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March 19, 2014

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

MAR 25 2014

RE: WESTERN FLEMING COUNTY WATER DISTRICT
CASE NO. 2014-00048

PUBLIC SERVICE
COMMISSION

Dear Ms. Faulkner:

Pursuant to your letter of Filing Deficiencies dated February 27, 2014, please accept the following:

- (1) **807 KAR 5:076: Section 4(1)(a) – Completed ARF Form-1 signed by applicant or officer & under oath. The answers to questions 9 and 11 are incomplete.**

Question No. 9 on page 3 should be marked “yes” and be as follows:

“Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2012.”

Question No. 11 on page 3 should be marked “yes” and be as follows:

“Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$298,738.00 and total revenues service rate of \$1,206,329.00. The manner in which these amounts were calculated is set forth in “Revenue Requirement Calculation” attachment.

- (2) **807 KAR 5:076: Section 4(1)(b) – Copy of all outstanding evidences of indebtedness. No copy of outstanding evidences of indebtedness is attached.**

Copies of the Bond Ordinances are attached, and marked as Exhibits 1-4, as follows:

Exhibit “1” Bond Series 1980, \$560,000.00

Exhibit “2” Bond Series 1988, \$341,000.00

Exhibit "3" Bond Series 1997, \$675,000.00
Exhibit "4" Bond Series 2002, \$500,000.00

- (3) ***807 KAR 5:076: Section 4(1)(c) – Copy of amortization schedule for all outstanding debt instruments. No copy of an amortization schedule for all outstanding debt instruments is attached.***

Copies of amortization attached and marked as Exhibits "5-9"

- (a) Amortization for 2004 debt to Rural Water Finance Corporation
- (b) Amortization for 1980 debt
- (c) Amortization for 1997 debt

Also, included is Revenue Requirement and debt analysis.

Also, included is Repayment Schedule.

- (4) ***807 KAR 5:076: Section 4(1)(d) – Depreciation schedule for all utility plant in service. No depreciation schedule for all utility plant in service is attached.***

Depreciation schedule for plant and other fixed assets, marked as Exhibit "9".

- (5) ***807 KAR 5:076 Section 4(1)(g) – Notice of the proposed rate change to customers. No notice of the proposed rate changed to customers is attached.***

Copy of Notice to customers is attached, marked as Exhibits "10" & "11".

- (6) ***807 KAR 5:076: Section 5(4) – Does notice of proposed rate adjustment meet regulatory requirements? No notice is attached.***

Copy of Notice to customers is attached, marked as Exhibits "10" & "11".

- (7) ***807 KAR 5:076: Section 4(1)(i) – If applicant is a water district increasing current rates or implementing new rates, a statement from an authorized official indicating the date the proposed increase or new rate was reported to the governing body of the county in which the largest number of its customers reside and the date it presented testimony or is scheduled to present testimony to that governing body. No statement is attached.***

Statement from Fleming County Judge Executive is attached, marked as Exhibit "12".

If you have any questions, please let me know.

Sincerely,

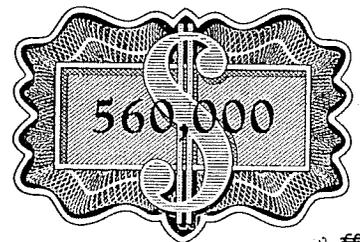
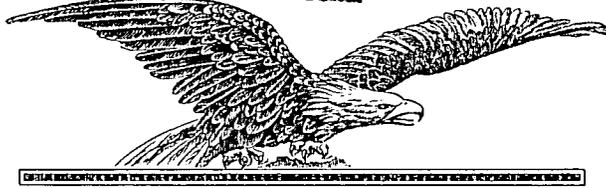
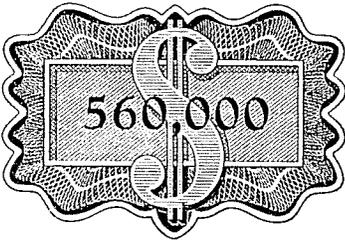
A handwritten signature in black ink, appearing to read "Patrick E. Price". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Patrick E. Price

Enclosures

NUMBER
R 1

The holder of this Bond has consented to the issuance of ~~310,000~~ ^{371,000} of bonds ranking on a parity as to security and source of payment with this bond.



UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF FLEMING

The holder of this Bond has consented to the issuance of ~~500,000~~ ^{560,000} of bonds ranking on a parity as to security and source of payment with this bond.

The holder of this Bond has consented to the issuance of ~~310,000~~ ^{371,000} of bonds ranking on a parity as to security and source of payment with this bond.

Western Fleming County Water District

WATERWORKS REVENUE BOND OF 1980

KNOW ALL MEN BY THESE PRESENTS: That the Western Fleming County Water District, acting by and through its Commission, a public body corporate in Fleming County, Kentucky, for value received, hereby promises to pay to the registered owner hereof, solely from the special fund hereinafter identified, the sum of

FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$560,000),

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
1983	\$5,000	1996	\$10,000	2009	\$18,000
1984	5,000	1997	10,000	2010	19,000
1985	6,000	1998	11,000	2011	20,000
1986	6,000	1999	11,000	2012	21,000
1987	6,000	2000	12,000	2013	22,000
1988	7,000	2001	12,000	2014	23,000
1989	7,000	2002	13,000	2015	24,000
1990	7,000	2003	14,000	2016	26,000
1991	8,000	2004	14,000	2017	27,000
1992	8,000	2005	15,000	2018	28,000
1993	8,000	2006	16,000	2019	30,000
1994	9,000	2007	17,000	2020	39,000
1995	9,000	2008	17,000		

without deduction for exchange or collection charges; and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the rate of five percent (5%) per annum, semiannually on the first days of January and July in each year hereafter until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapter 74 and Sections 98.350 through 98.510, inclusive, of the Kentucky Revised Statutes, as amended, and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions, and improvements, being hereinafter referred to as the "waterworks System" or the "System").

This Bond is issued subject to the vested rights and priorities in favor of the holders of \$410,000 of outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "Prior Bonds"), authorized by an Ordinance adopted by the Commission of the District on June 12, 1969 (the "Prior Bond Ordinance"). Accordingly, this Bond together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a fixed portion of the net revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Ordinance.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue-producing undertaking within the meaning of the aforesaid Statutes for the security and source of payment of the Prior Bonds and of this Bond, and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the interest on and principal of the Prior Bonds, this Bond, and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System, and to provide for the depreciation thereof.

A secondary statutory mortgage lien, which is hereby recognized as valid and binding on the waterworks System, has been created and granted by the District by the Current Bond Resolution pursuant to said Statutes, and more specifically Section 98.400 of the Kentucky Revised Statutes, to and in favor of the registered owner of this Bond, ranking on a parity with the Prior Bonds; and the System and all appurtenances thereof and extensions thereto shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on this Bond.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book of the District, kept for that purpose.

As provided in the Current Bond Resolution, this Bond is exchangeable at the expense of the registered owner hereof at any time, upon ninety days' written notice, at the request of such registered owner and upon surrender of this Bond to the District, for negotiable coupon bonds, payable to bearer, registrable as to principal only, in an amount or amounts not exceeding \$10,000 per coupon bond, or a lesser denomination in a multiple of \$1,000, consistent with the maturities hereof, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of this Bond, and in the form of such coupon bonds as provided in the Current Bond Resolution, with semi-annual coupons annexed representing the accrual of interest corresponding to the rate herein provided.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 1990, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States Government, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$1,000, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the District to comply with any other provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at his option, institute all rights and remedies provided by law or by said Resolution.

This Bond is exempt from taxation in the Commonwealth of Kentucky.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Western Fleming County Water District, by its Commission, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **December 30, 1980.**

Attest:

Clyde E. Thomas
Secretary

WESTERN FLEMING COUNTY WATER DISTRICT
Fleming County, Kentucky

By *M. K. Worthington*
Chairman

LAW OFFICE
Rubin & Hays
 Suite 300 Fireside Building
 209 South Fifth Street
 Louisville, Kentucky 40202
December 30, 1980 Telephone (502) 585-2153

In re: Western Fleming County (Kentucky) Water District
 5% Waterworks Revenue Bonds of 1980, in the amount of \$560,000.

We hereby certify that we have examined a transcript of the proceedings of the Commission of the Western Fleming County Water District of Fleming County, Kentucky, in connection with the issuance by said District of the above-styled Bonds (the "Current Bonds") in the amount of \$560,000, dated as of the date of this legal opinion, bearing interest from that date at the rate of 5% per annum, payable semi-annually on January 1 and July 1 of each year, and due serially in numerical order on January 1 in each of the respective years, as follows: 1983-84, \$5,000; 1985-87, \$6,000; 1988-90, \$7,000; 1991-93, \$8,000; 1994-95, \$9,000; 1996-97, \$10,000; 1998-99, \$11,000; 2000-01, \$12,000; 2002, \$13,000; 2003-04, \$14,000; 2005, \$15,000; 2006, \$16,000; 2007-08, \$17,000; 2009, \$18,000; 2010, \$19,000; 2011, \$20,000; 2012, \$21,000; 2013, \$22,000; 2014, \$23,000; 2015, \$24,000; 2016, \$25,000; 2017, \$27,000; 2018, \$28,000; 2019, \$30,000; and 2020, \$39,000; provided, however, that Current Bonds maturing on or after January 1, 1991, are optional for redemption prior to maturity on any interest payment date falling on or after January 1, 1990, in the manner and upon the terms provided in said Bonds. Said Bonds are issued pursuant to a Bond Resolution (the "Current Bond Resolution"), duly adopted by the Commission of the District, for the purpose of defraying the cost (not otherwise provided) of constructing extensions, additions, and improvements to the existing waterworks system (the "System") of the District.

We are of the opinion that such proceedings show lawful authority for said issue under the laws of the Commonwealth of Kentucky, including Chapter 74 and Sections 96.350 through 96.510, inclusive, of the Kentucky Revised Statutes, and the proceedings of said Water District now in force; provided, however, that said Bonds have been initially issued in the form of a single, Fully Registered Installment Bond, payable to the registered owner (initially the Farmers Home Administration), numbered R-1, bearing interest at the rate of 5% per annum, payable semi-annually on January 1 and July 1 of each year, with annual installments being payable on January 1 in each of the respective years, 1983 through 2020, inclusive, as set out above, and with the further provision that said Fully Registered Bond is exchangeable at the expense of the Registered Owner, at any time, upon ninety days' written notice, for negotiable Coupon Bonds, payable to bearer, registrable as to principal only, in an amount or amounts not exceeding \$10,000 per Coupon Bond, or a lesser denomination in a multiple of \$1,000, consistent with the maturities of such Bonds, in an aggregate principal amount equal to and maturing in conformity with the unpaid principal amount of said Fully Registered Bond.

We have examined the organizational documents of the District and we are of the opinion that the District was duly created by Order of the Fleming County Court on August 10, 1980, which Order is on file in the office of the Fleming County Clerk.

We further certify that we have examined said executed single, Fully Registered Installment Bond, numbered R-1, in the amount of \$560,000, as issued and delivered, and an executed counterpart of the Current Bond Resolution. Based on such examination, it is our opinion that said Bond is in conformity with the aforesaid proceedings of the District, that said issue, in the amount stated, is valid and legally binding upon the District according to the import thereof, is secured by a secondary statutory mortgage lien against the System, subject to the vested rights and priorities in favor of the holders of \$410,000 of outstanding "Western Fleming County Water District Waterworks System Refunding Revenue Bonds," dated January 1, 1969 (the "Prior Bonds"), is payable from the net revenues of the System, after providing only for the requirements of the Prior Bonds and for current operation and maintenance of the System, a sufficient portion of said revenues having been ordered set aside and pledged to the payment of the interest on and principal installments of the Current Bonds as the same become due. We express no opinion concerning the sufficiency of such revenues for that purpose.

The District has reserved the right to issue additional Bonds ranking on a parity as to security and source of payment with the Current Bond, if necessary in order to complete the aforesaid construction. The District has also reserved the right to issue additional parly bonds to finance future extensions, additions, and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

We are of the opinion that in the event such single, Fully Registered Bond is exchanged for Coupon Bonds in the denomination(s) permitted and provided for in the Current Bond Resolution and in said Fully Registered Bond, said Coupon Bonds, without priority or distinction of one over the other, shall be secured in the same manner and by the same covenants and shall constitute the identical obligations of said District as the aforesaid Fully Registered Bond exchanged therefor. Principal of and interest on such Coupon Bonds will be payable at the Farmers-Deposit Bank, Ewing Branch, Ewing, Kentucky, and principal of said Coupon Bonds will be registrable on the registration book of the Secretary of the Water District.

It is our opinion, based on current rulings and official interpretations, that interest on said Current Bonds is exempt from present Federal and Kentucky income taxes and that the principal of said Bonds is exempt from ad valorem taxation by the Commonwealth of Kentucky or by any political subdivision of Kentucky; provided, however, that it is provided in the Consolidated Farm and Rural Development Act that if said Current Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured holder shall be included in taxable income of such holder.

JRR:lmh

[Handwritten signature]



UNITED STATES OF AMERICA
 COMMONWEALTH OF
 KENTUCKY
 COUNTY OF FLEMING
**Western Fleming
 County Water
 District**

560,000

5%
 Waterworks Revenue
 Bond of 1980

Dated **December 30, 1980**
 PRINCIPAL DUE JANUARY 1,
1983-2020

Interest Payable semi-annually
 on January 1 and July 1

Principal and Interest Payable at
 the address of the
 registered owner shown on the
 registration book of the District

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the District kept for that purpose by the Secretary, as Bond Registrar, upon presentation hereof to said Secretary, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or his attorney, such transfer to be made on said book and endorsed hereon.

REGISTRATION

Date of Registration	Name of Registered Owner	Signature of Secretary of the Western Fleming County Water District, Bond Registrar
December 30, 1980	United States of America — Farmers Home Administration 1520 Market Street St. Louis, Missouri 63103	<i>[Handwritten signature: Clyde E. Thomas]</i>

41-01



The holder of this bond has consented to the issuance of \$310,000 of bonds ranking on a parity as to security and source of payment with this bond.



The holder of this bond has consented to the issuance of \$500,000 of bonds ranking on a parity as to security and source of payment with this bond.

UNITED STATES OF AMERICA — COMMONWEALTH OF KENTUCKY — COUNTY OF FLEMING

Western Fleming County Water District WATERWORKS REVENUE BONDS OF 1988

INTEREST RATE: 5.00%

KNOW ALL MEN BY THESE PRESENTS: That the Western Fleming County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Fleming County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, 333 Waller Avenue, Lexington, Kentucky 40504 the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

THREE HUNDRED FORTY-ONE THOUSAND DOLLARS (\$341,000).

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal
1991	\$3,000	2004	\$ 6,000
1992	3,000	2005	6,000
1993	3,000	2006	7,000
1994	4,000	2007	7,000
1995	4,000	2008	7,000
1996	4,000	2009	8,000
1997	4,000	2010	8,000
1998	4,000	2011	9,000
1999	5,000	2012	9,000
2000	5,000	2013	10,000
2001	5,000	2014	10,000
2002	5,000	2015	10,000
2003	6,000	2016	11,000

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74, 96 and 106 and Sections 58.010 and 58.140, inclusive, of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System"). This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "Prior First Lien Bonds"), authorized by a Ordinance adopted by the Commission of the District on June 12, 1969 (the "1969 Bond Ordinance"). Accordingly, this Bond, together with the Prior Second Lien Bonds (as defined herein) and any other bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the revenues to be derived from the operation of the System, after providing for the requirements of the Prior First Lien Bonds and the requirements of the 1969 Bond Ordinance, and the requirements for the current costs of operation and maintenance of the System.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF. It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky. IN WITNESS WHEREOF, said Western Fleming County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is April 18, 1989.

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the interest rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

Attest:

Billy J. Cavan
Secretary

WESTERN FLEMING COUNTY WATER DISTRICT
Fleming County, Kentucky

By *Clyde Thomason*
Chairman

This Bond ranks on a parity as to security and source of payment with certain outstanding Western Fleming County Water District Waterworks Revenue Bonds of 1980, dated December 30, 1980 (the "Prior Second Lien Bonds"), authorized by a Resolution adopted by the Commission of the District on April 29, 1980 (the "1980 Bond Resolution"), subject to the priority of the First Lien Bonds.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior First Lien Bonds, the Prior Second Lien Bonds and/or this Bond are outstanding the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the Prior First Lien Bonds, the Prior Second Lien Bonds and of this Bond and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay the requirements of (i) the Prior First Lien Bonds, (ii) the 1969 Bond Ordinance, (iii) the cost of operator maintenance of the System and (iv) the Prior Second Lien Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time.

This Bond has been issued in full compliance with the 1969 Bond Ordinance and the 1980 Bond Resolution; and this Bond, together with said Prior Second Lien Bonds, and any other bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and 1980 Bond Resolution, are and will continue to be payable from and secured by a pledge of the revenues to be derived from the operation of said System.

A second statutory mortgage lien has been created and granted by the District in the Current Bond Resolution pursuant to the Act, to and in favor of the registered owner of this Bond, ranking on a parity with the Prior Second Lien Bonds; and the System and all appurtenances thereof and extensions thereto shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on the Prior Second Lien Bonds and on this Bond.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, to finance future extensions, additions and improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

This Bond shall be registered in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District and the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 1998, in inverse chronological order of the installments due on this Bond the entire principal amount of this Bond, then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered owner to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$1,000, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the District to comply with any other provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at his option, institute all rights and remedies provided by law or by said Current Bond Resolution.

LEGAL OPINION
RUBIN & HAYS

ATTORNEYS AT LAW
SECOND FLOOR NORTH, FIRST TRUST CENTRE
200 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202
TELEPHONE (502) 585-2153

April 18, 1989

Re: Western Fleming County Water District Waterworks
Revenue Bonds of 1988, in the amount of \$341,000.

We hereby certify that we have examined a transcript of the proceedings of the Board of Commissioners of the Western Fleming County Water District of Fleming County, Kentucky ("District"), in connection with the issuance by said District of the above-styled Bonds (the "Current Bonds") in the principal amount of \$341,000, dated as of the date of this legal opinion, bearing interest from that date at the Annual Interest Rate set forth in the Current Bonds, payable semiannually on January 1 and July 1 of each year, with principal installments falling due on January 1 of each of the years, 1991 through 2028; provided, however, principal installments falling due on or after January 1, 1999, are optional for prepayment on any interest payment date falling after January 1, 1998, in the manner and upon the terms provided in said Current Bonds.

Said Current Bonds are issued pursuant to a Current Bond Resolution (the "Current Bond Resolution") duly adopted by the Board of Commissioners of the District for the purpose of defraying the cost (not otherwise provided) of extensions, additions and improvements to the waterworks system of the District (the "System").

We are of the opinion that such proceedings show lawful authority for said issue under the laws of the Commonwealth of Kentucky, including Chapters 74, 96, 106 and Sections 5 through 58.140 of the Kentucky Revised Statutes, and the proceedings of said District now in force; provided, however, that said Current Bonds have been initially issued in the form of a fully registered installment bond, payable to the registered owner (initially the Farmers Home Administration).

We further certify that we have examined the single, fully registered Bond in the amount of \$341,000, as issued and delivered, and an executed counterpart of the Current Bond Resolution of the District authorizing same. Based on such examination, it is our opinion that said Current Bond, in the amount stated, is valid and legally binding upon the District according to the terms thereof ranking on a parity as to security and sources of payment with the outstanding "Western Fleming County Water District Waterworks Revenue Bonds of 1980," dated December 30, 1980 (the "Prior Second Lien Bonds"), authorized by a Resolution adopted by the Board of Commissioners of the District on April 29, 1980 (the "1980 Bond Resolution") and that said Prior Second Lien Bonds and the Current Bonds are secured on a parity by a second statutory mortgage lien against the System and are payable from a second pledge of the revenues of the System, subject to the vested rights and priorities of the holders of certain outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "Prior Lien Bonds"), authorized by an Ordinance adopted by the District on June 12, 1969 (the "1969 Bond Ordinance") a sufficient portion of said revenues having been ordered set aside and pledged to the payment of the interest on and principal installments of the Prior First Lien Bonds, Prior Second Lien Bonds and the Current Bonds as same become due. We express no opinion as to the sufficiency of such revenues for the purpose of meeting such requirements.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with the Prior Second Lien Bonds and the Current Bonds, if necessary in order to complete the aforesaid construction. The District has also reserved the right to issue additional parity bonds to finance future extensions, additions, and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

Based on current rulings and official interpretations, and assuming that the District complies with certain covenants set forth in the Current Bond Resolution as to compliance with the Internal Revenue Code of 1986 (the "Code"), and in particular the requirement to rebate to the United States certain investment income pursuant to Section 148 of the Code, if applicable, it is our opinion that (a) the receipt of interest on the Current Bonds will be excludable from gross income for Federal income tax purposes and will be exempt from Kentucky income taxes, and the Current Bonds will be exempt from Kentucky ad valorem taxes; (b) the Current Bonds are an issue of "state and local bonds" which are not "private activity bonds" within the meaning of Section 141 of the Code, and (c) the interest thereon is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The District has validly designated the Current Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code relating to the deductibility of interest income to carry tax-exempt bonds by financial institutions.

The excludability of interest on the Current Bonds from gross income for Federal income taxation is subject to the qualifications that such interest may be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including, without limitation, the environmental tax, the branch profits tax on foreign corporations, the effect on certain S Corporations with excess passive income, and other tax consequences to certain insurance companies, and that such interest will be included in adjusted net book income and adjusted current earnings when calculating alternative minimum taxable income of corporations.

It is provided in the Consolidated Farm and Rural Development Act that if said Current Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured holder shall be included in taxable income of such holder.

Rubin & Hays

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the District kept for that purpose by the Secretary, as Bond Registrar, upon surrender hereof to said Secretary who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or his attorney, such transfer to be made on said book and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Secretary of the Western Fleming County Water District, Bond Registrar
April 18, 1989	UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION 333 Waller Avenue Lexington, Kentucky 40504	<i>Billy D Cowan</i>

ASSIGNMENT

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto _____
_____ this _____ day of _____.

By: _____

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

The holder of this Bond has consented to the issuance of \$310,000 of bonds ranking on a parity as to security and source of payment with this bond
WESTERN FLEMING COUNTY WATER DISTRICT

REGISTERED



WATERWORKS REVENUE BOND, SERIES 1997
INTEREST RATE: 4.50%

REGISTERED



The holder of this Bond has consented to the issuance of \$500,000 of bonds ranking on a parity as to security and source of payment with this bond.

KNOW ALL MEN BY THESE PRESENTS: That the Western Fleming County Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Fleming County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

SIX HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$675,000)

on the first day of January, in years and installments as follows:

Payment Due January 1, L.	Principal Payment	Payment Due January 1, L.	Principal Payment	Payment Due January 1, L.	Principal Payment
2000	\$ 7,000	2013	\$12,500	2026	\$22,000
2001	7,500	2014	13,000	2027	23,000
2002	7,500	2015	13,500	2028	24,000
2003	8,000	2016	14,000	2029	25,000
2004	8,500	2017	14,500	2030	26,500
2005	8,500	2018	15,000	2031	27,500
2006	9,500	2019	16,000	2032	28,500
2007	9,500	2020	17,000	2033	30,000
2008	10,000	2021	17,500	2034	31,500
2009	10,500	2022	18,500	2035	32,500
2010	11,000	2023	19,500	2036	34,500
2011	11,500	2024	20,000	2037	36,000
2012	12,000	2025	21,000		

the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security hereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

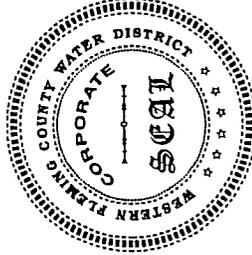
[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, stated and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Western Fleming County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is **September 10, 1998**.

and in like manner, solely from said bond, to pay interest on the balances of said principal sum from time to time remaining unpaid, at the interest rate specified above, semi-annually on the first day of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of

WESTERN FLEMING COUNTY WATER DISTRICT
Fleming County, Kentucky



Attest: *Deanna Barton*
Secretary

By: *William D. Cowan*
Chairman

This Bond is issued on a parity as to security and source of payment with the outstanding Western Fleming County Water District Waterworks Revenue Bonds of 1980, dated December 30, 1980 (the "Bonds of 1980"), authorized by a Resolution adopted by the Commission of the District on April 29, 1980 (the "1980 Bond Resolution"); and the outstanding Western Fleming County Water District Waterworks Revenue Bonds of 1988, dated April 18, 1989 (the "Bonds of 1988"), authorized by a Resolution adopted by the Commission of the District on July 15, 1988 (the "1988 Bond Resolution"); [hereinafter the Bonds of 1980 and Bonds of 1988 shall be collectively referred to as the "Prior Second Lien Bonds", and the 1980 Bond Resolution and the 1988 Bond Resolution shall be collectively referred to as the "Prior Second Lien Bond Resolution"], but subject to the vested rights and priorities in favor of the owners of the outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "Bonds of 1969"), authorized by a Resolution adopted by the Commission of the District on June 12, 1969 (the "1969 Bond Resolution"); accordingly, this Bond and the Prior Second Lien Bonds, together with any bonds ranking on a parity herewith, are payable from and secured on a second lien basis by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Bonds of 1969 and the requirements of the 1969 Bond Resolution.

This Bond has been issued in full compliance with the Current Bond Resolution and the Prior Second Lien Bond Resolution; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and the Prior Second Lien Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Western Fleming County Water District Waterworks Revenue Bond and Interest Sinking Fund", created in the 1980 Bond Resolution.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of

payment of the Prior Bonds and of this Bond, and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the Prior Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the book of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2006, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the District to comply with any other provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at his option, institute all rights and remedies provided by law or by said Current Bond Resolution.

LEGAL OPINION

Rubin & Hays

ATTORNEYS AT LAW

First Trust Centre, 200 South Fifth Street, Louisville, Kentucky 40202
Telephone (502) 569-7525 Telefax (502) 569-7555

September 10, 1998

Re: Western Fleming County Water District Waterworks Revenue Bonds, Series 1997, in the amount of \$675,000

We have acted as Bond Counsel in connection with the issuance by the Western Fleming County Water District of Fleming County, Kentucky (the "District") of \$675,000 of its Western Fleming County Water District Waterworks Revenue Bonds, Series 1997 (the "Current Bonds"), dated as of the date of this Legal Opinion, bearing interest at the interest rate specified in the Current Bonds, payable semiannually on January 1 and July 1 of each year, with principal amounts falling due on January 1 in each of the respective years, 2000 through 2037, inclusive.

Said Current Bonds are issued pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes and a Bond Resolution (the "Current Bond Resolution") duly adopted by the Commission of the District for the purpose of financing the cost of extensions, additions and improvements to the existing waterworks system (the "System") of the District.

We have examined the transcript of proceedings of the District in connection with the issuance of the Current Bonds and the executed single, fully registered bond, number R-1, representing the total authorized principal amount of said Current Bonds, as issued and delivered, and an executed counterpart of the Current Bond Resolution.

Based on such examination, we are of the opinion that the Current Bonds are valid and legally binding and enforceable upon the District according to the import thereof and rank on a parity as to security and source of payment with the outstanding Western Fleming County Water District Waterworks Revenue Bonds of 1980, dated December 30, 1980 (the "Series 1980 Bonds"), authorized by a Resolution adopted by the District on April 29, 1980 (the "1980 Bond Resolution"); and the outstanding Western Fleming County Water District Waterworks Revenue Bonds of 1988, dated April 18, 1989 (the "Series 1988 Bonds"), authorized by a Resolution adopted by the District on July 15, 1988 (the "1988 Bond Resolution"); [hereinafter the Series 1980 Bonds and the Series 1988 Bonds shall be collectively referred to as the "Prior Second Lien Bonds"] but subject to the vested rights and priorities in favor of the owners of the outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "Series 1969 Bonds"), authorized by a Resolution adopted by the District on June 12, 1969 (the "1969 Bond Resolution"); and that the Current Bonds and the Prior Second Lien Bonds are secured by and are payable from a second pledge of a fixed portion of the gross revenues of the System, and that a sufficient portion of said gross revenues has been ordered by the Commission to be set aside at least semiannually and pledged to the

payment of the interest on and principal of the Prior Second Lien Bonds and the Current Bonds as the same become due. We express no opinion concerning the sufficiency of such revenues for that purpose.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with the Prior Second Lien Bonds and the Current Bonds, if necessary in order to complete the aforesaid extensions, additions and improvements to the System. The District has also reserved the right to issue additional parity bonds to finance future extensions, additions and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Resolution are in existence and properly certified.

Based on current rulings and official interpretations, and assuming that the District complies with certain covenants contained in the Current Bond Resolution made with respect to compliance with the provisions of the Internal Revenue Code of 1986 (the "Code"), including a covenant to comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America as to certain investment earnings on the proceeds of the Current Bonds, we are of the opinion that: (1) interest on the Current Bonds is excludable from gross income for federal income tax purposes; (2) the Current Bonds have been validly designated as "qualified tax-exempt obligations" by the District pursuant to the provisions of Section 265(b)(3) of the Code; (3) the Current Bonds are an issue of "state or local bonds" which are not "private activity bonds" within the meaning of Section 103 of the Code; (4) interest on the Current Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals; (5) interest on the Current Bonds may be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including, without limitation, the branch profits tax on foreign corporations, the effect on certain Subchapter S Corporations with excess passive income, and other tax consequences to certain insurance companies; (6) interest on the Current Bonds will be included in adjusted current earnings when calculating the alternative minimum taxable income of corporations; (7) an individual who owns any of the Current Bonds may be required to include in gross income a portion of his or her social security or railroad retirement payments; (8) any taxpayer (individuals or corporations) owning the Current Bonds may have collateral tax consequences if they are deemed to have incurred or have continued to incur indebtedness to purchase or carry tax-exempt obligations; (9) interest on the Current Bonds is exempt from Kentucky income taxes; and (10) the principal of the Current Bonds is exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

No opinion is expressed regarding other federal income tax consequences caused by the receipt of interest on the Current Bonds.

It is to be understood that the rights of the holders of the Current Bonds and the enforceability of the Current Bonds and the Current Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter adopted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

It is provided in the Consolidated Farm and Rural Development Act that if the Current Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured owner shall be included in the taxable income of such owner.

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the District kept for that purpose by the Secretary, as Bond Registrar, upon presentation hereof to said Secretary, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or its attorney, such transfer to be made on said book and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
September 10, 1998	UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE 771 Corporate Drive, Suite 200 Lexington, Kentucky 40503-5477	

ASSIGNMENT

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto _____

_____ , this _____ day of _____, 19 _____.

By: _____

This Bond has been issued in full compliance with the Current Bond Resolution and the Prior Second Lien Bond Resolution; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and the Prior Second Lien Bond Resolution, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Western Fleming County Water District Waterworks Revenue Bond and Interest Sinking Fund", created in the 1980 Bond Resolution.

This Bond does not constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Resolution, the District covenants that so long as any of the Prior Second Lien Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the District as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the Prior Second Lien Bonds and of this Bond, and that the District will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the Prior Second Lien Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond in order to complete the Project, and to finance future extensions, additions and improvements to the System, provided the necessary requirements of the Current Bond Resolution have been complied with by the District.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the Secretary of the District as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or its duly authorized attorney, which transfer shall be noted upon this Bond and upon the registration book of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 2012, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or its assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the District to comply with any other provision of this Bond or with any provision of the Current Bond Resolution, the registered owner may, at its option, institute all rights and remedies provided by law or by said Current Bond Resolution.

LEGAL OPINION

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202

Telephone (502) 569-7525 Telefax (502) 569-7555

March 20, 2003

Re: Western Fleming County Water District Waterworks Revenue Bonds, Series 2002, in the amount of \$500,000

We have acted as Bond Counsel in connection with the issuance by the Western Fleming County Water District of Fleming County, Kentucky (the "District") of \$500,000 of its Western Fleming County Water District Waterworks Revenue Bonds, Series 2002 (the "Current Bonds"), dated as of the date of this Legal Opinion, bearing interest at the interest rate specified in the Current Bonds, payable semiannually on January 1 and July 1 of each year, with principal amounts falling due on January 1 in each of the respective years, 2005 through 2042, inclusive.

Said Current Bonds are issued pursuant to Chapters 58 and 74 of the Kentucky Revised Statutes and a Bond Resolution (the "Current Bond Resolution") duly adopted by the Commission of the District for the purpose of financing the cost of extensions, additions and improvements to the existing waterworks system (the "System") of the District.

We have examined the transcript of proceedings of the District in connection with the issuance of the Current Bonds and the executed single, fully registered bond, numbered R-1, representing the total authorized principal amount of said Current Bonds, as issued and delivered, and an executed counterpart of the Current Bond Resolution.

Based on such examination, we are of the opinion that the Current Bonds are valid and legally binding and enforceable upon the District according to the import thereof and rank on a parity as to security and source of payment with the outstanding: (i) Western Fleming County Water District Waterworks Revenue Bonds of 1980, dated December 30, 1980 (the "1980 Bonds"), authorized by a Resolution adopted by the District on April 29, 1980 (the "1980 Bond Resolution"); (ii) Western Fleming County Water District Waterworks Revenue Bonds of 1988, dated April 18, 1989 (the "1988 Bonds"), authorized by a Resolution adopted by the District on July 15, 1988 (the "1988 Bond Resolution"); and (iii) Western Fleming County Water District Waterworks Revenue Bonds, Series 1997, dated September 10, 1998 (the "1997 Bonds"), authorized by a Resolution adopted by the District on October 29, 1997 (the "1997 Bond Resolution") [hereinafter the 1980 Bonds, the 1988 Bonds and the 1997 Bonds shall be collectively referred to as the "Prior Second Lien Bonds" and the 1980 Bond Resolution, the 1988 Bond Resolution and the 1997 Bond Resolution shall be collectively referred to as the "Prior Second Lien Bond Resolution"], but subject to the vested rights and priorities in favor of the owners of the outstanding Western Fleming County Water District Waterworks System Refunding Revenue Bonds, dated January 1, 1969 (the "1969 Bonds"), authorized by a Resolution adopted by the District on June 12, 1969 (the "1969 Bond Resolution") and that the Current Bonds and the Prior Second Lien Bonds are secured by and are payable from a pledge of the gross revenues of the System, and that a sufficient portion of said gross revenues has been ordered by the Commission to be set aside at least semiannually and pledged to the

payment of the interest on and principal of the Prior Second Lien Bonds and the Current Bonds as the same become due. We express no opinion concerning the sufficiency of such revenues for that purpose.

The District has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with the Prior Second Lien Bonds and the Current Bonds, if necessary in order to complete the aforesaid extensions, additions and improvements to the System. The District has also reserved the right to issue additional parity bonds to finance future extensions, additions and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Prior Second Lien Bond Resolution and Current Bond Resolution are in existence and properly certified.

Based on current rulings and official interpretations, and assuming that the District complies with certain covenants contained in the Current Bond Resolution made with respect to compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including a covenant to comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America as to certain investment earnings on the proceeds of the Current Bonds, we are of the opinion that: (1) interest on the Current Bonds is excludable from gross income for federal income tax purposes; (2) the Current Bonds have been validly designated as "qualified tax-exempt obligations" by the District pursuant to the provisions of Section 265(b)(3) of the Code; (3) the Current Bonds are an issue of "state or local bonds" which are not "private activity bonds" within the meaning of Section 103 of the Code; (4) interest on the Current Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals; (5) interest on the Current Bonds may be taken into account in the computation of certain taxes that may be imposed with respect to corporations, including, without limitation, the branch profits tax on foreign corporations, the effect on certain Subchapter S Corporations with excess passive income, and other tax consequences to certain insurance companies; (6) interest on the Current Bonds will be included in adjusted current earnings when calculating the alternative minimum taxable income of corporations; (7) an individual who owns any of the Current Bonds may be required to include in gross income a portion of his or her social security or railroad retirement payments; (8) any taxpayer (individuals or corporations) owning the Current Bonds may have collateral tax consequences if they are deemed to have incurred or have continued to incur indebtedness to purchase or carry tax-exempt obligations; (9) interest on the Current Bonds is exempt from Kentucky income taxes; and (10) the principal of the Current Bonds is exempt from *ad valorem* taxation by the Commonwealth of Kentucky and all of its political subdivisions.

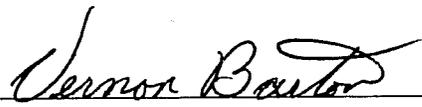
No opinion is expressed regarding other federal income tax consequences caused by the receipt of interest on the Current Bonds.

It is to be understood that the rights of the holders of the Current Bonds and the enforceability of the Current Bonds and the Current Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter adopted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

It is provided in the Consolidated Farm and Rural Development Act that if the Current Bonds are sold out of the Agricultural Credit Insurance Fund or out of the Rural Development Insurance Fund as an insured loan, the interest thereon paid to an insured owner shall be included in the taxable income of such owner.

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the District kept for that purpose by the Secretary, as Bond Registrar, upon presentation hereof to said Secretary, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or its attorney, such transfer to be made on said book and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
March 20, 2003	UNITED STATES OF AMERICA acting by and through the U.S. DEPARTMENT OF AGRICULTURE 771 Corporate Drive, Suite 200 Lexington, Kentucky 40503-5477	

ASSIGNMENT

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto _____

_____ , this day of _____, 20_____.

By: _____

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F08-01
 WESTERN FLEMING WD
 SUBJECT TO CHANGE WITH ADDITIONAL DRAWS

1.00% Rate
 \$47,554.24 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/11	\$29,617.83	\$10,383.70	1.0000%	\$40,001.53	\$2,583.05	\$0.00	\$42,584.58	\$2,066,437.36	\$6,500.00	\$6,500.00
06/01/12	\$30,450.74	\$10,383.70	1.0000%	\$40,812.13	\$2,604.60	\$0.00	\$43,416.73	\$2,083,680.79	\$0.00	\$6,500.00
12/01/12	\$35,608.82	\$11,447.78	1.0000%	\$47,056.60	\$2,986.36	\$0.00	\$50,042.96	\$2,389,083.25	\$6,500.00	\$13,000.00
06/01/13	\$35,786.87	\$11,767.37	1.0000%	\$47,554.24	\$2,941.84	\$0.00	\$50,496.08	\$2,317,887.56	\$0.00	\$13,000.00
12/01/13	\$35,965.81	\$11,588.43	1.0000%	\$47,554.24	\$2,897.11	\$0.00	\$50,451.35	\$2,281,721.75	\$6,500.00	\$19,500.00
06/01/14	\$36,145.63	\$11,408.61	1.0000%	\$47,554.24	\$2,852.15	\$0.00	\$50,406.39	\$2,245,576.12	\$0.00	\$19,500.00
12/01/14	\$36,326.36	\$11,227.68	1.0000%	\$47,554.24	\$2,606.97	\$0.00	\$50,361.21	\$2,209,249.76	\$6,500.00	\$26,000.00
06/01/15	\$36,508.00	\$11,046.24	1.0000%	\$47,554.24	\$2,761.57	\$0.00	\$50,315.81	\$2,172,741.76	\$0.00	\$26,000.00
12/01/15	\$36,690.54	\$10,863.70	1.0000%	\$47,554.24	\$2,715.92	\$0.00	\$50,270.16	\$2,136,051.22	\$6,500.00	\$32,500.00
06/01/16	\$36,873.99	\$10,680.25	1.0000%	\$47,554.24	\$2,670.06	\$0.00	\$50,224.30	\$2,099,177.23	\$0.00	\$32,500.00
12/01/16	\$37,058.35	\$10,495.89	1.0000%	\$47,554.24	\$2,623.97	\$0.00	\$50,178.21	\$2,062,118.88	\$6,500.00	\$39,000.00
06/01/17	\$37,243.65	\$10,310.59	1.0000%	\$47,554.24	\$2,577.65	\$0.00	\$50,131.89	\$2,024,875.23	\$0.00	\$39,000.00
12/01/17	\$37,429.86	\$10,124.38	1.0000%	\$47,554.24	\$2,531.10	\$0.00	\$50,085.34	\$1,987,445.37	\$6,500.00	\$45,500.00
06/01/18	\$37,617.01	\$9,937.23	1.0000%	\$47,554.24	\$2,484.31	\$0.00	\$50,038.55	\$1,949,828.36	\$0.00	\$45,500.00
12/01/18	\$37,805.10	\$9,749.14	1.0000%	\$47,554.24	\$2,437.29	\$0.00	\$49,991.53	\$1,912,023.26	\$6,500.00	\$52,000.00
06/01/19	\$37,994.13	\$9,560.11	1.0000%	\$47,554.24	\$2,390.03	\$0.00	\$49,944.27	\$1,874,029.13	\$0.00	\$52,000.00
12/01/19	\$38,184.09	\$9,370.15	1.0000%	\$47,554.24	\$2,342.54	\$0.00	\$49,896.78	\$1,835,845.04	\$6,500.00	\$58,500.00
06/01/20	\$38,375.01	\$9,179.23	1.0000%	\$47,554.24	\$2,294.80	\$0.00	\$49,849.04	\$1,797,470.03	\$0.00	\$58,500.00
12/01/20	\$38,566.88	\$8,987.36	1.0000%	\$47,554.24	\$2,246.84	\$0.00	\$49,801.08	\$1,758,903.15	\$6,500.00	\$65,000.00
06/01/21	\$38,759.72	\$8,794.52	1.0000%	\$47,554.24	\$2,198.63	\$0.00	\$49,752.87	\$1,720,143.43	\$0.00	\$65,000.00
12/01/21	\$38,953.52	\$8,600.72	1.0000%	\$47,554.24	\$2,150.18	\$0.00	\$49,704.42	\$1,681,189.91	\$0.00	\$65,000.00
06/01/22	\$39,148.30	\$8,405.94	1.0000%	\$47,554.24	\$2,101.49	\$0.00	\$49,655.73	\$1,642,041.61	\$0.00	\$65,000.00
12/01/22	\$39,344.03	\$8,210.21	1.0000%	\$47,554.24	\$2,052.55	\$0.00	\$49,606.79	\$1,602,697.58	\$0.00	\$65,000.00
06/01/23	\$39,540.75	\$8,013.49	1.0000%	\$47,554.24	\$2,003.37	\$0.00	\$49,557.61	\$1,563,156.83	\$0.00	\$65,000.00
12/01/23	\$39,738.46	\$7,815.78	1.0000%	\$47,554.24	\$1,953.95	\$0.00	\$49,508.19	\$1,523,418.37	\$0.00	\$65,000.00
06/01/24	\$39,937.15	\$7,617.09	1.0000%	\$47,554.24	\$1,904.28	\$0.00	\$49,458.52	\$1,483,481.22	\$0.00	\$65,000.00
12/01/24	\$40,136.84	\$7,417.40	1.0000%	\$47,554.24	\$1,854.35	\$0.00	\$49,408.59	\$1,443,344.38	\$0.00	\$65,000.00
06/01/25	\$40,337.52	\$7,216.72	1.0000%	\$47,554.24	\$1,804.18	\$0.00	\$49,358.42	\$1,403,006.86	\$0.00	\$65,000.00
12/01/25	\$40,539.21	\$7,015.03	1.0000%	\$47,554.24	\$1,753.76	\$0.00	\$49,308.00	\$1,362,467.65	\$0.00	\$65,000.00
06/01/26	\$40,741.90	\$6,812.34	1.0000%	\$47,554.24	\$1,703.09	\$0.00	\$49,257.33	\$1,321,725.75	\$0.00	\$65,000.00
12/01/26	\$40,945.61	\$6,608.63	1.0000%	\$47,554.24	\$1,652.16	\$0.00	\$49,206.40	\$1,280,780.14	\$0.00	\$65,000.00
06/01/27	\$41,150.33	\$6,403.91	1.0000%	\$47,554.24	\$1,600.97	\$0.00	\$49,155.21	\$1,239,629.81	\$0.00	\$65,000.00
12/01/27	\$41,356.09	\$6,198.15	1.0000%	\$47,554.24	\$1,549.54	\$0.00	\$49,103.78	\$1,198,273.72	\$0.00	\$65,000.00
06/01/28	\$41,562.87	\$5,991.37	1.0000%	\$47,554.24	\$1,497.84	\$0.00	\$49,052.08	\$1,156,710.85	\$0.00	\$65,000.00
12/01/28	\$41,770.68	\$5,783.56	1.0000%	\$47,554.24	\$1,445.89	\$0.00	\$49,000.13	\$1,114,940.17	\$0.00	\$65,000.00
06/01/29	\$41,979.54	\$5,574.70	1.0000%	\$47,554.24	\$1,393.88	\$0.00	\$48,947.92	\$1,072,960.63	\$0.00	\$65,000.00
12/01/29	\$42,189.43	\$5,364.81	1.0000%	\$47,554.24	\$1,341.19	\$0.00	\$48,895.43	\$1,030,771.20	\$0.00	\$65,000.00
06/01/30	\$42,400.39	\$5,153.85	1.0000%	\$47,554.24	\$1,288.46	\$0.00	\$48,842.70	\$988,370.81	\$0.00	\$65,000.00
12/01/30	\$42,612.38	\$4,941.86	1.0000%	\$47,554.24	\$1,235.46	\$0.00	\$48,789.70	\$945,758.43	\$0.00	\$65,000.00
06/01/31	\$42,825.44	\$4,728.80	1.0000%	\$47,554.24	\$1,182.20	\$0.00	\$48,736.44	\$902,932.99	\$0.00	\$65,000.00
12/01/31	\$43,039.58	\$4,514.66	1.0000%	\$47,554.24	\$1,128.67	\$0.00	\$48,682.91	\$859,893.41	\$0.00	\$65,000.00
06/01/32	\$43,254.78	\$4,299.46	1.0000%	\$47,554.24	\$1,074.87	\$0.00	\$48,629.11	\$816,638.63	\$0.00	\$65,000.00
12/01/32	\$43,471.05	\$4,083.19	1.0000%	\$47,554.24	\$1,020.80	\$0.00	\$48,575.04	\$773,167.58	\$0.00	\$65,000.00
06/01/33	\$43,688.41	\$3,865.83	1.0000%	\$47,554.24	\$966.46	\$0.00	\$48,520.70	\$729,479.17	\$0.00	\$65,000.00
12/01/33	\$43,906.84	\$3,647.40	1.0000%	\$47,554.24	\$911.85	\$0.00	\$48,466.09	\$685,572.33	\$0.00	\$65,000.00
06/01/34	\$44,126.39	\$3,427.85	1.0000%	\$47,554.24	\$856.96	\$0.00	\$48,411.20	\$641,445.94	\$0.00	\$65,000.00
12/01/34	\$44,347.01	\$3,207.23	1.0000%	\$47,554.24	\$801.81	\$0.00	\$48,356.05	\$597,098.93	\$0.00	\$65,000.00
06/01/35	\$44,568.75	\$2,985.49	1.0000%	\$47,554.24	\$746.37	\$0.00	\$48,300.61	\$552,530.18	\$0.00	\$65,000.00
12/01/35	\$44,791.59	\$2,762.65	1.0000%	\$47,554.24	\$690.66	\$0.00	\$48,244.90	\$507,738.59	\$0.00	\$65,000.00
06/01/36	\$45,015.54	\$2,538.70	1.0000%	\$47,554.24	\$634.67	\$0.00	\$48,188.91	\$462,723.05	\$0.00	\$65,000.00
12/01/36	\$45,240.63	\$2,313.61	1.0000%	\$47,554.24	\$578.40	\$0.00	\$48,132.64	\$417,482.42	\$0.00	\$65,000.00
06/01/37	\$45,466.82	\$2,087.42	1.0000%	\$47,554.24	\$521.85	\$0.00	\$48,076.09	\$372,015.60	\$0.00	\$65,000.00
12/01/37	\$45,694.16	\$1,860.08	1.0000%	\$47,554.24	\$465.02	\$0.00	\$48,019.26	\$326,321.44	\$0.00	\$65,000.00
06/01/38	\$45,922.63	\$1,631.61	1.0000%	\$47,554.24	\$407.90	\$0.00	\$47,962.14	\$280,398.81	\$0.00	\$65,000.00
12/01/38	\$46,152.25	\$1,401.99	1.0000%	\$47,554.24	\$350.49	\$0.00	\$47,904.73	\$234,246.56	\$0.00	\$65,000.00
06/01/39	\$46,383.01	\$1,171.23	1.0000%	\$47,554.24	\$292.81	\$0.00	\$47,847.05	\$187,863.55	\$0.00	\$65,000.00
12/01/39	\$46,614.92	\$939.32	1.0000%	\$47,554.24	\$234.83	\$0.00	\$47,789.07	\$141,248.63	\$0.00	\$65,000.00
06/01/40	\$46,848.00	\$706.24	1.0000%	\$47,554.24	\$176.56	\$0.00	\$47,730.80	\$94,400.63	\$0.00	\$65,000.00
12/01/40	\$47,082.25	\$471.99	1.0000%	\$47,554.24	\$118.00	\$0.00	\$47,672.24	\$47,318.38	\$0.00	\$65,000.00
06/01/41	\$47,318.38	\$235.86	1.0000%	\$47,554.24	\$59.15	\$0.00	\$47,613.39	\$0.00	\$0.00	\$65,000.00
Totals	\$2,449,151.82	\$389,310.12		\$2,838,461.94	\$97,453.51	\$0.00	\$2,935,915.45		\$65,000.00	

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2004 D

Borrower: Western Fleming Water District

Dated Date: 10/19/04

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
10/19/04						
01/01/05	18,000.00	3.12%	3,812.07		21,812.07	
07/01/05	0.00		5,437.30	250.00	5,687.30	27,499.37
01/01/06	19,000.00	3.12%	5,437.30		24,437.30	
07/01/06	0.00		5,140.90	250.00	5,390.90	29,828.20
01/01/07	17,000.00	3.12%	5,140.90		22,140.90	
07/01/07	0.00		4,875.70	250.00	5,125.70	27,266.60
01/01/08	17,000.00	3.22%	4,875.70		21,875.70	
07/01/08	0.00		4,602.00	250.00	4,852.00	26,727.70
01/01/09	18,000.00	3.37%	4,602.00		22,602.00	
07/01/09	0.00		4,298.70	250.00	4,548.70	27,150.70
01/01/10	19,000.00	3.37%	4,298.70		23,298.70	
07/01/10	0.00		3,978.55	250.00	4,228.55	27,527.25
01/01/11	19,000.00	3.37%	3,978.55		22,978.55	
07/01/11	0.00		3,658.40	250.00	3,908.40	26,886.95
01/01/12	19,000.00	3.50%	3,658.40		22,658.40	
07/01/12	0.00		3,325.90	250.00	3,575.90	26,234.30
01/01/13	21,000.00	3.62%	3,325.90		24,325.90	
07/01/13	0.00		2,945.80	250.00	3,195.80	27,521.70
01/01/14	21,000.00	4.12%	2,945.80		23,945.80	
07/01/14	0.00		2,513.20	250.00	2,763.20	26,709.00
01/01/15	23,000.00	4.12%	2,513.20		25,513.20	
07/01/15	0.00		2,039.40	250.00	2,289.40	27,802.60
01/01/16	23,000.00	4.12%	2,039.40		25,039.40	
07/01/16	0.00		1,565.60	250.00	1,815.60	26,855.00
01/01/17	23,000.00	4.12%	1,565.60		24,565.60	
07/01/17	0.00		1,091.80	250.00	1,341.80	25,907.40
01/01/18	25,000.00	4.12%	1,091.80		26,091.80	
07/01/18	0.00		576.80	250.00	826.80	26,918.60
01/01/19	28,000.00	4.12%	576.80		28,576.80	
07/01/19	0.00		0.00	0.00	0.00	28,576.80
Totals	310,000.00		95,912.17	3,500.00	409,412.17	

**KRWFC Flexible Term Program Series 2004 D
Sinking Fund Payment Schedule**

Borrower: Western Fleming Water District
Dated Date: 10/19/04

D-12

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
12/4-1/5	9,000.00	1,906.04	10,906.04
2/5-7/5	1,583.33	906.22	2,489.55
8/5-1/6	1,583.33	906.22	2,489.55
2/6-7/6	1,416.67	856.82	2,273.48
8/6-1/7	1,416.67	856.82	2,273.48
2/7-7/7	1,416.67	812.62	2,229.28
8/7-1/8	1,416.67	812.62	2,229.28
2/8-7/8	1,500.00	767.00	2,267.00
8/8-1/9	1,500.00	767.00	2,267.00
2/9-7/9	1,583.33	716.45	2,299.78
8/9-1/10	1,583.33	716.45	2,299.78
2/10-7/10	1,583.33	663.09	2,246.43
8/10-1/11	1,583.33	663.09	2,246.43
2/11-7/11	1,583.33	609.73	2,193.07
8/11-1/12	1,583.33	609.73	2,193.07
2/12-7/12	1,750.00	554.32	2,304.32
8/12-1/13	1,750.00	554.32	2,304.32
2/13-7/13	1,750.00	490.97	2,240.97
8/13-1/14	1,750.00	490.97	2,240.97
2/14-7/14	1,916.67	418.87	2,335.53
8/14-1/15	1,916.67	418.87	2,335.53
2/15-7/15	1,916.67	339.90	2,256.57
8/15-1/16	1,916.67	339.90	2,256.57
2/16-7/16	1,916.67	260.93	2,177.60
8/16-1/17	1,916.67	260.93	2,177.60
2/17-7/17	2,083.33	181.97	2,265.30
8/17-1/18	2,083.33	181.97	2,265.30
2/18-7/18	2,333.33	96.13	2,429.47
8/18-1/19	2,333.33	96.13	2,429.47
2/19-7/19	0.00	-	-
	<u>310,000.00</u>	<u>95,912.17</u>	<u>405,912.17</u>

\$314,000

**Western Fleming Water District
Kentucky Rural Water Finance Corporation
Flexible Term Finance Program**

D-13

Sources & Uses

Dated 09/01/2004 | Delivered 09/22/2004

SOURCES OF FUNDS

Par Amount of Bonds	\$314,000.00
Accrued Interest from 09/01/2004 to 09/22/2004	665.13

TOTAL SOURCES	\$314,665.13
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USES OF FUNDS

Original Issue Discount (OID)	1,096.99
Total Underwriter's Discount (1.151%)	3,613.01
Costs of Issuance	7,210.00
Gross Bond Insurance Premium (29.0 bp)	1,206.66
Deposit to Debt Service Fund	665.13
Deposit to Project Construction Fund	300,000.00
Rounding Amount	873.34

TOTAL USES	\$314,665.13
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Western Fleming Water District					
		Amount of Series	\$675,000	Interest Rate	
BOND SERIES 1997		\$588,500.00		4.50%	
YEAR	PRINCIPAL	INTEREST JANUARY	INTEREST JULY	TOTAL	BALANCE
					\$588,500.00
2009	\$11,000.00	\$13,241.25	\$12,993.75	\$37,235.00	\$577,500.00
2010	\$11,500.00	\$12,993.75	\$12,735.00	\$37,228.75	\$566,000.00
2011	\$12,000.00	\$12,735.00	\$12,465.00	\$37,200.00	\$554,000.00
2012	\$12,500.00	\$12,465.00	\$12,183.75	\$37,148.75	\$541,500.00
2013	\$13,000.00	\$12,183.75	\$11,891.25	\$37,075.00	\$528,500.00
2014	\$13,500.00	\$11,891.25	\$11,587.50	\$36,978.75	\$515,000.00
2015	\$14,500.00	\$11,587.50	\$11,261.25	\$37,348.75	\$500,500.00
2016	\$14,500.00	\$11,261.25	\$10,935.00	\$36,696.25	\$486,000.00
2017	\$15,500.00	\$10,935.00	\$10,586.25	\$37,021.25	\$470,500.00
2018	\$16,000.00	\$10,586.25	\$10,226.25	\$36,812.50	\$454,500.00
2019	\$17,000.00	\$10,226.25	\$9,843.75	\$37,070.00	\$437,500.00
2020	\$17,500.00	\$9,843.75	\$9,450.00	\$36,793.75	\$420,000.00
2021	\$18,500.00	\$9,450.00	\$9,033.75	\$36,983.75	\$401,500.00
2022	\$19,500.00	\$9,033.75	\$8,595.00	\$37,128.75	\$382,000.00
2023	\$20,000.00	\$8,595.00	\$8,145.00	\$36,740.00	\$362,000.00
2024	\$21,000.00	\$8,145.00	\$7,672.50	\$36,817.50	\$341,000.00
2025	\$22,000.00	\$7,672.50	\$7,177.50	\$36,850.00	\$319,000.00
2026	\$23,000.00	\$7,177.50	\$6,660.00	\$36,837.50	\$296,000.00
2027	\$24,000.00	\$6,660.00	\$6,120.00	\$36,780.00	\$272,000.00
2028	\$25,000.00	\$6,120.00	\$5,557.50	\$36,677.50	\$247,000.00
2029	\$26,500.00	\$5,557.50	\$4,961.25	\$37,018.75	\$220,500.00
2030	\$27,500.00	\$4,961.25	\$4,342.50	\$36,803.75	\$193,000.00
2031	\$28,500.00	\$4,342.50	\$3,701.25	\$36,543.75	\$164,500.00
2032	\$30,000.00	\$3,701.25	\$3,026.25	\$36,727.50	\$134,500.00
2033	\$31,500.00	\$3,026.25	\$2,317.50	\$36,843.75	\$103,000.00
2034	\$32,500.00	\$2,317.50	\$1,586.25	\$36,403.75	\$70,500.00
2035	\$34,500.00	\$1,586.25	\$810.00	\$36,896.25	\$36,000.00
2036	\$36,000.00	\$810.00	\$0.00	\$36,810.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$588,500.00	\$229,106.25	\$215,865.00	\$1,033,471.25	

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KENTUCKY INFRASTRUCTURE AUTHORITY
REPAIRMENT BOND/NOTE
CUM INTEREST
WESTERN FLEMING W/D
SUBJECT TO CHANGE WITH INTERSAL DRAWS

1.00% Ann
\$30,500.00 PAID/RECEIVED

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Outstanding Fee	Green Date	Yield Payment	Principal Balance	A/R Balance	Total Reserve
12/01/11	\$29,617.83	\$18,863.78	1.0000%	\$48,481.61	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/12	\$29,765.58	\$18,914.14	1.0000%	\$48,679.72	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/12	\$29,913.33	\$19,064.50	1.0000%	\$48,977.83	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/13	\$30,061.08	\$19,214.86	1.0000%	\$49,275.94	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/13	\$30,208.83	\$19,365.22	1.0000%	\$49,574.05	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/14	\$30,356.58	\$19,515.58	1.0000%	\$49,872.16	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/14	\$30,504.33	\$19,665.94	1.0000%	\$50,170.27	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/15	\$30,652.08	\$19,816.30	1.0000%	\$50,468.38	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/15	\$30,800.83	\$19,966.66	1.0000%	\$50,766.49	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/16	\$30,948.58	\$20,117.02	1.0000%	\$51,064.60	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/16	\$31,096.33	\$20,267.38	1.0000%	\$51,362.71	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/17	\$31,244.08	\$20,417.74	1.0000%	\$51,660.82	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/17	\$31,391.83	\$20,568.10	1.0000%	\$51,958.93	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/18	\$31,539.58	\$20,718.46	1.0000%	\$52,257.04	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/18	\$31,687.33	\$20,868.82	1.0000%	\$52,555.15	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/19	\$31,835.08	\$21,019.18	1.0000%	\$52,853.26	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/19	\$31,982.83	\$21,169.54	1.0000%	\$53,151.37	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/20	\$32,130.58	\$21,319.90	1.0000%	\$53,449.48	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/20	\$32,278.33	\$21,470.26	1.0000%	\$53,747.59	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/21	\$32,426.08	\$21,620.62	1.0000%	\$54,045.70	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/21	\$32,573.83	\$21,771.08	1.0000%	\$54,343.81	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/22	\$32,721.58	\$21,921.44	1.0000%	\$54,641.92	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/22	\$32,869.33	\$22,071.80	1.0000%	\$54,940.03	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/23	\$33,017.08	\$22,222.16	1.0000%	\$55,238.14	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/23	\$33,164.83	\$22,372.52	1.0000%	\$55,536.25	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/24	\$33,312.58	\$22,522.88	1.0000%	\$55,834.36	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/24	\$33,460.33	\$22,673.24	1.0000%	\$56,132.47	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/25	\$33,608.08	\$22,823.60	1.0000%	\$56,430.58	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/25	\$33,755.83	\$22,973.96	1.0000%	\$56,728.69	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/26	\$33,903.58	\$23,124.32	1.0000%	\$57,026.80	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/26	\$34,051.33	\$23,274.68	1.0000%	\$57,324.91	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/27	\$34,199.08	\$23,425.04	1.0000%	\$57,623.02	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/27	\$34,346.83	\$23,575.40	1.0000%	\$57,921.13	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/28	\$34,494.58	\$23,725.76	1.0000%	\$58,219.24	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/28	\$34,642.33	\$23,876.12	1.0000%	\$58,517.35	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/29	\$34,790.08	\$24,026.48	1.0000%	\$58,815.46	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/29	\$34,937.83	\$24,176.84	1.0000%	\$59,113.57	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/30	\$35,085.58	\$24,327.20	1.0000%	\$59,411.68	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/30	\$35,233.33	\$24,477.56	1.0000%	\$59,709.79	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/31	\$35,381.08	\$24,627.92	1.0000%	\$60,007.90	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/31	\$35,528.83	\$24,778.28	1.0000%	\$60,306.01	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/32	\$35,676.58	\$24,928.64	1.0000%	\$60,604.12	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/32	\$35,824.33	\$25,079.00	1.0000%	\$60,902.23	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/33	\$35,972.08	\$25,229.36	1.0000%	\$61,200.34	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/33	\$36,119.83	\$25,379.72	1.0000%	\$61,498.45	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/34	\$36,267.58	\$25,530.08	1.0000%	\$61,796.56	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/34	\$36,415.33	\$25,680.44	1.0000%	\$62,094.67	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/35	\$36,563.08	\$25,830.80	1.0000%	\$62,392.78	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/35	\$36,710.83	\$25,981.16	1.0000%	\$62,690.89	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/36	\$36,858.58	\$26,131.52	1.0000%	\$62,989.00	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/36	\$37,006.33	\$26,281.88	1.0000%	\$63,287.11	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/37	\$37,154.08	\$26,432.24	1.0000%	\$63,585.22	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/37	\$37,301.83	\$26,582.60	1.0000%	\$63,883.33	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/38	\$37,449.58	\$26,732.96	1.0000%	\$64,181.44	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/38	\$37,597.33	\$26,883.32	1.0000%	\$64,479.55	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/39	\$37,745.08	\$27,033.68	1.0000%	\$64,777.66	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/39	\$37,892.83	\$27,184.04	1.0000%	\$65,075.77	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/40	\$38,040.58	\$27,334.40	1.0000%	\$65,373.88	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/40	\$38,188.33	\$27,484.76	1.0000%	\$65,672.09	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/41	\$38,336.08	\$27,635.12	1.0000%	\$65,970.20	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/41	\$38,483.83	\$27,785.48	1.0000%	\$66,268.31	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/42	\$38,631.58	\$27,935.84	1.0000%	\$66,566.42	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/42	\$38,779.33	\$28,086.20	1.0000%	\$66,864.53	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/43	\$38,927.08	\$28,236.56	1.0000%	\$67,162.64	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/43	\$39,074.83	\$28,386.92	1.0000%	\$67,460.75	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/44	\$39,222.58	\$28,537.28	1.0000%	\$67,758.86	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/44	\$39,370.33	\$28,687.64	1.0000%	\$68,056.97	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/45	\$39,518.08	\$28,838.00	1.0000%	\$68,355.08	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/45	\$39,665.83	\$28,988.36	1.0000%	\$68,653.19	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/46	\$39,813.58	\$29,138.72	1.0000%	\$68,951.30	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/46	\$39,961.33	\$29,289.08	1.0000%	\$69,249.41	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/47	\$40,109.08	\$29,439.44	1.0000%	\$69,547.52	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
12/01/47	\$40,256.83	\$29,589.80	1.0000%	\$69,845.63	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	\$46,898.59
06/01/48	\$40,404.58	\$29,740.16	1.0000%	\$70,143.74	\$2,583.02	03/08	\$42,898.59	\$2,583.02	\$4,000.00	

Western Fleming Water District
Debt Analysis
12/31/2012

	1980	1988	1997	2002	2004	2010KIA	TOTALS
2013	22,000	9,000	12,500	7,500	21,000	71,753	143,753
2014	23,000	10,000	13,000	7,500	21,000	72,472	146,972
2015	24,000	10,000	13,500	8,000	23,000	73,199	151,699
2016	26,000	11,000	14,500	8,500	23,000	73,932	156,932
2017	27,000	11,000	15,500	9,000	23,000	74,674	160,174
2018-2022	97,000	66,000	88,500	9,000	53,000	384,748	698,248
2023-2027		83,000	110,000	52,500		404,424	649,924
2028-2032		19,000	137,500	65,500		425,106	647,106
2033-2037			149,000	82,000		446,846	677,846
2038-2042				101,500		326,321	427,821
2043-2046				100,500			100,500
	219,000	219,000	554,000	451,500	164,000	2,353,474	3,960,974
tb	219,000	219,000	554,000	451,500	164,000	2,353,474	

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 ANNUAL STATEMENT OF LOAN ACCOUNT

D-2.1

SAVE THIS INFORMATION
 FOR INCOME TAX PURPOSES

PAGE 003
 DATE 123112

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
CASE NUMBER 20-035-*****5461	FINAL YEAR OF LOAN 2038		AMOUNT OF LOAN 675,000.00				
FUND CODE 91	LOAN NUMBER 05	DATE OF LOAN 09/10/98	INTEREST RATE 04.5000				
BEGIN LOAN BALNCE		12,665.22	566,000.00	578,665.22			010112
PAYMENT		12,735.00	12,000.00	24,735.00	R	04.5000	010112
PAYMENT		12,465.00	0.00	12,465.00	R	04.5000	070112
TOTAL LOAN PMTS		25,200.00	12,000.00	37,200.00			
LOAN ACTIVITY	0.00	25,200.00	12,000.00	37,200.00			
LOAN BALANCE	UNPD INTEREST	12,396.70	UNPD PRIN	554,000.00			
NXT AMT DUE	24,965.00	DATE DUE	010113				
PAYMENT STATUS	ON SCHEDULE	INT PAID	25,200.00				
TAXES PAID							

**These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, address, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 2012 Form 1098	<input type="checkbox"/> CORRECTED (if checked) Mortgage Interest Statement
RECIPIENT'S federal identification no. 431757115	PAYER'S social security number *****5461	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax resulted because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code WESTERN FLEMING WATER DISTRICT P O BOX 16 EWING KY 41039		2 Points paid on purchase of principal residence \$	3 Refund of overpaid interest \$	
Account number (see instructions) 20035*****546191 05		4 IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

D-2.2

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

PAGE 002
DATE 123112

CASE NUMBER 20-035-*****5461		FINAL YEAR OF LOAN 2028		AMOUNT OF LOAN 341,000.00			
FUND CODE 91		LOAN NUMBER 02		DATE OF LOAN 04/18/89			
INTEREST RATE 05.0000		AMOUNT OF LOAN 341,000.00					
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		5,727.33	228,000.00	233,727.33			010112
PAYMENT		5,700.00	9,000.00	14,700.00	R	05.0000	010112
PAYMENT		5,475.00	0.00	5,475.00	R	05.0000	070112
TOTAL LOAN PMTS		11,175.00	9,000.00	20,175.00			
LOAN ACTIVITY	0.00	11,175.00	9,000.00	20,175.00			
LOAN BALANCE	UNPD INTEREST	5,503.56	** UNPD PRIN	219,000.00	**		
NXT AMT DUE	14,475.00	DATE DUE 010113					
PAYMENT STATUS	ON SCHEDULE	INT PAID	11,175.00				
TAXES PAID							
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, address, and telephone number: USOA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703				OMB NO.1545-0901 2012 Form 1098		<input type="checkbox"/> CORRECTED If checked Mortgage Interest Statement	
RECIPIENT'S Federal identification no 431757115		PAYER'S social security number *****5461		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code WESTERN FLEMING WATER DISTRICT P O BDX 16 EWING KY 41039				2 Points paid on purchase of principal residence \$			
				3 Refund of overpaid interest \$			
				4			
Account number (see instructions) 20035*****546191 02				IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 ANNUAL STATEMENT OF LOAN ACCOUNT

D-2.7

SAVE THIS INFORMATION
 FOR INCOME TAX PURPOSES

PAGE 001
 DATE 123112

CASE NUMBER 20-035-*****5461		FINAL YEAR OF LOAN 2020	
FUND CODE 91	LOAN NUMBER 01	DATE OF LOAN 12/30/80	INTEREST RATE 05.0000
AMOUNT OF LOAN 560,000.00			
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL
BEGIN LOAN BALNCE		6,095.87	240,000.00
PAYMENT		6,000.00	21,000.00
PAYMENT		5,475.00	0.00
TOTAL LOAN PMTS		11,475.00	21,000.00
LOAN ACTIVITY	0.00	11,475.00	21,000.00
LOAN BALANCE	UNPD INTEREST	5,573.75 **	UNPD PRIN 219,000.00 **
NXT AMT DUE	27,475.00	DATE DUE	010113
PAYMENT STATUS	ON SCHEDULE	INT PAID	11,475.00
TAXES PAID			
**These unpaid balances may not reflect the total amount due to the Agency at payoff.			
RECIPIENT'S/LENDER'S name, address, and telephone number		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	
USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		OMB NO. 1545-0901	<input type="checkbox"/> CORRECTED (if checked)
RECIPIENT'S federal identification no 431757115		PAYER'S social security number *****5461	2012 Form 1098
RECIPIENT'S/BORROWER'S name, street address, city, state, and ZIP code		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	
WESTERN FLEMING WATER DISTRICT P O BOX 16 EWING KY 41039		2 Points paid on purchase of principal residence \$	
A. Print number (see instructions) 20035*****546191 01		3 Refund of overpaid interest \$	
		4	
		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.	

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

D-204

SAVE THIS INFORMATION
FOR INCOME TAX PURPOSES

PAGE 004
DATE 123112

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
CASE NUMBER 20-035-*****5461	FINAL YEAR OF LOAN 2043		AMOUNT OF LOAN 500,000.00				
FUND CODE 91	LOAN NUMBER 07	DATE OF LOAN 03/20/03	INTEREST RATE 04.5000				
BEGIN LOAN BALNCE		10,352.18	458,500.00	468,852.18			010112
PAYMENT		10,316.25	7,000.00	17,316.25	R	04.5000	010112
PAYMENT		10,158.75	0.00	10,158.75	R	04.5000	070112
TOTAL LOAN PMTS		20,475.00	7,000.00	27,475.00			
TOTAL PAID ON ALL LOANS THIS YEAR		68,325.00	49,000.00	117,325.00			
LOAN ACTIVITY	0.00	20,475.00	7,000.00	27,475.00			
LOAN BALANCE	UNPD INTEREST	10,195.54 **	UNPD PRIN	451,500.00 **			
NXT AMT DUE	17,658.75	DATE DUE	010113				
PAYMENT STATUS	ON SCHEDULE INT PAID 20,475.00						
TAXES PAID							
ALL LOAN ACTIVITY	0.00	68,325.00	49,000.00	117,325.00			
BORR BAL	UNPD INTEREST	33,669.55	UNPD PRIN	1,443,500.00			
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, address, and telephone number				OMB NO. 1545-0901		<input type="checkbox"/> CORRECTED (if checked)	
USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MD 63120-1703				2012		Mortgage Interest Statement	
				Form 1098			
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)*		\$ 0.00		COPY B FOR PAYER/BORROWER The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
431757115	*****5461	2 Points paid on purchase of principal residence		\$			
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code		3 Refund of overpaid interest		\$			
WESTERN FLEMING WATER DISTRICT P O BOX 16 EWING KY		4					
Account number (see instructions)		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.					
20035*****546191 07							

(6)

Western Fleming Water District
Fixed Assets
12/31/2012

Group #1 Water Lines

Number	Property Description	Acquired	Method	Life	Cost/Basis	Accum Deprec	Accum Deprec	Accum Deprec	Accum Deprec	Accum Deprec	Accum Deprec	Accum Deprec	Book Value		
						@ 12/31/08	@ 12/31/09	@ 12/31/10	@ 12/31/11	@ 12/31/12					
1	Transition Line	01/01/64	SL	50	350,204.55	312,265.68	7,004.09	319,269.77	7,004.09	326,273.88	7,004.09	333,277.95	7,004.09	340,282.04	9,922.51
2	Transition Line	1/1/1981	SL	50	776,875.61	428,576.59	15,537.52	444,114.11	15,537.52	459,651.63	15,537.52	475,189.14	15,537.52	490,726.66	286,149.15
3	Transition Line	1/1/1985	SL	50	15,550.00	9,331.75	388.75	9,720.50	311.00	10,031.50	311.00	10,342.50	311.00	10,653.50	4,896.50
4	Transition Line	1/1/1986	SL	50	21,650.00	12,447.25	541.25	12,988.50	433.00	13,421.50	433.00	13,854.50	433.00	14,287.50	7,382.50
5	Transition Line	1/1/1989	SL	50	557,516.55	278,758.47	13,937.91	292,696.38	11,150.33	303,846.71	11,150.33	314,997.04	11,150.33	326,147.37	231,389.18
6	Transition Line	1/1/1990	SL	50	16,015.00	7,606.46	400.38	8,006.84	320.30	8,327.14	320.30	8,647.44	320.30	8,967.74	7,047.26
7	Transition Line	1/1/1991	SL	50	20,503.00	9,226.86	512.56	9,739.44	410.06	10,149.50	410.06	10,559.56	410.06	10,969.62	9,533.38
8	Transition Line	1/1/1991	SL	50	7,317.49	2,573.33	148.35	2,719.68	146.35	2,866.03	146.35	3,012.38	146.35	3,158.73	4,156.76
9	Transition Line	1/1/1991	SL	50	114,271.95	40,185.65	2,285.44	42,471.09	2,285.44	44,756.53	2,285.44	47,041.97	2,285.44	49,327.41	64,944.54
10	93 LINE E	1/1/1993	SL	50	9,120.00	2,827.20	182.40	3,009.60	182.40	3,192.00	182.40	3,374.40	182.40	3,556.80	5,563.20
11	88 PROJECT	1/1/1993	SL	50	51,637.15	16,007.47	1,032.74	17,040.21	1,032.74	18,072.95	1,032.74	19,105.70	1,032.74	20,138.44	31,498.71
12	Transition Line	1/1/1995	SL	50	174,587.17	58,923.18	4,364.68	63,287.86	3,491.74	66,779.60	3,491.74	70,271.35	3,491.74	73,763.09	100,824.08
13	TAP ONS	1/1/1993	SL	20	6,970.00	5,401.75	348.50	5,750.25	348.50	5,098.75	348.50	6,447.25	348.50	6,795.75	174.25
14	TAP ONS	1/1/1995	SL	20	9,242.50	6,469.82	462.13	6,931.95	462.13	7,394.08	462.13	7,856.20	462.13	8,318.33	924.17
15	TAP ONS	1/1/1992	SL	20	6,150.00	5,073.75	307.50	5,381.25	307.50	5,688.75	307.50	5,996.25	307.50	6,303.75	(153.75)
16	TAP ONS	1/1/1992	SL	20	5,502.00	4,562.08	275.10	4,837.18	275.10	5,112.28	275.10	5,387.38	275.10	5,662.48	(160.48)
17	TAP ONS	1/1/1993	SL	20	6,970.00	5,430.79	348.50	5,779.29	348.50	6,127.79	348.50	6,476.29	348.50	6,824.79	145.21
18	TAP ONS	1/1/1995	SL	20	9,242.50	6,469.82	462.13	6,931.95	462.13	7,394.08	462.13	7,856.20	462.13	8,318.33	924.17
19	TAP ONS	1/1/1996	SL	20	13,831.31	8,990.41	691.57	9,681.98	691.57	10,373.55	691.57	11,065.11	691.57	11,756.68	2,074.63
20	TAP ONS	1/1/1997	SL	20	6,052.45	3,631.44	302.62	3,934.06	302.62	4,236.68	302.62	4,539.31	302.62	4,841.93	1,210.52
21	TAP ONS	1/1/1998	SL	20	9,450.33	5,197.72	472.52	5,670.24	472.52	6,142.76	472.52	6,615.27	472.52	7,087.79	2,362.54
22	TAP ONS	1/1/1999	SL	20	20,481.10	10,240.60	1,024.06	11,264.66	1,024.06	12,288.72	1,024.06	13,312.77	1,024.06	14,336.83	6,144.28
23	TAP ONS	1/1/2000	SL	20	8,832.98	3,974.85	441.65	4,416.50	441.65	4,858.15	441.65	5,299.80	441.65	5,741.45	3,091.53
24	TAP ONS	6/30/2001	SL	20	8,119.84	3,044.93	405.99	3,450.92	405.99	3,856.91	405.99	4,262.90	405.99	4,668.90	3,450.94
25	TAP ONS	6/30/2002	SL	20	5,276.65	1,714.90	263.83	1,978.73	263.83	2,242.56	263.83	2,506.40	263.83	2,770.23	2,506.42
26	MAINT ON LINES	6/30/2004	SL	50	29,873.80	6,721.61	1,493.69	8,215.30	597.48	8,612.78	597.48	9,410.25	597.48	10,007.73	19,866.07
27	TAP ONS	6/30/2004	SL	20	8,464.90	1,454.62	323.25	1,777.87	323.25	2,101.12	323.25	2,424.38	323.25	2,747.61	3,717.30
28	WATER LINES	6/30/2005	SL	50	59,781.38	4,184.70	1,195.63	5,380.33	1,195.63	6,575.96	1,195.63	7,771.58	1,195.63	8,967.21	50,814.15
29	TAP ONS	6/30/2005	SL	20	6,312.50	1,104.70	315.63	1,420.33	315.63	1,735.96	315.63	2,051.56	315.63	2,367.21	3,945.30
30	Transition Line	6/30/2005	SL	50	49,808.68	3,486.60	996.17	4,482.77	996.17	5,478.94	996.17	6,475.12	996.17	7,471.29	42,337.39
31	WATER LINE SUPPLIES	12/19/2007	SL	50	17,078.00	1,280.85	853.90	2,134.75	341.56	2,476.31	341.56	2,817.87	341.56	3,159.43	13,918.57
32	NEW WATER LINES	7/28/2008	SL	50	30,259.98	1,513.00	2,874.70	4,387.70	605.20	4,992.90	605.20	5,598.10	605.20	6,203.30	24,056.68
33	TRUE UP PYS	1/1/2008			1,003,695.35	-	-	-	-	-	-	-	-	-	1,003,695.35
34	RUARK DIGGERS	3/22/2009	SL	20	8,984.30	-	449.22	449.22	449.22	898.44	449.22	1,347.65	449.22	1,796.87	7,187.44
35	NEW WATER LINES at River	8/1/2011	SL	50	2,318,043.13	-	-	-	-	-	46,320.86	46,320.86	46,320.86	92,641.73	2,223,401.40
36	Water Tower Improvements	8/1/2011	SL	20	33,050.00	-	-	-	-	-	1,652.50	1,652.50	1,652.50	3,305.00	29,745.00
37	LAGOON	9/1/2012	SL	50	439,633.90	-	-	-	-	-	-	-	8,792.68	8,792.68	430,841.22
TOTAL					6,232,356.23	1,268,678.83	60,642.38	1,329,321.21	52,935.18	1,382,256.39	100,908.54	1,483,164.93	109,701.22	1,592,866.15	4,839,490.08

Western Fleming Water District
Fixed Assets
12/31/2012

Group #1 Water Lines

Number	Property Description	Acquired	Method	Life	Cost/Basis	Accum Deprec @ 12/31/08	2009 Deprec	Accum Deprec @ 12/31/09	2010 Deprec	Accum Deprec @ 12/31/10	2011 Deprec	Accum Deprec @ 12/31/11	2012 Deprec	Accum Deprec @ 12/31/12	Book Value
GROUP 2 METERS															
1	METERS	1/1/1972	SL	20	34,135.40	34,135.40	-	34,135.40	-	34,135.40	-	34,135.40	-	34,135.40	-
2	METERS	1/1/1981	SL	20	62,500.00	62,500.00	-	62,500.00	-	62,500.00	-	62,500.00	-	62,500.00	-
3	METERS	1/1/1982	SL	20	2,500.00	2,500.00	-	2,500.00	-	2,500.00	-	2,500.00	-	2,500.00	-
4	METERS	1/1/1983	SL	20	8,320.00	8,320.00	-	8,320.00	-	8,320.00	-	8,320.00	-	8,320.00	-
5	METERS	1/1/1984	SL	20	1,750.00	1,750.00	-	1,750.00	-	1,750.00	-	1,750.00	-	1,750.00	-
6	METERS	1/1/1985	SL	20	8,250.00	8,250.00	-	8,250.00	-	8,250.00	-	8,250.00	-	8,250.00	-
7	METERS	1/1/1986	SL	20	7,500.00	7,500.00	-	7,500.00	-	7,500.00	-	7,500.00	-	7,500.00	-
8	METERS	1/1/1987	SL	20	1,050.00	1,050.00	-	1,050.00	-	1,050.00	-	1,050.00	-	1,050.00	-
9	METERS	1/1/1988	SL	20	5,825.00	5,825.00	-	5,825.00	-	5,825.00	-	5,825.00	-	5,825.00	-
10	METERS	1/1/1989	SL	20	31,000.00	31,000.00	-	31,000.00	-	31,000.00	-	31,000.00	-	31,000.00	-
11	METERS	1/1/1990	SL	20	5,830.00	5,539.50	290.50	5,830.00	-	5,830.00	-	5,830.00	-	5,830.00	-
12	METERS	1/1/1991	SL	20	5,400.00	4,747.50	270.00	5,017.50	270.00	5,287.50	270.00	5,557.50	-	5,557.50	(157.50)
13	TAP ONS	1/1/1998	SL	20	13,831.31	8,990.41	691.57	9,681.98	691.57	10,373.55	691.57	11,065.11	691.57	11,756.68	2,074.83
14	METERS	1/1/1997	SL	20	6,052.45	3,631.44	302.62	3,934.06	302.62	4,236.68	302.62	4,539.31	302.62	4,841.93	1,210.52
15	METERS	1/1/1998	SL	20	9,450.32	5,197.72	472.52	5,670.24	472.52	6,142.76	472.52	6,615.27	472.52	7,087.79	2,362.53
16	METERS	1/1/1999	SL	20	20,481.10	10,240.60	1,024.06	11,264.66	1,024.06	12,288.72	1,024.06	13,312.77	1,024.06	14,336.83	6,144.26
17	METERS	1/1/2000	SL	20	8,832.99	3,974.85	441.65	4,416.50	441.65	4,858.15	441.65	5,299.80	441.65	5,741.45	3,091.54
18	METERS	6/30/2001	SL	20	15,013.90	5,630.25	750.70	6,380.95	750.70	7,131.65	750.70	7,882.34	750.70	8,633.04	6,380.87
19	METERS	6/30/2001	SL	20	8,119.84	3,044.93	405.99	3,450.92	405.99	3,856.91	405.99	4,262.90	405.99	4,668.90	3,450.94
20	METERS	6/30/2002	SL	20	18,046.15	5,865.01	902.31	6,767.32	902.31	7,669.63	902.31	8,571.94	902.31	9,474.24	8,571.91
21	METERS	6/30/2002	SL	20	5,276.65	1,714.90	263.83	1,978.73	263.83	2,242.56	263.83	2,506.40	263.83	2,770.23	2,506.42
22	METERS	6/30/2004	SL	20	6,464.90	1,454.62	323.25	1,777.87	323.25	2,101.12	323.25	2,424.36	323.25	2,747.61	3,171.30
23	METERS	6/30/2005	SL	20	8,312.50	1,104.70	315.63	1,420.33	315.63	1,735.96	315.63	2,051.58	315.63	2,367.21	3,945.30
24	SETTING NEW METERS	6/26/2006	SL	20	2,700.00	337.50	135.00	472.50	135.00	607.50	135.00	742.50	135.00	877.50	1,822.50
25	METERS	11/17/2006	SL	20	10,483.00	7,463.90	1,207.64	8,671.54	524.15	9,195.69	524.15	9,719.84	524.15	10,243.99	239.01
26	METERS	12/1/2006	SL	20	18,781.00	11,948.07	1,933.17	13,881.24	839.05	14,720.29	839.05	15,559.34	839.05	16,398.39	382.61
27	METERS	6/1/2006	SL	20	37,692.30	26,836.92	4,342.15	31,179.07	1,884.62	33,063.69	1,884.62	34,948.30	1,884.62	36,832.92	859.39
28	METERS	5/17/2007	SL	20	5,376.00	628.20	418.80	1,047.00	418.80	1,465.80	418.80	1,884.60	418.80	2,303.40	6,072.60
29	METERS	12/31/2008	SL	20	5,912.92	295.65	561.73	857.38	295.65	1,153.03	295.65	1,448.67	295.65	1,744.32	4,168.60
30	METERS	2/26/2009	SL	20	3,400.00	-	170.00	170.00	170.00	340.00	170.00	510.00	170.00	680.00	2,720.00
31	METERS	12/14/2010	SL	20	4,206.34	-	-	-	210.32	210.32	210.32	420.63	210.32	630.95	3,575.39
32	METERS	12/14/2012	SL	20	42,864.74	-	-	-	-	-	-	-	2,143.24	2,143.24	40,721.50
TOTALS					422,358.81	269,477.07	15,223.12	284,700.19	10,641.68	295,341.87	10,641.68	305,983.56	12,514.92	318,498.48	103,660.33

Western Fleming Water District
 Fixed Assets
 12/31/2012

Group #1 Water Lines

Number	Property Description	Acquired	Method	Life	Cost/Basis	Accum Deprec @ 12/31/08	2009 Deprec	Accum Deprec @ 12/31/09	2010 Deprec	Accum Deprec @ 12/31/10	2011 Deprec	Accum Deprec @ 12/31/11	2012 Deprec	Accum Deprec @ 12/31/12	Book Value
GROUP #8 OFFICE															
1	COIN MACHINE	1/1/1994	SL	7	785.00	784.98	-	784.98	0.02	785.00	-	785.00	-	785.00	-
2	OFFICE	1/1/1990	SL	33	43,407.86	25,251.83	1,315.39	26,567.02	1,315.39	27,882.41	1,315.39	29,197.80	1,315.39	30,513.19	12,894.67
3	STRUCTURE	1/1/1992	SL	20	1,732.00	1,414.47	86.60	1,501.07	86.60	1,587.67	86.60	1,674.27	57.73	1,732.00	-
4	COPIER	10/7/1999	SL	5	500.00	500.00	-	500.00	-	500.00	-	500.00	-	500.00	-
5	REPAIR PLUMBING	4/20/2000	SL	33	617.00	182.06	18.70	180.76	18.70	199.46	18.70	218.15	18.70	236.85	380.15
6	REFRIGERATOR	8/28/2000	SL	7	245.73	245.73	-	245.73	-	245.73	-	245.73	-	245.73	-
7	SOFTWARE & CONVE	10/11/2000	SL	5	12,800.00	12,800.00	-	12,800.00	-	12,800.00	-	12,800.00	-	12,800.00	-
8	COMPUTER	10/11/2000	SL	5	2,114.27	2,114.27	-	2,114.27	-	2,114.27	-	2,114.27	-	2,114.27	-
9	LEXMARK PRINTER	10/11/2000	SL	5	1,099.00	1,099.00	-	1,099.00	-	1,099.00	-	1,099.00	-	1,099.00	-
10	COMPUTER REPAIR	10/15/2004	SL	5	2,753.75	2,340.69	413.06	2,753.75	-	2,753.75	-	2,753.75	-	2,753.75	-
11	COMPUTER	6/10/2004	SL	5	1,545.00	1,416.25	128.75	1,545.00	-	1,545.00	-	1,545.00	-	1,545.00	-
12	COPIER	8/26/2004	SL	5	1,300.00	1,126.67	173.33	1,300.00	-	1,300.00	-	1,300.00	-	1,300.00	-
13	PHONE SUPPORT	10/1/2004	SL	5	1,600.00	1,360.00	240.00	1,600.00	-	1,600.00	-	1,600.00	-	1,600.00	-
14	CONCRETE SLAB	8/24/2005	SL	15	1,786.78	397.07	119.12	516.19	119.12	635.31	119.12	754.43	119.12	873.55	913.23
15	BUILDING IMPROVEMENT	11/9/2005	SL	33	4,423.41	424.46	134.04	558.50	134.04	692.54	134.04	826.59	134.04	960.63	3,462.78
16	BUILDING IMPROVEMENT	11/30/2006	SL	5	1,324.00	942.69	162.52	1,095.21	228.79	1,324.00	-	1,324.00	-	1,324.00	-
17	OFFICE TARE DOWN	1/1/2008	SL	20	4,706.57	235.33	447.12	682.45	235.33	917.78	235.33	1,153.11	235.33	1,388.44	3,318.13
18	OFFICE IMPROVEMENT	9/10/2008	SL	20	781.92	39.10	74.28	113.38	39.10	152.48	39.10	191.57	39.10	230.67	551.25
19	PRINTER	10/29/2008	SL	5	595.00	119.00	190.40	309.40	119.00	428.40	119.00	547.40	47.60	595.00	-
20	PY TRUE UPS	1/1/2008	SL		2,058.43	-	-	-	-	-	-	-	-	-	2,058.43
21	B&J CONSTRUCTION	1/1/2010	SL	7	533.15	-	-	-	76.16	76.16	76.16	152.33	76.16	228.49	304.66
TOTAL					86,708.87	52,773.40	3,493.31	56,266.71	2,372.25	58,638.96	2,143.44	60,782.39	2,043.17	62,825.56	23,883.31
GRAND TOTALS					10,867,875.38	3,035,716.03	207,189.36	3,214,029.76	191,695.98	3,405,725.74	239,743.24	3,645,468.98	252,037.16	3,897,506.14	6,804,659.74

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Phone (606) 849-2338
Fax (606) 845-8701

March 19, 2014

Nicholas County Water District
1639 Old Paris Road
Carlisle, KY 40311

RE: WATER RATE INCREASE

Dear Sir or Madam:

Western Fleming County Water District has filed an application with the Public Service Commission seeking approval of a 91.8% increase to its water rates to be effective for water service on and after March 19, 2014. If the PSC approves the proposed increase, the Western Fleming County Water District, Inc.'s rates would be as follows:

<u>Western Fleming County Water District, Inc.</u>	<u>Existing</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
First 1,000 gallons (Minimum Bill)	\$1.43	\$2.743	\$1.313	91.8%

The listed rates are the rates proposed by Western Fleming County Water District in its application, but the Public Service Commission may order rates that differ from these proposed rates.

The application may be examined at the offices of Western Fleming County Water District located at 1500 Ewing Road, P.O. Box 16, Ewing, KY 41039.

The application may be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 a.m. – 4:30 p.m. or on the PSC website at <http://psc.ky.gov>. The application has been assigned PSC Case No. 2014-00048.

Comments regarding this application may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602; or through its website at <http://psc.ky.gov>.

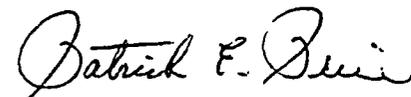
Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for

intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the mailing of this notice, the Public Service Commission may take final action on the filed application.

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

Sincerely,

A handwritten signature in cursive script that reads "Patrick E. Price".

Patrick E. Price

PEP:tlr

<Tr/Letter/Nicholas Co. Water District
(Western Fleming County Water District, Inc) (3-19-14)>

SUIT, PRICE, PRICE & RUARK, PLLC
Attorneys at Law

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Patrick E. Price

John C. Price

Darrell K. Ruark

207 Court Square
Flemingsburg, KY 41041

Phone (606) 849-2338
Fax (606) 845-8701

March 19, 2014

Buffalo Trail Water Association, Inc.
41135 US 62
P.O. Box 6026
Maysville, KY 41056

RE: WATER RATE INCREASE

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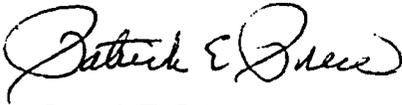
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Sincerely,

A handwritten signature in black ink, appearing to read "Patrick E. Price". The signature is written in a cursive style with a large initial "P".

Patrick E. Price

PEP:tlr

NOTICE OF PROPOSED WATER RATE INCREASE

**TO: Larry Foxworthy, County Judge Executive
Fleming County, Kentucky
Fleming County Fiscal Court**

Pursuant to 807 KAR 5:076 Section 4(i), the Western Fleming County Water District gives notice to Fleming County Fiscal Court that they have filed an Application for Rate Adjustment before the Public Service Commission (Case No. 2014-00048) to raise wholesale rates on water sold to its wholesale customers to \$2.743/1000 gallons. A copy of the application is attached.

Dated 11 March 2014.

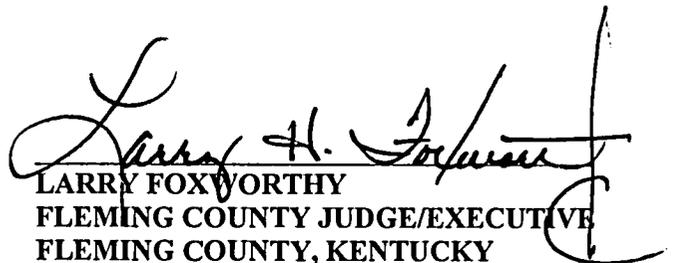


**PATRICK E. PRICE
SUIT, PRICE, PRICE & RUARK, PLLC
207 COURT SQUARE
FLEMINGSBURG, KY 41041
(606) 849-2338
ATTORNEY FOR WESTERN FLEMING COUNTY
WATER DISTRICT**

STATEMENT

I, Larry Foxworthy, Fleming County Judge Executive, hereby state that I am in receipt of a notice of Western Fleming County Water District filing an Application for Rate Adjustment before the Public Service Commission to increase wholesale water rates. I have received a copy of the application.

Dated 11th March 2014.



**LARRY FOXWORTHY
FLEMING COUNTY JUDGE/EXECUTIVE
FLEMING COUNTY, KENTUCKY**