of Directors of the East Daviess County Water Association, Inc., on this November 29th, 2005.

Dawn R. Talley
NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 6-9-07

Table of Contents

EXHIBIT 1

CERTIFICATION AS TO ARTICLES OF INCORPORATION

I, **JEROME HAMILTON**, do hereby certify that I am the duly elected, qualified and acting President of the Board of Directors of the **EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**, a Kentucky Corporation; that the attached copy of the Articles of Incorporation of the Corporation is a true and correct copy of the Articles of Incorporation which was executed by the incorporators on May 7, 1970; that said Articles of Incorporation have not been amended; and that said Articles of Incorporation are still in full force and effect.

This 29th day of November, 2005.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

BY: Jerome Hamilton
JEROME HAMILTON, PRESIDENT

STATE OF KENTUCKY

COUNTY OF LARUE

The foregoing Certification was subscribed, sworn to, and acknowledged before me this 29 day of November, 2005, by **JEROME HAMILTON,** as President of the **EAST DAVIESS COUNTY WATER ASSOCIATION, INC.**, a Kentucky Corporation, for and on behalf of the Corporation.

Dawn L. Talley
NOTARY PUBLIC, State at Large

MY COMMISSION EXPIRES: 6-9-07

E-249 15061

Commonwealth of Kentucky

Department of State

Office of Secretary of State

ELMER BEGLEY, SECRETARY

DOMESTIC CORPORATION DEPARTMENT

NON-STOCK CORPORATION

I, ELMER BEGLEY, Secretary of the State of Kentucky, hereby certify that Articles of Incorporation of the

EAST DAVIESS COUNTY WATER ASSOCIATION, INC. (Owensboro, Kentucky)

has this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived therefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.

Given under my hand as Secretary of State, this 12th *day of* May *19*70

By Elmer Begley
Secretary of State

Mary R. Helm
Assistant Secretary of State

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF CORPORATIONS

SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

We, whose names are hereto subscribed, acting as incorporators for the purpose of forming a nonprofit corporation under the provisions of Chapter 273 of the KRS, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporate under said laws, and do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The names of this corporation shall be EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at 3228 W. 2nd St. Owensboro, County of Daviess, State of Kentucky, and the registered agent at such address is Dave Kuhlman.

ARTICLE III

PURPOSE

The purpose of the said corporation shall be to

establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery, lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

ARTICLE IV

SEAL

This corporation shall have a seal, which seal shall contain the corporate name, Kentucky, and the words "corporate seal."

ARTICLE V

POWERS

The corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

Persons may become members of the corporation as provided in the By-Laws.

ARTICLE VII

DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election three Directors shall be elected for a term of one year; one Director shall be elected for a term of two years; one Director shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election, the following persons shall be Directors:

NAME	ADDRESS	
Jerome Hamilton	R.R. # 2,	Philpot, Kentucky
Paul Fullenwider	R.R. # 1,	Maceo, Kentucky
J.T. Hagan	R.R. # 1,	Philpot, Kentucky
Douglas Gipe	Route 1,	Maceo, Kentucky
Georgia Petri	Route 1,	Maceo, Kentucky

and the following persons shall be Officers:

Jerome Hamilton President,

Paul Fullenwider Vice President,

Georgia Petri Secretary,

Douglas Gipe Treasurer.

w/ 10 days
Art 8 ¶ 1

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elect from their own number a President, Vice President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office.

6. The Board of Directors shall have other meetings as provided in the By-laws.

ARTICLE IX

MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the third Monday in March of each year at the time and place specified by the Board of Directors.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meetings shall be called by him at any time upon written demand of the majority of the directors, or of any twenty-five (25) members, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles, then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two-thirds vote of the members present at such a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

NAME	ADDRESS
Paul Fullenwider	R. R. #1, Maceo, Kentucky
J.T. Hagan	R. R. #1, Philpot, Kentucky
Jerome Hamilton	R. R. #2, Philpot, Kentucky
Gene Lanham	208B West Third Street, Owensboro, K
Calvin Ray Robinson	210 West Third Street, Owensboro, Ky

ARTICLE XI

BY-LAWS

The corporation may make and amend By-Laws at its pleasure through ~~its Board of Directors~~.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 11th day of May, 1970.

Paul Fullenwider
Paul Fullenwider

J.T. Hagan
J.T. Hagan

Jerome Hamilton
Jerome Hamilton

Gene Lanham
Gene Lanham

Calvin Ray Robinson
Calvin Ray Robinson

STATE OF KENTUCKY)

COUNTY OF DAVIESS)

On this 7th day of May, 1970, before me [illegible], a Notary Public in and for said County, personally appeared Paul Fullenwider, J.T. Hagan, Jerome Hamilton, Gene Lanham and Calvin Ray Robinson to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

(SEAL)

[illegible]
Notary Public, Kentucky at Large
My Commission expires: 5/17/72

EXHIBIT 2

United States Department of Agriculture
Rural Development
Kentucky State Office

June 8, 2004

Mr. Jerome Hamilton, President
East Daviess County Water Association, Inc.
9210 Kentucky Highway 144
Philpot, Kentucky 42366

Dear Mr. Hamilton:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan 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 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 $750,000, a Kentucky Infrastructure Authority (KIA) 2020 grant of $100,000, and a Coal Development Fund grant of $250,000.

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:

1. Number of Users and Their Contribution:

There shall be 4,071 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 Association.

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Promissory Note. Principal payment will not be deferred for a period in excess of two years from the date of the Promissory Note. The Association will be required to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the Promissory Note is held or insured by RUS.

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 Association 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 Association will be required to deposit $375.00 per month into a "Funded Depreciation Reserve Account" until the account reaches $45,000. The deposits are to be resumed any time the account falls below the $45,000.

The required monthly deposits to the Reserve Account and required Reserve account levels are in addition to the requirements of the Association's prior note 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:

The loan will be secured by a real estate mortgage, a financing statement, and pledge of gross water revenue, in the Loan Resolution and Financing Statement.

6. Land Rights and Real Property:

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

8. Business Operations:

The Association 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 Association after review by Rural Development. At no later than loan pre-closing, the Association 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 Association will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with 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 Association will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The Association 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 Association. The Association should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.

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

C. Fidelity Bond - The Association 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 $165,000.

D. Real Property Insurance - The Association 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 Association 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 Association will obtain and maintain adequate coverage on any facilities located in 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 "21" 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 for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.

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

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

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

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

The Association 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 Association.

15. Compliance with Special Laws and Regulations:

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

16. System Operator:

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

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

A. Form RD 1942-8, "Resolution of Members or Stockholders."

B. Form RUS Bulletin 1780-28, "Loan Resolution Security Agreement."

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

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

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

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

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

The Association 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 Association is reminded that if at any time it shall appear to the Government that the Association 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 Association will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

The Association 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 Association 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 Association 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 Association 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 Association, 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 Association.

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

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

21. Cost of Facility:

Breakdown of Costs:

Development	$ 889,500
Land and Rights	12,000
Legal and Administrative	6,000
Engineering	99,200
Interest	35,000
Contingencies	58,300
TOTAL	$ 1,100,000

Financing:

RUS Loan	$ 750,000
KIA 2020 Grant	100,000
Coal Development Fund Grant	250,000
TOTAL	$ 1,100,000

22. 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 Clearinghouse (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.

23. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be KIA 2020/Coal Development Fund 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.

24. Rates and Charges:

Rates and charges for facilities and services rendered by the Association 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 @ $	12.60 - Minimum Bill.
Next	4,000	gallons @ $	3.80 - per 1,000 gallons.
Next	44,000	gallons @ $	3.25 - per 1,000 gallons.
All Over	50,000	gallons @ $	2.75 - per 1,000 gallons.

25. Water Purchase Contract:

The Association 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.

26. Commitment of KIA 2020 and Coal Development Fund Grants:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the KIA 2020 grant in the amount of $100,000 and for the Coal Development Fund grant in the amount of $250,000.

27. Floodplain Construction:

The Association will be required to pass and adopt a Resolution or amend its By-Laws whereby the Association 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 Association 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 February 6, 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 May 10, 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 loan will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

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
KENNETH SLONE
State Director

Enclosures

cc: Area Director - Princeton, Kentucky
Rural Development Manager - Owensboro, Kentucky
Green River ADD - Owensboro, Kentucky
Damon Talley - Hodgenville, Kentucky
Johnson, Depp & Quisenberry - Owensboro, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky

USDA Rural Development

United States Department of Agriculture
Rural Development
Kentucky State Office

EXHIBIT 3

November 1, 2005

Mr. Jerome Hamilton, President
East Daviess County Water Association, Inc.
9210 Kentucky Highway 144
Philpot, Kentucky 42366

Re: Letter of Conditions Dated June 8, 2004

Dear Mr. Hamilton:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated June 8, 2004. The purpose of this amendment is to revise the total cost of the project, project funding, rates and charges, and make other editorial changes in accordance with current RUS Instructions.

The Second Paragraph on Page 1 is revised to read as follows:

" This letter is not to be considered as loan 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 $585,000, a Kentucky Infrastructure Authority (KIA) 2020 grant of $100,000, a Coal Development Fund grant of $250,000, and a Tobacco/Coal grant of $225,000. No cash contribution is required from the Association. "

Paragraph numbered "4" is revised to read as follows:

" 4. Reserve Accounts:

The Association will be required to deposit $270.00 per month into a "Funded Depreciation Reserve Account" until the account reaches $32,400. The deposits are to be resumed any time the account falls below the $32,400.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the Association's prior note ordinances.

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. "

Paragraph numbered "11.C." is revised to read as follows:

" 11. Insurance and Bonding:

The following insurance and bonding will be required:

C. Fidelity Bond - The Association 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 $152,000. "

Paragraph numbered "13" is revised to read as follows:

" 13. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. "

Paragraph numbered "21" is revised to read as follows:

" 21. Cost of Facility:

Breakdown of Costs:

Development	$ 882,400
Land and Rights	20,300
Legal and Administrative	19,100
Engineering	99,200
Interest	35,000
Contingencies	104,000
TOTAL	$ 1,160,000

Financing:

RUS Loan	$ 585,000
KIA 2020 Grant	100,000
Coal Development Fund Grant	250,000
Tobacco/Coal Grant	225,000
TOTAL	$ 1,160,000 "

Paragraph numbered "23" is revised to read as follows:

" 23. Use of Remaining Project Funds:

After providing for all authorized costs, any remaining project funds will be considered to be KIA 2020/Coal Development Fund/Tobacco Coal grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds. "

Paragraph numbered "24" is revised to read as follows:

" 24. Rates and Charges:

Rates and charges for facilities and services rendered by the Association 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 @ $	13.85 - Minimum Bill.
Next	4,000	gallons @ $	4.60 - per 1,000 gallons.
Next	44,000	gallons @ $	3.65 - per 1,000 gallons.
All Over	50,000	gallons @ $	2.95 - per 1,000 gallons. "

Paragraph numbered "26" is revised to read as follows:

" 26. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the KIA 2020 grant in the amount of $100,000, for the Coal Development Fund grant in the amount of $250,000, and for the Tobacco/Coal grant in the amount of $225,000. "

Paragraph numbered "30" is added to read as follows:

" 30. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the Association will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA). "

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,

Kenneth Slone

KENNETH SLONE
State Director

cc: Area Director - Princeton, Kentucky
Rural Development Manager - Owensboro, Kentucky
Green River ADD - Owensboro, Kentucky
✓Damon Talley - Hodgenville, Kentucky
Johnson, Depp & Quisenberry - Owensboro, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky

EXHIBIT 4

PRELIMINARY ENGINEERING REPORT

EAST DAVIESS COUNTY WATER ASSOCIATION

WATER DISTRIBUTION SYSTEM IMPROVEMENTS

ROSEVILLE TRANSMISSION MAIN
&
YELVINGTON ELEVATED STORAGE TANK

PRELIMINARY ENGINEERING REPORT

SEPTEMBER 2003

P. Glenn Morrison P.E.
Ky. Reg. No. 10,184
10/13/03

JOHNSON, DEPP & QUISENBERRY
CONSULTING ENGINEERS

2625 FREDERICA STREET • OWENSBORO, KY 42301

2417 REGENCY ROAD-SUITE D • LEXINGTON, KY 40503

6450 S. SIXTH STREET-SUITE B • SPRINGFIELD, IL 62712

PRELIMINARY
ENGINEERING REPORT

EAST DAVIESS COUNTY WATER ASSOCIATION
WATER SYSTEM IMPROVEMENTS

INTRODUCTION

The East Daviess County Water Association's distribution system is spread primarily through eastern Daviess County, southern and central Hancock County and northern Ohio County. With the completion of the Cabot area expansion project in 1999, a short section of main even extends into extreme western Breckenridge County. There are at present 4,071 customers being reliably served with potable water through the association's public distribution system (4,022 residential and 49 industrial/commercial). The system has experienced rapid growth in miles of main in service as well as number of customers over the past 30 plus years since it's inception. From the beginning, when the system served only approximately 300 customers in the Knottsville and Maceo/Yelvington areas of Daviess County, it has been the philosophy of the Board of Directors to do what was possible from an operational as well as financial stand point to expand the system into new areas to serve neighbors who had neither safe nor adequate sources of water from individual wells. Thus in 1976 and 1977 the system was expanded into both Hancock and Ohio Counties. In 1981, the Association realized that it was necessary to provide more water for its ever increasing number of customers. Upgrades were made which included a new pumping facility, a transmission main and an elevated storage tank which increase the amount of water which could be pumped to and stored in the Knottsville tank system (this system feeds all the customers in Hancock and Ohio Counties as well as the Knottsville area of Daviess County).

In the late 1980's, additional pumping, storage and transmission facilities were added to the system in Hancock County. In addition, a new pumping station and distribution mains were constructed and an existing tank that was no longer in use was moved to serve a higher area northeast of Maceo which could not previously be served.

Due to substantial growth throughout the system, a need to increase pumping, transmission and storage facilities (particularly to the Knottsville area and Hancock and Ohio Counties), another improvement was made to the system in 1996 which saw the addition of an 800 gallon per minute pumping station at Yellow Creek, a 12-inch transmission main from the pump station to Knottsville and beyond and the construction of a 750,000 gallon elevated storage tank at Knottsville which more than doubled the system storage capacity. These additions made it possible to provide a greater volume of water to the system in a shorter amount of time.

As southern Hancock and northern Ohio Counties continue to increase in population, the need for a greater daily volume of water also continues to increase. Currently, the entire area is served by a 300 gpm pump station just west of Pellville that pumps water from the Knottsville tank system into a 150,000 gallon standpipe storage tank located on Ky. Hwy. 69 north of Roseville, a distance of 5.9 miles from the station. The original main that carries water to the tank was installed in 1976 and as a 6-inch main. In the 1995 expansion project a 10-inch main was installed parallel to the original line from the pump station to the east side of Pellville. This allowed the Pellville Pump Station to be increased in capacity from 100 to 300 gpm without significant increase in the pressure in the mains.

This project will complete the installation of the 10-inch transmission main from its end at Pellville to the Roseville Storage Tank. This will allow the existing Pellville pump station pumps to deliver more water by reducing the head on these and it will help to keep pressures in the system up when the pump station is not running by decreasing friction losses in the distribution system when operating from the tank. The additional main capacity will also allow the pumping capacity of the Pellville station to be increased in the future when needed.

The route of the 10-inch main will be along Ky. Hwy. 144 east from Pellville to its intersection with Ky. Hwy. 69 at Weber Corner and then south along Ky. Hwy. 69 to the Roseville Tank. The alignment will for the most part parallel the existing 6-inch main.

In addition to the improvements made to the Knottsville Tank System, the Association will also add storage to the Maceo-Yelvington Tank System. In the past several summers, (especially during prolonged hot, dry periods) the pumping facilities for the Maceo-Yelvington System have had trouble keeping up with the demands on the system. Even when running 24-hours per day, there were a few days when they were not able to pump into the system what was being used by the customers and as a result, they were starting some days with less water in storage than the day before. To eliminate the storage problem, the Association will install a 300,000 gallon elevated storage tank in the system. It will be located across Ky. Hwy. 405 from the existing tank and will have the same over flow elevation so that the existing pumps will supply both tanks and they will work simultaneously. The addition of 300,000 gallons of storage will provide one full day of pumping capacity to the system (200

gpm x 144 minute per day = 288,000 gallons). This will keep tank levels from dropping significantly during periods of high demand.

This report will outline the facilities to be installed, the associated costs, methods of funding and financing and proposed rate changes.

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED SEPTEMBER 2003

FOR

EAST DAVIESS COUNTY WATER ASSOCIATION CONTRACT VII
(Name of Project)
10-INCH TRANSMISSION MAIN AND WATER STORAGE TANK

APPLICANT CONTACT PERSON Edwin Payne, Manager

APPLICANT PHONE NUMBER (270) 281-5187

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0739440

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

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

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

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

I. GENERAL

A. Proposed Project: Provide a brief description of the proposed project. In addition to this summary, the applicant/engineer should submit a project map of the service area.

The project will consist of the installation of approximately 26,500 feet of 10-inch transmission main to allow for greater pumping capacity into the Roseville tank system and the construction of a 300,000 gallon elevated water storage tank in the Maceo-Yelvington tank system to provide additional storage.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. Sewage Treatment: N/A

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 N/A

C. Type of Sewage Collector System (Describe) N/A

_____

_____

D. Number and Capacity of Sewage Lift Stations N/A

_____

E. Sewage Collection System: N/A

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.

N/A

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.

The Water Association presently purchases water from Owensboro Municipal Utilities. OMU is capable of producing 30 MGD. The Association has 39 years remaining on their long term purchase contract with OMU OMU on average uses less than 67% of their capacity. The Associations contract is for up to 2,200 gallons per minute from OMU.

If the applicant purchases water:

Seller(s):

1. Owensboro Municipal Utilities
2. _____
3. _____

Price/1,000 gallons:

1. $1.148
2. _____
3. _____

Present Estimated Market Value of Existing System: $ 8,282,443.00

B. Water Storage:

Type: Ground Storage Tank 0 Elevated Tank 1

Standpipe 6 Other 0

Number of Storage Structures 7

Total Storage Volume Capacity 1,550,000

Date Storage Tank(s) Constructed 1-1971 (150,000), 1-1977 (150,000) 1-1987 (100,000), 2-1988 (300,000, 150,000 Each), 1-1996 (750,000), 1-1998 (100,000)

C. Water Distribution System:

Pipe Material Polyvinyl Chloride

Lineal Feet of Pipe: 3" Diameter 686,6000 4" 257,550

6" 309,700 8" 9,740

10" 10,000 12" 60,000

Date(s) Water Lines Constructed 1971, 1977-78, 1980-81, 1987-88,1996,1998

Number and Capacity of Pump Station(s) 1-800 gpm 1-300 gpm 1-200 gpm 4-50 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.

The existing systems, owned and operated by the East Daviess County Water Association (mains, pumping facilities, storage facilities, etc.) is in excellent condition and if properly maintained, should last indefinitely.

E. Percentage of Water Loss Existing System 12.5%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type Water/Sewer*		Amount on Deposit in Reserve Account
19 72 Issue	GMAC	$ 127,072	May 23	100 %	%	
19 77 Issue	GMAC	$ 311,611	June 22	100 %	%	
19 81 Issue	GMAC	$ 378,823	May 1	100 %	%	
19 89 Issue	USDA, RD	$ 429,316	FEB. 13	100 %	%	
19 98 Issue	USDA, RD	$1,125,653	Feb. 16	100 %	%	
19 99 Issue	USDA, RD	$ 156,257	Aug. 27	100%	%	

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

-$ 308,423 (In all Accounts)

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

Date of Issue	Bond/Note Holder	Payment Year 2003 Principal Payment	Payment Year 2003 Interest Payment	Payment Year 2004 Principal Payment	Payment Year 2004 Interest Payment	Payment Year 2005 Principal Payment	Payment Year 2005 Interest Payment
19 72 Issue	GMAC						
19 77 Issue	GMAC	47122	37168	49503	34787	52005	32285
19 81 Issue	GMAC						
19 89 Issue	USDA, RD	5361	32199	5769	31741	6217	31293
19 98 Issue	USDA, RD	13911	59173	14607	58474	15337	57744
19 99 Issue	USDA,RD	1720	7425	1786	7278	1871	7193

V. EXISTING SHORT-TERM INDEBTEDNESS

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

Lender or Lessor	Date of Issue (Month & Year)	Principal Balance	Purpose (Water and/ or Sewer)	Payment Date	Principal & Interest Payment (P&I)	Date to Be Paid In Full
			NONE			

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Office Sites:	Water	1	Sewer	N/A
Number of Treatment Plant Sites:	Water	0	*Sewer*	N/A
Number of Storage Tank Sites	Water	8	*Sewer*	N/A
Number of Pump Stations:	Water	6	*Sewer*	N/A
Total Acreage:	Water	1.856 Acres	*Sewer*	N/A *Acres*
Purchase Price:	Water	$51,000.00	*Sewer*	$ N/A

VII. NUMBER OF EXISTING USERS

	Water	*Sewer*
Residential (In Town) *	0	N/A
Residential (Out of Town) *	3996	N/A
Non-Residential (In Town)	0	N/A
Non-Residential (Out of Town)	75	N/A
Total	4071	N/A
Number to Total Potential Users Living in the Service Area	9250+	N/A

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

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

Meter Size	Water Connection Fee	*Sewer Connection Fee*
5/8" x 3/4"	$ 350.00	$ N/A
1 - Inch	$ 450.00	$ N/A
1½ - Inch	$ 750.00	$ N/A
2" - Inch	$ 1,500.00	$ N/A/

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill N/A ***%*** ***Minimum Charge $*** N/A

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

Date This Rate Went Into Effect N/A

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	2,000	Gallons @ $	12.05	Minimum.
Next	4,000	Gallons @ $	3.40	per 1,000 Gallons.
Next	44,000	Gallons @ $	2.95	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	50,000	Gallons @ $	2.50	per 1,000 Gallons.

Date This Rate Went Into Effect July 22, 1998

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

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

N/A

For Period _____ *to* _____.

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

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

For Period January 1, 2002 to December 31, 2002.

All Meter Sizes	Monthly Water Usage	Average	Residential No. of Users	Residential Usage (1000)	Non-Residential No. of Users	Non-Residential Usage (1000)
	0 Gallons	0	20	0	0	0
	0 - 2,000 Gallons	1,000	636	636	13	13
	2,000 - 3,000 Gallons	2,500	553	1,382.5	3	7.5
	3,000 - 4,000 Gallons	3,500	625	2,187.5	2	7
	4,000 - 5,000 Gallons	4,500	534	2,403	2	9
	5,000 - 6,000 Gallons	5,500	407	2,238.5	1	5.5
	6,000 - 7,000 Gallons	6,500	301	1,956.5	1	6.5
	7,000 - 8,000 Gallons	7,500	203	1,522.5	0	0
	8,000 - 9,000 Gallons	8,500	184	1,564	3	25.5
	9,000 - 10,000 Gallons	9,500	126	1,197	2	19
	10,000 - 11,000 Gallons	10,500	128	1,344	2	21
	11,000 - 12,000 Gallons	11,500	89	1,023.5	0	0
	12,000 - 13,000 Gallons	12,500	60	750	1	12.5
	13,000 - 14,000 Gallons	13,500	39	526.5	1	13.5
	14,000 - 15,000 Gallons	14,500	20	290	4	58
	15,000 - 16,000 Gallons	15,500	14	217	0	0
	16,000 - 17,000 Gallons	16,500	12	198	1	16.5
	17,000 - 18,000 Gallons	17,500	10	175	1	17.5
	18,000 - 19,000 Gallons	18,500	8	148	0	0
	19,000 - 20,000 Gallons	19,500	8	156	0	0
	_____ - _____ Gallons	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____
	_____ - _____ Gallons	_____	_____	_____	_____	_____
		Total	(4,022)	(21,126)	(49)	(1,192)
		Average Usage		(5,279)		(24,326)

Total Water Purchased and/or Produced	297,705,000	14,912,000
Total Water Sold	254,819,000	12,764,000

XII. ANALYSIS OF ACTUAL WATER USAGE – EXISTING SYSTEM – 12 MONTH PERIOD (CONTINUED)

Meter Size	Monthly Water Usage	Average	Residential Farmer No. of: Users	Residential Farmer Usage (1000)	Non-Residential Commercial No. of: Users	Non-Residential Commercial Usage (1000)
20,000 –	21,000 Gallon	20,500	6	123	0	0
21,000 –	22,000 Gallon	21,500	4	86	0	0
22,000 –	23,000 Gallon	22,500	5	112.5	1	22.5
23,000 –	24,000 Gallon	23,500	4	94	0	0
24,000 –	25,000 Gallon	24,500	4	98	0	0
25,000 –	26,000 Gallon	25,500	3	76.5	0	0
26,000 –	27,000 Gallon	26,500	3	283.28	0	0
27,000 –	28,000 Gallon	27,500	3	82.5	0	0
28,000 –	29,000 Gallon	28,500	1	28.5	0	0
29,000 –	30,000 Gallon	29,500	1	29.5	0	0
30,000 –	31,000 Gallon	30,500	1	30.5	0	0
31,000 –	32,000 Gallon	31,500	1	31.5	0	0
32,000 –	33,000 Gallon	32,500	1	32.5	0	0
33,000 –	34,000 Gallon	33,500	1	33.5	1	3.5
34,000 –	35,000 Gallon	34,500	1	34.5	0	0
35,000 –	36,000 Gallon	35,500	1	35.5	0	0
36,000 –	37,000 Gallon	36,500	1	36.5	0	0
37,000 –	38,000 Gallon	37,500	1	37.5	0	0
38,000 –	39,000 Gallon	38,500	1	38.5	0	0
44,000 –	45,000 Gallon	00,000	1	44.5	2	89
45,000 –	46,000 Gallon	00,000	1	45.5	1	45.5
66,000 –	67,000 Gallon	66,500	0	0	1	66.5
84,000 –	85,000 Gallon	84,500	0	0	1	84.5
86,000 –	87,000 Gallon	86,500	0	0	1	86.5
89,000 –	90,000 Gallon	89,500	0	0	1	89.5
130,000 –	131,000 Gallon	130,500	0	0	1	130.5
135,000 –	136,000 Gallon	135,500	0	0	1	135.5
176,000 –	177,000 Gallon	176,500	0	0	1	176.5

PROPOSED IMPROVEMENTS

The improvements proposed for this project are the completion of a 10-inch reinforcing main from Pellville to the Roseville water storage tank, approximately 5.02 miles. The installation of the main will allow the Association to better serve the existing customers by maintaining better pressure in the higher areas and to pump water into the system at a faster rate.

The other part of the improvement will be the construction of a new 300,000 gallon elevated water storage tank in the Maceo-Yelvington System to provide more storage during the hot dry periods of summer when the pumping capacity can not keep up with the customer demand. The tank will be constructed on Ky. Hwy. 405 across from the existing system storage tank (150,000 gallon standpipe) and will be at the same overflow elevation so that the tanks will act in tandem. The addition of a second tank to the system will also be a bonus to the Association when maintenance is needed on one of the tanks (such as painting). One tank can be taken out of service for maintenance and there will still be one tank to operate the system with.

The project will be funded through a combination of grants from the Kentucky Infrastructure Authority and a loan from the USDA Rural Development.

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

_____

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

$ _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

_____

_____

D. Number and Capacity of Sewage Lift Stations _____

_____

E. Sewage Collection System:

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

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

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ *Acres*

Purchase Price *$* _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

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

Water is purchased by the Association from Owensboro Municipal Utilities. The water is of the highest quality and the Association has a long term contract with OMU (39 years remaining) to purchase up to 2,200 gallons per minute. OMU has the capability of producing 30 million gallons of water per day.

B. Water Storage: 39

Type: Ground Storage Tank _____ Elevated Tank 1 - 300,000 Gallons

Standpipe _____ Other _____

Number of Storage Structures 1

Total Storage Volume Capacity 300,000 Gallons

C. Water Distribution System:

Pipe Material Polyvinyl Chloride

Lineal Feet of Pipe: 3" Diameter 0 4" 0

6" 0 8" 0

10" 26,500 12" 0

Number and Capacity of Pump Station(s) None

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites	0
Number of Pump Sites	0
Number of Other Sites	1 (Water Storage Tank Site)
Total Acreage	0.056 Acres
Purchase Price	$ 12,000.00

XVII. NUMBER OF NEW SEWER USERS

N/A

Residential (In Town) *	_____
Residential (Out of Town) *	_____
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	_____
Number to Total Potential Users Living in the Service Area	_____

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

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

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

XIX. NUMBER OF NEW WATER USERS THERE WILL BE NO NEW CUSTOMERS

Residential (In Town) * _____

Residential (Out of Town) * _____

Non-Residential (In Town) _____

Non-Residential (Out of Town) _____

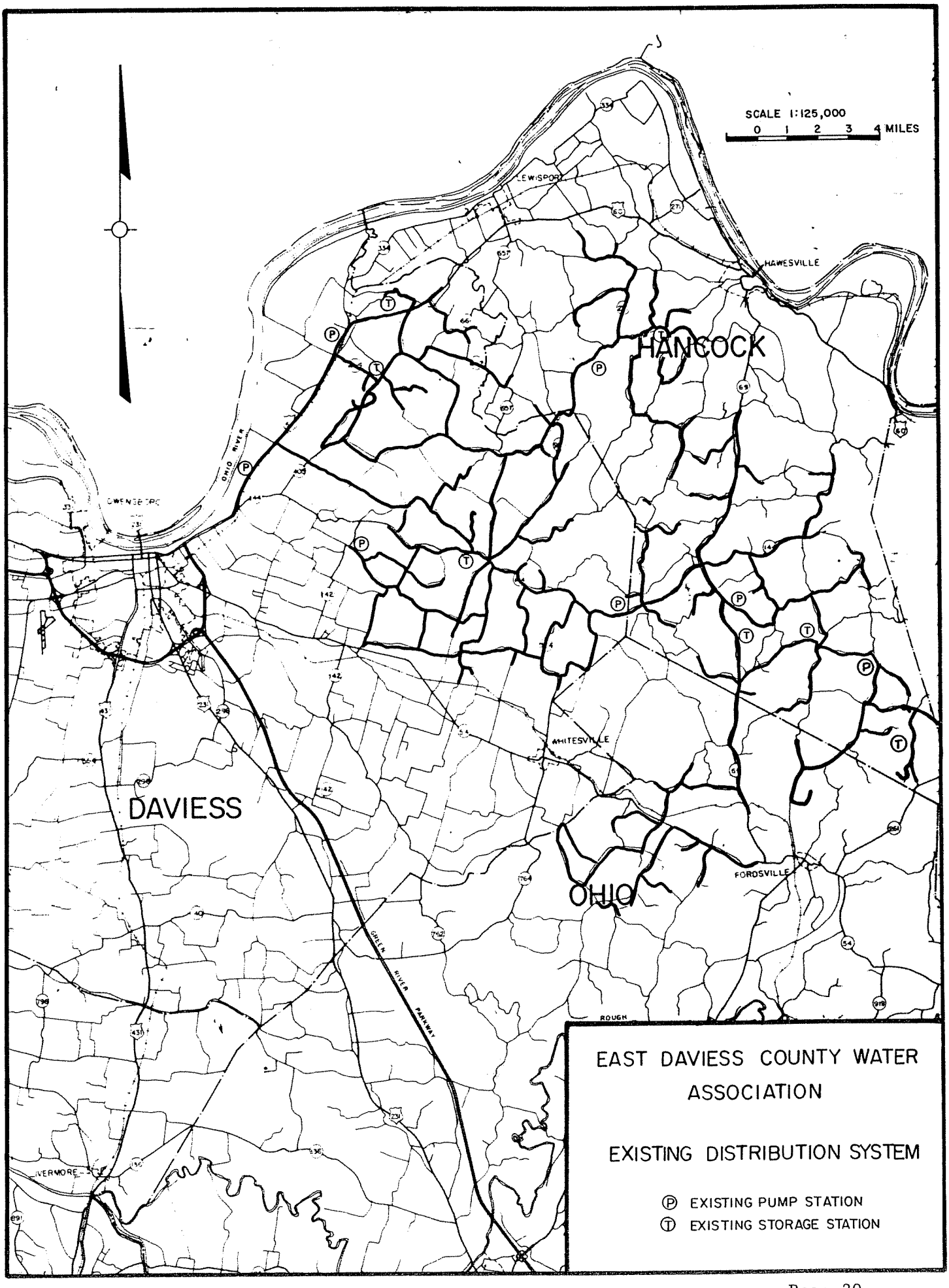
Total _____

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:

Meter Size	Connection Fee
5/8" x 3/4"	$ 350.00
1 - Inch	$ 450.00
1-1/2 Inch	$ 750.00
2 - Inch	$ 1,500.00
3 - Inch	$ ACUTAL COST
4 - Inch	$ ACTUAL COST
5 - Inch	$ ACTUAL COST
6 - Inch	$ ACTUAL COST


SCALE 1:125,000
0 1 2 3 4 MILES
LEWISPORT
HAWESVILLE
HANCOCK
OHIO RIVER
OWENSBORO
WHITESVILLE
DAVIESS
FORDSVILLE
OHIO
GREEN RIVER PARKWAY
ROUGH
IVERMORE
EAST DAVIESS COUNTY WATER ASSOCIATION
EXISTING DISTRIBUTION SYSTEM
Ⓟ EXISTING PUMP STATION
Ⓣ EXISTING STORAGE STATION

DESIGN

The new main to be installed will be a transmission main only. No new area will be served at this time and no new customers will be added. A hydraulic calculation is included that draws flow rates, pressure etc. associated with the addition of the main.

The new tank will be located across the highway from the existing tank at Yelvington and will be constructed to the same overflow elevation. No changes to the Yelvington pump station (which will pump to the new tank) are anticipated at this time and no hydraulic calculations are included.

HYDRAULIC CALCULATIONS

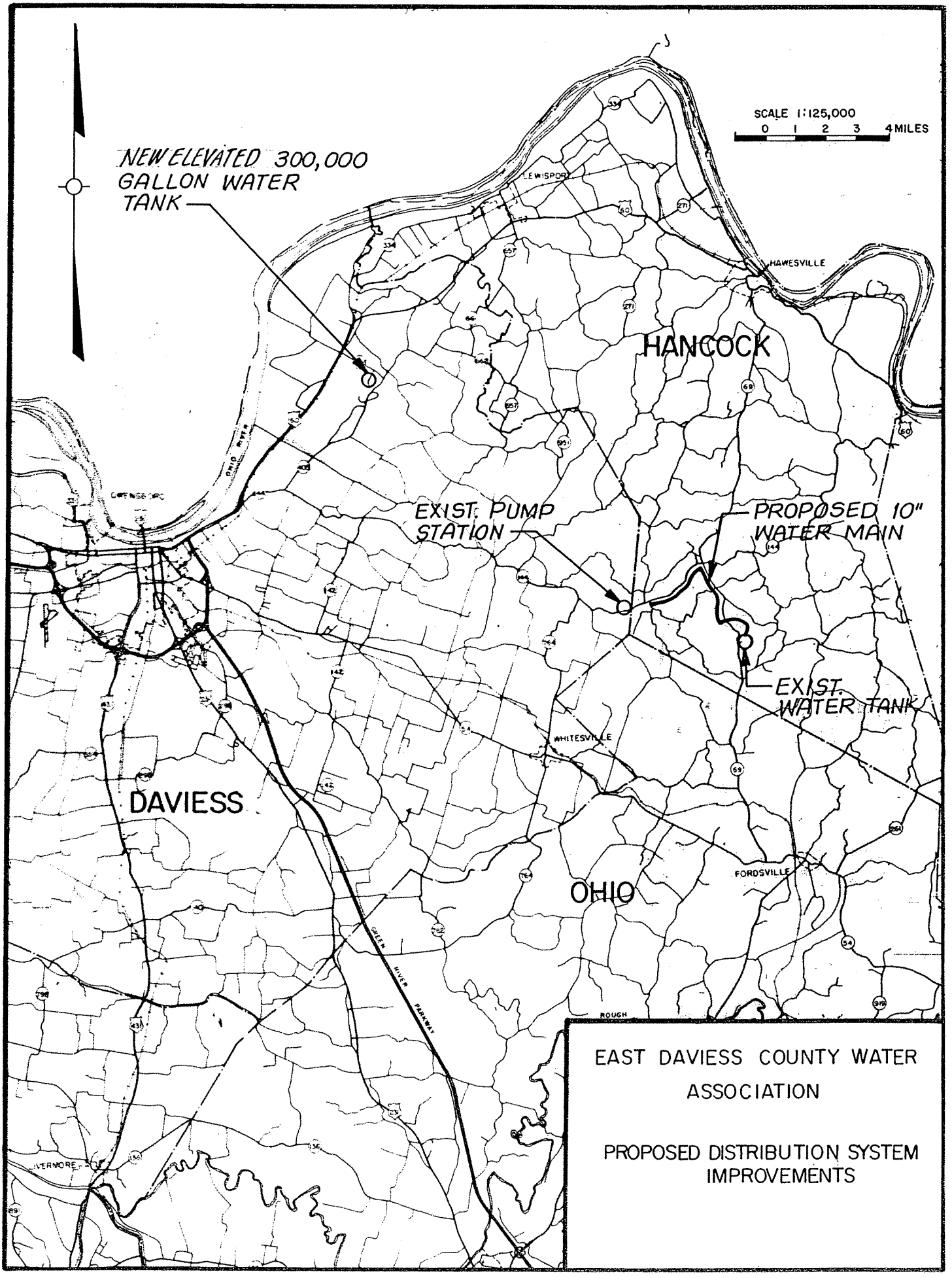
The following are Hydraulic Calculation Sheets for each of the proposed improvements. The calculation sheets and the accompanying maps break the systems down into line segments, indicate lengths, high points, tank elevations, demand flows, static pressures, pressure losses, dynamic pressures and hydraulic grades. Distances and elevations were taken from U.S.G.S. topographic maps.

Calculation of the friction factor used in determining the pressure loss in each individual line segment was based on the following formula (Williams & Hazen Formula)

$$f = 0.2083(100/c)^{1.85}(g^{1.85}/d^{4.8655})$$

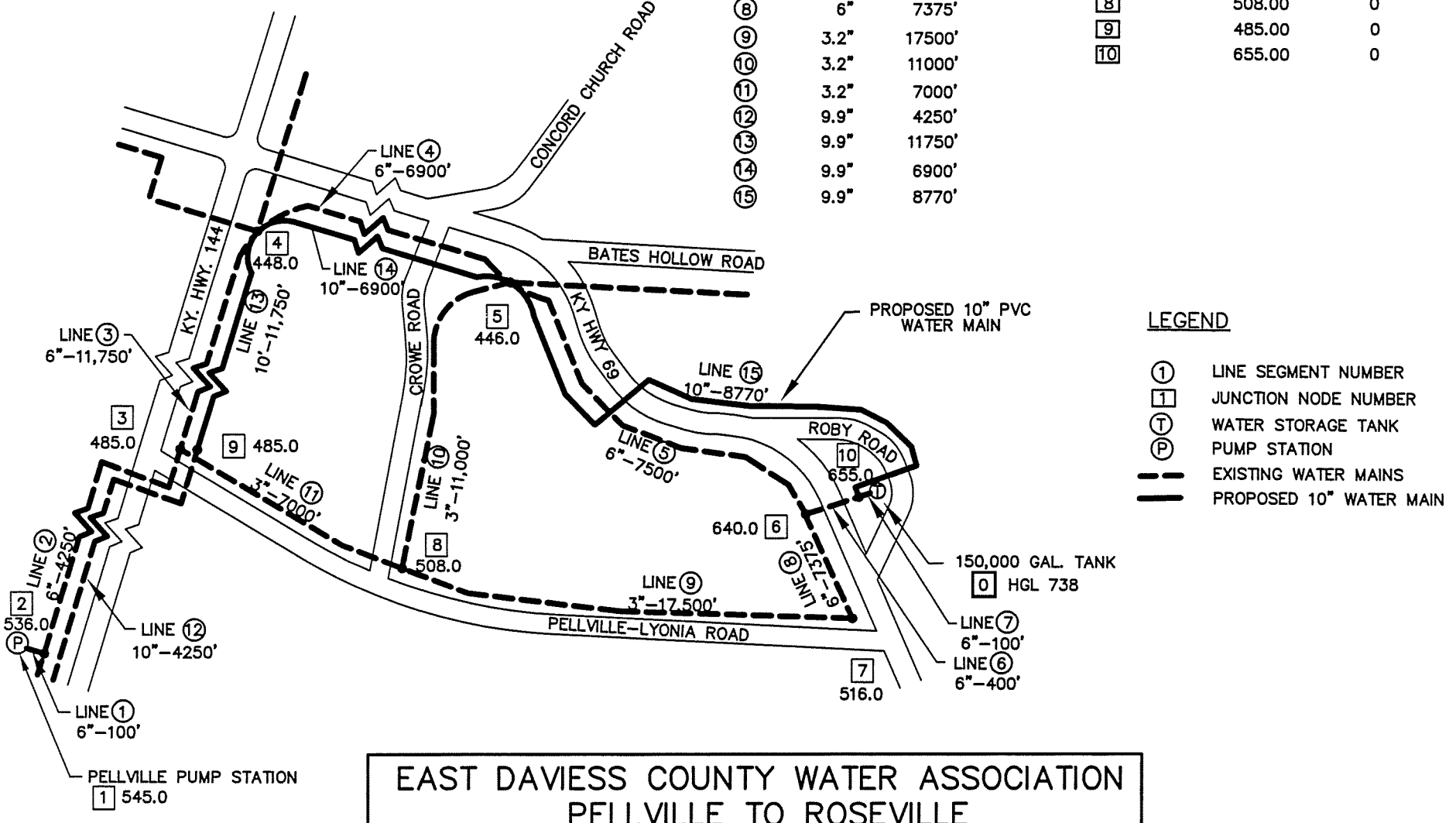
where

f - Friction Factor in feet of water per 100 feet of pipe
c - Pipe Roughness – 150 for PVC Pipe
g - Flow Rate of Water in gallons per minute
d - Internal Diameter of Pipe in inches


NEW ELEVATED 300,000 GALLON WATER TANK
SCALE 1:125,000
0 1 2 3 4 MILES
LEWISPORT
HAWESVILLE
HANCOCK
OHIO RIVER
EXIST. PUMP STATION
PROPOSED 10" WATER MAIN
EXIST. WATER TANK
WHITESVILLE
DAVIESS
OHIO
FORDSVILLE
GREEN RIVER PARKWAY
ROUGH
IVERMORE
EAST DAVIESS COUNTY WATER ASSOCIATION
PROPOSED DISTRIBUTION SYSTEM IMPROVEMENTS

LINE SEG.	SIZE	LENGTH
①	6"	100'
②	6"	4250'
③	6"	11750'
④	6"	6900'
⑤	6"	7500'
⑥	6"	400'
⑦	6"	100'
⑧	6"	7375'
⑨	3.2"	17500'
⑩	3.2"	11000'
⑪	3.2"	7000'
⑫	9.9"	4250'
⑬	9.9"	11750'
⑭	9.9"	6900'
⑮	9.9"	8770'

JUNCTION NODE	ELEVATION	DRAW
1	545.00	−300
2	536.00	0
3	485.00	50
4	448.00	125
5	446.00	50
6	640.00	0
7	516.00	75
8	508.00	0
9	485.00	0
10	655.00	0



LEGEND

- ① LINE SEGMENT NUMBER
- 1 JUNCTION NODE NUMBER
- Ⓣ WATER STORAGE TANK
- Ⓟ PUMP STATION
- EXISTING WATER MAINS
- PROPOSED 10" WATER MAIN

EAST DAVIESS COUNTY WATER ASSOCIATION
PELLVILLE TO ROSEVILLE
SCHEMATIC DRAWING

DRAWING: 01-028SD DRAWN BY: DHW FEBRUARY 21, 2001

*** UNIVERSITY OF KENTUCKY PIPE NETWORK ANALYSIS PROGRAM - 1985 VERSIO
N ***

RESULTS TO OUTPUT FILE

INPUT DATA FILE NAME FOR THIS SIMULATION = EDWPRI2.TXT
OUTPUT DATA FILE NAME FOR THIS SIMULATION = EDWPRO2.TXT

NUMBER OF PIPES = 15
NUMBER OF JUNCTION NODES = 10
FLOW UNITS = GALLONS / MINUTE
PRESSURE UNITS = PSI

**** SUMMARY OF INPUT DATA ***

PIPE NO.	NODE #1	NODE #2	LENGTH (FT.)	DIAM. (IN.)	HW-C VALUE	SUM-M FACT.	PUMP TYPE	FGN GRADE
1	1	2	100.0	6.0	150.0	0.0	0.0	
2	2	3	4250.0	6.0	150.0	0.0	0.0	
3	3	4	11750.0	6.0	150.0	0.0	0.0	
4	4	5	6900.0	6.0	150.0	0.0	0.0	
5	5	6	7500.0	6.0	150.0	0.0	0.0	
6	4	10	400.0	6.0	150.0	0.0	0.0	
7	10	0	100.0	6.0	150.0	0.0	0.0	738.0
8	6	7	7375.0	6.0	150.0	0.0	0.0	
9	7	8	17500.0	3.2	150.0	0.0	0.0	
10	8	5	11000.0	3.2	150.0	0.0	0.0	
11	8	9	7000.0	3.2	150.0	0.0	0.0	
12	9	2	4250.0	9.9	150.0	0.0	0.0	
13	9	4	11750.0	9.9	150.0	0.0	0.0	
14	4	5	6900.0	9.9	150.0	0.0	0.0	
15	5	10	8770.0	9.9	150.0	0.0	0.0	

JUNCT. NO.	DEMAND	ELEVATION
1	-300.0	545.0
2	0.0	536.0
3	50.0	485.0
4	125.0	448.0
5	50.0	446.0
6	0.0	640.0
7	75.0	516.0
8	0.0	508.0
9	0.0	485.0
10	0.0	655.0

**** THE RESULTS FOR THIS SIMULATION FOLLOW ****

NO. OF TRIALS = 8 - ACCURACY ATTAINED = .0028

PIPE NO.	NODE #1	NODE #2	FLOW RATE	HEAD LOSS	MINOR LOSS	PUMP HEAD	LINE VELOCITY	HL 1000
1	1	2	300.00	0.62	0.00	0.00	3.41	6.15
2	2	3	86.82	2.63	0.00	0.00	0.99	0.62
3	3	4	36.82	1.49	0.00	0.00	0.42	0.13
4	4	5	15.14	0.17	0.00	0.00	0.17	0.02
5	5	6	63.90	2.63	0.00	0.00	0.73	0.35
6	4	10	39.74	0.06	0.00	0.00	0.45	0.15
7	10	0	0.00	0.00	0.00	0.00	0.00	0.00
8	6	7	63.90	2.59	0.00	0.00	0.73	0.35
9	7	8	-11.10	5.37	0.00	0.00	0.45	0.31
10	8	5	2.06	0.15	0.00	0.00	0.08	0.01
11	8	9	-13.16	2.95	0.00	0.00	0.54	0.42
12	9	2	-213.18	1.19	0.00	0.00	0.88	0.28
13	9	4	200.02	2.93	0.00	0.00	0.83	0.25
14	4	5	56.96	0.17	0.00	0.00	0.24	0.02
15	5	10	-39.74	0.11	0.00	0.00	0.16	0.01

JUNCTION NO.	ELEVATION (FT.)	DEMAND	PRESSURE (PSI)	HYDRAULIC GRADE
1	545.0	-300.0	85.7	742.8
2	536.0	0.0	89.3	742.2
3	485.0	50.0	110.3	739.5
4	448.0	125.0	125.7	738.1
5	446.0	50.0	126.5	737.9
6	640.0	0.0	41.3	735.3
7	516.0	75.0	93.9	732.7
8	508.0	0.0	99.7	738.0

9	485.0	0.0	110.9	741.0
10	655.0	0.0	36.0	738.0

THE NET SYSTEM DEMAND = 0

SUMMARY OF INFLOWS(+) AND OUTFLOWS(-)

PIPE NO.	FLOW
7	0.00

SUMMARY OF MINIMUM AND MAXIMUM VELOCITIES

MINIMUMS		MAXIMUMS	
10	0.08	1	3.41
15	0.16	2	0.99
4	0.17	12	0.88
14	0.24	13	0.83
3	0.42	8	0.73

SUMMARY OF MINIMUM AND MAXIMUM HL/1000

MINIMUMS		MAXIMUMS	
15	0.01	1	6.15
10	0.01	2	0.62
14	0.02	11	0.42
4	0.02	8	0.35
3	0.13	9	0.31

SUMMARY OF MINIMUM AND MAXIMUM PRESSURES

MINIMUMS		MAXIMUMS	
10	35.97	5	126.48
6	41.28	4	125.69
1	85.71	9	110.93
2	89.34	3	110.30
7	93.89	8	99.68

******* END OF THIS SIMULATION *******

□ 110.93

2	89.34	3	110.30
7	93.89	8	99.68

******* END OF THI

CONSTRUCTION ESTIMATES AND PROJECT COSTS

The following is a cost estimate of the proposed project.

TRANSMISSION MAIN CONSTRUCTION COST

10" Cl. 160 PVC Water Main	13,250 L.F.	@	$ 15.00/L.F.	=	$198,750.00
10" Cl. 200 PVC Water Main	13,600 L.F.	@	$ 16.00/L.F.	=	217,600.00
10" Cl. 350 DIP Water Main	300 L.F.	@	$ 35.00/L.F.	=	10,500.00
10" Gate Valves	4 Ea.	@	$1,100.00/Ea.	=	4,400.00
6" x 6" Hot Taps	3 Ea.	@	$1,500.00/Ea.	=	4,500.00
18" Steel Casing Pipe (J & B)	60 L.F.	@	$ 100.00/L.F.	=	6,000.00
Free Bore for 10" Water Main	120 L.F.	@	$ 65.00/L.F.	=	7,800.00
Air Release Valves and Pits	7 Ea.	@	$ 600.00/Ea.	=	4,200.00
Connection to Existing 6" Mains	3 Ea.	@	$ 400.00/Ea.	=	1,200.00
Connection to Existing 10" Main	1 Ea.	@	$ 500.00/Ea.	=	500.00
Crushed Stone Surface Rplm't.	300 Ton	@	$ 25.00/Ton	=	7,500.00
Surface Restoration & Seeding	6 Ac.	@	$2,750.00/Ac.	=	16,500.00
Fire Hydrants w/Auxiliary Valves	5 Ea.	@	$2,000.00/Ea.	=	10,000.00
			CONSTRUCTION COST-TRANSMISSION MAIN		$489,450.00

300,000 – GALLON ELEVATED STORAGE TANK CONSTRUCTION COST

Tank and Foundation	$350,000.00
Cleaning, Painting and Sterilization	17,000.00
Site Work	16,000.00
Piping & Valving	12,500.00
Cathodic Protection System	2,500.00
Electrical	2,000.00
CONSTRUCTION COST – NEW ELEVATED TANK	$400,000.00

TOTAL ESTIMATED CONSTRUCTION COST

CONSTRUCTION:		
Transmission Main	$489,450.00	
Elevated Tank	400,000.00	
		$889,450.00
Land Costs		12,000.00
Basic Engineering		61,200.00
Construction Inspection		38,000.00
Legal		6,000.00
Interest During Construction		35,000.00
Contingencies		58,350.00
TOTAL ESTIMATED PROJECT COST		$1,100,000.00

PROJECT FUNDING SOURCES

The project will be funded by the following sources:

Rural Development Loan	$ 750,000.00
Kentucky Infrastructure Grant	100,000.00
Coal Development Fund	250,000.00
	$1,100,000.00

XXI. SEWER RATES - PROPOSED

N/A

A. Proposed Rate Schedule without RUS Grant:

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

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

_____

Proposed Rate Schedule: (Without RUS Grant)

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

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

B. Recommended Rate Schedule with RUS Grant:

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

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

_____

Recommended Rate Schedule: (With RUS Grant)

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

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	2,000	Gallons @ $	12.60	Minimum.
Next	4,000	Gallons @ $	3.80	per 1,000 Gallons.
Next	4,4000	Gallons @ $	3.25	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	50,000	Gallons @ $	2.75	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: N/A

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

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

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

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

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

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

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

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

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

*Meter Size**	*Monthly Sewer Usage*	*Average Average Rate*	*Residential*			*Non-Residential*		
			*No. of Users***	*Usage (1000)*	*Income*	*No. of Users*	*Usage (1000)*	*Income*
	0 - 2,000 Gallons	*1,000*						
	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 <u>not</u> required unless different sewer rates are charged based on size of water meter.*

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

Meter Size*	Monthly Water Usage	Average Average	Rate	Residential No. of Users**	Residential Usage (1000)	Residential Income	Non-Residential No. of Users	Non-Residential Usage (1000)	Non-Residential Income
	0 Gallons	0	12.60	20	0	252.00	0	0	0.00
	0 - 2,000 Gallons	1,000	12.60	636	636	8,013.60	13	13	163.80
	2,000 - 3,000 Gallons	2,500	14.50	553	1,382.5	8,018.50	3	7.5	43.50
	3,000 - 4,000 Gallons	3,500	18.30	625	2,187.5	11,437.50	2	7	36.60
	4,000 - 5,000 Gallons	4,500	22.10	534	2,403	11,801.40	2	9	44.20
	5,000 - 6,000 Gallons	5,500	25.90	407	2,238.5	10,541.30	1	5.5	25.90
	6,000 - 7,000 Gallons	6,500	29.43	301	1,956.5	8,856.93	1	6.5	29.43
	7,000 - 8,000 Gallons	7,500	32.68	203	1,522.5	6,633.03	0	0	0.00
	8,000 - 9,000 Gallons	8,500	35.93	184	1,564	6,610.20	3	25.5	107.78
	9,000 - 10,000 Gallons	9,500	39.18	126	1,197	4,936.05	2	19	78.35
5/8	10,000 - 11,000 Gallons	10,500	42.43	128	1,344	5,430.40	2	21	84.85
x	11,000 - 12,000 Gallons	11,500	45.68	89	1,023	4,065.08	0	0	0.00
3/4	12,000 - 13,000 Gallons	12,500	48.93	60	750	2,935.50	1	12.5	48.93
Inch	13,000 - 14,000 Gallons	13,500	52.18	39	526.5	2,034.83	1	13.5	52.18
	14,000 - 15,000 Gallons	14,500	55.43	20	290	1,108.50	4	58	221.70
	15,000 - 16,000 Gallons	15,500	58.68	14	217	821.45	0	0	0.00
	16,000 - 17,000 Gallons	16,500	61.93	12	198	743.10	1	16.5	61.30
	17,000 - 18,000 Gallons	17,500	65.18	10	175	651.75	1	17.5	65.18
	18,000 - 19,000 Gallons	18,500	68.43	8	148	547.40	0	0	0.00
	19,000 - 20,000 Gallons	19,500	71.68	8	156	573.40	0	0	0.00
	- Gallons								
	- Gallons								
	- Gallons								
	Sub-Total			(4,022)	(21,126)	(100,319.53)	(49)	(1,192)	(4,074.15)
	Average Monthly Rate		(25.64)						
	Average Monthly Usage				(5,253)			(24,327)	

* *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 (CONTINUED)

Meter Size	Monthly Water Usage	Average	Average Rate	Residential No. of: Users:	Residential Usage (1000)	Residential Income	Non-Residential No. of: Users:	Non-Residential Usage (1000)	Non-Residential Income
20,000 –	21,000 Gallon	20,500	74.93	6 :	123	449.55	0	0	0
21,000 –	22,000 Gallon	21,500	78.18	4 :	86	312.70	0	0	0
22,000 –	23,000 Gallon	22,500	81.43	5 :	112.5	407.13	1	22.5	81.43
23,000 –	24,000 Gallon	23,500	84.68	4 :	94	338.70	0 :	0	0
24,000 –	25,000 Gallon	24,500	87.93	4 :	98	351.70	0 :	0	0
25,000 –	26,000 Gallon	25,500	91.18	3 :	76.5	273.53	0 :	0	0
26,000 –	27,000 Gallon	26,500	94.43	3 :	79.5	283.28	0 :	0	0
27,000 –	28,000 Gallon	27,500	97.68	3 :	82.5	293.03	0 :	0	0
28,000 –	29,000 Gallon	28,500	100.93	1 :	28.5	100.93	0 :	0	0
29,000 –	30,000 Gallon	29,500	104.18	1 :	29.5	104.18	0 :	0	0
30,000 –	31,000 Gallon	30,500	107.43	1 :	30.5	107.43	0 :	0	0
31,000 –	32,000 Gallon	31,500	110.68	1 :	31.5	110.68	0 :	0	0
32,000 –	33,000 Gallon	32,500	113.93	1 :	32.5	113.93	0 :	0	0
33,000 –	34,000 Gallon	33,500	117.18	1 :	33.5	117.18	1 :	33.5	117.18
34,000 –	35,000 Gallon	34,500	120.43	1 :	34.5	120.43	0 :	0	0
35,000 –	36,000 Gallon	35,500	123.68	1 :	35.5	123.68	0 :	0	0
36,000 –	37,000 Gallon	36,500	126.93	1 :	36.5	126.93	0 :	0	0
37,000 –	38,000 Gallon	37,500	130.18	1 :	37.5	130.18	0 :	0	0
38,000 –	39,000 Gallon	38,500	133.43	1 :	38.5	133.43	0 :	0	0
44,000 –	45,000 Gallon	00,000	152.93	1 :	44.5	152.93	2 :	89	305.85
45,000 –	46,000 Gallon	00,000	156.18	1 :	45.5	156.18	1 :	45.5	156.18
66,000 –	67,000 Gallon	66,500	216.18	0 :	0		1 :	66.5	216.18
84,000 –	85,000 Gallon	84,500	265.68	0 :	0		1 :	84.5	265.68
86,000 –	87,000 Gallon	86,500	271.18	0 :	0		1 :	86.5	271.18
89,000 –	90,000 Gallon	89,500	279.43	0 :	0		1 :	89.5	279.43
130,000 –	131,000 Gallon	130,500	392.18	0 :	0		1 :	130.5	279.43
135,000 –	136,000 Gallon	135,500	405.93	0 :	0		1 :	135.5	405.93
176,000 –	177,000 Gallon	176,500	518.68	0 :	0		1 :	176.5	518.68

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

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

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

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

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

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

N/A NO NEW USERS OR EXTENSIONS FOR THIS IMPROVEMENT.

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

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

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

(As of the last full operating year.)

A. Operating Income:

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

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

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

C. Non-Operating Income:

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

D. Net Income $ _____

E. Debt Repayment:

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

F. Balance Available for Coverage $ _____

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

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:

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 $ _____

REVENUES AND EXPENSES WITH PROPOSED RATE STRUCTURE

The expenses associated with the proposed system improvements will be as follows:

A. Debt Service

The annual debt service on the loan amount of $750,000.00 at an interest rate of 5% for a term of 38 years will be as follows:

$750,000.00 x 0.059284 = $44,463.17/year

B. Reserve Account

An amount equal to 10% of the debt service will be placed into a reserve account as a contingency.

$44,463.17 x 0.10 = $4,446.32

C. Operation and Maintenance

There will be no significant operation and maintenance costs to the system due to the installation of the transmission main or the new tank. No new customers or service area are added and no additional or increased size pumping equipment is to be added.

The only significant increase in operating cost anticipated by the association is the addition of one part time system operator and one office worker going from part time to full time at an annual cost of $40,000.00.

D. Proposed Rate Structure

The Rate Structure proposed to meet the needs of additional employees and debt service on the RD loan is as follows:

First 2,000 Gallons	$12.60
Next 4,000 Gallons	3.80 per 1,000 Gallons
Next 44,000 Gallons	3.25 per 1,000 Gallons
All over 50,000 Gallons	2.75 per 1,000 Gallons

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

A. Operating Income:

Water Sales	$ 1,183,639
Disconnect/Reconnect/Late Charge Fees	0
Other (Describe)	0
Less Allowances and Deductions	(0)
Total Operating Income	$ 1,183,639

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

Source of Supply Expense	$ 358,879
Pumping Expense	26,700
Water Treatment Expense	0
Transmission and Distribution Expense	263,769
Customer Accounts Expense	75,000
Administrative and General Expense	158,837
Total Operating Expenses	$ 883,185
Net Operating Income	$ 300,454

C. Non-Operating Income:

Interest on Deposits	$ 12,519
Other (Identify)	0
Total Non-Operating Income	$ 12,519

D. Net Income $ 312,973

E. Debt Repayment:

RUS Interest	$ 98,797
RUS Principal	20,992
Non-RUS Interest	37,168
Non-RUS Principal	47,122
Total Debt Repayment	$ 204,079

F. Balance Available for Coverage $ 108,894

PROPOSED OPERATING BUDGET ***(From Guide 7)***

A. Operating Incomes

The income is based on the same system use of 267,583,000 gallons per year by 4071 customers at the rates proposed in Exhibit No. 1.

B. Operation and Maintenance Expenses

Expenses were based on the following:

1. Source of supply Expense – Based on the same water purchase as the previous year and includes 12% loss. Water is purchased from Owensboro Municipal Utilities at $1.148 per 1,000 gallons.
2. Pumping Expense increase 5% for inflation
3. Water Treatment Expense – None
4. Transmission and Distribution Expense – The 2002 figures have been increased by 5% for inflation and a new employee added at $35,000 per year.
5. Customer Accounts Expenses – Figure increased by 5% for inflation and $5,000.00 added for an employee going full time from part time.
6. Administrative and General Expense – Figures increased by 5% for inflation.

C. Non-Operating Incomes

The Association earns interest on deposits.

D. Net Income

This item is the income remaining after subtracting the Operating and Maintenance Expenses from the Operating Income and the Non-Operating Income.

E. Debt Repayment

This item includes all principal and interest payments on all debts owed by the Association including Rural Development and Non-Rural Development debt. The debt for the loan associated with this proposed project is also included.

F. Balance Available for Coverage and Depreciation

Subtract Debt Repayment from Net Income.

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2005

A. Operating Income:

Water Sales	$ 1,274,494
Disconnect/Reconnect/Late Charge Fees	0
Other (Describe)	0
Less Allowances and Deductions	(0)
Total Operating Income	$ 1,274,494

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

Source of Supply Expense (INCLUDES 12% LOSS)	$ 358,879
Pumping Expense	28,035
Water Treatment Expense	0
Transmission and Distribution Expense	313,707
Customer Accounts Expense	84,000
Administrative and General Expense	166,779
Total Operating Expenses	$ 951,400
Net Operating Income	$ 323,094

C. Non-Operating Income:

Interest on Deposits	$ 12,750
Other (Identify)	0
Total Non-Operating Income	$ 12,750

D. Net Income $ 335,844

E. Debt Repayment:

RUS Interest	$ 136,297
RUS Principal	27,955
Non-RUS Interest	37,168
Non-RUS Principal	47,122
Total Debt Repayment	$ 248,542

F. Balance Available for Coverage $ 87,302

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

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)

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

XXXIV. PROPOSED PROJECT FUNDING - SEWER

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

XXXV. ESTIMATED PROJECT COST - WATER

Development	$ 889,450.00
Land and Rights	12,000.00
Legal	6,000.00
Engineering	99,200.00
Interest	35,000.00
Contingencies	58,350.00
Initial Operating and Maintenance	0.00
Other	0.00
TOTAL	$ 1,100,000.00

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	$ 0.00
Other Applicant Contribution	0.00
RUS Loan	750,000.00
RUS Grant	0.00
ARC Grant (If applicable)	0.00
CDBG (If applicable)	0.00
Other (Specify) KIA	100,000.00
Other (Specify) Cool Development Fund	250,000.00
TOTAL	$ 1,100,000.00

EXPLANATION OF EXHIBITS

EXHIBIT NO. 1 – Calculates the annual payment for the $750,000.00 RD loan and the annual water usage and revenue.

EXHIBIT NO. 2 – Calculates the monthly water sales and revenue with the residential and non-residential customers broken down for the Association's existing rates.

EXHIBIT NO. 3 – Calculates the monthly water sales and revenue with the residential and non-residential customers broken down for the proposed rate structure.

Note that in the calculations, the water sales (267,816,000 gallons) is very close to the sales reported by the Association for the 2002 calendar year. The revenue generated on the calculation sheet ($1,161,689.40 with the existing rates) is approximately $20,000.00 short of the actual water sales reported in the Associate's audit, $1,183,639.00. The difference between the calculated sales for the proposed rates and existing rates ($1,252,724.10 and $1,161,869.40 = $90,854.70) was added to the audited number in the budget calculations. Therefore, the Proposed Operating Budget Water Sales amount is $1,274,494.00.

LOAN ANALYSIS AND PROPOSED RATE STRUCTURE

$ 750,000.00 LOAN

38 TERM (YRS)

5.00%

($44,463.17) PAYMENT PER YR
($3,705.26) PAYMENT PER MONTH

USERS	USAGE	YEARLY REVENUE	YEARLY WATER USAGE
20	0	$ 3,024.00	0
649	1,000	$ 98,128.80	7,788,000
556	2,500	$ 96,744.00	16,680,000
627	3,500	$ 137,689.20	26,334,000
536	4,500	$ 142,147.20	28,944,000
408	5,500	$ 126,806.40	26,928,000
302	6,500	$ 106,636.20	23,556,000
203	7,500	$ 79,596.30	18,270,000
187	8,500	$ 80,615.70	19,074,000
128	9,500	$ 60,172.80	14,592,000
130	10,500	$ 66,183.00	16,380,000
89	11,500	$ 48,780.90	12,282,000
61	12,500	$ 35,813.10	9,150,000
40	13,500	$ 25,044.00	6,480,000
24	14,500	$ 15,962.40	4,176,000
14	15,500	$ 9,857.40	2,604,000
13	16,500	$ 9,660.30	2,574,000
11	17,500	$ 8,603.10	2,310,000
8	18,500	$ 6,568.80	1,776,000
8	19,500	$ 6,880.80	1,872,000
6	20,500	$ 5,394.60	1,476,000
4	21,500	$ 3,752.40	1,032,000
6	22,500	$ 5,862.60	1,620,000
4	23,500	$ 4,064.40	1,128,000
4	24,500	$ 4,220.40	1,176,000
3	25,500	$ 3,282.30	918,000
3	26,500	$ 3,399.30	954,000
3	27,500	$ 3,516.30	990,000
1	28,500	$ 1,211.10	342,000
1	29,500	$ 1,250.10	354,000
1	30,500	$ 1,289.10	366,000
1	31,500	$ 1,328.10	378,000
1	32,500	$ 1,367.10	390,000
2	33,500	$ 2,812.20	804,000

1	34,500	$	1,445.10	414,000
1	35,500	$	1,484.10	426,000
1	36,500	$	1,523.10	438,000
1	37,500	$	1,562.10	450,000
1	38,500	$	1,601.10	462,000
3	44,500	$	5,505.30	1,602,000
2	45,500	$	3,748.20	1,092,000
1	66,500	$	2,594.10	798,000
1	84,500	$	3,188.10	1,014,000
1	86,500	$	3,254.10	1,038,000
1	89,500	$	3,353.10	1,074,000
1	130,500	$	4,706.10	1,566,000
1	135,500	$	4,871.10	1,626,000
1	176,500	$	6,224.10	2,118,000
4071		$	1,252,724.10	267,816,000

*** PROPOSED RATES ***

FIRST 2,000 GALLONS	@	$	12.60	(minimum)
NEXT 4,000 GALLONS	@	$	3.80	per 1000 Gallons
NEXT 44,000 GALLONS	@	$	3.25	per 1000 Gallons
OVER 50,000 GALLONS	@	$	2.75	per 1000 Gallons

WATER USAGE AND INCOME - EXISTING RATES

EXHIBIT NO. 2

Monthly Water Usage		Average	Residential		Non-Residential		Revenue Generated	
			No. of Users	Usage 1000	No. of Users	Usage 1000	Residential	Non-Residential
	0	0	20	0	0	0	$241.00	$0.00
0	2,000	1,000	636	636	13	13	$7,663.80	$156.65
2,000	3,000	2,500	553	1382.5	3	7.5	$7,603.75	$41.25
3,000	4,000	3,500	625	2187.5	2	7	$10,718.75	$34.30
4,000	5,000	4,500	534	2403	2	9	$10,973.70	$41.10
5,000	6,000	5,500	407	2238.5	1	5.5	$9,747.65	$23.95
6,000	7,000	6,500	301	1956.5	1	6.5	$8,164.63	$27.13
7,000	8,000	7,500	203	1522.5	0	0	$6,105.23	$0.00
8,000	9,000	8,500	184	1564	3	25.5	$6,076.60	$99.08
9,000	10,000	9,500	126	1197	2	19	$4,532.85	$71.95
10,000	11,000	10,500	128	1344	2	21	$4,982.40	$77.85
11,000	12,000	11,500	89	1023.5	0	0	$3,726.88	$0.00
12,000	13,000	12,500	60	750	1	12.5	$2,689.50	$44.83
13,000	14,000	13,500	39	526.5	1	13.5	$1,863.23	$47.78
14,000	15,000	14,500	20	290	4	58	$1,014.50	$202.90
15,000	16,000	15,500	14	217	0	0	$751.45	$0.00
16,000	17,000	16,500	12	198	1	16.5	$679.50	$56.63
17,000	18,000	17,500	10	175	1	17.5	$595.75	$59.58
18,000	19,000	18,500	8	148	0	0	$500.20	$0.00
19,000	20,000	19,500	8	156	0	0	$523.80	$0.00
20,000	21,000	20,500	6	123	0	0	$410.55	$0.00
21,000	22,000	21,500	4	86	0	0	$285.50	$0.00
22,000	23,000	22,500	5	112.5	1	22.5	$371.63	$74.33
23,000	24,000	23,500	4	94	0	0	$309.10	$0.00
24,000	25,000	24,500	4	98	0	0	$320.90	$0.00
25,000	26,000	25,500	3	76.5	0	0	$249.53	$0.00
26,000	27,000	26,500	3	79.5	0	0	$258.38	$0.00
27,000	28,000	27,500	3	82.5	0	0	$267.23	$0.00
28,000	29,000	28,500	1	28.5	0	0	$92.03	$0.00
29,000	30,000	29,500	1	29.5	0	0	$94.98	$0.00
30,000	31,000	30,500	1	30.5	0	0	$97.93	$0.00
31,000	32,000	31,500	1	31.5	0	0	$100.88	$0.00
32,000	33,000	32,500	1	32.5	0	0	$103.83	$0.00
33,000	34,000	33,500	1	33.5	1	33.5	$106.78	$106.78
34,000	35,000	34,500	1	34.5	0	0	$109.73	$0.00
35,000	36,000	35,500	1	35.5	0	0	$112.68	$0.00
36,000	37,000	36,500	1	36.5	0	0	$115.63	$0.00

WATER USAGE AND INCOME - EXISTING RATES

EXHIBIT NO. 2

37,000	38,000	37,500	1	37.5	0	0	$118.58	$0.00
38,000	39,000	38,500	1	38.5	0	0	$121.53	$0.00
39,000	40,000	39,500	0	0	0	0	$0.00	$0.00
40,000	41,000	40,500	0	0	0	0	$0.00	$0.00
41,000	42,000	41,500	0	0	0	0	$0.00	$0.00
42,000	43,000	42,500	0	0	0	0	$0.00	$0.00
43,000	44,000	43,500	0	0	0	0	$0.00	$0.00
44,000	45,000	44,500	1	44.5	2	89	$139.23	$278.45
45,000	46,000	45,500	1	45.5	1	45.5	$142.18	$142.18
46,000	47,000	46,500	0	0	0	0	$0.00	$0.00
47,000	48,000	47,500	0	0	0	0	$0.00	$0.00
48,000	49,000	48,500	0	0	0	0	$0.00	$0.00
49,000	50,000	49,500	0	0	0	0	$0.00	$0.00
66,000	67,000	66,500	0	0	1	66.5	$0.00	$196.70
84,000	85,000	84,500	0	0	1	84.5	$0.00	$241.70
86000	87000	86,500	0	0	1	86.5	$0.00	$246.70
89000	90000	89,500	0	0	1	89.5	$0.00	$254.20
130000	131000	130,500	0	0	1	130.5	$0.00	$356.70
135000	136000	135,500	0	0	1	135.5	$0.00	$369.20
176000	177000	176,500	0	0	1	176.5	$0.00	$471.70
		Total	4,022	21,126	49	1,192	$93,083.88	$3,723.58

Total Sales for Year	267,816	1,000 Gals
Revenue Generated	$1,161,689.40	Per Year
	$96,807.45	Per Month

Existing Rate Structure

0 to 2,000 Gallons	$12.05
Next 4,000 Gallons, per 1000	$3.40
Next 44,000 Gallons, per 1000	$2.95
Over 50,000 Gallons, per 1000	$2.50

WATER USAGE AND INCOME - PROPOSED RATES

EXHIBIT NO. 3

Monthly Water Usage		Average	Residential		Non-Residential		Revenue Generated	
			No. of Users	Usage 1000	No. of Users	Usage 1000	Residential	Non-Residential
	0	0	20	0	0	0	$252.00	$0.00
0	2,000	1,000	636	636	13	13	$8,013.60	$163.80
2,000	3,000	2,500	553	1382.5	3	7.5	$8,018.50	$43.50
3,000	4,000	3,500	625	2187.5	2	7	$11,437.50	$36.60
4,000	5,000	4,500	534	2403	2	9	$11,801.40	$44.20
5,000	6,000	5,500	407	2238.5	1	5.5	$10,541.30	$25.90
6,000	7,000	6,500	301	1956.5	1	6.5	$8,856.93	$29.43
7,000	8,000	7,500	203	1522.5	0	0	$6,633.03	$0.00
8,000	9,000	8,500	184	1564	3	25.5	$6,610.20	$107.78
9,000	10,000	9,500	126	1197	2	19	$4,936.05	$78.35
10,000	11,000	10,500	128	1344	2	21	$5,430.40	$84.85
11,000	12,000	11,500	89	1023.5	0	0	$4,065.08	$0.00
12,000	13,000	12,500	60	750	1	12.5	$2,935.50	$48.93
13,000	14,000	13,500	39	526.5	1	13.5	$2,034.83	$52.18
14,000	15,000	14,500	20	290	4	58	$1,108.50	$221.70
15,000	16,000	15,500	14	217	0	0	$821.45	$0.00
16,000	17,000	16,500	12	198	1	16.5	$743.10	$61.93
17,000	18,000	17,500	10	175	1	17.5	$651.75	$65.18
18,000	19,000	18,500	8	148	0	0	$547.40	$0.00
19,000	20,000	19,500	8	156	0	0	$573.40	$0.00
20,000	21,000	20,500	6	123	0	0	$449.55	$0.00
21,000	22,000	21,500	4	86	0	0	$312.70	$0.00
22,000	23,000	22,500	5	112.5	1	22.5	$407.13	$81.43
23,000	24,000	23,500	4	94	0	0	$338.70	$0.00
24,000	25,000	24,500	4	98	0	0	$351.70	$0.00
25,000	26,000	25,500	3	76.5	0	0	$273.53	$0.00
26,000	27,000	26,500	3	79.5	0	0	$283.28	$0.00
27,000	28,000	27,500	3	82.5	0	0	$293.03	$0.00
28,000	29,000	28,500	1	28.5	0	0	$100.93	$0.00
29,000	30,000	29,500	1	29.5	0	0	$104.18	$0.00
30,000	31,000	30,500	1	30.5	0	0	$107.43	$0.00
31,000	32,000	31,500	1	31.5	0	0	$110.68	$0.00
32,000	33,000	32,500	1	32.5	0	0	$113.93	$0.00
33,000	34,000	33,500	1	33.5	1	33.5	$117.18	$117.18
34,000	35,000	34,500	1	34.5	0	0	$120.43	$0.00
35,000	36,000	35,500	1	35.5	0	0	$123.68	$0.00
36,000	37,000	36,500	1	36.5	0	0	$126.93	$0.00

WATER USAGE AND INCOME - PROPOSED RATES

EXHIBIT NO. 3

37,000	38,000	37,500	1	37.5	0	0	$130.18	$0.00
38,000	39,000	38,500	1	38.5	0	0	$133.43	$0.00
39,000	40,000	39,500	0	0	0	0	$0.00	$0.00
40,000	41,000	40,500	0	0	0	0	$0.00	$0.00
41,000	42,000	41,500	0	0	0	0	$0.00	$0.00
42,000	43,000	42,500	0	0	0	0	$0.00	$0.00
43,000	44,000	43,500	0	0	0	0	$0.00	$0.00
44,000	45,000	44,500	1	44.5	2	89	$152.93	$305.85
45,000	46,000	45,500	1	45.5	1	45.5	$156.18	$156.18
46,000	47,000	46,500	0	0	0	0	$0.00	$0.00
47,000	48,000	47,500	0	0	0	0	$0.00	$0.00
48,000	49,000	48,500	0	0	0	0	$0.00	$0.00
49,000	50,000	49,500	0	0	0	0	$0.00	$0.00
66,000	67,000	66,500	0	0	1	66.5	$0.00	$216.18
84,000	85,000	84,500	0	0	1	84.5	$0.00	$265.68
86000	87000	86,500	0	0	1	86.5	$0.00	$271.18
89000	90000	89,500	0	0	1	89.5	$0.00	$279.43
130000	131000	130,500	0	0	1	130.5	$0.00	$392.18
135000	136000	135,500	0	0	1	135.5	$0.00	$405.93
176000	177000	176,500	0	0	1	176.5	$0.00	$518.68
		Total	4,022	21,126	49	1,192	$100,319.53	$4,074.15

Totai Sales for Year	267,816	Mil Gals
Revenue Generated	$1,252,724.10	Per Year
	$104,393.68	Per Month

Existing Rate Structure

0 to 2,000 Gallons	$12.60
Next 4,000 Gallons, per 1000	$3.80
Next 44,000 Gallons, per 1000	$3.25
Over 50,000 Gallons, per 1000	$2.75

CONCLUSIONS

The proposed improvements to the Water Association's system will cost an estimated $1,100,000.00. Of the total amount, $750,000.00 will be loan money from Rural Development. Rates will need to be increased to cover debt service on the loan, reserve coverage on the loan, one and one half employees which the system has added and a 5% inflation cost in operating costs. With the new rate structure, the Association's average bill will rise from $24.23 per month on 5,482 gallons to $26.09 per month.

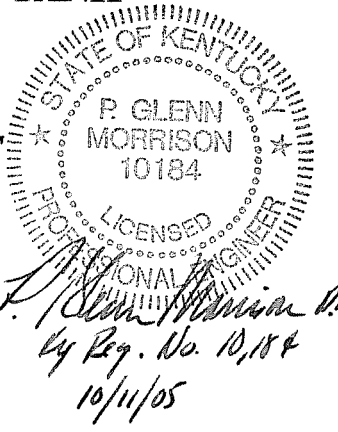
EXHIBIT 5

FINAL ENGINEERING REPORT

EAST DAVIESS COUNTY WATER ASSOCIATION

WATER DISTRIBUTION SYSTEM IMPROVEMENTS

ROSEVILLE TRANSMISSION MAIN
&
YELVINGTON ELEVATED STORAGE TANK



FINAL ENGINEERING REPORT

OCTOBER 2005

P. Glenn Morrison P.E.
Ky Reg. No. 10,184
10/11/05

JOHNSON, DEPP & QUISENBERRY
CONSULTING ENGINEERS

2625 FREDERICA STREET • OWENSBORO, KY 42301

2417 REGENCY ROAD-SUITE D • LEXINGTON, KY 40503

6450 S. SIXTH STREET-SUITE B • SPRINGFIELD, IL 62712

FINAL
ENGINEERING REPORT

EAST DAVIESS COUNTY WATER ASSOCIATION
WATER SYSTEM IMPROVEMENTS

INTRODUCTION

The East Daviess County Water Association's distribution system is spread primarily through eastern Daviess County, southern and central Hancock County and northern Ohio County. With the completion of the Cabot area expansion project in 1999, a short section of main even extends into extreme western Breckenridge County. There are at present 4,071 customers being reliably served with potable water through the association's public distribution system (3,996 residential and 75 industrial/commercial). The system has experienced rapid growth in miles of main in service as well as number of customers over the past 30 plus years since it's inception. From the beginning, when the system served only approximately 300 customers in the Knottsville and Maceo/Yelvington areas of Daviess County, it has been the philosophy of the Board of Directors to do what was possible from an operational as well as financial stand point to expand the system into new areas to serve neighbors who had neither safe nor adequate sources of water from individual wells. Thus in 1976 and 1977 the system was expanded into both Hancock and Ohio Counties. In 1981, the Association realized that it was necessary to provide more water for its ever increasing number of customers. Upgrades were made which included a new pumping facility, a transmission main and an elevated storage tank which increase the amount of water which could be pumped to and stored in the Knottsville tank system (this system feeds all the customers in Hancock and Ohio Counties as well as the Knottsville area of Daviess County).

In the late 1980's, additional pumping, storage and transmission facilities were added to the system in Hancock County. In addition, a new pumping station and distribution mains were constructed and an existing tank that was no longer in use was moved to serve a higher area northeast of Maceo which could not previously be served.

Due to substantial growth throughout the system, a need to increase pumping, transmission and storage facilities (particularly to the Knottsville area and Hancock and Ohio Counties), another improvement was made to the system in 1996 which saw the addition of an 800 gallon per minute pumping station at Yellow Creek, a 12-inch transmission main from the pump station to Knottsville and beyond and the construction of a 750,000 gallon elevated storage tank at Knottsville which more than doubled the system storage capacity. These additions made it possible to provide a greater volume of water to the system in a shorter amount of time.

As southern Hancock and northern Ohio Counties continue to increase in population, the need for a greater daily volume of water also continues to increase. Currently, the entire area is served by a 300 gpm pump station just west of Pellville that pumps water from the Knottsville tank system into a 150,000 gallon standpipe storage tank located on Ky. Hwy. 69 north of Roseville, a distance of 5.9 miles from the station. The original main that carries water to the tank was installed in 1976 and as a 6-inch main. In the 1995 expansion project a 10-inch main was installed parallel to the original line from the pump station to the east side of Pellville. This allowed the Pellville Pump Station to be increased in capacity from 100 to 300 gpm without significant increase in the pressure in the mains.

This project will complete the installation of the 10-inch transmission main from its end at Pellville to the Roseville Storage Tank. This will allow the existing Pellville pump station pumps to deliver more water by reducing the head on these and it will help to keep pressures in the system up when the pump station is not running by decreasing friction losses in the distribution system when operating from the tank. The additional main capacity will also allow the pumping capacity of the Pellville station to be increased in the future when needed.

The route of the 10-inch main will be along Ky. Hwy. 144 east from Pellville to its intersection with Ky. Hwy. 69 at Weber Corner and then south along Ky. Hwy. 69 to the Roseville Tank. The alignment will for the most part parallel the existing 6-inch main.

In addition to the improvements made to the Knottsville Tank System, the Association will also add storage to the Maceo-Yelvington Tank System. In the past several summers, (especially during prolonged hot, dry periods) the pumping facilities for the Maceo-Yelvington System have had trouble keeping up with the demands on the system. Even when running 24-hours per day, there were a few days when they were not able to pump into the system what was being used by the customers and as a result, they were starting some days with less water in storage than the day before. To eliminate the storage problem, the Association will install a 300,000 gallon elevated storage tank in the system. It will be located across Ky. Hwy. 405 from the existing tank and will have the same over flow elevation so that the existing pumps will supply both tanks and they will work simultaneously. The addition of 300,000 gallons of storage will provide one full day of pumping capacity to the system (200

gpm x 144 minute per day = 288,000 gallons). This will keep tank levels from dropping significantly during periods of high demand.

This report will outline the facilities to be installed, the associated costs, methods of funding and financing and proposed rate changes.

SUMMARY ADDENDUM

TO

PRELIMINARY ENGINEERING REPORT

DATED SEPTEMBER 2003

FOR

EAST DAVIESS COUNTY WATER ASSOCIATION CONTRACT VII
(Name of Project)
10-INCH TRANSMISSION MAIN AND WATER STORAGE TANK

APPLICANT CONTACT PERSON Edwin Payne, Manager

APPLICANT PHONE NUMBER (270) 281-5187

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 61-0739440

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.

The project will consist of the installation of approximately 26,500 feet of 10-inch transmission main to allow for greater pumping capacity into the Roseville tank system and the construction of a 300,000 gallon elevated water storage tank in the Maceo-Yelvington tank system to provide additional storage.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM

A. Sewage Treatment: N/A

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 N/A

C. Type of Sewage Collector System (Describe) N/A

_____

_____

D. Number and Capacity of Sewage Lift Stations N/A

_____

E. Sewage Collection System: N/A

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.

N/A

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.

The Water Association presently purchases water from Owensboro Municipal Utilities. OMU is capable of producing 30 MGD. The Association has 39 years remaining on their long term purchase contract with OMU OMU on average uses less than 67% of their capacity. The Associations contract is for up to 2,200 gallons per minute from OMU.

If the applicant purchases water:

Seller(s):

1. Owensboro Municipal Utilities
2. _____
3. _____

Price/1,000 gallons:

1. $1.148
2. _____
3. _____

Present Estimated Market Value of Existing System: $ 8,282,443.00

B. Water Storage:

Type: Ground Storage Tank 0 Elevated Tank 1

Standpipe 6 Other 0

Number of Storage Structures 7

Total Storage Volume Capacity 1,550,000

Date Storage Tank(s) Constructed 1-1971 (150,000), 1-1977 (150,000) 1-1987 (100,000), 2-1988 (300,000, 150,000 Each), 1-1996 (750,000), 1-1998 (100,000)

C. Water Distribution System:

Pipe Material Polyvinyl Chloride

Lineal Feet of Pipe: 3" Diameter 686,6000 4" 257,550

6" 309,700 8" 9,740

10" 10,000 12" 60,000

Date(s) Water Lines Constructed 1971, 1977-78, 1980-81, 1987-88,1996,1998

Number and Capacity of Pump Station(s) 1-800 gpm 1-300 gpm 1-200 gpm 4-50 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.

The existing systems, owned and operated by the East Daviess County Water Association (mains, pumping facilities, storage facilities, etc.) is in excellent condition and if properly maintained, should last indefinitely.

E. Percentage of Water Loss Existing System 12.5%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

Date of Issue	Bond/Note Holder	Principal Balance	Payment Date	Bond Type Water/Sewer*		Amount on Deposit in Reserve Account
19 72 Issue	GMAC	$ 127,072	May 23	100 %	%	
19 77 Issue	GMAC	$ 311,611	June 22	100 %	%	
19 81 Issue	GMAC	$ 378,823	May 1	100 %	%	
19 89 Issue	USDA, RD	$ 429,316	FEB. 13	100 %	%	
19 98 Issue	USDA, RD	$1,125,653	Feb. 16	100 %	%	
19 99 Issue	USDA, RD	$ 156,257	Aug. 27	100%	%	

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

-$ 308,423 (In all Accounts)

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

Date of Issue	Bond/Note Holder	Payment Year 2003 Principal Payment	Payment Year 2003 Interest Payment	Payment Year 2004 Principal Payment	Payment Year 2004 Interest Payment	Payment Year 2005 Principal Payment	Payment Year 2005 Interest Payment
19 72 Issue	GMAC						
19 77 Issue	GMAC	47122	37168	49503	34787	52005	32285
19 81 Issue	GMAC						
19 89 Issue	USDA, RD	5361	32199	5769	31741	6217	31293
19 98 Issue	USDA, RD	13911	59173	14607	58474	15337	57744
19 99 Issue	USDA,RD	1720	7425	1786	7278	1871	7193

V. EXISTING SHORT-TERM INDEBTEDNESS

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

Lender or Lessor	Date of Issue (Month & Year)	Principal Balance	Purpose (Water and/ or Sewer)	Payment Date	Principal & Interest Payment (P&I)	Date to Be Paid In Full
			NONE			

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Office Sites:	Water 1	Sewer N/A
Number of Treatment Plant Sites:	Water 0	*Sewer* N/A
Number of Storage Tank Sites	Water 8	*Sewer* N/A
Number of Pump Stations:	Water 6	*Sewer* N/A
Total Acreage:	Water 1.856 Acres	*Sewer* N/A *Acres*
Purchase Price:	Water $51,000.00	*Sewer* $ N/A

VII. NUMBER OF EXISTING USERS

	Water	*Sewer*
Residential (In Town) *	0	N/A
Residential (Out of Town) *	3996	N/A
Non-Residential (In Town)	0	N/A
Non-Residential (Out of Town)	75	N/A
Total	4071	N/A
Number to Total Potential Users Living in the Service Area	9250+	N/A

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

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

Meter Size	Water Connection Fee	*Sewer Connection Fee*
5/8" x 3/4"	$ 350.00	$ N/A
1 - Inch	$ 450.00	$ N/A
1½ - Inch	$ 750.00	$ N/A
2" - Inch	$ 1,500.00	$ N/A/

IX. SEWER RATES - EXISTING SYSTEM

Percentage of Water Bill N/A **%** ***Minimum Charge $*** N/A

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

Date This Rate Went Into Effect N/A

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	2,000	Gallons @ $	12.05	Minimum.
Next	4,000	Gallons @ $	3.40	per 1,000 Gallons.
Next	44,000	Gallons @ $	2.95	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	50,000	Gallons @ $	2.50	per 1,000 Gallons.

Date This Rate Went Into Effect July 22, 1998

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

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

N/A

For Period _____ *to* _____.

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

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

For Period January 1, 2002 to December 31, 2002.

All Meter Sizes	Monthly Water Usage	Average	Residential		Non-Residential	
			No. of Users	Usage (1000)	No. of Users	Usage (1000)
	0 Gallons	0	20	0	0	0
	0 - 2,000 Gallons	1,000	636	636	13	13
	2,000 - 3,000 Gallons	2,500	553	1,382.5	3	7.5
	3,000 - 4,000 Gallons	3,500	625	2,187.5	2	7
	4,000 - 5,000 Gallons	4,500	534	2,403	2	9
	5,000 - 6,000 Gallons	5,500	407	2,238.5	1	5.5
	6,000 - 7,000 Gallons	6,500	301	1,956.5	1	6.5
	7,000 - 8,000 Gallons	7,500	203	1,522.5	0	0
	8,000 - 9,000 Gallons	8,500	184	1,564	3	25.5
	9,000 - 10,000 Gallons	9,500	126	1,197	2	19
	10,000 - 11,000 Gallons	10,500	128	1,344	2	21
	11,000 - 12,000 Gallons	11,500	89	1,023.5	0	0
	12,000 - 13,000 Gallons	12,500	60	750	1	12.5
	13,000 - 14,000 Gallons	13,500	39	526.5	1	13.5
	14,000 - 15,000 Gallons	14,500	20	290	4	58
	15,000 - 16,000 Gallons	15,500	14	217	0	0
	16,000 - 17,000 Gallons	16,500	12	198	1	16.5
	17,000 - 18,000 Gallons	17,500	10	175	1	17.5
	18,000 - 19,000 Gallons	18,500	8	148	0	0
	19,000 - 20,000 Gallons	19,500	8	156	0	0
	- Gallons					
	- Gallons					
	- Gallons					
		Total	(4,022)	(21,126)	(49)	(1,192)
		Average Usage		(5,279)		(24,326)

	Residential	Non-Residential
Total Water Purchased and/or Produced	297,705,000	14,912,000
Total Water Sold	254,819,000	12,764,000

XII. ANALYSIS OF ACTUAL WATER USAGE – EXISTING SYSTEM – 12 MONTH PERIOD (CONTINUED)

Meter Size	Monthly Water Usage	Average	Residential Farmer No. of: Users	Residential Farmer Usage (1000)	Non-Residential Commercial No. of: Users	Non-Residential Commercial Usage (1000)
20,000 –	21,000 Gallon	20,500	6	123	0	0
21,000 –	22,000 Gallon	21,500	4	86	0	0
22,000 –	23,000 Gallon	22,500	5	112.5	1	22.5
23,000 –	24,000 Gallon	23,500	4	94	0	0
24,000 –	25,000 Gallon	24,500	4	98	0	0
25,000 –	26,000 Gallon	25,500	3	76.5	0	0
26,000 –	27,000 Gallon	26,500	3	283.28	0	0
27,000 –	28,000 Gallon	27,500	3	82.5	0	0
28,000 –	29,000 Gallon	28,500	1	28.5	0	0
29,000 –	30,000 Gallon	29,500	1	29.5	0	0
30,000 –	31,000 Gallon	30,500	1	30.5	0	0
31,000 –	32,000 Gallon	31,500	1	31.5	0	0
32,000 –	33,000 Gallon	32,500	1	32.5	0	0
33,000 –	34,000 Gallon	33,500	1	33.5	1	3.5
34,000 –	35,000 Gallon	34,500	1	34.5	0	0
35,000 –	36,000 Gallon	35,500	1	35.5	0	0
36,000 –	37,000 Gallon	36,500	1	36.5	0	0
37,000 –	38,000 Gallon	37,500	1	37.5	0	0
38,000 –	39,000 Gallon	38,500	1	38.5	0	0
44,000 –	45,000 Gallon	00,000	1	44.5	2	89
45,000 –	46,000 Gallon	00,000	1	45.5	1	45.5
66,000 –	67,000 Gallon	66,500	0	0	1	66.5
84,000 –	85,000 Gallon	84,500	0	0	1	84.5
86,000 –	87,000 Gallon	86,500	0	0	1	86.5
89,000 –	90,000 Gallon	89,500	0	0	1	89.5
130,000 –	131,000 Gallon	130,500	0	0	1	130.5
135,000 –	136,000 Gallon	135,500	0	0	1	135.5
176,000 –	177,000 Gallon	176,500	0	0	1	176.5

PROPOSED IMPROVEMENTS

The improvements proposed for this project are the completion of a 10-inch reinforcing main from Pellville to the Roseville water storage tank, approximately 5.02 miles. The installation of the main will allow the Association to better serve the existing customers by maintaining better pressure in the higher areas and to pump water into the system at a faster rate.

The other part of the improvement will be the construction of a new 300,000 gallon elevated water storage tank in the Maceo-Yelvington System to provide more storage during the hot dry periods of summer when the pumping capacity can not keep up with the customer demand. The tank will be constructed on Ky. Hwy. 405 across from the existing system storage tank (150,000 gallon standpipe) and will be at the same overflow elevation so that the tanks will act in tandem. The addition of a second tank to the system will also be a bonus to the Association when maintenance is needed on one of the tanks (such as painting). One tank can be taken out of service for maintenance and there will still be one tank to operate the system with.

The project will be funded through a combination of grants from the Kentucky Infrastructure Authority and a loan from the USDA Rural Development.

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM

N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

_____

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

$ _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

_____

_____

D. Number and Capacity of Sewage Lift Stations _____

_____

E. Sewage Collection System:

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

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

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ *Acres*

Purchase Price *$* _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

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

Water is purchased by the Association from Owensboro Municipal Utilities. The water is of the highest quality and the Association has a long term contract with OMU (39 years remaining) to purchase up to 2,200 gallons per minute. OMU has the capability of producing 30 million gallons of water per day.

B. Water Storage: 39

Type: Ground Storage Tank _____ Elevated Tank 1 - 300,000 Gallons

Standpipe _____ Other _____

Number of Storage Structures 1

Total Storage Volume Capacity 300,000 Gallons

C. Water Distribution System:

Pipe Material Polyvinyl Chloride

Lineal Feet of Pipe: 3" Diameter 0 4" 0

6" 0 8" 0

10" 26,500 12" 0

Number and Capacity of Pump Station(s) None

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites 0

Number of Pump Sites 0

Number of Other Sites 1 (Water Storage Tank Site)

Total Acreage 0.056 Acres

Purchase Price $ 12,500.00

XVII. NUMBER OF NEW SEWER USERS

N/A

Residential (In Town) *	_____
Residential (Out of Town) *	_____
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	_____
Number to Total Potential Users Living in the Service Area	_____

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

XVIII. PROPOSED SEWER CONNECTION FEES FOR EACH SIZE WATER METER CONNECTION

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

XIX. NUMBER OF NEW WATER USERS THERE WILL BE NO NEW CUSTOMERS

Residential (In Town) * _____

Residential (Out of Town) * _____

Non-Residential (In Town) _____

Non-Residential (Out of Town) _____

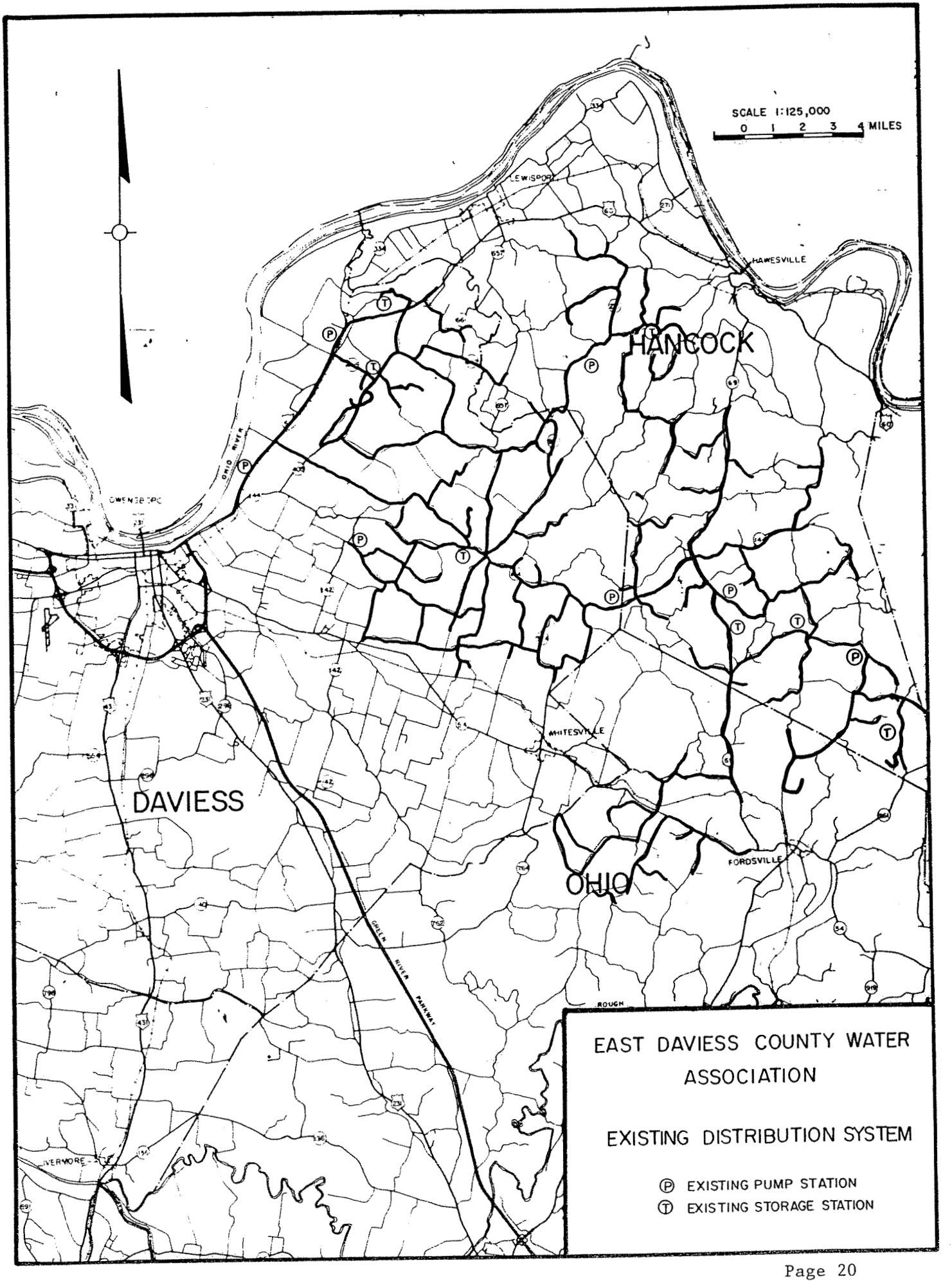
Total _____

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:

Meter Size	Connection Fee
5/8" x 3/4"	$ 350.00
1 - Inch	$ 450.00
1-1/2 Inch	$ 750.00
2 - Inch	$ 1,500.00
3 - Inch	$ ACUTAL COST
4 - Inch	$ ACTUAL COST
5 - Inch	$ ACTUAL COST
6 - Inch	$ ACTUAL COST


SCALE 1:125,000
0 1 2 3 4 MILES
HANCOCK
DAVIESS
OHIO
LEWISPORT
HAWESVILLE
OWENSBORO
OHIO RIVER
WHITESVILLE
FORDSVILLE
GREEN RIVER PARKWAY
EAST DAVIESS COUNTY WATER ASSOCIATION
EXISTING DISTRIBUTION SYSTEM
Ⓟ EXISTING PUMP STATION
Ⓣ EXISTING STORAGE STATION

DESIGN

The new main to be installed will be a transmission main only. No new area will be served at this time and no new customers will be added. A hydraulic calculation is included that draws flow rates, pressure etc. associated with the addition of the main.

The new tank will be located across the highway from the existing tank at Yelvington and will be constructed to the same overflow elevation. No changes to the Yelvington pump station (which will pump to the new tank) are anticipated at this time and no hydraulic calculations are included.

HYDRAULIC CALCULATIONS

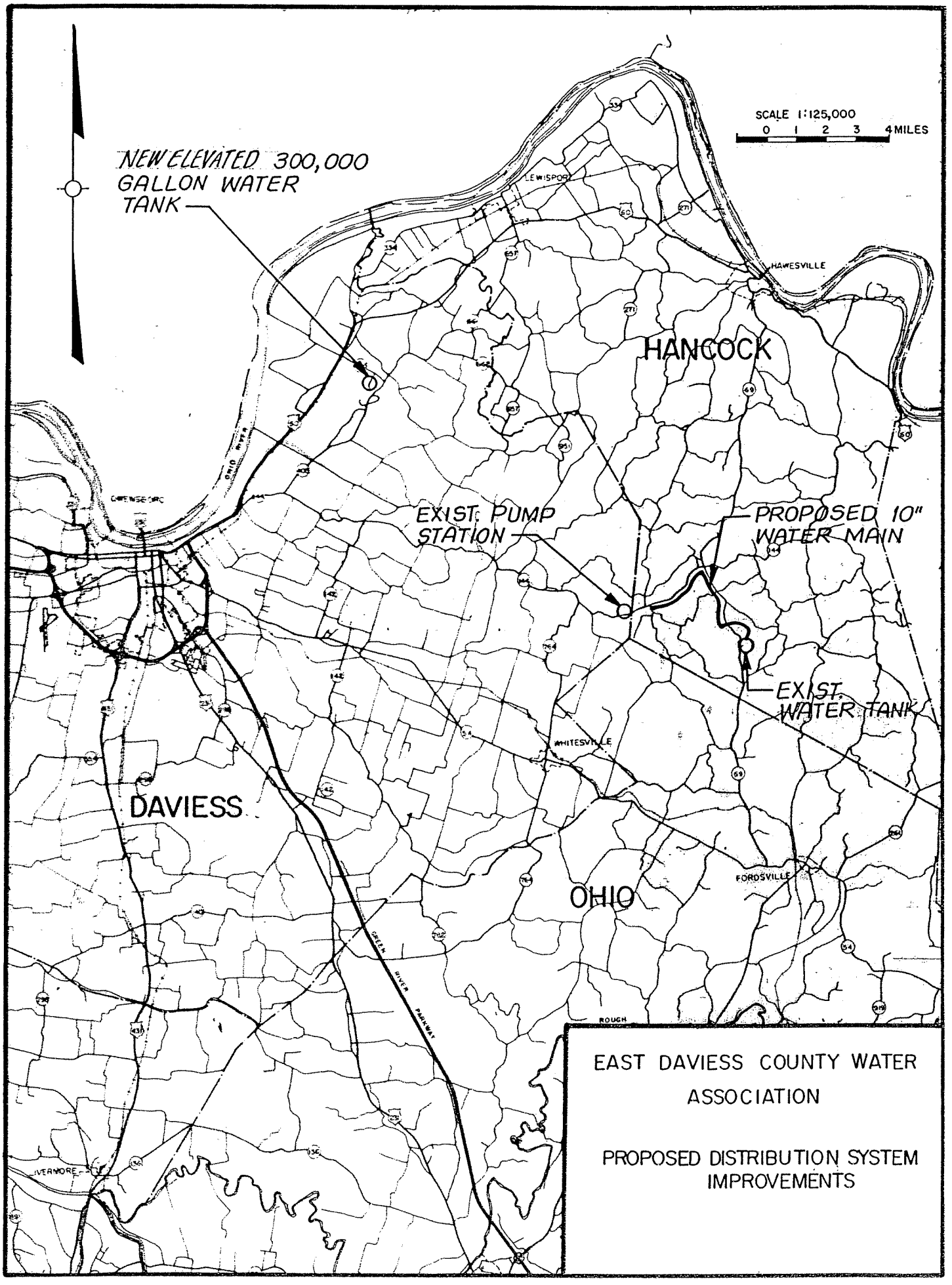
The following are Hydraulic Calculation Sheets for each of the proposed improvements. The calculation sheets and the accompanying maps break the systems down into line segments, indicate lengths, high points, tank elevations, demand flows, static pressures, pressure losses, dynamic pressures and hydraulic grades. Distances and elevations were taken from U.S.G.S. topographic maps.

Calculation of the friction factor used in determining the pressure loss in each individual line segment was based on the following formula (Williams & Hazen Formula)

$$f = 0.2083(100/c)^{1.85}(g^{1.85}/d^{4.8655})$$

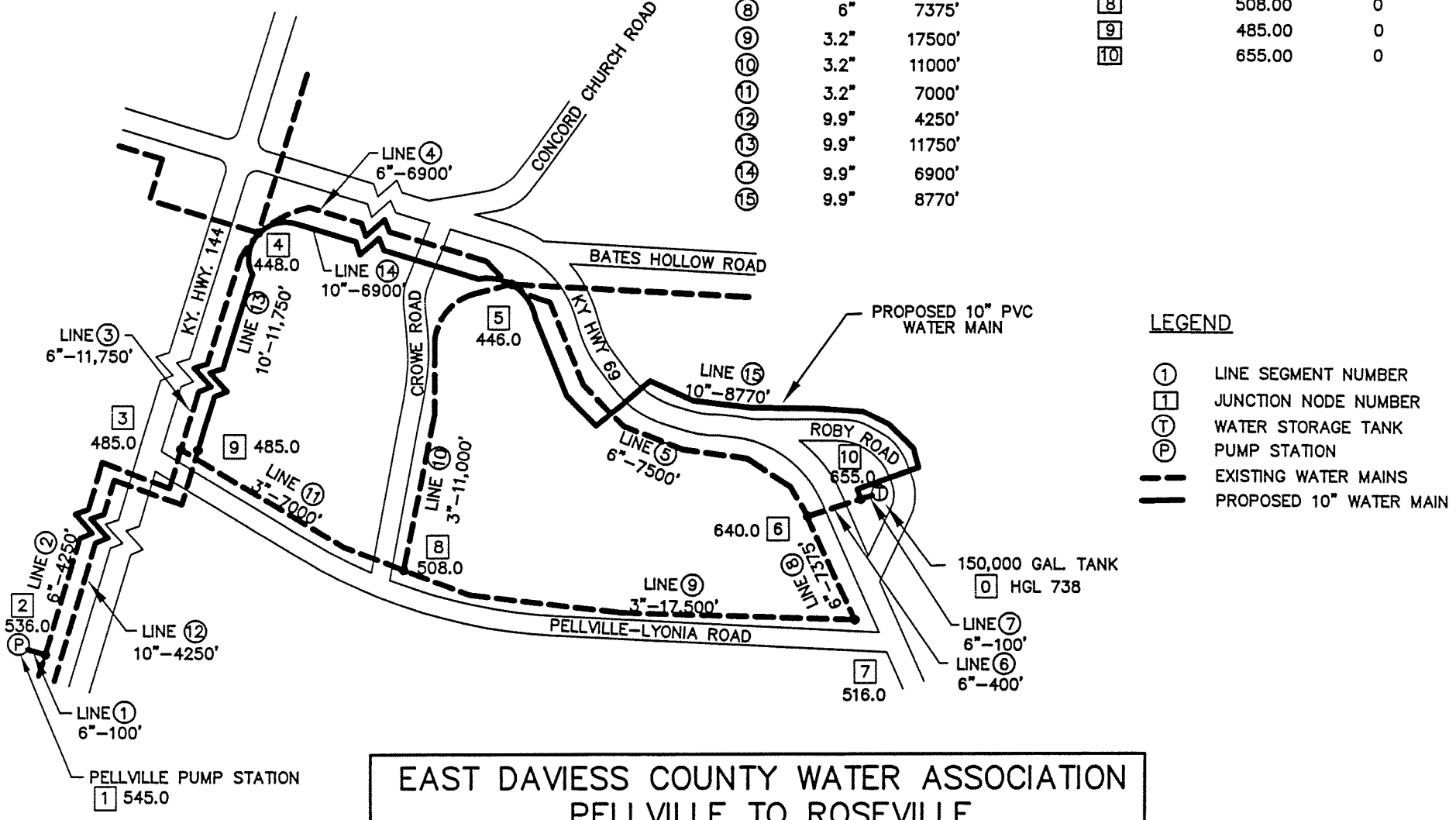
where

f - Friction Factor in feet of water per 100 feet of pipe
c - Pipe Roughness – 150 for PVC Pipe
g - Flow Rate of Water in gallons per minute
d - Internal Diameter of Pipe in inches


NEW ELEVATED 300,000 GALLON WATER TANK
SCALE 1:125,000
0 1 2 3 4 MILES
LEWISPORT
HAWESVILLE
HANCOCK
OHIO RIVER
OWENSBORO
EXIST. PUMP STATION
PROPOSED 10" WATER MAIN
EXIST. WATER TANK
WHITESVILLE
DAVIESS
OHIO
FORDSVILLE
GREEN RIVER PARKWAY
ROUGH
LIVERMORE
EAST DAVIESS COUNTY WATER ASSOCIATION
PROPOSED DISTRIBUTION SYSTEM IMPROVEMENTS

LINE SEG.	SIZE	LENGTH
①	6"	100'
②	6"	4250'
③	6"	11750'
④	6"	6900'
⑤	6"	7500'
⑥	6"	400'
⑦	6"	100'
⑧	6"	7375'
⑨	3.2"	17500'
⑩	3.2"	11000'
⑪	3.2"	7000'
⑫	9.9"	4250'
⑬	9.9"	11750'
⑭	9.9"	6900'
⑮	9.9"	8770'

JUNCTION NODE	ELEVATION	DRAW
1	545.00	-300
2	536.00	0
3	485.00	50
4	448.00	125
5	446.00	50
6	640.00	0
7	516.00	75
8	508.00	0
9	485.00	0
10	655.00	0



LEGEND

- ① LINE SEGMENT NUMBER
- 1 JUNCTION NODE NUMBER
- Ⓣ WATER STORAGE TANK
- Ⓟ PUMP STATION
- EXISTING WATER MAINS
- PROPOSED 10" WATER MAIN

EAST DAVIESS COUNTY WATER ASSOCIATION
PELLVILLE TO ROSEVILLE
SCHEMATIC DRAWING

DRAWING: 01-028SD DRAWN BY: DHW FEBRUARY 21, 2001

*** UNIVERSITY OF KENTUCKY PIPE NETWORK ANALYSIS PROGRAM - 1985 VERSIO
N ***

RESULTS TO OUTPUT FILE

INPUT DATA FILE NAME FOR THIS SIMULATION = EDWPRI2.TXT
OUTPUT DATA FILE NAME FOR THIS SIMULATION = EDWPRO2.TXT

NUMBER OF PIPES = 15
NUMBER OF JUNCTION NODES = 10
FLOW UNITS = GALLONS / MINUTE
PRESSURE UNITS = PSI

**** SUMMARY OF INPUT DATA ***

PIPE NO.	NODE #1	NODE #2	LENGTH (FT.)	DIAM. (IN.)	HW-C VALUE	SUM-M FACT.	PUMP TYPE	FGN GRADE
1	1	2	100.0	6.0	150.0	0.0	0.0	
2	2	3	4250.0	6.0	150.0	0.0	0.0	
3	3	4	11750.0	6.0	150.0	0.0	0.0	
4	4	5	6900.0	6.0	150.0	0.0	0.0	
5	5	6	7500.0	6.0	150.0	0.0	0.0	
6	4	10	400.0	6.0	150.0	0.0	0.0	
7	10	0	100.0	6.0	150.0	0.0	0.0	738.0
8	6	7	7375.0	6.0	150.0	0.0	0.0	
9	7	8	17500.0	3.2	150.0	0.0	0.0	
10	8	5	11000.0	3.2	150.0	0.0	0.0	
11	8	9	7000.0	3.2	150.0	0.0	0.0	
12	9	2	4250.0	9.9	150.0	0.0	0.0	
13	9	4	11750.0	9.9	150.0	0.0	0.0	
14	4	5	6900.0	9.9	150.0	0.0	0.0	
15	5	10	8770.0	9.9	150.0	0.0	0.0	

JUNCT. NO.	DEMAND	ELEVATION
1	-300.0	545.0
2	0.0	536.0
3	50.0	485.0
4	125.0	448.0
5	50.0	446.0
6	0.0	640.0
7	75.0	516.0
8	0.0	508.0
9	0.0	485.0
10	0.0	655.0

**** THE RESULTS FOR THIS SIMULATION FOLLOW ****

NO. OF TRIALS = 8 - ACCURACY ATTAINED = .0028

PIPE NO.	NODE #1	NODE #2	FLOW RATE	HEAD LOSS	MINOR LOSS	PUMP HEAD	LINE VELOCITY	HL 1000
1	1	2	300.00	0.62	0.00	0.00	3.41	6.15
2	2	3	86.82	2.63	0.00	0.00	0.99	0.62
3	3	4	36.82	1.49	0.00	0.00	0.42	0.13
4	4	5	15.14	0.17	0.00	0.00	0.17	0.02
5	5	6	63.90	2.63	0.00	0.00	0.73	0.35
6	4	10	39.74	0.06	0.00	0.00	0.45	0.15
7	10	0	0.00	0.00	0.00	0.00	0.00	0.00
8	6	7	63.90	2.59	0.00	0.00	0.73	0.35
9	7	8	-11.10	5.37	0.00	0.00	0.45	0.31
10	8	5	2.06	0.15	0.00	0.00	0.08	0.01
11	8	9	-13.16	2.95	0.00	0.00	0.54	0.42
12	9	2	-213.18	1.19	0.00	0.00	0.88	0.28
13	9	4	200.02	2.93	0.00	0.00	0.83	0.25
14	4	5	56.96	0.17	0.00	0.00	0.24	0.02
15	5	10	-39.74	0.11	0.00	0.00	0.16	0.01

JUNCTION NO.	ELEVATION (FT.)	DEMAND	PRESSURE (PSI)	HYDRAULIC GRADE
1	545.0	-300.0	85.7	742.8
2	536.0	0.0	89.3	742.2
3	485.0	50.0	110.3	739.5
4	448.0	125.0	125.7	738.1
5	446.0	50.0	126.5	737.9
6	640.0	0.0	41.3	735.3
7	516.0	75.0	93.9	732.7
8	508.0	0.0	99.7	738.0

9	485.0	0.0	110.9	741.0
10	655.0	0.0	36.0	738.0

THE NET SYSTEM DEMAND = 0
SUMMARY OF INFLOWS(+) AND OUTFLOWS(-)

PIPE NO.	FLOW
7	0.00

SUMMARY OF MINIMUM AND MAXIMUM VELOCITIES

MINIMUMS		MAXIMUMS	
10	0.08	1	3.41
15	0.16	2	0.99
4	0.17	12	0.88
14	0.24	13	0.83
3	0.42	8	0.73

SUMMARY OF MINIMUM AND MAXIMUM HL/1000

MINIMUMS		MAXIMUMS	
15	0.01	1	6.15
10	0.01	2	0.62
14	0.02	11	0.42
4	0.02	8	0.35
3	0.13	9	0.31

SUMMARY OF MINIMUM AND MAXIMUM PRESSURES

MINIMUMS		MAXIMUMS	
10	35.97	5	126.48
6	41.28	4	125.69
1	85.71	9	110.93
2	89.34	3	110.30
7	93.89	8	99.68

******* END OF THIS SIMULATION *******
□ 110.93

2	89.34	3	110.30
7	93.89	8	99.68

******* END OF THI

AS BID PROJECT COSTS

The following is the project cost based on bids received on September 29, 2005.

TRANSMISSION MAIN CONSTRUCTION COST

10" Cl. 160 PVC Water Main	13,750 L.F.	@	$ 13.45/L.F.	=	$184,937.50
10" Cl. 200 PVC Water Main	14,500 L.F.	@	$ 15.05/L.F.	=	218,225.00
10" Cl. 350 DIP Water Main	100 L.F.	@	$ 30.00/L.F.	=	3,000.00
6" Class 200 PVC Water Main	85 L.F.	@	$ 20.00/L.F.	=	1,700.00
10" Gate Valves	8 Ea.	@	$1,200.00/Ea.	=	9,600.00
6" x 6" Hot Taps	3 Ea.	@	$1,600.00/Ea.	=	4,800.00
18" Steel Casing Pipe (J & B)	40 L.F.	@	$ 125.00/L.F.	=	5,000.00
Free Bore for 10" Water Main	120 L.F.	@	$ 40.00/L.F.	=	4,800.00
Air Release Valves and Pits	3 Ea.	@	$ 650.00/Ea.	=	1,950.00
Crushed Stone Surface Rplm't.	300 Ton	@	$ 20.00/Ton	=	6,000.00
Fire Hydrants w/Auxiliary Valves	10 Ea.	@	$2,500.00/Ea.	=	25,000.00
Stream Crossings	L.S.	@	$6,000.00	=	6,000.00
			CONSTRUCTION COST-TRANSMISSION MAIN		$471,012.50

300,000 – GALLON ELEVATED STORAGE TANK CONSTRUCTION COST

Site Work	L.S.	@	$ 5,200.00	=	$ 5,200.00
Foundation & Piping	L.S.	@	97,600.00	=	97,600.00
Tank Fabrication and Erection	L.S.	@	242,925.00	=	242,925.00
Painting	L.S.	@	32,000.00	=	32,000.00
Cathodic Protection	L.S.	@	8,700.00	=	8,700.00
Fencing	L.S.	@	4,200.00	=	4,200.00
Safety Equipment	L.S.	@	6,500.00	=	6,500.00
Fire Hydrant	1 Ea.	@	2,500.00/Ea.	=	2,500.00
6" Class 200 PVC Water Main	595 L.F.	@	15.00/L.F.	=	8,925.00
6" x 6" Hot Tap	1 Ea.	@	2,800.00/Ea.	=	2,800.00
			CONSTRUCTION COST – NEW ELEVATED TANK		$411,350.00

TOTAL CONSTRUCTION COST

CONSTRUCTION:		
	Transmission Main	$471,012.50
	Elevated Tank	411,350.00
		$882,362.50
Land Costs		12,500.00
Entrance Road Construction		7,770.00
Basic Engineering		61,200.00
Construction Inspection		38,000.00
Legal		7,600.00
Administrative		11,500.00
Interest During Construction		35,000.00
Contingencies		104,067.50
TOTAL PROJECT COST		$1,160,000.00

PROJECT FUNDING SOURCES

The project will be funded by the following sources:

Rural Development Loan	$ 585,000.00
Kentucky Infrastructure Grant (Revolving Fund, Fund B)	100,000.00
Coal Development Fund Grant	250,000.00
Tobacco/Coal Producing Counties Grant	225,000.00
	$1,160,000.00

XXI. SEWER RATES - PROPOSED

N/A

A. Proposed Rate Schedule without RUS Grant:

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

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

_____

Proposed Rate Schedule: (Without RUS Grant)

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

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

B. Recommended Rate Schedule with RUS Grant:

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

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

_____

Recommended Rate Schedule: (With RUS Grant)

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

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule without RUS Grant:

First	2,000	Gallons @ $	12.60	Minimum.
Next	4,000	Gallons @ $	3.80	per 1,000 Gallons.
Next	4,4000	Gallons @ $	3.25	per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
Next		Gallons @ $		per 1,000 Gallons.
All Over	50,000	Gallons @ $	2.75	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: N/A

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

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

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

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

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

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

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

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

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

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

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

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

*Meter Size**	*Monthly Water Usage*	*Average Average*	*Rate*	*Residential*			*Non-Residential*		
				*No. of Users***	*Usage (1000)*	*Income*	*No. of Users*	*Usage (1000)*	*Income*
	0 Gallons	0	12.60	20	0	252.00	0	0	0.00
	0 - 2,000 Gallons	*1,000*	12.60	636	636	8,013.60	13	13	163.80
	2,000 - 3,000 Gallons	*2,500*	14.50	553	1,382.5	8,018.50	3	7.5	43.50
	3,000 - 4,000 Gallons	*3,500*	18.30	625	2,187.5	11,437.50	2	7	36.60
	4,000 - 5,000 Gallons	*4,500*	22.10	534	2,403	11,801.40	2	9	44.20
	5,000 - 6,000 Gallons	*5,500*	25.90	407	2,238.5	10,541.30	1	5.5	25.90
	6,000 - 7,000 Gallons	*6,500*	29.43	301	1,956.5	8,856.93	1	6.5	29.43
	7,000 - 8,000 Gallons	*7,500*	32.68	203	1,522.5	6,633.03	0	0	0.00
	8,000 - 9,000 Gallons	*8,500*	35.93	184	1,564	6,610.20	3	25.5	107.78
	9,000 - 10,000 Gallons	*9,500*	39.18	126	1,197	4,936.05	2	19	78.35
5/8	*10,000 - 11,000 Gallons*	*10,500*	42.43	128	1,344	5,430.40	2	21	84.85
x	*11,000 - 12,000 Gallons*	*11,500*	45.68	89	1,023	4,065.08	0	0	0.00
3/4	*12,000 - 13,000 Gallons*	*12,500*	48.93	60	750	2,935.50	1	12.5	48.93
Inch	*13,000 - 14,000 Gallons*	*13,500*	52.18	39	526.5	2,034.83	1	13.5	52.18
	14,000 - 15,000 Gallons	*14,500*	55.43	20	290	1,108.50	4	58	221.70
	15,000 - 16,000 Gallons	*15,500*	58.68	14	217	821.45	0	0	0.00
	16,000 - 17,000 Gallons	*16,500*	61.93	12	198	743.10	1	16.5	61.30
	17,000 - 18,000 Gallons	*17,500*	65.18	10	175	651.75	1	17.5	65.18
	18,000 - 19,000 Gallons	*18,500*	68.43	8	148	547.40	0	0	0.00
	19,000 - 20,000 Gallons	*19,500*	71.68	8	156	573.40	0	0	0.00
_____	- _____ *Gallons*								
_____	- _____ *Gallons*								
_____	- _____ *Gallons*								
	Sub-Total			(4,022)	(21,126)	(100,319.53)	(49)	(1,192)	(4,074.15)
	Average Monthly Rate		(25.64)						
	Average Monthly Usage				(5,253)			(24,327)	

* *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 (CONTINUED)

Meter Size	Monthly Water Usage	Average	Average Rate	Residential No. of: Users:	Usage (1000)	Income	Non-Residential No. of: Users:	Usage (1000)	Income
20,000 –	21,000 Gallon	20,500	74.93	6 :	123	449.55	0	0	0
21,000 –	22,000 Gallon	21,500	78.18	4 :	86	312.70	0	0	0
22,000 –	23,000 Gallon	22,500	81.43	5 :	112.5	407.13	1	22.5	81.43
23,000 –	24,000 Gallon	23,500	84.68	4 :	94	338.70	0 :	0	0
24,000 –	25,000 Gallon	24,500	87.93	4 :	98	351.70	0 :	0	0
25,000 –	26,000 Gallon	25,500	91.18	3 :	76.5	273.53	0 :	0	0
26,000 –	27,000 Gallon	26,500	94.43	3 :	79.5	283.28	0 :	0	0
27,000 –	28,000 Gallon	27,500	97.68	3 :	82.5	293.03	0 :	0	0
28,000 –	29,000 Gallon	28,500	100.93	1 :	28.5	100.93	0 :	0	0
29,000 –	30,000 Gallon	29,500	104.18	1 :	29.5	104.18	0 :	0	0
30,000 –	31,000 Gallon	30,500	107.43	1 :	30.5	107.43	0 :	0	0
31,000 –	32,000 Gallon	31,500	110.68	1 :	31.5	110.68	0 :	0	0
32,000 –	33,000 Gallon	32,500	113.93	1 :	32.5	113.93	0 :	0	0
33,000 –	34,000 Gallon	33,500	117.18	1 :	33.5	117.18	1 :	33.5	117.18
34,000 –	35,000 Gallon	34,500	120.43	1 :	34.5	120.43	0 :	0	0
35,000 –	36,000 Gallon	35,500	123.68	1 :	35.5	123.68	0 :	0	0
36,000 –	37,000 Gallon	36,500	126.93	1 :	36.5	126.93	0 :	0	0
37,000 –	38,000 Gallon	37,500	130.18	1 :	37.5	130.18	0 :	0	0
38,000 –	39,000 Gallon	38,500	133.43	1 :	38.5	133.43	0 :	0	0
44,000 –	45,000 Gallon	00,000	152.93	1 :	44.5	152.93	2 :	89	305.85
45,000 –	46,000 Gallon	00,000	156.18	1 :	45.5	156.18	1 :	45.5	156.18
66,000 –	67,000 Gallon	66,500	216.18	0 :	0		1 :	66.5	216.18
84,000 –	85,000 Gallon	84,500	265.68	0 :	0		1 :	84.5	265.68
86,000 –	87,000 Gallon	86,500	271.18	0 :	0		1 :	86.5	271.18
89,000 –	90,000 Gallon	89,500	279.43	0 :	0		1 :	89.5	279.43
130,000 –	131,000 Gallon	130,500	392.18	0 :	0		1 :	130.5	279.43
135,000 –	136,000 Gallon	135,500	405.93	0 :	0		1 :	135.5	405.93
176,000 –	177,000 Gallon	176,500	518.68	0 :	0		1 :	176.5	518.68

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

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

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

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

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

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

N/A NO NEW USERS OR EXTENSIONS FOR THIS IMPROVEMENT.

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

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

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

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

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

(As of the last full operating year.)

A. Operating Income:

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

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

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

C. Non-Operating Income:

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

D. Net Income $ _____

E. Debt Repayment:

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

F. Balance Available for Coverage $ _____

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

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:

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 $ _____

REVENUES AND EXPENSES WITH PROPOSED RATE STRUCTURE

The expenses associated with the proposed system improvements will be as follows:

A. Debt Service

The annual debt service on the loan amount of $585,000.00 at an interest rate of 4.25%

for a term of 38 years will be as follows:

$585,000.00 x 0.05350226 = $31,298.82/year

B. Reserve Account

An amount equal to 10% of the debt service will be placed into a reserve account as a contingency.

$31,298.82 x 0.10 = $3,129.88

C. Operation and Maintenance

There will be no significant operation and maintenance changes to the system due to the installation of the transmission main or the new tank. No new customers or service area are added and no additional or increased size pumping equipment is to be added.

It is anticipated that there will be significant increases in operating costs. The association anticipates the addition of one part time system operator and one office worker going from part time to full time at an estimated annual cost of $40,000.00. In

addition, with the increasing cost of energy, it is anticipated that there will be significant increases in transportation and utility costs over and above normal inflationary costs that occur from year to year. When depreciation is figured into the expenses, the Association has had a net loss for the last 4 years. The last rate increase received by the Association was in 1998.

D. Proposed Rate Structure

The Rate Structure proposed to meet the needs of additional employees, increased operating costs and debt service on the RD loan is as follows:

First 2,000 Gallons	$13.85
Next 4,000 Gallons	4.60 per 1,000 Gallons
Next 44,000 Gallons	3.65 per 1,000 Gallons
All over 50,000 Gallons	2.95 per 1,000 Gallons

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)
(As of the last full operating year.) 2004

A. Operating Income:

Water Sales	$ 1,221,499
Disconnect/Reconnect/Late Charge Fees	0
Other (Describe)	0
Less Allowances and Deductions	(0)
Total Operating Income	$ 1,221,499

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

Source of Supply Expense	$ 366,673
Pumping Expense	27,764
Water Treatment Expense	0
Transmission and Distribution Expense	337,300
Customer Accounts Expense	80,000
Administrative and General Expense	219,030
Total Operating Expenses	$ 1,030,767
Net Operating Income	$ 190,732

C. Non-Operating Income:

Interest on Deposits	$ 8,423
Other (Identify)	0
Total Non-Operating Income	$ 8,423

D. Net Income $ 199,155

E. Debt Repayment:

RUS Interest	$ 98,797
RUS Principal	20,992
Non-RUS Interest	37,168
Non-RUS Principal	47,122
Total Debt Repayment	$ 204,079

F. Balance Available for Coverage $ (4,924)

PROPOSED OPERATING BUDGET ***(From Guide 7)***

A. Operating Incomes

The income is based on the system use of 277,476,000 gallons per year by 4244 customers at the rates proposed in Exhibit No. 1.

B. Operation and Maintenance Expenses

Expenses were based on the following:

1. Source of supply Expense – Based on water purchased in 2004 increased by 2½ % per year. Water is purchased from Owensboro Municipal Utilities at $1.148 per 1,000 gallons.
2. Pumping Expense increased 30% to cover energy increases.
3. Water Treatment Expense – None
4. Transmission and Distribution Expense – The 2004 figures have been increased 5% for inflation and a new employee added at $35,000 per year.
5. Customer Accounts Expenses – Figure increased by 5% for inflation and $6,000.00 added for an employee going full time from part time.
6. Administrative and General Expense – Figures increased by 5% for inflation.

C. Non-Operating Incomes

The Association earns interest on deposits.

D. Net Income

This item is the income remaining after subtracting the Operating and Maintenance Expenses from the Operating Income and the Non-Operating Income.

E. Debt Repayment

This item includes all principal and interest payments on all debts owed by the Association including Rural Development and Non-Rural Development debt. The debt for the loan associated with this proposed project is also included.

F. Balance Available for Coverage and Depreciation

Subtract Debt Repayment from Net Income.

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 12/31/06

A. Operating Income:

Water Sales	$ 1,482,134
Disconnect/Reconnect/Late Charge Fees	0
Other (Describe)	0
Less Allowances and Deductions	(0)
Total Operating Income	$ 1,482,134

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

Source of Supply Expense (INCLUDES 12% LOSS)	$ 385,236
Pumping Expense	36,000
Water Treatment Expense	0
Transmission and Distribution Expense	393,000
Customer Accounts Expense	90,000
Administrative and General Expense	233,502
Total Operating Expenses	$ 1,137,738
Net Operating Income	$ 344,396

C. Non-Operating Income:

Interest on Deposits	$ 9,000
Other (Identify)	0
Total Non-Operating Income	$ 9,000

D. Net Income $ 353,396

E. Debt Repayment:

RUS Interest & PRINCIPAL	$ 151,088
RUS Principal	
Non-RUS Interest & PRINCIPAL	84,290
Non-RUS Principal	
Total Debt Repayment	$ 235,378

F. Balance Available for Coverage $ 118,018

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

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)

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

XXXIV. PROPOSED PROJECT FUNDING - SEWER

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

XXXV. ESTIMATED PROJECT COST - WATER

Development	$ 822,362.50
Land and Rights & ENTRANCE ROAD CONSTRUCTION	20,270.00
Legal & ADMINISTRATIVE (EDCWA & GRADD)	19,100.00
Engineering (DESIGN & INSPECTION)	99,200.00
Interest	35,000.00
Contingencies	104,067.50
Initial Operating and Maintenance	0.00
Other	0.00
TOTAL	$ 1,160,000.00

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	$ 0.00
Other Applicant Contribution	0.00
RUS Loan	585,000.00
RUS Grant	0.00
ARC Grant (If applicable)	0.00
OTHER (SPECIFY) TOBACCO/COAL PRODUCING COUNTIES GRANT	225,000.00
Other (Specify) KIA REVOLVING FUND B	100,000.00
Other (Specify) COAL DEVELOPMENT FUND	250,000.00
TOTAL	$ 1,160,000.00

EXPLANATION OF EXHIBITS

EXHIBIT NO. 1 – Calculates the annual payment for the $585,000.00 RD loan and the annual water usage and revenue at the present rates (established in 1998).

EXHIBIT NO. 2 – Calculates the monthly water sales and revenue with the residential and non-residential customers broken down for the Association's existing rates.

EXHIBIT NO. 3 – Calculates the monthly water sales and revenue with the residential and non-residential customers broken down for the proposed rate structure.

LOAN ANALYSIS AND PROPOSED RATE STRUCTURE

$ 585,000.00 LOAN

38 TERM (YRS)

4.25%

($31,298.82) PAYMENT PER YR
($2,608.23) PAYMENT PER MONTH

USERS	USAGE	YEARLY REVENUE	YEARLY WATER USAGE
20	0	$ 2,892.00	0
678	1,000	$ 98,038.80	8,136,000
581	2,500	$ 95,865.00	17,430,000
655	3,500	$ 134,799.00	27,510,000
560	4,500	$ 138,096.00	30,240,000
426	5,500	$ 122,432.40	28,116,000
316	6,500	$ 102,858.00	24,648,000
213	7,500	$ 76,871.70	19,170,000
196	8,500	$ 77,674.80	19,992,000
134	9,500	$ 57,847.80	15,276,000
136	10,500	$ 63,525.60	17,136,000
93	11,500	$ 46,732.50	12,834,000
61	12,500	$ 32,811.90	9,150,000
40	13,500	$ 22,932.00	6,480,000
24	14,500	$ 14,608.80	4,176,000
14	15,500	$ 9,017.40	2,604,000
13	16,500	$ 8,833.50	2,574,000
11	17,500	$ 7,863.90	2,310,000
8	18,500	$ 6,002.40	1,776,000
8	19,500	$ 6,285.60	1,872,000
6	20,500	$ 4,926.60	1,476,000
4	21,500	$ 3,426.00	1,032,000
6	22,500	$ 5,351.40	1,620,000
4	23,500	$ 3,709.20	1,128,000
4	24,500	$ 3,850.80	1,176,000
3	25,500	$ 2,994.30	918,000
3	26,500	$ 3,100.50	954,000
3	27,500	$ 3,206.70	990,000
1	28,500	$ 1,104.30	342,000
1	29,500	$ 1,139.70	354,000
1	30,500	$ 1,175.10	366,000
1	31,500	$ 1,210.50	378,000
1	32,500	$ 1,245.90	390,000
2	33,500	$ 2,562.60	804,000

1	34,500	$	1,316.70	414,000
1	35,500	$	1,352.10	426,000
1	36,500	$	1,387.50	438,000
1	37,500	$	1,422.90	450,000
1	38,500	$	1,458.30	462,000
3	44,500	$	5,012.10	1,602,000
2	45,500	$	3,412.20	1,092,000
1	66,500	$	2,360.40	798,000
1	84,500	$	2,900.40	1,014,000
1	86,500	$	2,960.40	1,038,000
1	89,500	$	3,050.40	1,074,000
1	130,500	$	4,280.40	1,566,000
1	135,500	$	4,430.40	1,626,000
1	176,500	$	5,660.40	2,118,000
4244		$	1,205,997.30	277,476,000

*** PROPOSED RATES ***

FIRST 2,000 GALLONS	@	$	12.05	(minimum)
NEXT 4,000 GALLONS	@	$	3.40	per 1000 Gallons
NEXT 44,000 GALLONS	@	$	2.95	per 1000 Gallons
OVER 50,000 GALLONS	@	$	2.50	per 1000 Gallons

WATER USAGE AND INCOME - EXISTING RATES

EXHIBIT NO. 2

Monthly Water Usage		Average	Residential		Non-Residential		Revenue Generated	
			No. of Users	Usage 1000	No. of Users	Usage 1000	Residential	Non-Residential
	0	0	20	0	0	0	$241.00	$0.00
0	2,000	1,000	665	665	13	13	$8,013.25	$156.65
2,000	3,000	2,500	578	1445	3	7.5	$7,947.50	$41.25
3,000	4,000	3,500	653	2285.5	2	7	$11,198.95	$34.30
4,000	5,000	4,500	558	2511	2	9	$11,466.90	$41.10
5,000	6,000	5,500	425	2337.5	1	5.5	$10,178.75	$23.95
6,000	7,000	6,500	315	2047.5	1	6.5	$8,544.38	$27.13
7,000	8,000	7,500	213	1597.5	0	0	$6,405.98	$0.00
8,000	9,000	8,500	193	1640.5	3	25.5	$6,373.83	$99.08
9,000	10,000	9,500	132	1254	2	19	$4,748.70	$71.95
10,000	11,000	10,500	134	1407	2	21	$5,215.95	$77.85
11,000	12,000	11,500	93	1069.5	0	0	$3,894.38	$0.00
12,000	13,000	12,500	60	750	1	12.5	$2,689.50	$44.83
13,000	14,000	13,500	39	526.5	1	13.5	$1,863.23	$47.78
14,000	15,000	14,500	20	290	4	58	$1,014.50	$202.90
15,000	16,000	15,500	14	217	0	0	$751.45	$0.00
16,000	17,000	16,500	12	198	1	16.5	$679.50	$56.63
17,000	18,000	17,500	10	175	1	17.5	$595.75	$59.58
18,000	19,000	18,500	8	148	0	0	$500.20	$0.00
19,000	20,000	19,500	8	156	0	0	$523.80	$0.00
20,000	21,000	20,500	6	123	0	0	$410.55	$0.00
21,000	22,000	21,500	4	86	0	0	$285.50	$0.00
22,000	23,000	22,500	5	112.5	1	22.5	$371.63	$74.33
23,000	24,000	23,500	4	94	0	0	$309.10	$0.00
24,000	25,000	24,500	4	98	0	0	$320.90	$0.00
25,000	26,000	25,500	3	76.5	0	0	$249.53	$0.00
26,000	27,000	26,500	3	79.5	0	0	$258.38	$0.00
27,000	28,000	27,500	3	82.5	0	0	$267.23	$0.00
28,000	29,000	28,500	1	28.5	0	0	$92.03	$0.00
29,000	30,000	29,500	1	29.5	0	0	$94.98	$0.00
30,000	31,000	30,500	1	30.5	0	0	$97.93	$0.00
31,000	32,000	31,500	1	31.5	0	0	$100.88	$0.00
32,000	33,000	32,500	1	32.5	0	0	$103.83	$0.00
33,000	34,000	33,500	1	33.5	1	33.5	$106.78	$106.78
34,000	35,000	34,500	1	34.5	0	0	$109.73	$0.00
35,000	36,000	35,500	1	35.5	0	0	$112.68	$0.00
36,000	37,000	36,500	1	36.5	0	0	$115.63	$0.00

WATER USAGE AND INCOME - EXISTING RATES

EXHIBIT NO. 2

37,000	38,000	37,500	1	37.5	0	0	$118.58	$0.00
38,000	39,000	38,500	1	38.5	0	0	$121.53	$0.00
39,000	40,000	39,500	0	0	0	0	$0.00	$0.00
40,000	41,000	40,500	0	0	0	0	$0.00	$0.00
41,000	42,000	41,500	0	0	0	0	$0.00	$0.00
42,000	43,000	42,500	0	0	0	0	$0.00	$0.00
43,000	44,000	43,500	0	0	0	0	$0.00	$0.00
44,000	45,000	44,500	1	44.5	2	89	$139.23	$278.45
45,000	46,000	45,500	1	45.5	1	45.5	$142.18	$142.18
46,000	47,000	46,500	0	0	0	0	$0.00	$0.00
47,000	48,000	47,500	0	0	0	0	$0.00	$0.00
48,000	49,000	48,500	0	0	0	0	$0.00	$0.00
49,000	50,000	49,500	0	0	0	0	$0.00	$0.00
66,000	67,000	66,500	0	0	1	66.5	$0.00	$196.70
84,000	85,000	84,500	0	0	1	84.5	$0.00	$241.70
86000	87000	86,500	0	0	1	86.5	$0.00	$246.70
89000	90000	89,500	0	0	1	89.5	$0.00	$254.20
130000	131000	130,500	0	0	1	130.5	$0.00	$356.70
135000	136000	135,500	0	0	1	135.5	$0.00	$369.20
176000	177000	176,500	0	0	1	176.5	$0.00	$471.70
		Total	4,195	21,931	49	1,192	$96,776.20	$3,723.58

Total Sales for Year	277,476	1,000 Gals
Revenue Generated	$1,205,997.30	Per Year
	$100,499.78	Per Month

Existing Rate Structure

0 to 2,000 Gallons	$12.05
Next 4,000 Gallons, per 1000	$3.40
Next 44,000 Gallons, per 1000	$2.95
Over 50,000 Gallons, per 1000	$2.50

WATER USAGE AND INCOME - PROPOSED RATES

EXHIBIT NO. 3

Monthly Water Usage		Average	Residential		Non-Residential		Revenue Generated	
			No. of Users	Usage 1000	No. of Users	Usage 1000	Residential	Non-Residential
	0	0	20	0	0	0	$277.00	$0.00
0	2,000	1,000	665	665	13	13	$9,210.25	$180.05
2,000	3,000	2,500	578	1445	3	7.5	$9,334.70	$48.45
3,000	4,000	3,500	653	2285.5	2	7	$13,549.75	$41.50
4,000	5,000	4,500	558	2511	2	9	$14,145.30	$50.70
5,000	6,000	5,500	425	2337.5	1	5.5	$12,728.75	$29.95
6,000	7,000	6,500	315	2047.5	1	6.5	$10,733.63	$34.08
7,000	8,000	7,500	213	1597.5	0	0	$8,035.43	$0.00
8,000	9,000	8,500	193	1640.5	3	25.5	$7,985.38	$124.13
9,000	10,000	9,500	132	1254	2	19	$5,943.30	$90.05
10,000	11,000	10,500	134	1407	2	21	$6,522.45	$97.35
11,000	12,000	11,500	93	1069.5	0	0	$4,866.23	$0.00
12,000	13,000	12,500	60	750	1	12.5	$3,358.50	$55.98
13,000	14,000	13,500	39	526.5	1	13.5	$2,325.38	$59.63
14,000	15,000	14,500	20	290	4	58	$1,265.50	$253.10
15,000	16,000	15,500	14	217	0	0	$936.95	$0.00
16,000	17,000	16,500	12	198	1	16.5	$846.90	$70.58
17,000	18,000	17,500	10	175	1	17.5	$742.25	$74.23
18,000	19,000	18,500	8	148	0	0	$623.00	$0.00
19,000	20,000	19,500	8	156	0	0	$652.20	$0.00
20,000	21,000	20,500	6	123	0	0	$511.05	$0.00
21,000	22,000	21,500	4	86	0	0	$355.30	$0.00
22,000	23,000	22,500	5	112.5	1	22.5	$462.38	$92.48
23,000	24,000	23,500	4	94	0	0	$384.50	$0.00
24,000	25,000	24,500	4	98	0	0	$399.10	$0.00
25,000	26,000	25,500	3	76.5	0	0	$310.28	$0.00
26,000	27,000	26,500	3	79.5	0	0	$321.23	$0.00
27,000	28,000	27,500	3	82.5	0	0	$332.18	$0.00
28,000	29,000	28,500	1	28.5	0	0	$114.38	$0.00
29,000	30,000	29,500	1	29.5	0	0	$118.03	$0.00
30,000	31,000	30,500	1	30.5	0	0	$121.68	$0.00
31,000	32,000	31,500	1	31.5	0	0	$125.33	$0.00
32,000	33,000	32,500	1	32.5	0	0	$128.98	$0.00
33,000	34,000	33,500	1	33.5	1	33.5	$132.63	$132.63
34,000	35,000	34,500	1	34.5	0	0	$136.28	$0.00
35,000	36,000	35,500	1	35.5	0	0	$139.93	$0.00
36,000	37,000	36,500	1	36.5	0	0	$143.58	$0.00

WATER USAGE AND INCOME - PROPOSED RATES

EXHIBIT NO. 3

37,000	38,000	37,500	1	37.5	0	0	$147.23	$0.00
38,000	39,000	38,500	1	38.5	0	0	$150.88	$0.00
39,000	40,000	39,500	0	0	0	0	$0.00	$0.00
40,000	41,000	40,500	0	0	0	0	$0.00	$0.00
41,000	42,000	41,500	0	0	0	0	$0.00	$0.00
42,000	43,000	42,500	0	0	0	0	$0.00	$0.00
43,000	44,000	43,500	0	0	0	0	$0.00	$0.00
44,000	45,000	44,500	1	44.5	2	89	$172.78	$345.55
45,000	46,000	45,500	1	45.5	1	45.5	$176.43	$176.43
46,000	47,000	46,500	0	0	0	0	$0.00	$0.00
47,000	48,000	47,500	0	0	0	0	$0.00	$0.00
48,000	49,000	48,500	0	0	0	0	$0.00	$0.00
49,000	50,000	49,500	0	0	0	0	$0.00	$0.00
66,000	67,000	66,500	0	0	1	66.5	$0.00	$241.53
84,000	85,000	84,500	0	0	1	84.5	$0.00	$294.63
86000	87000	86,500	0	0	1	86.5	$0.00	$300.53
89000	90000	89,500	0	0	1	89.5	$0.00	$309.38
130000	131000	130,500	0	0	1	130.5	$0.00	$430.33
135000	136000	135,500	0	0	1	135.5	$0.00	$445.08
176000	177000	176,500	0	0	1	176.5	$0.00	$566.03
		Total	4,195	21,931	49	1,192	$118,966.90	$4,544.30

Total Sales for Year	277,476	Mil Gals
Revenue Generated	$1,482,134.40	Per Year
	$123,511.20	Per Month

Existing Rate Structure

0 to 2,000 Gallons	$13.85
Next 4,000 Gallons, per 1000	$4.60
Next 44,000 Gallons, per 1000	$3.65
Over 50,000 Gallons, per 1000	$2.95

CONCLUSIONS

The proposed improvements to the Water Association's system will cost an estimated $1,160,000.00. Of the total amount, $585,000.00 will be loan money from Rural Development. Rates will need to be increased to cover debt service on the loan, reserve coverage on the loan, one and one half employees which the system has added and a 5% inflation cost in operating costs. With the new rate structure, the Association's average bill will rise from $23.89 per month on 5,482 gallons to $29.87 per month.

EAST DAVIESS COUNTY WATER ASSOCIATION - CONTRACT VII-A - WATER MAIN

BID TABULATION SHEET

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	BOBBY LUTTREL &SONS		ERNIE DAVIS & SONS		D-LITE EXCAVATION		ENGINEER'S ESTIMATE	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	10" Class 160 PVC Water Main	L.F.	13,750	$13.45	$184,937.50	$14.65	$201,437.50	$19.48	$267,850.00	$14.50	$199,375.00
2	10" Class 200 PVC Water Main	L.F.	14,500	$15.05	$218,225.00	$16.65	$241,425.00	$21.23	$307,835.00	$15.50	$224,750.00
3	10" Class 350 DIP Water Main	L.F.	100	$30.00	$3,000.00	$72.85	$7,285.00	$67.39	$6,739.00	$35.00	$3,500.00
4	6" Class 200 PVC Water Main	L.F.	85	$20.00	$1,700.00	$14.65	$1,245.25	$16.89	$1,435.65	$13.50	$1,147.50
5	10" Gate Valve & Box	EA.	8	$1,200.00	$9,600.00	$1,082.00	$8,656.00	$1,516.74	$12,133.92	$1,100.00	$8,800.00
6	18" Steel Casing Pipe	L.F.	40	$125.00	$5,000.00	$147.00	$5,880.00	$154.28	$6,171.20	$100.00	$4,000.00
7	Free Bore for 10" Water Main	L.F.	120	$40.00	$4,800.00	$85.00	$10,200.00	$50.00	$6,000.00	$45.00	$5,400.00
8	Air Release Pits	EA.	3	$650.00	$1,950.00	$718.00	$2,154.00	$713.19	$2,139.57	$600.00	$1,800.00
9	6"x 6" Hot Tap	EA.	3	$1,600.00	$4,800.00	$1,545.00	$4,635.00	$1,686.74	$5,060.22	$1,400.00	$4,200.00
10	Fire Hydrants w/Gate Valves	EA.	10	$2,500.00	$25,000.00	$2,634.00	$26,340.00	$2,524.67	$25,246.70	$2,500.00	$25,000.00
11	Dense Graded Aggregate	TON	300	$20.00	$6,000.00	$24.00	$7,200.00	$14.00	$4,200.00	$20.00	$6,000.00
12	Stream Crossings	L.S.	1	$6,000.00	$6,000.00	$2,000.00	$2,000.00	$5,000.00	$5,000.00	$5,477.50	$5,477.50
	TOTAL				$471,012.50		$518,457.75		$649,811.26		$489,450.00

CERTIFICATION:

I hereby certify that this is a true and correct tabulation of the bids received on the East Daviess County Water Association's 10" Reinforcing Main on September 29, 2005 to the best of my knowledge, information and belief.

P. Glenn Morrison P.E.

P. Glenn Morrison, P.E.
KY Reg. No. 10,184

COMMONWEALTH OF KENTUCKY P. GLENN MORRISON 10184 REGISTERED PROFESSIONAL ENGINEER

EXHIBIT 6
Page 1 of 2

EAST DAVIESS COUNTY WATER ASSOCIATION - CONTRACT VII-B - WATER TANK

BID TABULATION SHEET

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	CALDWELL TANKS		PITTSBURG TANK & TOWER		PHOENIX FABRICATORS		ENGINEER'S ESTIMATE	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	Site Work	L.S.	1	$5,200.00	$5,200.00	$12,000.00	$12,000.00	$7,500.00	$7,500.00	$6,000.00	$6,000.00
2	Foundation and Piping	L.S.	1	$97,600.00	$97,600.00	$82,000.00	$82,000.00	$91,000.00	$91,000.00	$95,000.00	$95,000.00
3	Tank Fabrication and Erection	L.S.	1	$242,925.00	$242,925.00	$342,433.25	$342,433.25	$487,354.00	$487,354.00	$230,000.00	$230,000.00
4	Painting	L.S.	1	$32,000.00	$32,000.00	$43,000.00	$43,000.00	$76,000.00	$76,000.00	$35,000.00	$35,000.00
5	Cathodic Protection	L.S.	1	$8,700.00	$8,700.00	$7,500.00	$7,500.00	$7,200.00	$7,200.00	$8,000.00	$8,000.00
6	Fencing	L.S.	1	$4,200.00	$4,200.00	$6,200.00	$6,200.00	$5,100.00	$5,100.00	$5,000.00	$5,000.00
7	Safety Equipment	L.S.	1	$6,500.00	$6,500.00	$7,500.00	$7,500.00	$6,000.00	$6,000.00	$7,000.00	$7,000.00
8	Fire Hydrant	EA.	1	$2,500.00	$2,500.00	$4,200.00	$4,200.00	$3,300.00	$3,300.00	$2,500.00	$2,500.00
9	6" Class 200 PVC Water Main	L.F.	595	$15.00	$8,925.00	$13.45	$8,002.75	$11.40	$6,783.00	$15.00	$8,925.00
10	6"x 6" Hot Tap	EA.	1	$2,800.00	$2,800.00	$3,100.00	$3,100.00	$2,700.00	$2,700.00	$2,575.00	$2,575.00
	TOTAL				**$411,350.00**		**$515,936.00**		**$692,937.00**		**$400,000.00**

CERTIFICATION:

I hereby certify that this is a true and correct tabulation of the bids received on the East Daviess County Water Association's 300,000 Gallon Water Tank on September 29, 2005 to the best of my knowledge, information and belief.

P. Glenn Morrison P.E.

P. Glenn Morrison, P.E.
KY Reg. No. 10,184

STATE OF KENTUCKY
P. GLENN MORRISON
10184
LICENSED PROFESSIONAL ENGINEER

EXHIBIT 6
Page 2 of 2

EXHIBIT 7

JOHNSON, DEPP & QUISENBERRY
CONSULTING ENGINEERS
SINCE 1936

MICHAEL G. BRUCE, P.E.
P. GLENN MORRISON, P.E.
DONALD L. McLIMORE, L.S

PAUL M. WEST, P.E.
DAVID C. DEPP, P.E., S.E.

October 11, 2005

Mr. Edwin Payne, Manager
East Daviess County Water Association
9210 Ky. Hwy. 144
Philpot, Kentucky 42366

Re: Contract VII Construction Bids

Dear Mr. Payne:

Bids were received on the referenced project on Thursday morning, September 29, 2005 at 10:00 a.m. (Storage Tank) and 10:30 a.m. (Transmission Main) as was publicly advertised. Three bids were received on the storage tank project as follows:

Caldwell Tanks (Louisville, KY)	$411,350.00
Pittsburg Tank & Tower (Henderson, KY)	$515,936.00
Phoenix Fabricators (Avon, IN)	$692,937.00

The Engineers' Estimate for the tank project was $400,000.00.

Three bids were also received for the transmission main project as follows:

Bobby Luttrel & Sons (Olaton, KY)	$471,012.50
Ernie Davis & Sons (Owensboro, KY)	$518,457.75
D-Lite Excavation (Evanston, IN)	$649,811.26

The Engineers' Estimate for the transmission main project was $489,450.00.

Included for your use and distribution are 10 copies of the Bid Tabulation Sheet for each project.

As you are aware, we have worked on past projects for the Association with each of the low bidders and know them to be reputable companies that do quality work. It is therefore my recommendation that the Board of the East Daviess County Water Association award the Transmission Main Project (Contract VII-A) to Bobby Luttrel & Sons, LLC of Olaton, Kentucky in the amount of $471,012.50 and the Storage Tank Project (Contract VII-B) to Caldwell Tanks, Inc. of Louisville, Kentucky in the amount of $411,350.00 subject to concurrence and authorization by the funding agencies.

2625 FREDERICA STREET
POST OFFICE BOX 1945
OWENSBORO, KY 42302
(270) 926-1808
(270) 683-9296 FAX
info@JDQ-Engineers.com

2417 REGENCY ROAD
SUITE D
LEXINGTON, KY 40503
(859) 277-3639
(859) 277-4665 FAX
DCDepp@JDQ-Engineers.com

6450 SOUTH SIXTH STREET ROAD
SUITE B
SPRINGFIELD, IL 62712
(217) 529-4534
(217) 529-8278 FAX
GLMeyer@JDQ-Engineers.com

If you have any questions or need any additional information, please call.

Yours truly,

JOHNSON, DEPP & QUISENBERRY

P. Glenn Morrison, P.E.
Vice President – Municipals

Encls/

cc: Ms. Barbara Gillum
Ms. Sheryl Chino
Mr. Damon Talley

EXHIBIT 8

United States Department of Agriculture
Rural Development
Kentucky State Office

NOV - 3 2005

October 15, 2005

SUBJECT: East Daviess County Water Association
Water Distribution System
Contract Award Concurrence

TO: Area Director
Princeton, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on the transmission main, Bobby Luttrel and Sons, LLC, in the amount of $471,012.50, and the low bidder on the tank contract, Caldwell Tanks, Inc., in the amount of $411,350.00.

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

Julie Anderson

KENNETH SLONE
State Director
Rural Development

cc: Johnson, Depp, and Quisenberry
Owensboro, 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

EXHIBIT 9

CERTIFICATE OF PRESIDENT OF EAST DAVIESS COUNTY WATER ASSOCIATION, INC. AS TO STATEMENT REQUIRED BY SECTION 1(5) OF 807 KAR 5:069

I, JEROME HAMILTON, hereby certify that I am the duly qualified and acting President of the East Daviess County Water Association, Inc. of Daviess County, Hancock County, and Ohio County, Kentucky, and that said Association, in cooperation with Johnson, Depp & Quisenberry, Owensboro, Kentucky, the Engineers for the Association (the "Engineers"), is in the process of arranging for the finance and construction of extensions, additions and improvements to the waterworks system of the Association (the "Project").

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

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

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

3. That the water rates proposed by the Association in its attached Application filed with the Public Service Commission of Kentucky are contemplated to produce the total revenue requirements set out in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.

4. That it is now contemplated that construction of the Project will begin on or about January 16, 2006, and will end on or about July 15, 2006.

IN TESTIMONY WHEREOF, witness my signature this November 29, 2005.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

BY: Jerome Hamilton
JEROME HAMILTON, PRESIDENT

STATE OF KENTUCKY)
) SS:
COUNTY OF LaRue)

Subscribed and sworn to before me by JEROME HAMILTON, President of the Board of Directors of the EAST DAVIESS COUNTY WATER ASSOCIATION, INC., on this November 29th, 2005.

Damon L. Talley
NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 6-9-07

EXHIBIT 10

NOTICE OF ADJUSTMENT OF WATER RATES AND CHARGES

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

Notice is hereby given that, pursuant to an application filed with the Public Service Commission of Kentucky under KRS 278.023 by the East Daviess County Water Association, Inc. (the "Association"), the Association proposes to adjust its monthly water service rates and charges as follows:

Usage Block	**Current Rates**	**Proposed Rates**
5/8 x ¾ Inch Meter		
First 2,000 gallons	$12.05 Minimum Bill	$13.85 Minimum Bill
Next 4,000 gallons	3.40 per 1,000 gallons	4.60 per 1,000 gallons
Next 44,000 gallons	2.95 per 1,000 gallons	3.65 per 1,000 gallons
Over 50,000 gallons	2.50 per 1,000 gallons	2.95 per 1,000 gallons
¾ Inch Meter		
First 3,000 gallons	$15.45 Minimum Bill	$18.45 Minimum Bill
Next 3,000 gallons	3.40 per 1,000 gallons	4.60 per 1,000 gallons
Next 44,000 gallons	2.95 per 1,000 gallons	3.65 per 1,000 gallons
Over 50,000 gallons	2.50 per 1,000 gallons	2.95 per 1,000 gallons
1 Inch Meter		
First 6,000 gallons	$25.65 Minimum Bill	$32.25 Minimum Bill
Next 44,000 gallons	2.95 per 1,000 gallons	3.65 per 1,000 gallons
Over 50,000 gallons	2.50 per 1,000 gallons	2.95 per 1,000 gallons
1 – ½ Inch Meter		
First 10,000 gallons	$37.45 Minimum Bill	$46.85 Minimum Bill
Next 40,000 gallons	2.95 per 1,000 gallons	3.65 per 1,000 gallons
Over 50,000 gallons	2.50 per 1,000 gallons	2.95 per 1,000 gallons
2 Inch Meter		
First 20,000 gallons	$66.95 Minimum Bill	$83.35 Minimum Bill
Next 30,000 gallons	2.95 per 1,000 gallons	3.65 per 1,000 gallons
Over 50,000 gallons	2.50 per 1,000 gallons	2.95 per 1,000 gallons

The proposed rate adjustment is required by the U.S. Department of Agriculture, Rural Development ("USDA-RD") in connection with a loan by USDA-RD to the Association in the amount of $585,000.

The loan proceeds will be used by the Association to finance a water system improvement project which consists of the construction of a 300,000 gallon, elevated, water storage tank and the installation of approximately 28,000 feet of 10 inch diameter water transmission lines.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
9210 KY HWY 144
PHILPOT, KY 42366