

**REED & JOHNSON**

**HENRY M. REED III**  
**LOUISVILLE, KENTUCKY**

**GILLARD B. JOHNSON III**  
**LEXINGTON, KENTUCKY**

ATTORNEYS AT LAW  
2218 FRANKFORT AVENUE  
LOUISVILLE, KENTUCKY 40206-2408

(502) 899-3880  
FAX (502) 899-3882  
E-MAIL: [hankreed@bellsouth.net](mailto:hankreed@bellsouth.net)

2007 - 00413

September 18, 2007

RECEIVED

SEP 19 2007

PUBLIC SERVICE  
COMMISSION

Ms. Beth A. O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

**In re: Amended Petition of Adair County Water District; Case No. 2007-00195**

Ms. O'Donnell:

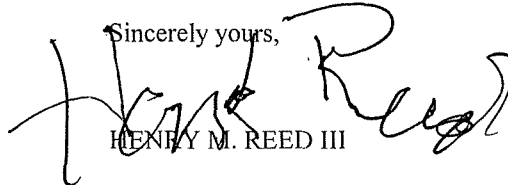
Enclosed herewith please find ten (10) copies of the Amended Petition of the Adair County Water District seeking a Certificate of Public Convenience and necessity with appropriate Exhibits.

Monarch Engineering, Inc., Lawrenceburg, Kentucky are the Consulting Engineers employed by the District for these Projects. You are respectfully requested to direct any requests of the Commission for additional engineering information directly to Monarch Engineering, Inc.

Subsequent to the Commission entering its Order on June 14, 2007 in response to the District's original Petition, the District received a low interest loan from Kentucky Infrastructure Authority which will enable it to expand the scope of the original Project.

If this office can supply any additional information please don't hesitate to advise me.

Sincerely yours,



HENRY M. REED III

cc: Mr. David M. Bowles, P.E.  
Monarch Engineering, Inc.  
556 Carlton Dr.  
Lawrenceburg, Kentucky 40342

Mr. Lennon Stone  
Superintendent  
Adair County Water District  
P.O. Box 567  
Columbia, Kentucky 42728

Mr. Kevin Antle  
District Loan Manager  
US Department of Agriculture,  
Rural Development  
957 Campbellsville Road  
Columbia, Kentucky 42728

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF THE APPLICATION )  
OF THE ADAIR COUNTY WATER DISTRICT, A )  
WATER DISTRICT ORGANIZED PURSUANT TO )  
CHAPTER 74 OF THE KENTUCKY REVISED )  
STATUTES, IN ADAIR COUNTY, KENTUCKY, )  
FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY, AUTHORIZING AND )  
PERMITTING SAID ADAIR COUNTY WATER DISTRICT )  
TO CONSTRUCT WATER DISTRIBUTION )  
SYSTEM IMPROVEMENTS, CONSISTING OF )  
THE CONSTRUCTION OF EXTENSIONS, )  
ADDITIONS AND IMPROVEMENTS TO THE )  
DISTRICT'S WATER SYSTEM AND (2) THE )  
APPROVAL OF THE PROPOSED PLAN OF )  
FINANCING SAID IMPROVEMENTS. )

CASE NO. 2007-00195

RECEIVED

SEP 19 2007

PUBLIC SERVICE  
COMMISSION

AMENDED PETITION

**Index to Supplemental Exhibit Addendum**

1. Amended Petition of Adair County Water District ("District") for Certificate of Public Convenience and Necessity.
2. Amended Letter of Conditions dated September 7, 2007 from United States Department of Agriculture, Rural Development to District.
3. Supplemental Certification of Chairman of District regarding compliance with Public Service Commission requirements.
4. Revised Final Engineering Report of Monarch Engineering, Inc., Lawrenceburg, Kentucky.
5. Loan Commitment Letter from Kentucky Infrastructure Authority.

**Prepared by Henry M. Reed III, Reed & Johnson, Bond Counsel to District  
2218 Frankfort Avenue, Louisville, Kentucky 40206  
Phone: 502-899-3880, Fax: 502-899-3882  
e-mail: hankreed@bellsouth.net**



BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF THE APPLICATION )  
OF THE ADAIR COUNTY WATER DISTRICT, A )  
WATER DISTRICT ORGANIZED PURSUANT TO )  
CHAPTER 74 OF THE KENTUCKY REVISED )  
STATUTES, IN ADAIR COUNTY, KENTUCKY, )  
FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE ) CASE NO. 2007-00195  
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ADDITIONS AND IMPROVEMENTS TO THE )  
DISTRICT'S WATER SYSTEM AND (2) THE )  
APPROVAL OF THE PROPOSED PLAN OF )  
FINANCING SAID IMPROVEMENTS. )

AMENDED PETITION

Pursuant to KRS 278.023, this Amended Petition of the Adair County Water District ("District" or "Petitioner"), respectfully states:

1. That Petitioner is a Water District in Adair County, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes, pursuant to an Order of the County Court of said County, following the requisite procedure prescribed in said Chapter 74.
2. That the Post Office address of said District is "Adair County Water District, Larry F. Legg, Chairman, P.O. Box 567, Columbia, Kentucky 42728".
3. That the formation of the District, its present tariff of rates, and the issuance of its outstanding long term indebtedness have been previously approved by Orders of the Public Service Commission of Kentucky ("PSC").
4. That on May 16, 2007 the District filed an Original Petition seeking (1) a Certificate of Public Convenience and Necessity approving the construction of extensions, additions and improvements to the District's Water System, consisting of (a) 39,800 linear feet of 12-inch water line and (b) a 500,000 gallon elevated water storage tank (the "Original Project" or "Phase I Project"), (2) approval of increased rates and charges for water service and (3) approval of the plan of financing said Original Project.
5. That on June 14, 2007 the Commission entered its Order granting all of the District's requests as set forth in its Original Petition.
6. That the District has received a Loan from the Kentucky Infrastructure Authority ("KIA") in the principal amount of \$1,000,000 bearing interest at the rate of 1% per annum (the "KIA Loan") which it desires to apply to the construction of additional improvements not included in the Phase I Project previously approved by the Commission; consisting of (a) water system improvements; (b) water system extensions and; (c) radio read metering system improvements (the "Supplemental Project" or "Phase II Project") all as shown in the Revised Final Engineering

Report of Monarch Engineering, Inc., Lawrenceburg, Kentucky included in the Supplemental Exhibit Addendum attached to this Amended Petition.

7. That the United States Department of Agriculture, Rural Development ("USDARD") has Amended its original Letter of Conditions to the District dated December 16, 2005 by Amended Letter dated September 7, 2007 in order to include the KIA Loan and permit the expansion of the scope of the Original Project to include the Phase II Project; provided, however, such Amended Letter does not require any additional increase in water rates over that previously approved by the Commission in its Order of June 14, 2007

8. That the approval of the Public Service Commission is required in order to enable the District to proceed to let construction bids for the Phase II Project and proceed with the construction in order to provide for the needs of the District.

9. That there are attached to this Amended Petition those Exhibits indicated in the Supplemental Exhibit Addendum to this Amended Petition which the Petitioner believes the Commission will find necessary in ruling on the requests set forth in this Amended Petition pursuant to KRS 278.023 (including the Revised Final Engineering Report and Amended Letter of Conditions).

WHEREFORE, Petitioner prays that the Public Service Commission of Kentucky grant to the Petitioner the following:

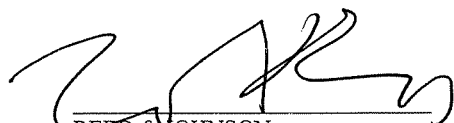
A. A Certificate of Public Convenience and Necessity, permitting the Petitioner District to construct the Phase II Project as described in the Engineers' Revised Final Engineering Report filed herewith as an Exhibit in order to provide required water service by said District.

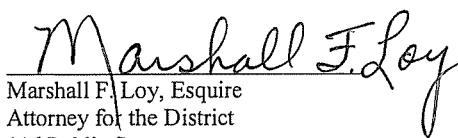
B. An Order approving the financing arrangements as shown on the Original Petition as supplemented by the KIA Loan.

Dated at Columbia, Kentucky as of this 13 day of September, 2007.

ADAIR COUNTY WATER DISTRICT

By   
Chairman

  
REED & JOHNSON  
Henry M. Reed III, Bond Counsel  
2218 Frankfort Avenue  
Louisville, Kentucky 40206

  
Marshall F. Loy, Esquire  
Attorney for the District  
116 Public Square  
Columbia, Kentucky 42728

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF ADAIR            )

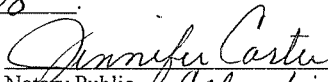
The undersigned, Larry F. Legg, being first duly sworn, deposes and states: That he is the Chairman of Adair County Water District of Adair County, Kentucky, Petitioner in the above Amended Petition; that he has read the foregoing Amended Petition and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 13 day of September, 2007.

  
Larry Legg

Acknowledged before me by Larry Legg, Chairman of the Adair County Water District, on this 13 day of September, 2007.

My Commission expires 2-28-2008.

  
Notary Public, Columbia  
Kentucky

(Seal of Notary)





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

September 7, 2007

Mr. Larry Legg, Chairman  
Adair County Water District  
P.O. Box 567  
Columbia, Kentucky 42728

Re: Letter of Conditions Dated December 16, 2005

Dear Mr. Legg:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated December 16, 2005. The purpose of this amendment is to revise the total cost of the project and project funding to reflect additional line extensions and additional Kentucky Infrastructure Authority (KIA) funding.

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

“ This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$752,000; a RUS grant not to exceed \$550,000; a Kentucky Infrastructure Authority (KIA) F-fund 1% loan in the amount of \$1,000,000; and a 2006 Kentucky General Assembly grant of \$1,000,000. ”

Paragraph numbered “1” is revised to read as follows:

“ 1. Number of Users and Their Contribution:

There shall be 5,781 water users, of which 5,741 are existing users and 40 are new users.”

“ 22. Cost of Facility:

Breakdown of Costs:

Development - Phase I	\$ 1,976,020
Development - Phase II	660,000
Legal and Administrative	40,000
Engineering	348,080
Interest	15,000
Contingencies	<u>262,900</u>
<b>TOTAL</b>	<b>\$ 3,302,000</b>

771 Corporate Drive • Suite 200 • Lexington, KY 40503  
Phone: (859) 224-7336 • Fax: (859) 224-7444 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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## Financing:

RUS Loan	\$ 752,000
RUS Grant	550,000
KIA F-fund 1% Loan	1,000,000
2006 KY General Assembly Grant	<u>1,000,000</u>
TOTAL	\$ 3,302,000 ”

Paragraph numbered “23” is revised to read as follows:

“ 23. 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 F-fund 1% loan in the amount of \$1,000,000, and for the 2006 Kentucky General Assembly grant in the amount of \$1,000,000. ”

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

Sincerely,

  
KENNETH SLONE  
State Director

cc: Area Director - Columbia, Kentucky  
Rural Development Manager - Columbia, Kentucky  
Lake Cumberland ADD - Russell Springs, Kentucky  
Marshall F. Loy - Columbia, Kentucky  
Henry M. Reed, III - Louisville, Kentucky  
Monarch Engineering, Inc. - Lawrenceburg, Kentucky  
PSC - ATTN: Bob Amato - Frankfort, Kentucky



**SUPPLEMENTAL CERTIFICATION OF DISTRICT CHAIRMAN REGARDING  
COMPLIANCE WITH PUBLIC SERVICE COMMISSION REQUIREMENTS**

The undersigned certifies that he is the duly authorized and acting Chairman of the Adair County Water District (the "District") which has filed with the Public Service Commission of Kentucky ("PSC") an Original Petition seeking a Certificate of Public Convenience and Necessity in connection with the construction of additions, extensions, and improvements to the District's water distribution system, consisting of (a) 39,800 linear feet of 12-inch water line and (b) a 500,000 gallon elevated water storage tank (the "Original Project" or "Phase I Project").

That the undersigned states that the Original Petition was received by PSC on May 16, 2007, assigned Case No. 2007-00195 and on June 14, 2007 PSC entered its Order granting the District all prayers of the Original Petition; including the approval of an increase in the rates and charges for water service provided by the District.

That the undersigned states that the District has received a Loan in the principal amount of \$1,000,000 from the Kentucky Infrastructure Authority ("KIA") and now desires to Amend its Original Petition in order to request a Certificate of Public Convenience and Necessity for the Supplemental Project or Phase II Project to be financed by the KIA Loan; consisting of (a) water system improvements; (b) water system extensions and; (c) radio read metering system improvements, all as more specifically identified in the Revised Final Engineering Report of Monarch Engineering, Inc. filed in support of the Amended Petition.

The undersigned has executed this Certificate in reliance upon information and advice of Monarch Engineering, Inc., Lawrenceburg, Kentucky (the "Engineers") which firm has been retained by the District to provide engineering services in connection with the Phase II Project.

The undersigned states that the proposed plans and specifications for the Phase II Project have been or will be designed to meet the minimum construction and operating requirements established 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.

The undersigned states that all other State approvals or permits have been or will be obtained.

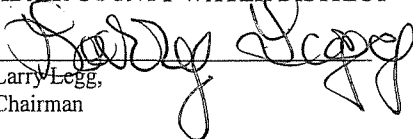
The undersigned further certifies that the Phase II Project is to be financed through the implementation of the KIA Loan in the amount of \$1,000,000.

Based upon the information supplied by the Engineers, it is estimated that construction of the Project will commence October 1, 2007 and be completed June 1, 2008.

Based upon the advice of the Engineers and USDARD, the undersigned has been advised that no further increase in water rates will be required by the District, as existing rates are estimated to be sufficient to meet the expenses incident to the operation and maintenance of the District's water distribution system and pay and retire all of the District's outstanding Water Revenue Bonds.

Dated this 13 day of September, 2007.

**ADAIR COUNTY WATER DISTRICT**

  
Larry Legg,  
Chairman

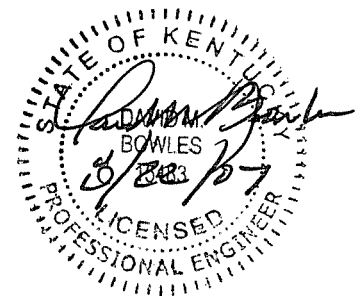


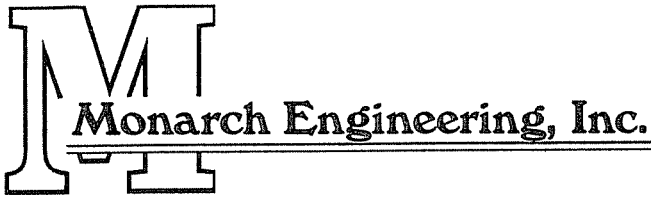
# FINAL ENGINEERING REPORT

WATER SYSTEM IMPROVEMENTS &  
EXTENSIONS  
PHASE 1 & PHASE 2

ADAIR COUNTY WATER DISTRICT  
ADAIR COUNTY, KENTUCKY

APRIL 2007  
REVISED AUGUST 2007





August 22, 2007

Mr. Larry Legg  
Adair County Water District  
P.O. Box 567  
Columbia, KY 42728

Re: Water System Improvements & Extensions  
Phase 1 & Phase 2

Dear Mr. Legg:

Please consider this correspondence as a revision to the original letter of recommendation that was issued by us to the Water District that was dated April 25, 2007.

On April 20, 2007, bids were received by the Adair County Water District for the construction of the Phase 1 portion of the Water System Improvements and Extensions which consists of the Shepherd Area Water System Improvements – Contracts 18 & 19. Six bids were received for Contract 18 – Water Transmission Main, and the lowest bid submitted was by Stotts Construction Co., Inc, located in Columbia, KY, in the amount of \$1,236,920.00. Two bids were received for Contract 19 – 500,000 Gallon Water Storage Tank, and the lowest bid submitted was by Caldwell Tanks, Inc, in the amount of \$739,100.00. The total of both bids is \$1,976,020. A summarized bid tabulation of all bids received is attached.

Based on the bids submitted, there are sufficient funds available to construct this project as shown on the attached Final Budget. In addition, by applying a ten percent contingency to Phase 1, there will remain an amount of \$850,000.00 for the Phase 2 portion. Based on this information, we recommend that the Water District consider awarding a contract for the Phase 1 portion to Stotts Construction Co., Inc, in the amount of \$1,236,920.00 for the transmission main portion, and also to Caldwell Tanks, Inc, in the amount of \$739,000.00 for the water storage portion. In regard to the Phase 2 portion, we recommend that you now move forward to complete the necessary water system improvements and extensions that you and the Adair County Water District Board of Commissioners have planned. Attached is a separate budget which reflects your desire to allocate an amount of \$200,000 toward improvements to the water system, an amount of \$260,000 toward water line extensions, and an amount of \$200,000 to install additional radio read meters in conjunction with your existing meter reading system. These recommendations are contingent upon approval from the Rural Development Agency and the Kentucky Public Service Commission.

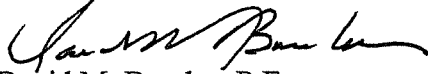
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April 25, 2007  
Page Two

Should you need additional information, please advise.

Sincerely,



David M. Bowles, P.E.

/dmb

Cc Charles Blankenship  
Rural Development

**FINAL COST ESTIMATE  
WATER SYSTEM IMPROVEMENTS & EXTENSIONS  
ADAIR COUNTY WATER DISTRICT  
APRIL 2007**

**PHASE 1 & PHASE 2 COMBINED**

**PROJECT COSTS**

**DEVELOPMENT**

TRANSMISSION MAIN	\$1,236,920.00
WATER STORAGE TANK	739,100.00
CONTINGENCY - PHASE 1	197,929.54
CONTINGENCY - PHASE 2	850,000.00
ENGINEERING DESIGN	151,758.34
CONSTRUCTION INSPECTION	91,292.12
LEGAL	20,000.00
INTEREST	10,000.00
ADMINISTRATION	<u>5,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$3,302,000.00</b>



**FINAL COST ESTIMATE  
WATER SYSTEM IMPROVEMENTS & EXTENSIONS  
ADAIR COUNTY WATER DISTRICT  
APRIL 2007**

**PHASE 1 & PHASE 2 COMBINED**

**PROJECT FINANCING**

RURAL DEVELOPMENT GRANT	\$550,000.00
RURAL DEVELOPMENT LOAN	752,000.00
2006 KENTUCKY GENERAL ASSEMBLY GRANT	1,000,000.00
KIA FUND F LOAN	<u>1,000,000.00</u>
<b>TOTAL PROJECT FINANCING</b>	<b>\$3,302,000.00</b>

**FINAL COST ESTIMATE  
WATER SYSTEM IMPROVEMENTS & EXTENSIONS  
ADAIR COUNTY WATER DISTRICT  
APRIL 2007**

**PHASE 2**

**PROJECT COSTS**

DEVELOPMENT

WATER SYSTEM IMPROVEMENTS	\$200,000.00
WATER SYSTEM EXTENSIONS	260,000.00
RADIO READ METERING SYSTEM	200,000.00
CONTINGENCY	65,000.00
ENGINEERING DESIGN	62,000.00
CONSTRUCTION INSPECTION	43,000.00
LEGAL	10,000.00
INTEREST	5,000.00
ADMINISTRATION	<u>5,000.00</u>
<b>TOTAL PROJECT COSTS</b>	<b>\$850,000.00</b>

MONARCH ENGINEERING, INC.  
 556 Carillon Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 639-1310  
 Fax (502) 639-1373

**BID TABULATIONS**  
**ADAIR COUNTY WATER DISTRICT**  
**CONTRACT 19**  
**SHEPHERD 500,000 GALLON ELEVATED STORAGE TANK**  
**ADAIR COUNTY, KENTUCKY**  
**BID DATE: APRIL 20, 2007 @ 11:00A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	Phoenix Fabricators P.O. Box 34410 Indianapolis, IN 46234	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>						
1	Site Work	1 LS	\$5,000.00	\$5,000.00		\$9,000.00	\$9,000.00
2	Tank Foundation	1 LS	90,000.00	90,000.00		69,000.00	69,000.00
3	Tank Fabrication	1 LS	354,300.00	354,300.00		345,604.00	345,604.00
4	Tank Erection	1 LS	164,300.00	164,300.00		230,402.00	230,402.00
5	Tank Coatings	1 LS	91,000.00	91,000.00		87,000.00	87,000.00
6	Yard Piping	1 LS	25,000.00	25,000.00		46,000.00	46,000.00
7	Demolition of Existing Tank	1 LS	9,500.00	9,500.00		7,400.00	7,400.00
	<b>TOTAL BASE BID</b>			<b>\$739,100.00</b>			<b>\$794,406.00</b>

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00A.M. LOCAL TIME, FRIDAY, APRIL 20, 2007 AT THE ADAIR COUNTY WATER DISTRICT.

BY:   
 David M. Bowles

4/25/07  
 DATE

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**ADAIR COUNTY WATER DISTRICT**  
**CONTRACT 18**  
**SHEPHERD TRANSMISSION MAIN**  
**ADAIR COUNTY, KENTUCKY**

**BID DATE: APRIL 20, 2007 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	Stotts Construction Co., Inc.		W.H.F., Inc.		Cleary Construction, Inc.	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
<b>BASE BID CONTRACT</b>								
1	12-Inch DI CL350 Water Line	39,800 LF	\$24.90	\$991,020.00	\$25.00	\$995,000.00	\$26.40	\$1,050,720.00
2	Bore & Case for 12-inch WL	400 LF	95.00	38,000.00	125.00	50,000.00	125.00	50,000.00
3	Free Bore for 12-inch WL	260 LF	50.00	13,000.00	65.00	16,900.00	60.00	15,600.00
4	12-Inch Gate Valve	8 EA	1650.00	13,200.00	1400.00	11,200.00	1525.00	12,200.00
5	3-Way Flush Hydrant	8 EA	2700.00	21,600.00	2400.00	19,200.00	2640.00	21,120.00
6	Air Release Valve	9 EA	850.00	7,650.00	700.00	6,300.00	1800.00	16,200.00
7	Connection No. 1	1 EA	600.00	600.00	2000.00	2,000.00	2000.00	2,000.00
8	Connection No. 2	1 EA	1200.00	1,200.00	2000.00	2,000.00	2700.00	2,700.00
9	Meter Reconnect	13 EA	450.00	5,850.00	250.00	3,250.00	500.00	6,500.00
10	Tandem Meter Setting	2 EA	750.00	1,500.00	600.00	1,200.00	900.00	1,800.00
11	3/4-inch Service Tubing	750 LF	4.00	3,000.00	5.00	3,750.00	5.00	3,750.00
12	Booster Pump Station	1 EA	140000.00	140,000.00	140000.00	140,000.00	160000.00	160,000.00
13	3-Inch Water Line Disconnect	1 EA	300.00	300.00	500.00	500.00	600.00	600.00
<b>TOTAL BASE BID CONTRACT</b>				<b>\$1,236,920.00</b>		<b>\$1,251,300.00</b>		<b>\$1,343,190.00</b>

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00A.M. LOCAL TIME, FRIDAY, APRIL 20, 2007 AT THE ADAIR COUNTY WATER DISTRICT.

BY:  David M. Bowles  
 DATE: 4/25/07

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**ADAIR COUNTY WATER DISTRICT**  
**CONTRACT 18**  
**SHEPHERD TRANSMISSION MAIN**  
**ADAIR COUNTY, KENTUCKY**

**BID DATE: APRIL 20, 2007 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	Garrison Construction Co., Inc.		Weddle Enterprises, Inc.		Kenney, Inc.	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	<b>BASE BID CONTRACT</b>							
1	12-inch DI CL350 Water Line	39,800 LF	\$28.00	\$1,114,400.00	\$29.00	\$1,154,200.00	\$28.65	\$1,140,270.00
2	Bore & Case for 12-Inch WL	400 LF	175.00	70,000.00	127.00	50,800.00	152.00	60,800.00
3	Free Bore for 12-Inch WL	260 LF	90.00	23,400.00	94.00	24,440.00	57.00	14,820.00
4	12-Inch Gate Valve	8 EA	1900.00	15,200.00	1479.00	11,832.00	2000.00	16,000.00
5	3-Way Flush Hydrant	8 EA	3020.00	24,160.00	2800.00	22,400.00	3110.00	24,880.00
6	Air Release Valve	9 EA	2500.00	22,500.00	3440.00	30,960.00	2193.00	19,737.00
7	Connection No. 1	1 EA	2175.00	2,175.00	8000.00	8,000.00	2222.00	2,222.00
8	Connection No. 2	1 EA	2500.00	2,500.00	6200.00	6,200.00	3333.00	3,333.00
9	Meter Reconnect	13 EA	780.00	10,140.00	250.00	3,250.00	402.00	5,226.00
10	Tandem Meter Setting	2 EA	1265.00	2,530.00	671.00	1,342.00	1090.00	2,180.00
11	3/4-Inch Service Tubing	750 LF	4.90	3,675.00	6.00	4,500.00	6.10	4,575.00
12	Booster Pump Station	1 EA	149850.00	149,850.00	150000.00	150,000.00	178050.00	178,050.00
13	3-Inch Water Line Disconnect	1 EA	1000.00	1,000.00	1366.00	1,366.00	1667.00	1,667.00
	<b>TOTAL BASE BID CONTRACT</b>			<b>\$1,441,530.00</b>		<b>\$1,469,290.00</b>		<b>\$1,473,760.00</b>

MONARCH ENGINEERING, INC.  
 556 Carlton Drive  
 Lawrenceburg, KY 40342  
 Phone (502) 839-1310  
 Fax (502) 839-1373

**BID TABULATIONS**  
**ADAIR COUNTY WATER DISTRICT**  
**CONTRACT 18**

**SHEPHERD TRANSMISSION MAIN**  
**ADAIR COUNTY, KENTUCKY**

**BID DATE: APRIL 20, 2007 @ 11:00 A.M. LOCAL TIME**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL COST	Schroeder Construction, Inc. 616 Pear Orchard Rd. NW Elizabethtown, KY 42701	Laurel Construction Co., Inc. 5209 Somerset Rd. London, KY 40741	Clay Pipeline, Inc. 70 Fox Hollow Rd. Manchester, KY 40962	TOTAL COST
<b>BASE BID CONTRACT</b>								
1	12-Inch DI CL350 Water Line	39,800 LF	\$30.50	\$1,213,900.00		\$34.50	\$1,373,100.00	\$1,592,000.00
2	Bore & Case for 12-Inch WL	400 LF	185.00	74,000.00		150.00	60,000.00	60,000.00
3	Free Bore for 12-Inch WL	260 LF	165.00	42,900.00		110.00	28,600.00	23,400.00
4	12-Inch Gate Valve	8 EA	1650.00	13,200.00		1600.00	12,800.00	18,400.00
5	3-Way Flush Hydrant	8 EA	3000.00	24,000.00		1600.00	12,800.00	37,600.00
6	Air Release Valve	9 EA	2200.00	19,800.00		500.00	4,500.00	13,050.00
7	Connection No. 1	1 EA	2500.00	2,500.00		3000.00	3,000.00	2,100.00
8	Connection No. 2	1 EA	2500.00	2,500.00		2000.00	2,000.00	4,500.00
9	Meter Reconnect	13 EA	500.00	6,500.00		400.00	5,200.00	7,800.00
10	Tandem Meter Setting	2 EA	900.00	1,800.00		500.00	1,000.00	1,200.00
11	3/4-Inch Service Tubing	750 LF	10.00	7,500.00		4.00	3,000.00	3,750.00
12	Booster Pump Station	1 EA	165000.00	165,000.00		150000.00	150,000.00	135,000.00
13	3-Inch Water Line Disconnect	1 EA	1500.00	1,500.00		1000.00	1,000.00	2,100.00
<b>TOTAL BASE BID CONTRACT</b>				<b>\$1,575,100.00</b>			<b>\$1,657,000.00</b>	<b>\$1,900,900.00</b>





## KENTUCKY INFRASTRUCTURE AUTHORITY

**Ernie Fletcher**  
Governor

1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
Phone (502) 573-0260  
Fax (502) 573-0157  
<http://kia.ky.gov>

**Jody E. Hughes**  
Executive Director

June 27, 2007

Doug Sapp, Vice Chairman  
Adair County Water District  
P.O. Box 567  
Columbia, Kentucky 42728

### KENTUCKY INFRASTRUCTURE AUTHORITY FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND CONDITIONAL COMMITMENT LETTER (F07-01)

Dear Mr. Sapp:

The Kentucky Infrastructure Authority (KIA) commends your efforts to improve public service facilities in your community. Your loan application to the KIA to construct the Shepherd Water Transmission Main, elevated water storage tank, and booster pump station was approved by KIA on June 21, 2007. The total cost of the project shall not exceed \$3,302,000 of which the KIA loan shall provide up to \$1,000,000. Other anticipated funding for the project is reflected in the attached credit analysis. The credit analysis and the Application for Loan Assistance incorporated herein by reference fully describe the project.

An Assistance Agreement will be executed between KIA and the Adair County Water District upon satisfactory performance of the conditions set forth in this letter. A period of six months from the date of this letter (December 27, 2007) will be allowed for you to meet the conditions set forth in this letter. Funds will be available for disbursement only after execution of the loan agreement.

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The KIA project loan shall not exceed \$3,302,000.
2. The loan shall bear interest at the rate of 1.0% per annum commencing with the first draw of funds.



3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on the appropriate June 1 or December 1 within twelve months from initiation of operation. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.25% of the annual outstanding loan balance shall be payable to KIA as a part of each interest payment.
7. Loan funds will be disbursed after execution of the loan agreement as project costs are incurred.
8. KIA loan funds must be expended within six months of official date of initiation of operation.
9. KIA Fund "F" loan funds are considered to be federal funds. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations, requires that all recipients and subrecipients **expending \$500,000 or more in a year in federal awards must have a single or program-specific audit conducted for that year** in accordance with the Circular. If the federal amount expended plus all other federal funds expended exceeds the threshold, you are required to arrange for an A-133 audit to be performed by an independent, licensed CPA, or in special cases, the Auditor of Public Accounts of the Commonwealth of Kentucky. KIA requires an annual audit to be preformed for the life of the loan.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the agreement. Any required documentation must be submitted to the Division of Water (DOW).

1. The Authority to Award (bid) package must be submitted to the Division of Water for approval within 7 to 10 days of bid opening.

Doug Sapp, Vice Chairman  
June 27, 2007  
Page Three

2. The Assistance Agreement must be executed within six (6) months from bid opening.
3. The district must agree to expend all KIA loan funds within six months of the date of initiation of operation.
4. Documentation of final funding commitments from all parties other than KIA as reflected in the credit analysis shall be provided prior to preparation of the loan agreement and disbursement of the loan monies. Rejections of any anticipated project funding shall be immediately reported and may cause this loan to be subject to further consideration. (KIA)
5. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
6. The district must complete and return to KIA the attached "Authorization For Electronic Deposit of Vendor Payment" Form.

Any special conditions listed below and/or stated in the credit analysis must be resolved.

1. The district must provide certification that it is in compliance with bond covenants for all outstanding debt.
2. The district must implement at a minimum, the proposed rates in the Rural Development letter of conditions.
3. The applicant should submit the required MBE/WBE documentation, including data sheets, from all project bidders.

Please inform KIA of any changes in your financing plan as soon as possible. We wish you every success for this project, which will benefit both your community and the Commonwealth as a whole.

Sincerely,



Chris Whitaker  
Financial Analyst

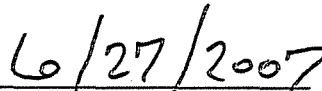
Doug Sapp, Vice Chairman  
June 27, 2007  
Page Four

Attachments

cc: Mr. David M. Bowles, P.E., Monarch Engineering, Inc.  
Ms. Lola Lyle, Division of Water  
Mr. Dirk Bedarff, Peck, Shaffer & Williams LLP  
Mr. Dan Waits, State Local Debt Office, GOLD

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Also attach the completed "Authorization For Electronic Deposit of Vendor Payment" Form.

  
Accepted

  
Date

**AUTHORIZATION FOR ELECTRONIC DEPOSIT  
OF BORROWER PAYMENT  
KENTUCKY INFRASTRUCTURE AUTHORITY  
(FUND F07-01)**

**Borrower Information:**

Name: Adair County Water District  
Address: 109 Grant Lane, P.O. Box 567  
City: Columbia State: KY Zip: 42728  
Telephone: 270-384-2181 Contact: Lenny Stone  
Federal I.D. # 61-1972934

**Financial Institution Information:**

Bank Name: FIRST NATIONAL BANK  
Branch: Main Bank Phone No: 270-384-2361  
City: Columbia State: KY Zip: 42728  
Transit / ABA No.: 083903108  
Account Name: ADAIR COUNTY WATER DISTRICT PHASE 8 PROJECT  
Account Number: 002 088 5

I, the undersigned, authorize payments directly to the account indicated above and to correct any errors which may occur from the transactions. I also authorize the Financial Institution to post these transactions to that account.

Signature: Lennon Stone Date: 7-19-07  
Name Printed: Lennon Stone Job Title: Manager

Please return completed form to:

Kentucky Infrastructure Authority  
1024 Capital Center Drive, Suite 340  
Frankfort, KY 40601  
phone: 502-573-0260  
fax: 502-573-0157

**EXECUTIVE SUMMARY**  
**KENTUCKY INFRASTRUCTURE AUTHORITY**  
**FUND F, DRINKING WATER STATE REVOLVING FUND**

Reviewer: John Covington  
 Date: 6/1/07

<b>BORROWER:</b>		Adair County Water District Adair County		
<b>BRIEF DESCRIPTION:</b>		The project consists of the installation of approximately 26,000 linear feet of 12-inch transmission water main and appurtenances and the erection of a 500,000 gallon elevated water storage tank.		
<b>PROJECT FINANCING:</b>		<b>PROJECT BUDGET</b>		
KIA Fund F	1,000,000	Administrative and Legal		15,000
HB 380 Grant	1,000,000	Land Acquisition		12,000
RD Loan	752,000	Engineering		422,275
RD Grant	550,000	Construction		2,684,500
		Miscellaneous		34,000
		Contingencies		134,225
<b>TOTAL</b>	<b>3,302,000</b>	<b>TOTAL</b>		<b>3,302,000</b>
<b>REPAYMENT</b>		Rate	1.00%	Est. Annual
		Term		20 Payment
				57,791
<b>PROFESSIONAL SERVICES</b>		Engineer	Monarch Engineering, Inc.	
		Bond Counsel	Peck, Shafer, & Williams	
<b>PROJECT SCHEDULE</b>		Open Bids	May 2007	
		Award Contracts	July 2007	
		Complete Construction	May 2008	
<b>OTHER DEBT</b>		See Attached		
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>		See Attached		
<b>RESIDENTIAL RATES</b>			<u>Users</u>	<u>Avg. Bill</u>
	Current		4,800	\$25.25 (for 4,000 gallons)
	Additional Proposed		4,800	\$26.25 (for 4,000 gallons)
<b>REGIONAL COORDINATION</b>		This project is consistent with regional planning recommendations.		
<b>CASHFLOW</b>		<b>Cash Available for</b>	<b>Income after</b>	
		<b>Debt Service</b>	<b>Debt Service</b>	<b>Debt Service</b>
				<b>Coverage Ratio</b>
Audited 2002	523,222	201,899	321,323	2.59
Audited 2003	508,484	217,872	290,612	2.33
Audited 2004	357,825	229,070	128,755	1.56
Audited 2005	507,780	242,848	264,932	2.09
Audited 2006	441,200	300,020	141,180	1.47
Projected 2007	417,509	298,937	118,572	1.40
Projected 2008	457,484	398,058	59,425	1.15

Reviewer: John E. Covington, III  
 Date: June 1, 2007

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
 CREDIT ANALYSIS  
 WX21001011  
 F07-01**

**I. PROJECT DESCRIPTION**

The project consists of the installation of approximately 26,000 linear feet of 12-inch transmission water main and appurtenances and the erection of a 500,000 gallon elevated water storage tank which will enhance the district's operation particularly in the northeast portion of the service area. The water line will be constructed of ductile iron material and will extend from the Columbia/Adair County Industrial Park following Kentucky Highways 551 and 1323 to Vester Road, thence along Vester Road to Kentucky Highway 206 ultimately ending at the Shepherd School, the site of the existing water tank.

This project will eliminate a potentially serious health hazard in the communities it will serve. The consumption of potable water at low pressures is unsafe and the potential for contaminated water to be used for drinking and other vital human needs is prevalent. It is well known and confirmed by the local health agency that ground water, springs, and surface water from creeks and streams are unfit for human consumption. It is anticipated that over 500 homes will be immediately affected by the project in addition to the entire water system of which the day to day operation will be enhanced.

**II. PROJECT BUDGET**

	Fund F	HB 380	RD	Total
Administrative and Legal			15,000	15,000
Land Acquisition			12,000	12,000
Engineering			422,275	422,275
Construction	1,000,000	1,000,000	684,500	2,684,500
Miscellaneous			34,000	34,000
Contingencies			134,225	134,225
<b>Total Budget</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,302,000</b>	<b>3,302,000</b>

**III. PROJECT FUNDING**

**Funding Sources**

KIA Fund F	1,000,000
HB 380 Grant	1,000,000
RD Loan	752,000
RD Grant	550,000
<b>Total</b>	<b>3,302,000</b>

**Debt Service**

	KIA Fund F	RD Loan	Totals
Construction Loan	1,000,000	752,000	1,752,000
Interest Rate	1.00%	4.25%	
Loan Term (Years)	20	38	

Estimated Annual Debt Service	55,291	40,064	95,355
Administrative Fee (0.25%)	2,500	-	2,500
<b>Estimated Annual Debt Service</b>	<b>57,791</b>	<b>40,064</b>	<b>97,855</b>

**IV. PROJECT SCHEDULE**

Bid Advertising Date	April 2007
Bid Opening	May 2007
Construction Contract Award	July 2007
Construction Start	August 2007
Construction Completeing	May 2008

**V. DEBT OBLIGATIONS**

<u>Creditor</u>	<u>Date of Issue</u>	<u>Issue Amount</u>	<u>Balance 12/31/06</u>
FmHA	1974	\$80,000	\$34,500
FmHA	1978	\$363,000	\$218,000
FmHA	1985	\$1,155,000	\$967,000
FmHA	1989	\$200,000	\$156,000
FmHA	1992	\$745,000	\$658,000
RDA	1995	\$428,000	\$392,000
RDA	1998	\$427,000	\$408,000
RD	2002	\$627,000	\$627,000
RD	2005	\$1,238,000	\$1,238,000

**VI. FEDERAL AND STATE GRANT/LOAN HISTORY**

<u>Date</u>	<u>Project</u>	<u>Source</u>	<u>Type</u>	<u>Amout</u>
2004	Phase V - Water	USDA	Loan	\$ 557,000
2004	Phase V - Water	USDA	Grant	\$ 900,000
2004	Phase V - Water	USDA	Grant	\$ 413,000

**VII. DEMOGRAPHICS / RATE STRUCTURE**

**A. Demographics**

In 2000 the county population was 17,244 with a Median Household income (MHI) of \$25,055. The Median Household Income for Kentucky was \$33,672. Based on the median household income, the project will qualify for the 1% interest rate.

**B. Customers**

	<u>Customers</u>
Residential	4,800
Commercial	210
<b>Total</b>	<b>5,010</b>

**C. Rates**

Charge for 4,000 Gallons	\$25.05
Date of Last Rate Increase	June 2004
Percent Increase	20%

**VIII. FINANCIAL ANALYSIS**

Adair County Water District provided audited financial statements for 2002, 2003, 2004, 2005, and 2006. The audited financial statements for District were reviewed and the result were used to project revenues and expenses for future years.

The balance sheet shows that the district has maintained adequate liquidity. The percent of water revenues in receivables indicate acceptable collections. Debt to equity is at acceptable levels. The balance sheet for the District is strong enough to support additional debt.

The cashflow analysis shows that for 2002 through 2006 the District has generated debt coverage ratios between 1.47 and 2.59. Over this time frame revenues have an average increase of 8.3% and expenses have increase 11.5%. For the purposes of this analysis 2008 is assumed to be the first year with full debt service and when the project is complete. Revenues for 2008 are projected using the average increase for the last 5 years plus \$75,000 in additional revenues from a proposed rate increase. Expenses are projected using the average increase for the last 5 years plus \$15,290 in additional O&M cost resulting from this project. Based on these assumptions the system will have an acceptable debt coverage ratio of 1.15. The district has a history of generating adequate revenues to cover both operating cost and debt service requirements and it is projected that it will continue this practice.

**IX. REPLACEMENT RESERVE**

Based on the information provided in the application the district sets aside \$301,200 each year in a sinking fund.

**X. REGIONAL COORDINATION**

This project is consistent with regional planning recommendations.

**XI. KEY CONTACTS**

**A. Applicant**

Name: Adair County Water District  
Address: Post Office Box 567  
Columbia, Kentucky 42728

County: Adair

Contact: Doug Sapp, Vice-Chairman  
Telephone: (270) 384-2181

**B. Applicant Contact**

Name: David M. Bowles, P.E.  
Title: Project Engineer  
Firm: Monarch Engineering, Inc.



Address: 556 Carlton Drive  
Lawrenceburg, Kentucky 40342

Telephone (502) 839-1310

**C. Engineer**

Name: Monarch Engineering, Inc.  
Address: 556 Carlton Drive  
Lawrenceburg, Kentucky 40342

Contact: David M. Bowles, P.E.  
Telephone: (502) 839-1310

**XII. STAFF RECOMMENDATIONS**

KIA staff recommends this project with the following condition(s).

1. The District will provide certification that it is in compliance with bond covenants for all outstanding debt.
2. Implement at a minimum the proposed rates in the RD letter of conditions.

**ADAIR COUNTY WATER DISTRICT  
CASHFLOW ANALYSIS**

	<b>Audited 2002</b>	<b>Audited 2003</b>	<b>Audited 2004</b>	<b>Audited 2005</b>	<b>Audited 2006</b>	<b>Projected 2007</b>	<b>Projected 2008</b>
<b>Operating Revenues</b>							
Water Sales	1,346,497	1,358,990	1,562,546	1,767,566	1,843,127	1,990,577	2,224,823
Other Revenues	139,317	318,871	62,175	77,377	75,574	75,000	75,000
<b>Total Revenues</b>	<b>1,485,814</b>	<b>1,677,861</b>	<b>1,624,721</b>	<b>1,844,943</b>	<b>1,918,701</b>	<b>2,065,577</b>	<b>2,299,823</b>
<b>Operating Expenses</b>							
Operating Expenses	1,272,055	1,511,713	1,649,881	1,759,710	1,962,737	2,178,638	2,433,578
Less: Depreciation	(287,741)	(320,650)	(360,646)	(400,288)	(451,402)	(505,570)	(566,239)
<b>Total Expenses</b>	<b>984,314</b>	<b>1,191,063</b>	<b>1,289,235</b>	<b>1,359,422</b>	<b>1,511,335</b>	<b>1,673,068</b>	<b>1,867,340</b>
<b>Operating Income before Depreciation</b>	<b>501,500</b>	<b>486,798</b>	<b>335,486</b>	<b>485,521</b>	<b>407,366</b>	<b>392,509</b>	<b>432,484</b>
<b>Non-Operating Income and Expenses</b>							
Interest Income	21,722	21,686	22,339	22,259	33,834	25,000	25,000
<b>Total Non-Operating Income &amp; Expenses</b>	<b>21,722</b>	<b>21,686</b>	<b>22,339</b>	<b>22,259</b>	<b>33,834</b>	<b>25,000</b>	<b>25,000</b>
<b>Cash Available for Debt Service</b>	<b>523,222</b>	<b>508,484</b>	<b>357,825</b>	<b>507,780</b>	<b>441,200</b>	<b>417,509</b>	<b>457,484</b>
<b>Debt Service</b>							
Existing Debt - Principal	51,500	54,000	59,000	66,500	84,000	87,000	92,500
Existing Debt - Interest	150,399	163,872	170,070	176,348	216,020	211,937	207,703
KIA Loan	-	-	-	-	-	-	57,791
RD Loan	-	-	-	-	-	-	40,064
<b>Total Debt Service</b>	<b>201,899</b>	<b>217,872</b>	<b>229,070</b>	<b>242,848</b>	<b>300,020</b>	<b>298,937</b>	<b>398,058</b>
<b>Income After Debt Service</b>	<b>321,323</b>	<b>290,612</b>	<b>128,755</b>	<b>264,932</b>	<b>141,180</b>	<b>118,572</b>	<b>59,425</b>
<b>Debt Coverage Ratio</b>	<b>2.59</b>	<b>2.33</b>	<b>1.56</b>	<b>2.09</b>	<b>1.47</b>	<b>1.40</b>	<b>1.15</b>

ADAIR COUNTY WATER DISTRICT  
BALANCE SHEETS

ASSETS	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Current Assets</b>					
Cash and Cash Equivalents	240,823	276,592	413,666	380,258	269,554
Accounts Receivable - Trade	118,551	122,014	152,002	151,526	197,758
Accounts Receivable - Returned Checks	639	853	-	-	-
Deposits	2,000	2,000	-	-	-
Inventory	87,209	50,800	107,656	45,487	69,095
Prepaid Expenses	8,482	17,694	21,729	22,665	26,564
Interest Receivable	2,643	2,201	2,489	2,489	3,698
Investments	252,739	261,372	270,063	260,710	273,497
<b>Total current assets</b>	<b>713,086</b>	<b>733,526</b>	<b>967,605</b>	<b>863,135</b>	<b>840,166</b>
<b>Restricted assets</b>					
Restricted Cash and Investments	443,920	454,725	617,849	498,086	507,678
<b>Property, Plant &amp; Equipment</b>					
Land	101,639	101,639	101,639	101,639	105,729
Office Equipment	86,213	89,162	-	-	-
Service Equipment	265,890	334,028	-	-	-
Building	199,564	200,299	202,772	325,746	342,827
Construction in Progress	429,205	73,561	722,476	704,678	80,163
Plant and Equipment	10,041,769	11,425,710	13,416,374	14,858,222	16,528,121
	11,124,280	12,224,399	14,443,261	15,990,285	17,056,840
Less Accumulated Depreciation	3,584,427	3,796,937	4,155,529	4,553,763	4,927,129
<b>Net Property, Plant &amp; Equipment</b>	<b>7,539,853</b>	<b>8,427,462</b>	<b>10,287,732</b>	<b>11,436,522</b>	<b>12,129,711</b>
<b>Other Assets</b>					
Unamortized Bond Cost	11,280	9,226	7,172	5,118	3,064
<b>Total Assets</b>	<b>8,708,139</b>	<b>9,624,939</b>	<b>11,880,358</b>	<b>12,802,861</b>	<b>13,480,619</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable - Trade	47,689	67,912	73,062	78,610	99,762
Accrued and Withheld Taxes	17,461	11,329	4,651	12,690	3,410
Accrued Interest	143,072	149,313	169,096	169,596	166,986
Customer Deposits	7,914	9,527	9,954	11,389	11,818
Deferred Revenue	-	-	90,799	-	-
Revenue Bonds Payable - Current	54,000	59,000	66,500	84,000	87,000
Accrued Payroll	1,726	2,667	5,693	4,870	6,453
Notes Payable	535,640	-	1,171,914	-	-
<b>Total current liabilities</b>	<b>807,502</b>	<b>299,748</b>	<b>1,591,669</b>	<b>361,155</b>	<b>375,429</b>
<b>Long Term Liabilities (Excluding Current)</b>					
Revenue Bonds Payable	2,892,500	3,460,500	3,394,000	4,548,000	4,461,000
<b>Total Liabilities</b>	<b>3,700,002</b>	<b>3,760,248</b>	<b>4,985,669</b>	<b>4,909,155</b>	<b>4,836,429</b>
<b>Equity</b>					
Invested in Capital Assets, Net of Debt	-	-	5,653,319	6,804,522	7,581,711
Restricted	-	-	617,849	498,086	507,678
Unrestricted	-	-	623,522	591,098	554,801
Contributions in Aid of Construction	5,037,937	5,206,789	-	-	-
Contributions in Aid of Construction - Insurance	219,613	219,613	-	-	-
Contributions in Aid of Construction - Tap Fees	141,250	2,400	-	-	-
Retained Earnings (Deficit)	(390,663)	435,889	-	-	-
<b>Net Assets</b>	<b>5,008,137</b>	<b>5,864,691</b>	<b>6,894,690</b>	<b>7,893,706</b>	<b>8,644,190</b>
<b>Total Liabilities and Net Assets</b>	<b>8,708,139</b>	<b>9,624,939</b>	<b>11,880,359</b>	<b>12,802,861</b>	<b>13,480,619</b>
<b>Balance Sheet Analysis</b>					
Current Ratio	0.88	2.45	0.61	2.39	2.24
Debt to Equity	0.74	0.64	0.72	0.62	0.56
Percent of Operating Revenue in Receivables	8.80%	8.98%	9.73%	8.57%	10.73%