



STOLL
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P L L C

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RECEIVED

MAY 29 2014

PUBLIC SERVICE
COMMISSION

MARK S. FRANKLIN
DIRECT DIAL: (502) 568-5460
DIRECT FAX: (502) 562-0960
mark.franklin@skofirm.com

May 29, 2014

HAND DELIVERED

Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Application for Edmonson County Water District

Dear Sir or Madam:

Enclosed is the Application of the Edmonson County Water District to receive a Certificate of Public Convenience and Necessity pursuant to KRS 278.023 and 807 KAR 5:069. Please note we have satisfied the certification requirements of Section 2(6) of 807 KAR 5:069 by having the Chairman of the District certify as to the content of the entire application rather than provide a separate certification addressing only the items in Section 2(6).

If you have any questions or would like to discuss any portion of the Application or its attachments, please contact me at the above address or phone number. In the alternative, my partner Scott Brinkman can also be reached at (502) 560-4244 or scott.brinkman@skofirm.com.

Thank you.

Sincerely,

Mark S. Franklin

Enclosures

cc: Scott W. Brinkman (via electronic mail)

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RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

MAY 29 2014

In the Matter of

PUBLIC SERVICE
COMMISSION

THE APPLICATION OF EDMONSON COUNTY WATER)
DISTRICT, EDMONSON, WARREN, GRAYSON AND)
HART COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE)
AUTHORIZING CONSTRUCTION OF MAJOR ADDITIONS) NO.)
AND IMPROVEMENTS TO ITS WATER SYSTEM AND (2)) _____)
SEEKING APPROVAL OF THE ISSUANCE OF)
CERTAIN SECURITIES.)

The Applicant, Edmonson County Water District, Edmonson, Warren, Grayson and Hart Counties, Kentucky (the “District”), acting by and through its Commission, respectfully tenders this Application and requests that the Public Service Commission of Kentucky enter its Order pursuant to KRS 278.023 and 807 KAR 5:069 issuing a Certificate of Public Convenience and Necessity authorizing the District to construct major additions and improvements to its water system (the “System”) for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural and commercial use in the District and approving the issuance of certain securities by the District. In support of this Application and in conformity with the rules of the Public Service Commission, the District states as follows:

1. The District was created by an Order entered by the County Court of Edmonson County, Kentucky, on March 20, 1967, as a consolidation and merger of the North Edmonson County Water District and South Edmonson County Water District. In addition to the District’s service area in Edmonson County, areas of Hart, Warren and Grayson Counties have been annexed to the District. The District is now, and has been since its creation, regulated by the Public Service Commission of Kentucky, and all records and proceedings of the Public Service Commission with reference to the District are incorporated in this Application by reference.

2. The governing body of the District is its Commission, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070. In conformity with KRS 74.020(1)(a), the County Judge/Executive of Edmonson County, Kentucky, with the approval of the Fiscal Court, has entered appropriate orders from time to time appointing and reappointing Commissioners who were and are residents of the District. The present District Commissioners and officers are Jimmy Mills, Chairman, Barry Rich, Secretary/Treasurer and Roy McDougal. The mailing address of the District is 1128 Highway 259 North, P. O. Box 208, Brownsville, Kentucky 42210, Attention: Tony Sanders, General Manager. The District's email address is mail@ecwdwater.com.

3. In order to finance water service facilities and improvements, the District has previously issued, and there are presently outstanding, the following revenue bonds and obligations payable from the revenues of the System:

- (a) Water System Revenue Bonds, 2001 Series A and B;
- (b) Water System Revenue Bonds, Series 2003;
- (c) Assistance Agreement with the Kentucky Rural Water Finance Corporation dated March 24, 2004, as amended and supplemented by a First Amendment and Supplement to Assistance Agreement dated as of February 27, 2013
- (d) Assistance Agreement with the Kentucky Rural Water Finance Corporation dated May 29, 2008;
- (e) Water System Revenue Bonds, Series 2007A and 2007B;
- (f) Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer);
- (g) Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer);
- (h) Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer); and

- (i) Assistance Agreement with the Kentucky Rural Water Finance Corporation dated May 30, 2012.

There are also outstanding certain subordinate obligations of the District (Kentucky Infrastructure Authority loans) which are payable from and secured by a pledge of the revenues of the System subject to the priorities of the bonds described above.

4. The District's consulting engineers, GRW Engineers, Inc., Nashville, Tennessee (the "Engineers"), have prepared a Preliminary Engineering Report and a Final Engineering Report as well as detailed plans and specifications for the construction and installation of proposed major additional water facilities and improvements (the "Project") to serve the District. The Preliminary Engineering Report dated November 2012, and the Final Engineering Report dated April 2014, are attached hereto as Exhibit A and Exhibit B, respectively. These Exhibits contain, among other things, descriptions of the Project, cost figures and other pertinent data.

It is the opinion of the Commissioners of the District that the public health, safety and general welfare of the citizens and inhabitants of the District will be promoted and served by the construction of the Project and the financing thereof as herein described.

5. The District has caused public advertising to be made according to law soliciting competitive bids for the construction and installation of the Project; has received, opened and considered the construction bids; and has filed with the United States Department of Agriculture, Rural Development ("USDA"), the data prepared by the Engineers showing the bids received and the recommendations of the Engineers with respect thereto. A tabulation of the bids received is attached as Exhibit C. USDA has approved the District's proposed award of the best bids as evidenced by the USDA letter of concurrence in the bid awards also attached hereto as Exhibit D.

The District hereby states, through its undersigned Chairman, that the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4), Section 5(1), Sections 6 and 7, Section 8(1) through (3), Section 9(1) and Section 10; that all other state approvals or permits for the Project have been obtained; that the proposed water rates of the District described in paragraph 6 below will produce total revenue requirements as set out in Exhibit A; and that construction of the Project is expected to begin on or about July 2014, and to end on or about December 2014.

6. The proposed adjusted water and sewer rates and charges of the District are set out in a Notice of Adjustment of Water and Sewer Rates, which is attached hereto as Exhibit E. The Notice (a) was published in the legal newspapers in Edmonson, Warren, Grayson and Hart Counties (a newspaper clipping evidencing publication of the Notice in each such newspaper is also attached hereto as a part of Exhibit E); (b) was mailed to each of the District's sewer customers on May 15, 2014; (c) was posted at the District's place of business on or before the date of this Application; and (d) will be posted to the District's website (www.ecwdwater.com), along with a hyperlink to the location on the Commission's website where the case documents are available, within five (5) business days of the date this Application is submitted to the Commission. The Notice conforms with the requirements of Section 3 of 807 KAR 5:069. The proposed water and sewer rates and charges have been approved by USDA, as shown in Exhibit G hereinafter described.

7. The proposed rate adjustment has not been reported to nor will any officer of the District present testimony on the proposed rate adjustment to the Fiscal Court of Edmonson

County, Kentucky, the governing body of the county in which the largest number of the District's customers reside.

8. The estimated costs of and sources of funds for the Project are set out in Exhibit B and in Exhibit G identified below.

9. As shown in Exhibit B and in Exhibit G identified below, the District proposes to finance, in part, the construction and installation of the Project by the issuance of its bonds, to be styled "Water System Revenue Bonds, Series 2013A" in the total principal amount of \$504,000 (the "Series 2013A Bonds") and "Water System Revenue Bonds, Series 2013B" in the total principal amount of \$160,000 (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Series 2013 Bonds"). The Series 2013 Bonds will be issued on a parity with the outstanding water system revenue bonds described in Section 3 of this Application. A recent draft of the proposed Bond-authorizing Resolution of the District is attached hereto as Exhibit F.

The District has entered into a loan agreement with USDA pursuant to which USDA will make two loans to the District in the amounts of \$504,000 and \$160,000 to be represented by the Series 2013A Bonds and the Series 2013B Bonds, respectively. The Series 2013A Bonds, in the principal amount of \$504,000, are expected to bear interest at the single rate of 2.125% per annum. The Series 2013B Bonds, in the principal amount of \$160,000, are expected to bear interest at the single rate of 3.25% per annum. Attached hereto as Exhibit G are copies of letters from USDA to the District setting forth terms, conditions and understandings relating to the loan, together with related USDA correspondence regarding the principal maturities of and interest rates on the respective series of Series 2013 Bonds.

With reference to the proposed issuance of the Series 2013 Bonds to USDA, the proceedings relating thereto will provide for the public advertisement of competitive bids for the

Series 2013 Bonds according to Kentucky law; and in the event a bid or bids are received for the Series 2013 Bonds at an interest cost basis to the District more advantageous to the District than the loan commitment of USDA, the Series 2013 Bonds will be sold to such other bidder; however, it is not expected any more favorable bids will be received in view of the interest rate to be stipulated by USDA. The Series 2013 Bonds will not be delivered to USDA until such time as approximately 80% of the amount of the Series 2013 Bonds has been spent on the Project. This procedure is in accord with USDA rules requiring interim financing of USDA projects to the amount of the USDA loan. Accordingly, construction of the Project will be instituted and funded initially from the proceeds of an interim financing loan to be obtained from the Kentucky Rural Water Finance Corporation (“KRWFC”) at a rate not expected to exceed 5.00% per annum. The interim loan will be secured by (i) the undisbursed proceeds of the interim financing loan and (ii) the proceeds of the Series 2013 Bonds when delivered to USDA according to USDA practices and procedures. The term of the interim loan will not exceed two years.

Interim financing is also available to the District from USDA in the event other interim financing sources are not available or are unreasonable.

10. The Commission of the District respectfully represents to the Public Service Commission that there is a genuine need and demand for the Project and that the Commission should enter herein its Order, in compliance with KRS 278.023 and KAR 5:069, (a) issuing its Certificate of Public Convenience and Necessity pursuant to KRS 278.020 authorizing construction and installation of the Project and (b) authorizing pursuant to KRS 278.300 the issuance of \$504,000 principal amount of Water System Revenue Bonds, Series 2013A and

\$160,000 principal amount of Water System Revenue Bonds, Series 2013B, by the District as described herein.

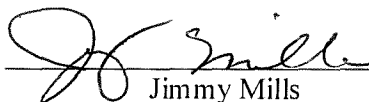
(Signature page to follow)

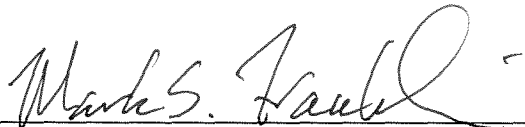
[SIGNATURE PAGE TO PSC APPLICATION]

WHEREFORE, the Applicant, Edmonson County Water District, respectfully requests that such Order be issued.

Respectfully submitted,

EDMONSON COUNTY WATER
DISTRICT

By: 
Jimmy Mills
Chairman of the Commission

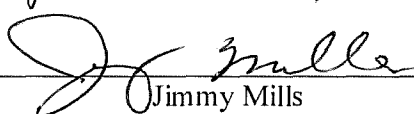

Mark S. Franklin, Counsel
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Email: mark.franklin@skofirm.com

[SIGNATURE PAGE TO PSC APPLICATION]

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF EDMONSON)

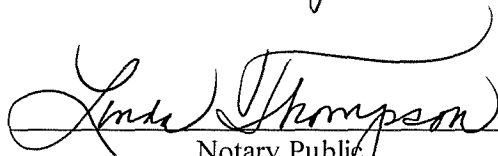
I, Jimmy Mills, being first duly sworn according to law, state that I am Chairman of the Commission of Edmonson County Water District, Edmonson County, Kentucky, that I have read the foregoing Application, and that the statements of fact set forth therein are true and accurate to the best of my knowledge and belief.

WITNESS my signature this 27 day of May, 2014.



Jimmy Mills

Subscribed and sworn to before me this 27 day of May, 2014. My
commission expires 12-7-2014.



Notary Public
Commonwealth of Kentucky

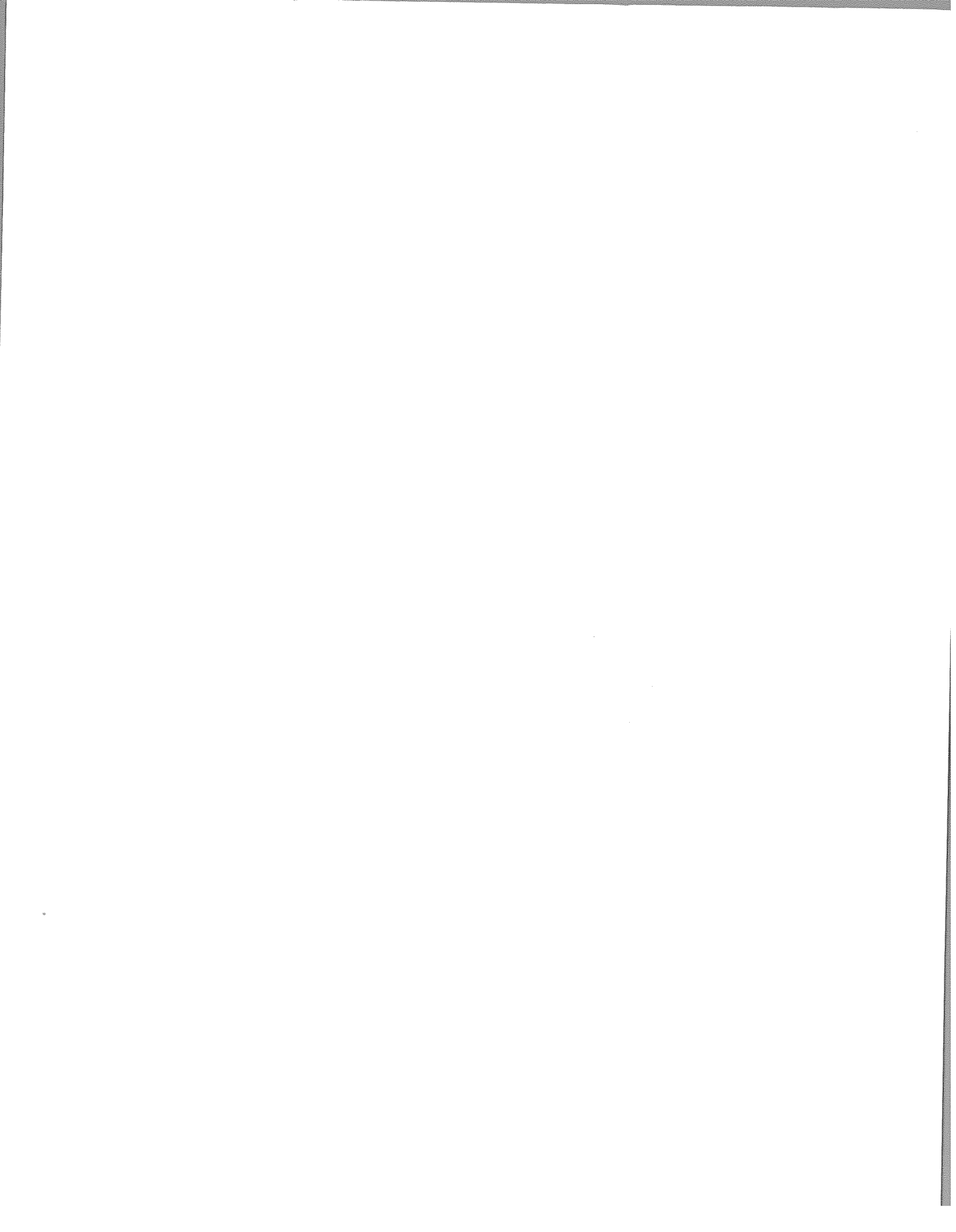


EXHIBIT A

Preliminary Engineering Report

(See attachment)

PRELIMINARY ENGINEERING REPORT

FOR

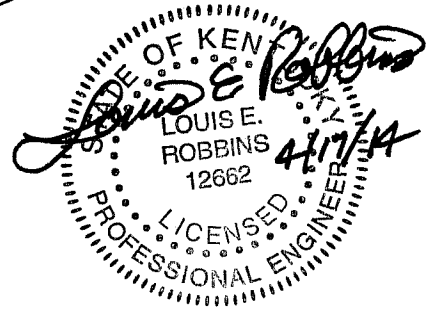
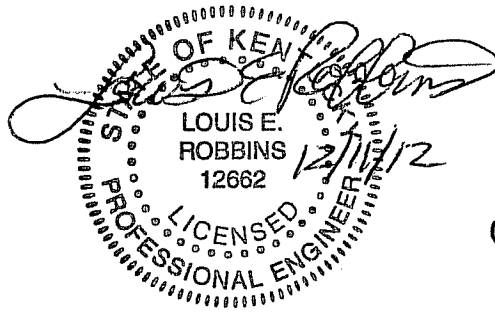
EDMONSON COUNTY WATER DISTRICT

EDMONSON COUNTY, KENTUCKY

2012 EMERGENCY NEEDS PROJECT

PROJECT NO. 3621-05

NOVEMBER 2012



GRW ENGINEERS, INC.
404 BNA DRIVE, SUITE 201
NASHVILLE, TN 37217
(615) 366-1600
FAX (615) 366-0406

OFFICIALS

FOR THE

EDMONSON COUNTY WATER DISTRICT

COMMISSIONERS

Jimmy Mills, Chairman

Barry Rich, Secretary/Treasurer

Roy McDougal

MANAGER

Nelson Sanders

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I. INTRODUCTION

A. Purpose

The purpose of this Preliminary Engineering Report is to investigate and present the necessity and feasibility of certain improvements to the Edmonson County Water District and to evaluate the ability of the existing facilities to continue meeting the needs of the system's customers. Since its formation in 1966, the District has experienced steady growth and has seen increased requests for water service extensions from area residents due to the unreliable and often contaminated private well systems required without a public water system. The flood in the Nolin Lake area in 2011 and the drought conditions experienced in 2012 have accentuated the need for certain improvements to the Edmonson County Water District facilities.

B. Project Area

The Edmonson County Water District was formed to serve all areas in Edmonson County, except areas inside the Mammoth Cave National Park, and also to serve parts of Warren, Grayson and Hart Counties.

The attached map shows the locations of the proposed water line extensions and improvements in Edmonson County as follows:

1. Raw water intake screening improvements at the Wax WTP;
2. Replace the Cub Run BPS to provide more capacity;
3. Extend water line on Raider Hollow Road (Hwy 1140) to connect two pressure zones and allow for an alternate source for some of the customers;
4. Extend water line on Rocky Hill Estates Road (Hwy 889) to connect customers to a higher pressure zone;
5. Replace Sleepy Hollow BPS to provide more capacity;
6. Install automatic control valve in the Bee Springs BPS;
7. Install an inline check valve on Anneta Road (Hwy 259 or Newton Loop) to isolate service area and move portion of customers to another zone;
8. Replace existing Cub Run PRV with larger capacity PRV;
9. Extend water lines on Lester Gardner and Willie Rhea Roads to serve additional customers needing a safe and reliable water supply.

The need for a safe and reliable water supply is commonly recognized as being highly desirable in any populated area. Maintaining and upgrading the existing system is essential to providing potable water service on a continuous basis and the extension of water lines into unserved areas is recommended as being beneficial for the residents by removing a potential health hazard which is either known to exist or can become a problem at any time.

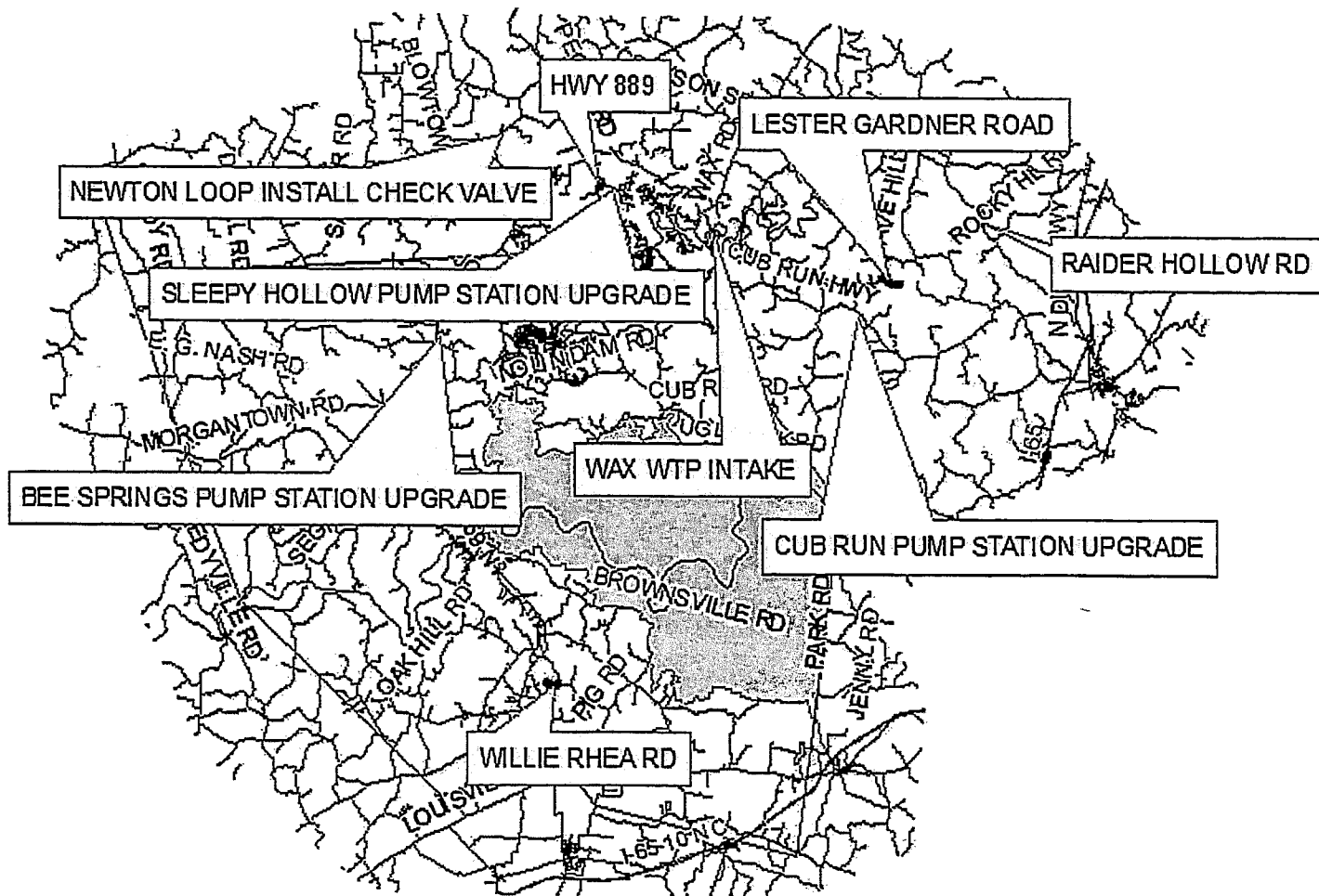


EXHIBIT 1: LOCATION OF PROPOSED IMPROVEMENTS
EDMONSON CO. WATER DISTRICT

II. EXISTING FACILITIES

A. General

The Edmonson County Water District began operation of its initial facilities in 1970 and has been constantly expanding since that time. Most of the existing facilities are in relatively good condition and are suitable for continued use. The District has seen constant growth of its customer base and has been managed in a well organized and financially sound manner. Because of this continued growth, some of the existing facilities require upgrading to provide more capacity while other components should be monitored to determine the need for upgrading, increased capacity and improvements in operational efficiency.

B. Water Supply and Treatment

The Edmonson County Water District has two separate water treatment facilities. The Brownsville Water Treatment Plant (WTP) was constructed as a 0.5 MGD conventional treatment facility and placed into operation in 1970. This plant was expanded to approximately 1.3 MGD in 1980 and expanded to 2.92 MGD in 2002. The water supply is from the Green River which is adequate for the existing and projected demand.

The Wax WTP was constructed and placed into operation in 1990 as a 0.5 MGD facility. The plant was originally sized and designed as a 1 MGD facility, but was downsized due to budget limitations; the Wax plant was expanded to 1.0 MGD in 1994/1995. As peak summer demands continue to increase in this service area, the capacity of the Wax WTP is becoming marginal. The flexibility of the system operations to allow supplementing of the water supply to the Wax area from the Brownsville facility has prevented this from becoming an immediate problem but expansion of this facility may be required in the next few years if demands continue to increase.

The source of supply for the Wax facility is Nolin Lake which at winter pool El.490 has 63,840 acre-feet of storage and at summer pool El.515 has 170,160 acre-feet of storage. The sustained low flow (7Q10) is 40 cfs (or 26 MGD). According to U.S. Corps of Engineers personnel, the withdrawal for this water supply is negligible in comparison to the total available storage. However, siltation in the area of the existing intake structure has resulted in needed improvements at the lowest screening level during winter pool conditions.

C. Distribution System

The existing distribution system consists of approximately 627 miles of water main ranging in size from 3" to 16". Table 1 shows the approximate mileage of pipe according to size. The system has been placed into operation beginning in 1970 and consists entirely of A.C. and P.V.C. pipe materials. According to system personnel, the original A.C. pipe installed in 1970 appears to be in good condition.

TABLE 1
DISTRIBUTION SYSTEM

<u>Pipe Size</u>	<u>Installed Quantity</u>
16"	2.3 miles
12"	8.3 miles
10"	1.4 miles
8"	30 miles
6"	181 miles
4"	338 miles
3"and smaller	66 miles

D. Storage Facilities

Existing water storage facilities consist of nineteen storage tanks with a total capacity of approximately 4,020,000 gallons. Although total storage volume would appear to be adequate at this time, the distribution of the storage is limited in some areas. The District will need to continue monitoring tank volume especially as relates to the most efficient operation of existing treatment and pumping facilities and for demands in specific localized areas. Water quality issues will also require monitoring and possible modification of system operating parameters associated with water tanks.

E. Customers

Edmonson County Water District began operation in 1970 with an initial customer base of approximately 450. Since that time, the District has experienced rapid growth with a customer base of approximately 10,000 in 2012. The City of Brownsville is the only wholesale purchaser of water and accounts for about 8% of the total water sold by the District.

A breakdown of user categories, annual operating costs and income, and rate schedule is included in Appendix A – RD Summary Addendum.

III. PROPOSED FACILITIES

A. General

Increasing demand within the existing service area and a constant demand for extension of water lines into areas previously unserved requires constant monitoring of the adequacy and reliability of the existing facilities. The flood of 2011 and the drought of 2012 have accentuated the need for improvements to some of the ECWD facilities. Because of excessive siltation in Nolin Lake which appears to have increased rapidly during extreme high water conditions, intake screen modifications at the Wax WTP are needed to allow for continued withdrawal of raw water during winter pool (low lake level) conditions. The drought conditions during the summer of 2012 resulted in increased peak customer demands which magnified the need for improvements to parts of the distribution system in order to meet these demands. The need for a reliable potable water supply also became more apparent to residents currently depending on private wells who are now requesting that water lines be extended to their residences.

B. Water Supply and Treatment

The overall water supply and treatment capabilities of the existing facilities are adequate at this time but should be closely monitored for the ability to continue meeting the demands within specific areas of the system. As previously discussed improvements are needed at the Wax WTP raw water intake low level screen. Because of excessive siltation in this area of Nolin Lake, the low level intake screen (used during winter pool conditions) has been covered over with silt. ECWD has utilized diver services to clean out around and uncover the screen temporarily, but recent observations indicate the area is quickly filling back in and that a more permanent solution is needed. These observations of bottom levels in the area around and downstream of the current intake were conducted with the assistance of the Corps of Engineers (COE) using their depth sounding/recording equipment (GIS based) as well as independently by ECWD personnel using depth sounding equipment.

Results of this investigative work indicated that the combination of deeper water (lower bottom levels) and sufficiently wide channel widths (to allow for boat navigation) are not reasonably accessible in the general vicinity of the existing Wax WTP to allow for construction/installation of a floating type intake structure which had been estimated to cost in the range of \$1,000,000 to \$1,500,000 if a location in the general area could have been found. Construction of a fixed, concrete intake structure will require finding a location further downstream than was observed at this time with estimated costs in the \$3,000,000 to \$5,000,000 range plus the costs of a raw water line from that location to the WTP site.

The COE has indicated that, beginning in the fall/winter of 2013/2014, Nolin

reservoir will be operated at a lower level than it has in recent years with the intent that the lower level will result in higher velocities and with “hopes” that the siltation which has occurred might be reduced or, at least, will be prevented from increasing beyond what has already accumulated.

The recommendation to ECWD is to install equipment approximately 4 feet underneath the existing screen which will scour the area (approximately 10 feet X 10 feet) and prevent buildup of sediment over and around the existing screen. The mixing/agitation will be created by forcing air or water through a “grid” of distribution piping with nozzles to direct the air/water flow. This equipment can be operated as needed to maintain an open area under and around the screen.

C. Distribution System

The Edmonson County Water District proposes to extend approximately 2.3 miles of water lines to reinforce and allow for operational flexibility in the system; approximately 1.5 miles of the line will be to serve approximately 9 new customers. The line locations are shown in Figure 1 and the individual lengths of lines and road names are indicated in the cost estimate later in this report.

The replacement of the Cub Run and Sleepy Hollow booster pumping stations will allow for increased capacity to meet peak demands in the customer usage. An automatic control valve is proposed at the Bee Springs BPS to allow bypassing of the BPS when some areas are isolated from the Peonia Tank service area in order to reduce demand from that service area. A check valve is proposed to be installed on Annetta Road to facilitate this operational option.

The breakdown of construction and project costs are presented later in this report.

D. Storage Facilities

No additional storage is proposed as part of this project.

IV. CONSTRUCTION AND PROJECT COSTS

Itemized estimates of construction and project costs are presented in Table 2 as follows:

TABLE 2 – PROJECT COSTS ESTIMATE
2012 EMERGENCY NEEDS PROJECT
EDMONSON COUNTY WATER DISTRICT
October 2012

ITEM NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL PRICE
1	Improvements to raw water intake screening installation at Wax WTP and appurtenances	LS	1	\$260,000.00	\$260,000.00
2	Replace Cub Run Booster Pump Station	LS	1	\$75,000.00	\$75,000.00
3	2,800 L.F. 4" water line on Raider Hollow Road (including creek crossing and all appurtenances)	LF	2800	\$23.00	\$64,400.00
4	1,350 L.F. 3" water line on Rocky Hill Estates Road (including road bore, service reconnects, and all appurtenances)	LF	1350	\$25.00	\$33,750.00
5	Replace Sleepy Hollow booster pumping station	LS	1	\$70,000.00	\$70,000.00
6	Install automatic control valve in Bee Springs BPS	LS	1	\$20,000.00	\$20,000.00
7	Install check valve on Anneta Road (HWY 259)	LS	1	\$20,000.00	\$20,000.00
8	Replace Cub Run PRV with larger capacity PRV	LS	1	\$7,500.00	\$7,500.00
9	8,050 L.F. 3" water line on Lester Gardner and Willie Rhea Roads (including all appurtenances)	LF	8050	\$17.00	\$136,850.00
TOTAL CONSTRUCTION					\$687,500.00
	Land & Rights:				\$2,500.00
	Environmental Studies				\$7,500.00
	Legal & Administrative:				\$15,500.00
	Advertising, etc.: \$1,500				
	Bond Counsel: \$9,500				
	Local Counsel: \$4,500				
	Engineering:				\$129,900.00
	Preliminary Engineering: \$5,000				
	Easement/Property Owners Identification: \$2,500				
	PSC Related: \$4,000				
	Hydraulic Analysis Update: \$4,000				
	Design: \$65,100				
	Inspection: \$49,300				
	Interest During Construction:				\$7,000.00
	Contingencies:				\$45,100.00
TOTAL PROJECT COSTS					\$895,000.00

V. FINANCING

Edmonson County Water District will file application with Rural Development (RD) for financing assistance. Requests are already in place for any available KIA grant funding. The total funding required is \$895,000. Requested funding is for \$216,000 RD grant, \$504,000 RD loan, and \$175,000 KIA grant. If the State grant (KIA) funding is not available, the Federal assistance request will be modified to include that amount.

The currently approved water rates were approved by RD in their Letter of Conditions dated March 13, 2008, and approved by the PSC in February 2009. With careful financial management of the District, these rates have been adequate to operate and maintain the system, retire the debt service and fund the required special accounts for the existing system. The 2011 and 2012 income from water sales has been considerably lower than projections based on historical customer usage figures; the economic impact of recent years has resulted in actual revenue being approximately 5 to 6% lower than anticipated due to lower water consumption by many of the customers. With this trend expected to continue, the proposed project (with the anticipated level of grant participation by the funding agencies) and increases in operating expenses will require an increase in rates. The proposed water rates along with the existing and proposed operating budgets are shown in RD Summary Addendum attached as Appendix A. The proposed rates represent an approximately 4.8% increase above the existing rates approved in 2009 which will serve to bring the revenue back to slightly less than the previously projected level at the 2009 rates. The 2009 rate increase should have represented an approximately 5.6 % average increase to the average customer but the District's income did not increase accordingly due to conservation efforts by the customers.

VI. CONCLUSIONS AND RECOMMENDATIONS

The Edmonson County Water District was formed to serve the residents of several rural counties and to work towards furnishing a safe and reliable water supply to those individuals living within the District boundaries. In order to accomplish this, the District must continually be looking for ways to expand the system while still maintaining a safe, reliable and cost-effective supply of treated water.

The proposed water system improvements and water line extensions described in this report for the Edmonson County Water District are feasible and are recommended for construction. The District should proceed to secure funds from RD, or any other available grant source, and move toward construction.

APPENDIX A

RD Summary Addendum

SUMMARY ADDENDUM
TO
PRELIMINARY ENGINEERING REPORT

DATED November 2012

FOR

Edmonson County Water District
(2012 Emergency Needs Project)

APPLICANT CONTACT PERSON Nelson Sanders

APPLICANT PHONE NUMBER 502-597-2165

APPLICANT TAX IDENTIFICATION NUMBER (TIN) 

ITEMS IN BOLD ITALIC PRINT ARE APPLICABLE TO SEWER SYSTEMS.

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

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

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

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

In response to system needs which have become apparent since the flood of 2011 and the drought of 2012, several improvements to the ECWD facilities are needed. Proposed improvements include: (1) raw water intake screen improvements at the Wax WTP and appurtenant piping, valves, etc.; (2) replace Cub Run BPS with larger capacity pumps; (3) adding approx. 2,800 L.F. of 4" water line on Raider Hollow Road (Hwy 1140) to connect two pressure zones and allow alternate feed source for portion of the customers; (4) adding approx. 1,350 L.F. of 3" water line on Rocky Hill Estates Road (Hwy 889) to connect customers to higher pressure zone; (5) replace Sleepy Hollow BPS with larger capacity pumps; (6) install automatic control valve in the Bee Springs BPS; (7) install in-line check valve on Anneta Road (Hwy 259) to isolate service area; (8) replace Cub Run PRV with larger capacity PRV; (9) adding approx. 8,050 L.F. of 3" water line on Lester Gardner and Willie Rhea Roads to serve additional customers needing a reliable and safe water supply. A map is included in the PER to indicate locations of the improvements.

II. FACILITY CHARACTERISTICS OF EXISTING SEWER SYSTEM N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

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

\$ _____

4. Date Constructed _____

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

D. Number and Capacity of Sewage Lift Stations _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____
10" _____ 12" _____, *Larger* _____
Date(s) Constructed _____

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

III. FACILITY CHARACTERISTICS OF EXISTING WATER SYSTEM

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

ECWD has 2 WTP's – 2.92 MGD Brownsville WTP which operate 8-16 hrs/day to meet peak demands and the 1 MGD Wax WTP which currently operates 12-23 hrs/day depending on seasonal demands. The sources for both plants (Green River and Nolin Lake) are more than adequate. However, improvements are needed for the intake screen at the Wax WTP.

If the applicant purchases water:

Seller(s):

1. N/A
2. _____
3. _____

Price/1,000 gallons:

1. _____
2. _____
3. _____

Present Estimated Market Value of Existing System: \$ 27,000,000

B. Water Storage:

Type: Ground Storage Tank 7 Elevated Tank 10
Standpipe 2 Other _____
Number of Storage Structures 19
Total Storage Volume Capacity 4,020,000
Date Storage Tank(s) Constructed 1970-2009

C. Water Distribution System:

Pipe Material AC, PVC (App. 622 mi. total)(incl. projects starting constr. in 2009)
Lineal Feet of Pipe: 3" Diameter 66 mi. 4" 338 mi.
6" 181 mi. 8" 30 mi.
10" 1.4 mi. 12" 8.3 mi. 16" 2.3 mi.
Date(s) Water Lines Constructed 1968 to 2011
Number and Capacity of Pump Station(s) 12 stations with capacities from 100 gpm to 1150 gpm

D. Condition of Existing Water System:

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

The existing facilities, with proper maintenance, appear to be in good condition and suitable for continued use; the Wax WTP needs improvements to the raw water intake screen and will need to be expanded within five to ten years.

E. Percentage of Water Loss Existing System Approx. 17%

IV. EXISTING LONG-TERM INDEBTEDNESS

A. List of Bonds and Notes:

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Principal Balance</u>	<u>Payment Date</u>	<u>Bond Type Water/Sewer*</u>	<u>Amount on Deposit in Reserve Account</u>
SEE ATTACHED SHEET					
19__ Issue	_____	\$ _____	_____	% _____ %	
19__ Issue	_____	\$ _____	_____	% _____ %	
19__ Issue	_____	\$ _____	_____	% _____ %	
19__ Issue	_____	\$ _____	_____	% _____ %	
19__ Issue	_____	\$ _____	_____	% _____ %	

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

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

<u>Date of Issue</u>	<u>Bond/Note Holder</u>	<u>Payment Year 19__</u>		<u>Payment Year 19__</u>		<u>Payment Year 19__</u>	
		<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
SEE ATTACHED SHEET							
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____
19__ Issue	_____	_____	_____	_____	_____	_____	_____

V. EXISTING SHORT-TERM INDEBTEDNESS

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

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

VI. LAND AND RIGHTS - EXISTING SYSTEM(S)

Number of Treatment Plant Sites: Water 2 Sewer _____
 Number of Storage Tank Sites Water 19 Sewer _____
 Number of Pump Stations: Water 12 Sewer _____
 Total Acreage: Water _____ Acres Sewer _____ Acres
 Purchase Price: Water \$ 220,000 Sewer \$ _____

VII. NUMBER OF EXISTING USERS

	<u>Water</u>	<u>Sewer</u>
Residential (In Town) *	_____	_____
Residential (Out of Town) *	<u>9916</u>	_____
Non-Residential (In Town)	<u>1</u>	_____
Non-Residential (Out of Town)	<u>55</u>	_____
Total	<u>9972</u>	_____
Number to Total Potential Users Living in the Service Area	_____	_____

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

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

<u>Meter Size</u>	<u>Water Connection Fee</u>	<u>Sewer Connection Fee</u>
<u>5/8" x 3/4"</u>	\$ <u>475</u>	<u>\$</u>
<u>1 - Inch</u>	\$ <u>500</u>	<u>\$</u>

IX. SEWER RATES - EXISTING SYSTEM N/A

Percentage of Water Bill _____ % Minimum Charge \$ _____

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

Date This Rate Went Into Effect _____

X. WATER RATES - EXISTING SYSTEM

Existing Rate Schedule:

First	<u>1,500</u>	Gallons @ \$ <u>12.00</u>	Minimum.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
Next	_____	Gallons @ \$ _____	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$ <u>4.50</u>	per 1,000 Gallons.
<u>Wholesale to City of Brownsville:</u>		<u>\$2.70</u>	per 1000 gallons.

Date This Rate Went Into Effect April 2009

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

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

N/A

For Period _____ to _____.

All Meter

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

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

SEE ATTACHED SPREADSHEET FOR INFORMATION

For Period Nov. 2011 to Oct. 2012.

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

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

Water Rate	Existing Rate Schedule(went into effect in April 2009)	
	Min. (1500 gal.)@	\$12.00
	Next 6500 gals.@	\$4.50 per 1000
	Next 12000 gals.@	\$4.50 per 1000
	Next 5,000 gals.@	\$4.50 per 1000
	All Over 25,000 gals.@	\$4.50 per 1000
	Wholesale to Brownsville@	\$2.70 per 1000

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

For Period _____ Jan. 2011 _____ to _____ Dec. 2011 _____

Meter Size	Monthly Water Usage	Average	Average Rate	No. of Users	Residential Usage (1000)	Income	No. of Users	Non-Residential Usage (1000)	Income
	0 - 1,500 Gallons	750	\$12.00	4250	3187.5	\$51,000.00	0	0	\$0.00
	1,500 - 2,000 Gallons	1,750	\$13.13	940	1645	\$12,337.50	0	0	\$0.00
	2,000 - 3,000 Gallons	2,500	\$16.50	1200	3000	\$19,800.00	5	12.5	\$82.50
	3,000 - 4,000 Gallons	3,500	\$21.00	925	3237.5	\$19,425.00	10	35	\$210.00
	4,000 - 5,000 Gallons	4,500	\$25.50	785	3532.5	\$20,017.50	15	67.5	\$382.50
	5,000 - 6,000 Gallons	5,500	\$30.00	502	2761	\$15,060.00	1	5.5	\$30.00
	6,000 - 7,000 Gallons	6,500	\$34.50	390	2535	\$13,455.00	0	0	\$0.00
	7,000 - 8,000 Gallons	7,500	\$39.00	245	1837.5	\$9,555.00	0	0	\$0.00
	8,000 - 9,000 Gallons	8,500	\$43.50	162	1377	\$7,047.00	0	0	\$0.00
	9,000 - 10,000 Gallons	9,500	\$48.00	102	969	\$4,896.00	0	0	\$0.00
5/8	10,000 - 11,000 Gallons	10,500	\$52.50	84	882	\$4,410.00	0	0	\$0.00
x	11,000 - 12,000 Gallons	11,500	\$57.00	60	690	\$3,420.00	4	46	\$228.00
3/4	12,000 - 13,000 Gallons	12,500	\$61.50	45	562.5	\$2,767.50	1	12.5	\$61.50
Inch	13,000 - 14,000 Gallons	13,500	\$66.00	35	472.5	\$2,310.00	1	13.5	\$66.00
	14,000 - 15,000 Gallons	14,500	\$70.50	16	232	\$1,128.00	5	72.5	\$352.50
	15,000 - 16,000 Gallons	15,500	\$75.00	19	294.5	\$1,425.00	1	15.5	\$75.00
	16,000 - 17,000 Gallons	16,500	\$79.50	15	247.5	\$1,192.50	0	0	\$0.00
	17,000 - 18,000 Gallons	17,500	\$84.00	16	280	\$1,344.00	0	0	\$0.00
	18,000 - 19,000 Gallons	18,500	\$88.50	10	185	\$885.00	0	0	\$0.00
	19,000 - 20,000 Gallons	19,500	\$93.00	18	351	\$1,674.00	0	0	\$0.00
	20,000 - 25,000 Gallons	22,500	\$106.50	20	450	\$2,130.00	0	0	\$0.00
	25,000 - 30,000 Gallons	27,500	\$129.00	18	495	\$2,322.00	3	82.5	\$387.00
	30,000 - 40,000 Gallons	35,000	\$162.75	15	525	\$2,441.25	3	105	\$488.25
	40,000 - 50,000 Gallons	44,000	\$203.25	9	396	\$1,829.25	2	88	\$406.50
	50,000 - 75,000 Gallons	60,000	\$275.25	7	420	\$1,926.75	5	300	\$1,376.25
	75,000 - 1,000,000 Gallons	275,000	\$1,242.75	0	0	\$0.00	9	2475	\$11,184.75
	Sub-Total			9888	30,565	\$203,798.25	65	3331	\$15,330.75
	Average Monthly Rate		\$22.02						
	Average Monthly Usage				3.09			51.25	
4-Inch	City of Brownsville	Gallons	3,000,000	\$8,100.00			1	3000	\$8,100.00
	Sub-Total			9888	30,565	\$203,798.25	66	6331	\$23,430.75
	Total monthly Income					\$227,229.00			
	Total yearly Income					\$2,726,748.00			
	Total customers			9954					

-(22A)

(9A)

XIII. FACILITY CHARACTERISTICS OF PROPOSED SEWER SYSTEM N/A

A. Sewage Treatment:

1. Type _____

2. Method of Sludge Disposal _____

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

B. Treatment Capacity of Sewage Treatment Plant _____

C. Type of Sewage Collector System (Describe) _____

D. Number and Capacity of Sewage Lift Stations _____

E. Sewage Collection System:

Lineal Feet of Collector Lines, by size 6" _____ 8" _____
10" _____ 12" _____, Larger _____

XIV. LAND AND RIGHTS - PROPOSED SEWER SYSTEM N/A

Number of Treatment Plant Sites _____

Number of Pump Sites _____

Number of Other Sites _____

Total Acreage _____ *Acres*

Purchase Price \$ _____

XV. FACILITY CHARACTERISTICS OF PROPOSED WATER SYSTEM

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

The water sources will remain the same; the Brownsville WTP has a capacity of 2.92 MGD; the Wax WTP has a capacity of 1.0 MGD. Capacity is adequate to meet seasonal demands. Improvements to the Wax intake screening is required.

B. Water Storage:

Type: Ground Storage Tank _____ Elevated Tank _____
Standpipe _____ Other _____

Number of Storage Structures _____

Total Storage Volume Capacity _____

C. Water Distribution System:

Pipe Material PVC

Lineal Feet of Pipe: 3" Diameter 9,400 4" 2,800

6" _____ 8" _____

10" _____ 12" _____

Number and Capacity of Pump Station(s) Upgrade in capacity to 2 existing BPS's

XVI. LAND AND RIGHTS - PROPOSED WATER SYSTEM

Number of Treatment Plant Sites _____

Number of Pump Sites 1

Number of Other Sites _____

Total Acreage 0.1 Acres

Purchase Price \$ 3,000

XVII. NUMBER OF NEW SEWER USERS N/A

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

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

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

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

XIX. NUMBER OF NEW WATER USERS

Residential (In Town) *	_____
Residential (Out of Town) *	<u>9</u>
Non-Residential (In Town)	_____
Non-Residential (Out of Town)	_____
Total	<u>9</u>
Number to Total Potential Users Living in the Service Area	_____

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

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

<u>Meter Size</u>	<u>Connection Fee</u>
<u>5/8" x 3/4"</u>	<u>\$ 237.50*</u>
<u>1 - Inch</u>	<u>\$ _____</u>
<u>1-1/2 Inch</u>	<u>\$ _____</u>
<u>2 - Inch</u>	<u>\$ _____</u>
<u>3 - Inch</u>	<u>\$ _____</u>
<u>4 - Inch</u>	<u>\$ _____</u>
<u>5 - Inch</u>	<u>\$ _____</u>
<u>6 - Inch</u>	<u>\$ _____</u>

* regular connection fee is 475.00; fee is reduced to \$237.50 if commitment is made prior to project construction.

XXI. SEWER RATES – PROPOSED N/A

A. Proposed Rate Schedule without RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

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

Proposed Rate Schedule: (Without RUS Grant)

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

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

B. Recommended Rate Schedule with RUS Grant:

Percentage of Water Bill _____ % Minimum Charge \$ _____

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

Recommended Rate Schedule: (With RUS Grant)

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

If more than one rate, use additional sheets.

XXII. WATER RATES - PROPOSED

A. Proposed Rate Schedule **without RUS Grant:**

First	<u>1,500</u>	Gallons @ \$	<u>12.70</u>	Minimum.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$	<u>4.75</u>	per 1,000 Gallons.
Wholesale to City of Brownsville: @ \$ <u>2.85</u> per 1,000 Gallons.				

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

B. Recommended Rate Schedule with RUS Grant: w/ RD grant of \$216,000 and KIA grant of \$175,000

First	<u>1,500</u>	Gallons @ \$	<u>12.50</u>	Minimum.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
Next	<u> </u>	Gallons @ \$	<u> </u>	per 1,000 Gallons.
All Over	<u>1,500</u>	Gallons @ \$	<u>4.75</u>	per 1,000 Gallons.
Wholesale to City of Brownsville: @ \$ <u>2.85</u> per 1,000 Gallons.				

If more than one rate, use additional sheets.

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

N/A

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

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

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

	-	Gallons					
	-	Gallons					
1-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
1-1/2	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
2-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
3-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
4-	-	Gallons					
Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

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

N/A

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

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

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

	-	Gallons					
	-	Gallons					
1- Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
1-1/2 Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
2- Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
3- Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

	-	Gallons					
	-	Gallons					
4- Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total		()	()	()	()

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING USERS
SEE ATTACHED SHEET FOR SPREADSHEET**

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

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

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

Water Rate	Existing Rate Schedule(went into effect in April 2009)
	Min. (1500 gal.)@ \$12.00
	Next 6500 gals.@ \$4.50 per 1000
	Next 12000 gals.@ \$4.50 per 1000
	Next 5,000 gals.@ \$4.50 per 1000
	All Over 25,000 gals.@ \$4.50 per 1000
	Wholesale to Brownsville@ \$2.70 per 1000

existing users
existing rates

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

For Period Jan. 2011 to Dec. 2011

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$12.00	4250	3187.5	\$51,000.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$13.13	940	1645	\$12,337.50	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$16.50	1200	3000	\$19,800.00	5	12.5	\$82.50
	3,000 -	4,000 Gallons	3,500	\$21.00	925	3237.5	\$19,425.00	10	35	\$210.00
	4,000 -	5,000 Gallons	4,500	\$25.50	785	3532.5	\$20,017.50	15	67.5	\$382.50
	5,000 -	6,000 Gallons	5,500	\$30.00	502	2761	\$15,060.00	1	5.5	\$30.00
	6,000 -	7,000 Gallons	6,500	\$34.50	390	2535	\$13,455.00	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$39.00	245	1837.5	\$9,555.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$43.50	162	1377	\$7,047.00	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$48.00	102	969	\$4,896.00	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$52.50	84	882	\$4,410.00	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$57.00	60	690	\$3,420.00	4	46	\$228.00
3/4	12,000 -	13,000 Gallons	12,500	\$61.50	45	562.5	\$2,767.50	1	12.5	\$61.50
Inch	13,000 -	14,000 Gallons	13,500	\$66.00	35	472.5	\$2,310.00	1	13.5	\$66.00
	14,000 -	15,000 Gallons	14,500	\$70.50	16	232	\$1,128.00	5	72.5	\$352.50
	15,000 -	16,000 Gallons	15,500	\$75.00	19	294.5	\$1,425.00	1	15.5	\$75.00
	16,000 -	17,000 Gallons	16,500	\$79.50	15	247.5	\$1,192.50	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$84.00	16	280	\$1,344.00	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$88.50	10	185	\$885.00	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$93.00	18	351	\$1,674.00	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$106.50	20	450	\$2,130.00	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$129.00	18	495	\$2,322.00	3	82.5	\$387.00
	30,000 -	40,000 Gallons	35,000	\$162.75	15	525	\$2,441.25	3	105	\$488.25
	40,000 -	50,000 Gallons	44,000	\$203.25	9	396	\$1,829.25	2	88	\$406.50
	50,000 -	75,000 Gallons	60,000	\$275.25	7	420	\$1,926.75	5	300	\$1,376.25
	75,000 -	1,000,000 Gallons	275,000	\$1,242.75	0	0	\$0.00	9	2475	\$11,184.75
		Sub-Total			9888	30,565	\$203,798.25	65	3331	\$15,330.75
		Average Monthly Rate		\$22.02						
		Average Monthly Usage				3.09			51.25	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,100.00				1	3000	\$8,100.00
		Sub-Total			9888	30,565	\$203,798.25	66	6331	\$23,430.75
		Total monthly Income					\$227,229.00			
		Total yearly Income					\$2,726,748.00			
		Total customers			9954					

Water Rate	Proposed Rate Schedule	
	Min. (1500 gal.)@	\$12.50
	Next 6500 gals.@	\$4.75 per 1000
	Next 12000 gals.@	\$4.75 per 1000
	Next 5,000 gals.@	\$4.75 per 1000
	All Over 25,000 gals.@	\$4.75 per 1000
	Wholesale to Brownsville@	\$2.85 per 1000

proposed rates; existing & proposed users

**XXV. FORECAST OF WATER USAGE - INCOME - EXISTING & NEW SYSTEM - EXISTING & NEW USERS
(2012 USERS PLUS PROPOSED PROJECT)**

Meter Size	Monthly Water Usage	Average	Average Rate	No. of Users	Residential		Non-Residential		Income	
					Usage (1000)	Income	No. of Users	Usage (1000)		Income
	0 -	1,500 Gallons	750	\$12.50	4250	3187.5	\$53,125.00	0	0	\$0.00
	1,500 -	2,000 Gallons	1,750	\$13.69	971	1699.25	\$13,290.56	0	0	\$0.00
	2,000 -	3,000 Gallons	2,500	\$17.25	1200	3000	\$20,700.00	5	12.5	\$86.25
	3,000 -	4,000 Gallons	3,500	\$22.00	925	3237.5	\$20,350.00	10	35	\$220.00
	4,000 -	5,000 Gallons	4,500	\$26.75	785	3532.5	\$20,998.75	15	67.5	\$401.25
	5,000 -	6,000 Gallons	5,500	\$31.50	502	2761	\$15,813.00	1	5.5	\$31.50
	6,000 -	7,000 Gallons	6,500	\$36.25	390	2535	\$14,137.50	0	0	\$0.00
	7,000 -	8,000 Gallons	7,500	\$41.00	245	1837.5	\$10,045.00	0	0	\$0.00
	8,000 -	9,000 Gallons	8,500	\$45.75	162	1377	\$7,411.50	0	0	\$0.00
	9,000 -	10,000 Gallons	9,500	\$50.50	102	969	\$5,151.00	0	0	\$0.00
5/8	10,000 -	11,000 Gallons	10,500	\$55.25	84	882	\$4,641.00	0	0	\$0.00
x	11,000 -	12,000 Gallons	11,500	\$60.00	60	690	\$3,600.00	4	46	\$240.00
3/4	12,000 -	13,000 Gallons	12,500	\$64.75	45	562.5	\$2,913.75	1	12.5	\$64.75
Inch	13,000 -	14,000 Gallons	13,500	\$69.50	35	472.5	\$2,432.50	1	13.5	\$69.50
	14,000 -	15,000 Gallons	14,500	\$74.25	16	232	\$1,188.00	5	72.5	\$371.25
	15,000 -	16,000 Gallons	15,500	\$79.00	19	294.5	\$1,501.00	1	15.5	\$79.00
	16,000 -	17,000 Gallons	16,500	\$83.75	15	247.5	\$1,256.25	0	0	\$0.00
	17,000 -	18,000 Gallons	17,500	\$88.50	16	280	\$1,416.00	0	0	\$0.00
	18,000 -	19,000 Gallons	18,500	\$93.25	10	185	\$932.50	0	0	\$0.00
	19,000 -	20,000 Gallons	19,500	\$98.00	18	351	\$1,764.00	0	0	\$0.00
	20,000 -	25,000 Gallons	22,500	\$112.25	20	450	\$2,245.00	0	0	\$0.00
	25,000 -	30,000 Gallons	27,500	\$136.00	18	495	\$2,448.00	3	82.5	\$408.00
	30,000 -	40,000 Gallons	35,000	\$171.63	15	525	\$2,574.38	3	105	\$514.88
	40,000 -	50,000 Gallons	44,000	\$214.38	9	396	\$1,929.38	2	88	\$428.75
	50,000 -	75,000 Gallons	60,000	\$290.38	7	420	\$2,032.63	5	300	\$1,451.88
	75,000 -	1,000,000 Gallons	275,000	\$1,311.63	0	0	\$0.00	9	2475	\$11,804.63
		Sub-Total			9919	30,619	\$213,896.69	65	3331	\$16,171.63
		Average Monthly Rate		\$23.04						
		Average Monthly Usage				3.09			51.25	
4-inch	City of Brownsville	Gallons	3,000,000	\$8,550.00				1	3000	\$8,550.00
		Sub-Total			9919	30,619	\$213,896.69	66	6331	\$24,721.63
		Total monthly Income					\$238,618.31			
		Total yearly Income					\$2,863,419.75			
		Total customers			9985					

Note: \$131,580 increase over existing rates with same users as 2011
 \$136,672 with 31 additional customers for total of 9985
 -Income should be over \$3,000,000 based on older customer usage averages
 (22B)

	-	Gallons					
	-	Gallons					
1-Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
1-1/2-Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
2-Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
3-Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

	-	Gallons					
	-	Gallons					
4-Inch	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
	-	Gallons					
		Sub-Total	()	()	()	()	()

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS N/A

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

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

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

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

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

Meter Size*	Monthly Sewer Usage	Average Rate	Residential			Non-Residential		
			No. of Users**	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 2,000 Gallons	1,000						
	2,000 - 3,000 Gallons	2,500						
	3,000 - 4,000 Gallons	3,500	9	31.5	198			
	4,000 - 5,000 Gallons	4,500						
	5,000 - 6,000 Gallons	5,500						
	6,000 - 7,000 Gallons	6,500						
	7,000 - 8,000 Gallons	7,500						
	8,000 - 9,000 Gallons	8,500						
	9,000 - 10,000 Gallons	9,500						
5/8	10,000 - 11,000 Gallons	10,500						
x	11,000 - 12,000 Gallons	11,500						
3/4	12,000 - 13,000 Gallons	12,500						
Inch	13,000 - 14,000 Gallons	13,500						
	14,000 - 15,000 Gallons	14,500						
	15,000 - 16,000 Gallons	15,500						
	16,000 - 17,000 Gallons	16,500						
	17,000 - 18,000 Gallons	17,500						
	18,000 - 19,000 Gallons	18,500						
	19,000 - 20,000 Gallons	19,500						
	- Gallons							
	- Gallons							
	- Gallons							
	Sub-Total		(9)	(31.5)	(198)	()	()	()
	Average Monthly Rate(22.00)							
	Average Monthly Usage				(3500)		()	

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

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

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

MULTI-FAMILY AND APARTMENT USER ANALYSIS

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

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

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

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

XXVII. CURRENT OPERATING BUDGET - (SEWER SYSTEM) N/A
(As of the last full operating year.)

A. Operating Income:

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

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

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

C. Non-Operating Income:

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

D. Net Income \$ _____

E. Debt Repayment:

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

F. Balance Available for Coverage \$ _____

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

N/A

A. Operating Income:

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

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

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

C. Non-Operating Income:

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

D. Net Income \$ _____

E. Debt Repayment:

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

F. Balance Available for Coverage \$ _____

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

A. Operating Income:

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

B. Operation and Maintenance Expenses:

*(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)*

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

C. Non-Operating Income:

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

D. Net Income

\$ _____

E. Debt Repayment:

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

F. Balance Available for Coverage

\$ _____

XXX. CURRENT OPERATING BUDGET - (WATER SYSTEM)

(As of the last full operating year.) Based on 2011 Audit Report

A. Operating Income:

Water Sales	\$ <u>2,726,500</u>
Disconnect/Reconnect/Late Charge Fees	<u>66,400</u>
Other (Describe)-Service Fees	<u>47,100</u>
Less Allowances and Deductions - Taxes	<u>(66,000)</u>
Total Operating Income	\$ <u>2,774,000</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$ <u>2,000</u>
Pumping Expense	<u> </u>
Water Treatment Expense	<u>497,000</u>
Transmission and Distribution Expense	<u>512,000</u>
Customer Accounts Expense	<u>262,000</u>
Administrative and General Expense	<u>370,000</u>
Total Operating Expenses	\$ <u>1,643,000</u>
Net Operating Income	\$ <u>1,131,000</u>

C. Non-Operating Income:

Interest on Deposits	\$ <u>66,000</u>
Other (Identify) – Non-utility income	<u>31,000</u>
Total Non-Operating Income	\$ <u>97,000</u>

D. Net Income \$ 1,228,000

E. Debt Repayment:

RUS Interest	\$ <u>431,172</u>
RUS Principal	<u>186,600</u>
Non-RUS Interest	<u>92,683</u>
Non-RUS Principal	<u>490,666</u>
Total Debt Repayment	\$ <u>1,201,121</u>

F. Balance Available for Coverage \$ 26,879

(Note: Funds for coverage were higher than shown; balloon payment on July 2004 KLA loan was partially made from loan reserve fund set up as part of loan conditions.)

XXXI. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - EXISTING SYSTEM AND NEW USERS (1st Full Year of Operation) Year Ending 2014

A. Operating Income: *(Proposed rates with grants)*

Water Sales	\$	<u>2,863,400</u>
Disconnect/Reconnect/Late Charge Fees		<u>60,000</u>
Other (Describe) – Installation Fees		<u>40,000</u>
Less Allowances and Deductions - Taxes	(<u>66,400</u>)
Total Operating Income	\$	<u>2,897,000</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners)

Source of Supply Expense	\$	<u>2,000</u>
Pumping Expense		<u> </u>
Water Treatment Expense		<u>527,000</u>
Transmission and Distribution Expense		<u>538,000</u>
Customer Accounts Expense		<u>275,000</u>
Administrative and General Expense		<u>388,000</u>
Total Operating Expenses	\$	<u>1,730,000</u>
Net Operating Income	\$	<u>1,167,000</u>

C. Non-Operating Income:

Interest on Deposits	\$	<u>50,000</u>
Other (Identify) – Non-utility income		<u>6,000</u>
Total Non-Operating Income	\$	<u>56,000</u>

D. Net Income \$ 1,223,000

E. Debt Repayment: *(Note: includes RUS payment on assumed loan for proposed project)*

	<u>No Grants</u>	<u>W/Grants</u>
RUS Interest	\$ <u>324,300</u>	\$ <u>310,113</u>
RUS Principal	\$ <u>144,900</u>	\$ <u>144,900</u>
Non-RUS Interest	\$ <u>198,635</u>	\$ <u>198,635</u>
Non-RUS Principal	\$ <u>365,333</u>	\$ <u>365,333</u>
Total Debt Repayment	\$ <u>1,033,168</u>	\$ <u>1,018,981</u>

F. Balance Available for Coverage \$ 189,832 \$ 204,019

XXXII. PROPOSED OPERATING BUDGET - (WATER SYSTEM) - NEW USERS -
EXTENSION ONLY (1st Full Year of Operation) Year Ending 2014

A. Operating Income:

Water Sales	\$	<u>2,376</u>
Disconnect/Reconnect/Late Charge Fees		<u> </u>
Other (Describe)		<u> </u>
Less Allowances and Deductions	(<u> </u>)
Total Operating Income	\$	<u>2,376</u>

B. Operation and Maintenance Expenses:

(Based on Uniform System of Accounts prescribed by National Association of
Regulatory Utility Commissioners)

Source of Supply Expense	\$	<u> </u>
Pumping Expense		<u> </u>
Water Treatment Expense		<u>500</u>
Transmission and Distribution Expense		<u>500</u>
Customer Accounts Expense		<u>200</u>
Administrative and General Expense		<u>300</u>
Total Operating Expenses	\$	<u>1,500</u>
Net Operating Income	\$	<u>876</u>

C. Non-Operating Income:

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

D. Net Income \$ 876

E. Debt Repayment:

	<u>No Grants</u>	<u>W/ Grants</u>
RUS Interest	\$ <u>32,444</u>	\$ <u>18,270</u>
RUS Principal	\$ <u>11,304</u>	\$ <u>6,366</u>
Non-RUS Interest	\$ <u> </u>	\$ <u> </u>
Non-RUS Principal	\$ <u> </u>	\$ <u> </u>
Total Debt Repayment	\$ <u>43,748</u>	\$ <u>24,636</u>

F. Balance Available for Coverage \$ (-42,872) \$ (-23,760)

XXXIII. ESTIMATED PROJECT COST – SEWER *N/A*
(Round to nearest \$100)

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

XXXIV. PROPOSED PROJECT FUNDING – SEWER *N/A*

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

XXXV. ESTIMATED PROJECT COST - WATER

Development	\$ <u>687,500</u>
Land and Rights	<u>2,500</u>
Legal and Administrative	<u>15,500</u>
Engineering	<u>129,900</u>
Interest	<u>7,000</u>
Contingencies	<u>45,100</u>
Initial Operating and Maintenance	<u> </u>
Other – Geotechnical & Environmental Surveys (if required)	<u>7,500</u>
TOTAL	\$ <u>895,000</u>

XXXVI. PROPOSED PROJECT FUNDING

Applicant - User Connection Fees	\$ <u> </u>
Other Applicant Contribution	<u> </u>
RUS Loan	<u>504,000</u>
RUS Grant	<u>216,000</u>
ARC Grant (If applicable)	<u> </u>
CDBG (If applicable)	<u> </u>
Other (Specify) KIA (KY State Legislature)	<u>175,000</u>
Other (Specify)	<u> </u>
TOTAL	\$ <u>895,000</u>



EXHIBIT B

Final Engineering Report

(See attachment)

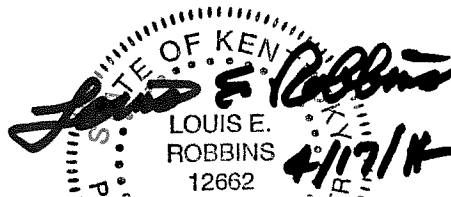


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FINAL ENGINEERING REPORT
2012 EMERGENCY NEEDS PROJECT
EDMONSON COUNTY WATER DISTRICT
April 2014

Total Construction - Bids Received 4/8/2014:		\$499,370.99
Emergency Needs Water System Improvements:	\$399,371.00	
Wax WTP Raw Water Intake Modifications:	\$99,999.99	
Land & Rights:		\$11,000.00
Environmental Studies		\$0.00
Legal & Administrative:		\$16,500.00
Advertising, etc.:	\$1,500	
Bond Counsel:	\$10,000	
Local Counsel:	\$5,000	
Engineering:		\$129,900.00
Preliminary Engineering:	\$5,000	
Easement/Property Owners Identification:	\$2,500	
PSC Related:	\$4,000	
Hydraulic Analysis Update:	\$4,000	
Design:	\$65,100	
Inspection:	\$49,300	
Interest During Construction:		\$12,000.00
Clearwell Tanks Painting Contingencies:		\$160,000.00
Wax WTP Filter Overflow Contingencies:		\$20,000.00
Wax WTP Parking Area Paving Contingencies:		\$40,000.00
Project Contingencies:		<u>\$61,229.01</u>
TOTAL PROJECT COSTS		\$950,000.00

Financing:		
RUS June 12, 2013 Letter of Conditions		\$720,000
RUS Loan: \$504,000		
RUS Grant: \$216,000		
Requested Additional Financing		\$230,000
RUS Loan: \$160,000		
RUS Grant: \$70,000		
TOTAL FINANCING REQUIRED		\$950,000



 LOUIS E. ROBBINS
 12662
 4/17/14

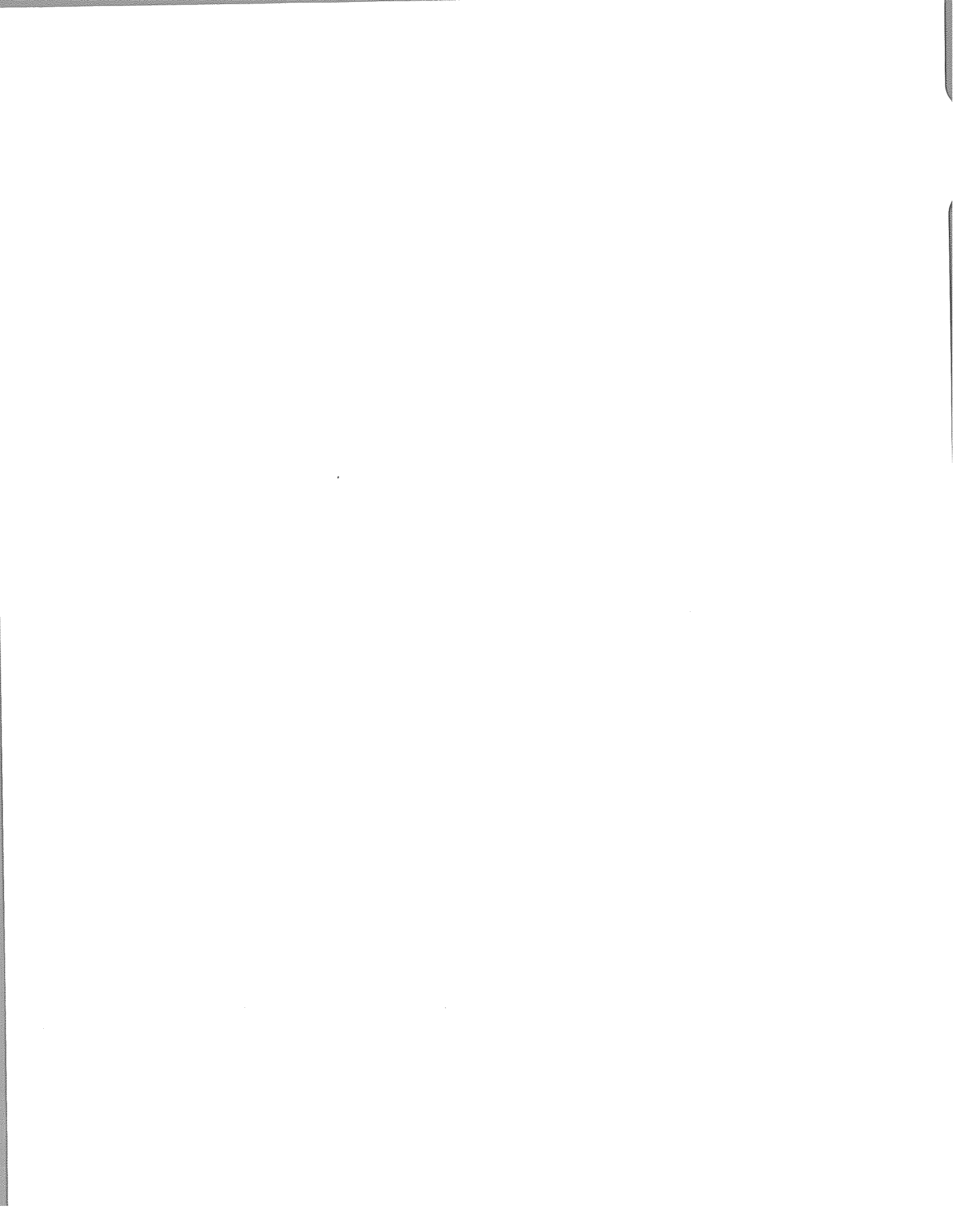


EXHIBIT C

Tabulation of Bids

(See attachment)



engineering | architecture | geospatial

CERTIFIED BID TABULATION
EDMONSON COUNTY WATER DISTRICT
EMERGENCY NEEDS WATER SYSTEM IMPROVEMENTS - GRW NO. 3821-05
BID OPENING DATE: APRIL 8, 2014

Item No.	Approx. Quantity	Unit	Description	Bobby Luttrell & Sons, LLC 190 Bank Circle Drive Dundee, KY 42338		Twin States Utilities, Inc. 9440 Old Glasgow Road Mt. Hermon, KY 42157		United Pipeline, Inc. 4627 Gamaliel Road Tompkinsville, KY 42167	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
				Price	Price	Price	Price	Price	Price
1	1,150	L.F.	4-inch PVC pipe SDR 21, including fittings, thrust blocking, complete and in place as shown on the drawings	\$7.35	\$8,452.50	\$19.50	\$22,425.00	\$9.00	\$10,350.00
2	25	L.F.	4-inch PVC pipe SDR 21, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the drawings	\$33.00	\$825.00	\$24.00	\$600.00	\$24.00	\$600.00
3	2,580	L.F.	4-inch PVC pipe SDR 13.5, including fittings, thrust blocking, complete and in place as shown on the drawings	\$8.35	\$21,543.00	\$20.00	\$51,600.00	\$10.00	\$25,800.00
4	20	L.F.	4-inch PVC pipe SDR 13.5, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the drawings	\$42.00	\$840.00	\$29.00	\$520.00	\$25.00	\$500.00
5	30	L.F.	3-inch RJDIP pipe, including fittings, thrust blocking, complete and in place as shown on the drawings	\$40.00	\$1,200.00	\$45.00	\$1,350.00	\$57.00	\$1,710.00
6	4,910	L.F.	3-inch PVC pipe SDR 17, including fittings, thrust blocking, complete and in place as shown on the drawings	\$6.85	\$33,633.50	\$19.00	\$93,290.00	\$36.00	\$176,760.00
7	20	L.F.	3-inch PVC pipe SDR 17, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the drawings	\$41.00	\$820.00	\$23.50	\$470.00	\$54.00	\$1,080.00
8	2,760	L.F.	3-inch PVC pipe SDR 21, including fittings, thrust blocking, complete and in place as shown on the drawings	\$8.65	\$18,354.00	\$18.50	\$51,060.00	\$9.00	\$24,840.00
9	20	L.F.	3-inch PVC pipe SDR 21, w/granular backfill including fittings, thrust blocking, complete and in place as shown on the drawings	\$41.00	\$820.00	\$22.50	\$450.00	\$24.00	\$480.00
10	11,450	L.F.	Allowance price for final cleanup, seeding, strawing, etc., for Bid Item Nos. 1, 3, 5, 6 and 8	\$0.50	\$5,725.00	\$0.50	\$5,725.00	\$0.50	\$5,725.00
11	11,450	L.F.	Allowance price for final cleanup, seeding, strawing, etc., to be released after final establishment of acceptable grass cover	\$0.50	\$5,725.00	\$0.50	\$5,725.00	\$0.50	\$5,725.00
12	11,860	L.F.	Nn. 12 copper locatnr wire, complete in place as shown on the drawings.	\$0.15	\$1,779.00	\$0.25	\$2,965.00	\$1.00	\$11,860.00
13	220	L.F.	Directional bore w/4-inch RJPVC carrier pipe, complete and in place as shown on the drawings	\$85.45	\$14,399.00	\$110.00	\$24,200.00	\$75.00	\$16,500.00
14	30	L.F.	Bore & Jack under state hwy. & county roads w/10 inch dia. steel casing pipe (0.365"thk.) w/4-inch PVC SDR 21 carrier pipe, complete and in place as shown on the drawings	\$113.00	\$3,390.00	\$135.00	\$4,050.00	\$119.00	\$3,570.00
15	30	L.F.	Uncased bore w/4-inch PVC SDR 13.5 carrier pipe, complete and in place as shown on the drawings	\$58.50	\$1,695.00	\$28.00	\$840.00	\$53.00	\$1,590.00
16	30	L.F.	Open cut county roads w/8-inch dia. steel casing pipe (0.365"thk.) w/3-inch RJDIP carrier pipe, complete and in place as shown on the drawings	\$100.00	\$3,000.00	\$65.00	\$1,950.00	\$106.00	\$3,180.00
17	20	L.F.	Open cut county roads w/8-inch dia. steel casing pipe (0.365"thk.) w/3-inch PVC SDR 17 carrier pipe, complete and in place as shown on the drawings	\$86.50	\$1,770.00	\$46.00	\$920.00	\$64.00	\$1,280.00
18	1	EA	Connectinn tn existing 6-inch water line w/6" x 4" tapping sleeve & valve, and all associated work	\$2,075.00	\$2,075.00	\$2,000.00	\$2,000.00	\$1,400.00	\$1,400.00
19	1	EA	Connectinn to existing 4-inch water line w/4" x 4" tapping sleeve & valve, and all associated work	\$2,050.00	\$2,050.00	\$1,975.00	\$1,975.00	\$1,400.00	\$1,400.00
20	2	EA	Connectinn tn existing 4-inch water line w/4" x 3" tapping sleeve & valve, and all associated work	\$1,775.00	\$3,550.00	\$1,875.00	\$3,750.00	\$1,300.00	\$2,600.00
21	1	EA	4" gate valve assembly complete in place including all associated work	\$1,220.00	\$1,220.00	\$800.00	\$800.00	\$1,000.00	\$1,000.00
22	4	EA	Blowoff assembly complete in place including piping, fittings, valve, kickers and associated work	\$1,525.00	\$6,100.00	\$1,300.00	\$5,200.00	\$1,400.00	\$5,800.00
23	1	EA	1-Inch air release valve assembly	\$1,200.00	\$1,200.00	\$1,000.00	\$1,000.00	\$900.00	\$900.00
24	1	EA	Test meter assembly complete in place including all associated work	\$1,830.00	\$1,830.00	\$1,500.00	\$1,500.00	\$1,700.00	\$1,700.00
25	6	EA	Type A service connection, complete and in place, including water main connection and appurtenances, service line from water main to meter box, meter box installation, and appurtenances, and all associated work (meter will be furnished by Owner).	\$600.00	\$3,600.00	\$850.00	\$3,900.00	\$1,000.00	\$6,000.00
28	3	EA	Type B service connection, complete and in place, including water main connection and appurtenances, bore & jack under roadway with steel casing pipe and service line from water main to meter box, meter box installation, and appurtenances, and all associated work (meter will be furnished by Owner).	\$750.00	\$2,250.00	\$860.00	\$2,580.00	\$1,700.00	\$5,100.00
27	2	EA	Type A service line reconnectinn tn existing meter complete and in place, including new water main connection and appurtenances, service line from new water main to reconnectinn prior to existing meter box and all associated work	\$500.00	\$1,000.00	\$350.00	\$700.00	\$800.00	\$1,600.00
28	2	L.F.	Type B service line reconnectinn tn existing meter complete and in place, including new water main connection and appurtenances, bore & jack under roadway with steel casing pipe and service line from new water main to reconnectinn prior to existing meter box and all associated work	\$900.00	\$1,800.00	\$535.00	\$1,070.00	\$1,100.00	\$2,200.00
29	20	L.F.	3/4-Inch PE Service Line in excess of required maximum amount shown in Type A or Type B service connections or reconnectinns, Class 200 HDPE 3406, complete and in place.	\$5.00	\$100.00	\$15.00	\$300.00	\$8.00	\$160.00
30	4	EA	Disconnect existing service from existing water line, including closing of existing curb stop and plugging of existing service line, complete and in place.	\$200.00	\$800.00	\$250.00	\$1,000.00	\$500.00	\$2,000.00
31	30	L.F.	Pavement repair	\$40.00	\$1,200.00	\$30.00	\$900.00	\$55.00	\$1,650.00
32	20	L.F.	Concrete Repair for driveways and sidewalks	\$55.00	\$1,100.00	\$35.00	\$700.00	\$55.00	\$1,100.00
33	100	L.F.	Rip-Rap for bank stabilization	\$5.00	\$500.00	\$35.00	\$3,500.00	\$45.00	\$4,500.00
34	50	C.Y.	Concrete for cradles, caps, piers, anchors & encasement	\$150.00	\$7,500.00 *	\$150.00	\$7,500.00	\$200.00	\$10,000.00
35	100	C.Y.	Undercut of water line ditch in excess of details shown on plans and as specified where directed by Engineer including crushed stone backfilling of undercut areas	\$2.00	\$200.00	\$10.00	\$1,000.00	\$50.00	\$5,000.00
36	1	L.F.	Cub Run booster pumping station, including all piping, valves, connections to existing lines, sitework, electrical, etc., complete and in place as shown on the drawings	\$166,000.00	\$166,000.00	\$150,000.00	\$150,000.00	\$150,055.00	\$150,055.00
37	1	L.F.	Cub Run pressure reducing valve installation, including all valves, flow meter, piping, connections to existing piping, removal of existing PRV, etc., complete and in place as shown on the drawings	\$23,350.00	\$23,350.00	\$25,000.00	\$25,000.00	\$22,439.00	\$22,439.00
38	1	L.F.	Annetta Road (Hwy. 259) pressure reducing/check valve installation, including all valves, flow meter, piping, connections to existing piping, etc., complete and in place as shown on the drawings	\$30,375.00	\$30,375.00	\$38,000.00	\$38,000.00	\$32,807.00	\$32,807.00
39	1	L.F.	Installation of bypass control valve in the existing Bee Springs booster pumping station, including all piping, valves, connections to existing lines, electrical and telemetry connections, etc., complete and in place as shown on the drawings	\$13,755.00	\$13,755.00	\$24,000.00	\$24,000.00	\$12,476.00	\$12,476.00
40	1	EA	Leak detection meter assembly	\$3,845.00	\$3,845.00	\$1,500.00	\$1,500.00	\$1,900.00	\$1,900.00
TOTAL AMOUNT OF BID:					\$399,371.00 *		\$546,015.00		\$585,137.00

I do hereby certify that the above is a true and correct copy of the bids received.

* Denotes error in bid

Louis E. Robbins, P.E.
GRW Engineers, Inc.
Kentucky License No. 12662



engineering | architecture | geospatial

CERTIFIED BID TABULATION
 EDMONSON COUNTY WATER DISTRICT
 WAX WTP RAW WATER INTAKE MODIFICATIONS - GRW NO. 3621-05
 BID OPENING DATE: APRIL 8, 2014

Item No.	Approx. Quantity	Unit	Description	Scott & Ritter, Inc. 2385 Barren River Road Bowling Green, KY 42101		Cleary Construction, Inc. 2006 Edmonton Road Tompkinsville, KY 42167		Do-All Construction, Inc. 608 E. Maple Street Caneyville, KY 42721	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	1	EA	Repositioning of existing intake screen, air piping and appurtenant work, complete and in place	\$30,765.00	\$30,765.00	\$41,500.00	\$41,500.00	\$32,700.00	\$32,700.00
2	1	EA	Package air compressor system and appurtenant work, complete and in place	\$37,410.00	\$37,410.00	\$35,000.00	\$35,000.00	\$46,735.00	\$46,735.00
3	1	EA	Flow meter system, concrete pit and appurtenant work, complete and in place	\$31,824.99	\$31,824.99	\$38,000.00	\$38,000.00	\$49,614.00	\$49,614.00
TOTAL AMOUNT OF BID:					\$99,999.99		\$114,500.00		\$129,049.00

I do hereby certify that the above is a true and correct copy of the bids received.

Louis E. Robbins, P.E.
 GRW Engineers, Inc.
 Kentucky License No. 12662



April 15, 2014

Mr. Jimmy Mills, Chairman
 Edmonson County Water District
 1128 Hwy 259 North
 P.O. Box 208
 Brownsville, KY 42210

Re: Edmonson County Water District
 2012 Emergency Needs Water Project
 Recommendations for Award

Dear Mr. Mills:

Bids on the Edmonson County Emergency Needs project were received and opened at 10:30 a.m. on April 8, 2014. Bids received were as follows (copies of bid tabulations enclosed):

Emergency Needs Water System Improvements

- | | |
|--------------------------------|---------------|
| 1. Bobby Luttrell & Sons, LLC | \$ 399,371.00 |
| 2. Twin States Utilities, Inc. | \$ 546,015.00 |
| 3. United Pipeline, Inc. | \$ 565,137.00 |

Wax Water Treatment Plant Raw Water Intake Modifications

- | | |
|------------------------------|--------------|
| 1. Scott & Ritter, Inc. | \$ 99,999.99 |
| 2. Cleary Construction, Inc. | \$114,500.00 |
| 3. Do-All Construction, Inc. | \$129,049.00 |

The low bids are within the amount budgeted for construction on this project. We are of the opinion that the low Contractors have good reputations and are capable of completing the work as shown and specified in an acceptable manner. We hereby recommend award of the Emergency Needs Water System Improvements contract to Bobby Luttrell & Sons, LLC in the amount of \$399,371.00 and the Wax Water Treatment Plant Raw Water Intake Modifications contract to Scott & Ritter, Inc., in the amount of \$99,999.99 contingent upon approval by Rural Development. The total project costs are \$950,000 as shown on the attached Project Costs Summary.

Please call if you have any questions or need additional information.

Sincerely,

Louis E. Robbins, P.E.

Enclosures

cc: Linda Luckett, RD Elizabethtown
 Mark Franklin, Stoll Keenon Ogden PLLC ✓
 File 3621-05 A



EXHIBIT D

USDA Letter of Concurrence

(See attachment)



Rural Development

April 29, 2014

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

SUBJECT: Edmonson County Water District
Water System Improvements
Contract Award Concurrence

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

TO: Area Office
Elizabethtown, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder on Contract 1 to Bobby Luttrell and Sons, Inc., in the amount of \$399,371.00, and the low bidder on Contract 2, Scott Ritter, Inc., in the amount of \$99,999.99.

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

THOMAS G. FERN
State Director
Rural Development

cc: GRW
Nashville, Tennessee

Mark Franklin
Stoll, Keenon, Ogden

USDA is an equal opportunity provider and employer

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9892 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

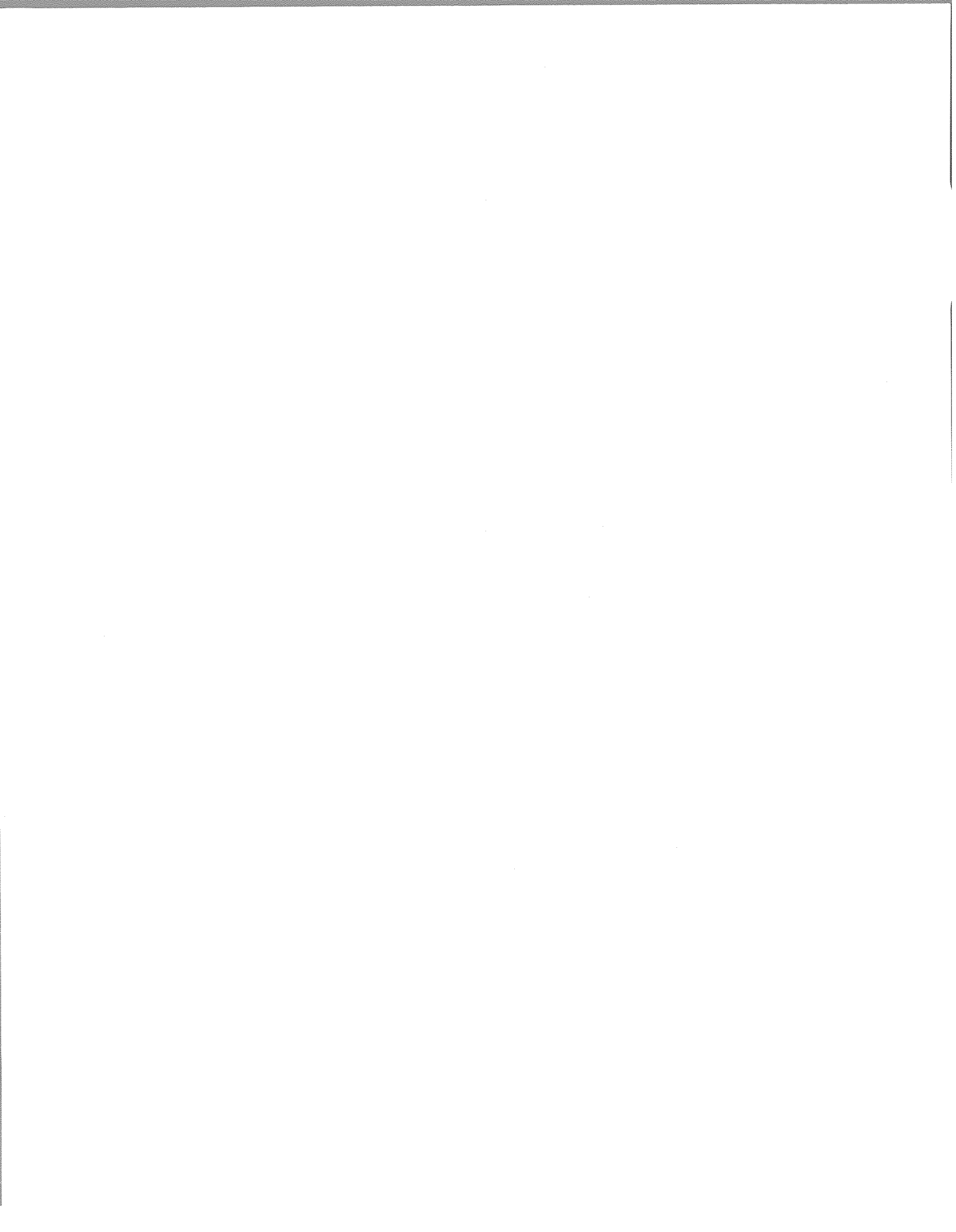


EXHIBIT E

Notice of Adjustment of Water Rates
and Proofs of Publication

(See attachment)

NOTICE OF ADJUSTMENT OF WATER AND SEWER RATES

Edmonson County Water District Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky (the "Commission") under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water and sewer service rates and charges effective as of August 4, 2014, as follows:

Water Rates:

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 1,500 gallons	\$12.00 minimum	\$13.00 minimum	\$1.00	8.33%
All over 1,500 gallons	\$4.50 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.40	8.89%
Wholesale to City of Brownsville	\$2.70 per 1,000 gallons	\$2.90 per 1,000 gallons	\$0.20	7.41%

Sewer Rates - Residential:

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 1,500 gallons	\$9.85 minimum	\$13.00 minimum	\$3.15	31.98%
Next 6,500 gallons	\$4.25 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.65	15.30%
Next 12,000 gallons	\$3.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$1.00	25.64%
All over 20,000 gallons	\$2.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$2.00	68.97%

Sewer Rates - Non-Residential:

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 1,500 gallons	\$14.78 minimum	\$19.50 minimum	\$4.72	31.94%
Next 6,500 gallons	\$6.38 per 1,000 gallons	\$7.35 per 1,000 gallons	\$0.97	15.20%
Next 12,000 gallons	\$5.85 per 1,000 gallons	\$7.35 per 1,000 gallons	\$1.50	25.64%
All over 20,000 gallons	\$4.35 per 1,000 gallons	\$7.35 per 1,000 gallons	\$3.00	68.97%

The proposed water and sewer increases are expected to result in the following impact on the average monthly bill for each of the District’s customer classifications based upon their average monthly usage:

Water Rates:

<u>Customer Classification</u>	<u>Average Monthly Usage</u>	<u>Increase in Average Monthly Bill</u>
Residential Customers	3,200 gallons	\$1.68
Wholesale Customers	2,774,417 gallons	\$554.88

Sewer Rates:

<u>Customer Classification</u>	<u>Average Monthly Usage</u>	<u>Increase in Average Monthly Bill</u>
Residential Customers	3,200 gallons	\$4.25
Non-Residential Customers	6,800 gallons	\$9.87

By use of federal loan and grant proceeds and local funds, the District plans to construct and install (i) intake screen modifications at its Wax Water Treatment Plant; (ii) approximately 2.3 miles of new water lines to serve approximately 9 new customers; and (iii) improvements to several of its booster pumping stations. The proposed rates are required under the terms of an agreement between District and United States Department of Agriculture, Rural Development (“USDA”) and KRS 278.023 does not grant the Commission discretionary authority to modify or reject any portion of the agreement between USDA and the District or to defer the issuance of all necessary orders to implement the terms of that agreement.

Interested persons may inspect the District’s application regarding the proposed water rate increase at either (i) the office of the Commissioner of the Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; (ii) through the Commission’s website at <http://psc.ky.gov>; or (iii) the District’s offices located at the address provided below. Comments regarding the application may be submitted to the Commission through its website or by mail addressed to the Public Service Commission of Kentucky, Post Office Box 615, Frankfort, Kentucky 40602.

EDMONSON COUNTY WATER DISTRICT
 Tony Sanders, Manager
 Edmonson County Water District
 1128 Highway 259 North
 Brownsville, Kentucky 42210
 (270) 597-2165

THE GULET-~~EDMONSON~~
EDMONSON NEWS

Member: Kentucky Press Association
National Newspaper Association

P.O. Box 69
BROWNSVILLE, KENTUCKY 42210
270-597-3115
Fax 270-597-3115

AFFIDAVIT

I, Catherine Carty, of the Edmonson News, published in Brownsville, Kentucky
do hereby certify that the advertisement pertaining to Edmonson Co; Notice of Disputement of Water & Sewer Rates
was run in the Edmonson News on the following dates: 5-15-14.

Signed: Catherine Carty
Publisher

Subscribed and sworn before me by Catherine Carty, this the
15th day of May, 2014.
Notary Public: Margaret Skaggs
My commission expires: 8-29-2016

CLASSIFIED

LEGAL NOTICE

NOTICE OF SALE:
Pursuant to order dated and entered April 21, 2014, in the Edmonson Circuit Court, Brownsville, Ky. in action No. 13-CI-147, JP Morgan Chase Bank NA v. Merce Jerome Cox et al, I will offer for sale, by absolute public auction at the front door of the Edmonson County Courthouse in Brownsville, Kentucky, at 10 a.m. Saturday, May 24, 2014, the following real property at 111 Cox Drive, Crossroads subdivision in Edmonson County, Kentucky: Lot No. 9 of Crossroads subdivision according to plat recorded of Plat Cabinet 1, slide 181, records of the Edmonson County Court Clerk. Being the same land conveyed to Kathleen Michelle Cox by Merce Jerome Cox et ux by deed dated November 18, 2000, recorded November 22, 2000, at Deed Book 170, page 45, records of the Edmonson County Court Clerk, and by deed dated April 11, 2012, recorded April 15, 2012, at Deed Book 214, page 137, records of said clerk.

TERMS: Although ordered to enforce a judgment for \$57,461.85 plus costs and interest, said will be made, regardless of price, to the highest bidder, subject to right of redemption only if the high bid is less than two-thirds the appraised value of the property. Deposit of 10 per cent of bid price or \$2,000, whichever is greater, required at time of sale, with bond with good surety for the balance, with interest at 12 per cent per annum, provided, however, that any purchaser entitled to proceeds of sale will receive credit on the balance to the limit of entitlement. Balance due upon tender of deed and Court approval. Conveyance without warranty. Buyer to pay ad valorem taxes for year of sale. Natty Bumpoo
Master Commissioner
Edmonson Circuit Court
Box 413
Brownsville KY 42210
270-587-2187
master@borfentis.com
10% 5/8/3c

NOTICE OF SALE:
Pursuant to order dated and entered April 21, 2014, in the Edmonson Circuit Court, Brownsville, Ky. in action No. 11-CI-194, PNC Mortgage et al, I will offer for sale, by absolute public auction at the front door of the Edmonson County Courthouse in Brownsville, Kentucky, at 10 a.m. Saturday, May 24, 2014, the following real property at 1058 New Grove Rd. in Edmonson County, Kentucky: Known as Tract No. 3 of the subdivision in which this tract was created and beginning at an iron pin on the north side of New Grove Road (Kentucky Highway No. 743) approximately 1 mile northeast of Chalybeate Road (Kentucky Highway No. 101), corner to Tract 2 of the subdivision; thence N 03° 30' E 215.0 feet to an iron pin, corner to Tract 4; thence S 86° 30' E 209.39 feet to an iron pin; thence S 05° 12' SW [sic; probably W] 215.1 feet to an iron pin on the north side of the road; thence N 86° 30' W with the road 203.0 feet to the beginning, containing 1.0 acre according to survey by Don L. Goodman, Ky. R.P.L.S. No. 1531. Being the same land conveyed to Joey Vincent by Sarah Smith by deed dated August 24, 1895, recorded August 28, 1995, at Deed Book 148, page 508, records of the Edmonson County Court Clerk, and by Melissa Vincent by deed dated August 5, 2009, recorded August 12, 2009, at Deed Book 204, page 285, records of said clerk. Upon the death of the said Joey Vincent unmarried and intestate on or about March 19, 2012, the property descended to Matthew Scott Vincent and Mackenzie Shea Vincent, his only

heirs, as found in the Judgment re-referred to hereinabove.
TERMS: Although ordered to enforce a judgment for \$81,863.99 plus costs and interest, said will be made, regardless of price, to the highest bidder, subject to right of redemption only if the high bid is less than two-thirds the appraised value of the property. Deposit of 10 per cent of bid price or \$2,000, whichever is greater, required at time of sale, with bond with good surety for the balance, with interest at 12 per cent per annum, provided, however, that any purchaser entitled to proceeds of sale will receive credit on the balance to the limit of entitlement. Balance due upon tender of deed and Court approval. Conveyance without warranty. Buyer to pay ad valorem taxes for year of sale. Natty Bumpoo
Master Commissioner
Edmonson Circuit Court
Box 413
Brownsville KY 42210
270-587-2187
master@borfentis.com
14% 5/8/3c

NOTICE TO CREDITORS
Administration has been granted by the Edmonson Circuit Court upon the following estates:
May 8, 2014
Estate of Truman E. Whittle Gladys Miller and Edward Whittle appointed Executor
Greg Vincent, Attorney
P.O. Box 395
Brownsville, KY 42210
270-587-9609

Estate of persons having claims against said estates are notified to present them to the administrator verified according to law at designated address not later than six months from date of appointment. 5/15/2c

NOTICE TO CREDITORS
Administration has been granted by the Edmonson Circuit Court upon the following estates:
May 8, 2014
Estate of Mary Francis Lindsey
Executor: Lavern Cannon Attorney: Brian Schuette 719 A. Dishman Lane Bowling Green, KY 42104

Estate of persons having claims against said estates are notified to present them to the administrator verified according to law at designated address not later than six months from date of appointment. 5/15/2c

NOTICE
The Edmonson County Water District is accepting bids for Insurance Coverage and Workers Compensation Insurance for the period of July 1, 2014 through June 30, 2015. Bid forms can be obtained at the Water District office during regular business hours: 8:00 a.m.-4:30 p.m., Monday through Friday. Bids will be accepted at the Water District Office until May 27, 2014 at 9:00 a.m. and at that time opened and read aloud. The Water District reserves the right to reject any or all bids and accept the bid most advantageous to the Water District.
Tony Sanders
Interim Manager
5/15/1c

PUBLIC NOTICE
The date for the regular May meeting of the Edmonson County Ambulance Service Board of Directors has been rescheduled to Tuesday, May 20, 2014 at 4:45 pm.
A.J. Johnson, Chairman
ECAS Board of Directors
5/15/1c

**Deadline
Monday - 4 PM**

NOTICE
The Edmonson County Fiscal Court is accepting applications for Litter Abatement (road-side pick-up). Individuals must be 18 years or older and pass a drug test before employment. Pay is \$9.00 per hour. Normal work hours are 7:30 a.m. to 3:00 p.m. Monday thru Friday, during Daylight Saving Time are 7:30 a.m. to 5:00 p.m., Monday thru Thursday, depending on weather. This project is financed thru a Litter Abatement Grant. Applications may be picked up at the County Judge Executive's Office 8:00 a.m.-4:00 p.m., CST, Monday thru Friday located in the Edmonson County Courthouse at 110 E. Main Cross Street, Brownsville, KY 42210, phone 270-587-2819. Applications will be accepted until 4:00 p.m., Friday, May 23, 2014. Edmonson County Fiscal Court is an Equal Opportunity Employer. 5/16/2c

Classified advertising rates up to 30 words \$7.00 (minimum) Each additional word 10 cents

BID ADVERTISEMENT
Sealed bids will be received by the Edmonson County Fiscal Court at the County Judge Executive's Office, Brownsville, Kentucky, until 9:00 a.m., C.D.T., May 27, 2014. Bids will be opened publicly and read aloud during the regular meeting of the Edmonson County Fiscal Court on May 27, 2014. Bids to be opened at that time are for the following products and/or services:
1. Hot Mix Materials (Delivered/Per Ton)
Product:
SSIH, RS-2
HFRS-2
AE-200
AE-300, MS-3
Primer-L
AE-SP
Pugmill rental/ton
2. Bituminous Base-FOB Plant
3. Bituminous Base Laid
4. Bituminous Surface-FOB Plant
5. Bituminous Surface Laid
6. Bituminous Base with 10-15% Kyrrock Mix FOB Plant
7. Bituminous Base 100% Kyrrock Material
8. Bituminous Surface with 10-15% Kyrrock Mix FOB Plant
9. Crushed Stone/Per ton
No. 2 No. 68
No. 3 No. 357
No. 9 No. 810
No. 11 DGA
No. 57 Rip Rap
The bid will run from July 1, 2014-June 30, 2015. Bid forms and complete specifications may be obtained by contacting the County Judge/Executive's Office by phone 270-587-2819, or by mail P.O. Box 353, Brownsville, Kentucky 42210.
The above advertised bids will be presented to the Fiscal Court at 9:00 a.m., C.D.T. on May 27, 2014. Edmonson County reserves the right to delay making an award for a reasonable period of time to allow for proper consideration of all bids and the making of a determination of responsibility. We reserve the right to reject any or all bids. The successful bidder shall be an equal opportunity employer.
Edmonson County Fiscal Court
N.E. Reed
Edmonson County Judge/Executive
5/15/1c

NOTICE OF ADJUSTMENT OF WATER AND SEWER RATES
Edmonson County Water District
Edmonson, Warren, Grayson and Hart Counties, Kentucky
Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky (the "Commission") under KRS 27a.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water and sewer service rates and charges effective as of August 4, 2014, as follows:

Water Rates:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$12.00 minimum	\$13.00 minimum	\$1.00	8.33%
All over 1,500 gallons	\$4.50 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.40	8.89%
Wholesale to City of Brownsville	\$2.70 per 1,000 gallons	\$2.90 per 1,000 gallons	\$0.20	7.41%

Sewer Rates - Residential:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$9.85 minimum	\$13.00 minimum	\$3.15	31.98%
Next 6,500 gallons	\$4.25 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.65	15.30%
Next 12,000 gallons	\$3.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$1.00	25.64%
All over 20,000 gallons	\$2.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$2.00	68.97%

Sewer Rates - Non-Residential:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$14.78 minimum	\$19.50 minimum	\$4.72	31.94%
Next 6,500 gallons	\$6.38 per 1,000 gallons	\$7.35 per 1,000 gallons	\$0.97	15.20%
Next 12,000 gallons	\$5.85 per 1,000 gallons	\$7.35 per 1,000 gallons	\$1.50	25.64%
All over 20,000 gallons	\$4.35 per 1,000 gallons	\$7.35 per 1,000 gallons	\$3.00	68.97%

The proposed water and sewer increases are expected to result to the following impact on the average monthly bill for each of the District's customer classifications based upon their average monthly usage:

Water Rates:

Customer Classification	Average Monthly Usage	Increase in Average Monthly Bill
Residential Customers	3,200 gallons	\$1.68
Wholesale Customers	2,774,417 gallons	\$554.88

Sewer Rates:

Customer Classification	Average Monthly Usage	Increase in Average Monthly Bill
Residential Customers	3,200 gallons	\$4.25
Non-Residential Customers	6,800 gallons	\$9.87

By use of federal loan and grant proceeds and local funds, the District plans to construct and install (i) intake screen modifications at its Wax Water Treatment Plant; (ii) approximately 2.3 miles of new water lines to serve approximately 9 new customers; and (iii) improvements to several of its booster pumping stations. The proposed rates are required under the terms of an agreement between District and United States Department of Agriculture, Rural Electrification Administration ("USDA") and KRS 27a.023 does not grant the Commission discretionary authority to modify or reject any portion of the agreement between USDA and the District or to defer the issuance of all necessary orders to implement the terms of that agreement.

Interested persons may inspect the District's application regarding the proposed water rate increase at either (i) the office of the Commissioner of the Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; (ii) through the Commission's website at <http://psc.ky.gov>; or (iii) the District's offices located at the address provided below. Comments regarding the application may be submitted to the Commission through its website or by mail addressed to the Public Service Commission of Kentucky, Post Office Box 615, Frankfort, Kentucky 40602.

EDMONSON COUNTY WATER DISTRICT
Tony Sanders, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 597-2165

MOBILE HOMES

WE BUY AND SELL NEW AND USED MOBILE HOMES
Financing available
Call
270-678-2460
4/25/1c

WANTED TO BUY

WANTED: Standing Timber, Certified Master Logger. Have references. Call Eli Miller Logging 270-624-2967. If no answer, we will call back. 3/6/25p

WANTED TO BUY: Farm & acreage. Call Mark Duval at 270-734-8672. 2/7/12



**DEADLINE
MONDAY
4 PM**

The Record
209 C West White Oak Street
Leitchfield, KY 42754
270-259-6061

**AFFIDAVIT
PROOF OF PUBLICATION**

I, Vanessa VanNatta do hereby certify that I hold
the position of Office Manager with
The Record, 209 C West White Oak Street, Leitchfield,
KY 42754, and in such position have the responsibility
of publication of display advertising in said newspaper
and that the attached advertisement has been published
in all editions of said newspaper on 5-15-14.

Vanessa VanNatta, Office Manager
(Title)

Subscribed and sworn before me in my presence, this
the 15th day of May 2014.

DeAnna J. Lesley #499611
(Notary Public)

My commission expires October 31st 2017.

300 Legals 300 Legals 300 Legals 300 Legals

REQUEST FOR INSURANCE PROPOSALS

The Grayson County Water District is requesting proposals for insurance coverage, including property, inland marine, boiler and machinery, commercial general liability, commercial automobile, public officials liability, and crime. The policy periods will be July 1, 2014 to July 1, 2015.

All proposals shall be in the form of a sealed proposal clearly marked on the outside "Response To Request For Insurance Proposal" and must be received by the district at its office, 113 South Lee Avenue, Leitchfield, KY 42754, no later than 9:00 a.m. (Central Time) on June 10, 2014 at which time all proposals shall be publicly opened and read aloud.

All proposals shall be set forth on the proposal form and in compliance with specifications, which may be obtained at the office of Director's Insurance consultant:
Charles M. Moore Insurance Agency, Inc.
1007 First Street
Bowling Green, Kentucky 42181
8:00 a.m. to 8:00 p.m. (Central Time)

Requests for specifications by fax or email should be sent to:
Tommy Adams
Email - tadams@cmoore.com
Phone - 270-784-1859
Fax - 270-782-7185

The District reserves the right to accept or reject any and all proposals submitted, it further reserves the right to accept or reject all or any part of any proposal, its decision is final and it is the responsibility of the proposer to be aware of the terms and conditions of the coverage provided, costs, services available from the broker/agent and proposer and the financial solvency of the proposer. The district further reserves the right to waive any deviation from the specifications which it, in its sole discretion, deems appropriate.

**GRAYSON CIRCUIT COURT
CIVIL ACTION NO. 13-CV-00627
DIVISION II**

THE BANK OF NEW YORK MELLON PLAINTIFF
RUSSELL H. COOK, ET AL DEFENDANTS

By virtue of a Judgment and Order of Sale entered on April 2, 2014, the Master Commission will on June 2, 2014, at 1:00 p.m., offer for sale the property described below. The property will be offered at public auction to the highest bidder, on terms of TEN (10%) PERCENT down in the form of cash, cashier's check or certified check, and the balance on a credit of forty-five (45) days, secured by a bond with sufficient surety, bearing interest at the accruing interest rate of 15% per annum from date of sale until the purchase price is paid. The auction will be held at the newest judicial building located at 500 Carroll Gibson Boulevard, Leitchfield, Kentucky the following described property, to-wit:

Being Lots No. 14 and 15 in FINE RIDGE SUBDIVISION, plat of which is recorded in Deed Book 88, Page 193, now approved and recorded in Plat Cabinet 1, at Sheet 193, Grayson County Clerk's Office, Kentucky.

Being the same property conveyed to Russell H. Cook and for Mrs. Marie Cook, by Deed dated January 20, 1998, and being of record in Deed Book 377, Page 301, in the Office of the Clerk of Grayson County, Kentucky.

Property Address: 712 Pine Ridge Road, Falls of Rough, KY 40118-9515

The real estate will be appraised. The purpose of the sale is to satisfy a judgment in the amount of \$71,348.00 plus interest and costs, the amount awarded in the judgment. However, bids will not be required to meet or exceed the appraised value.

The real estate has been subjected to judgments and will be sold as a whole, including all improvements. It will be sold subject to the real estate taxes for the current year, and also subject to all restrictions and easements of record. Neither the Court nor the Master Commissioner warrant title or condition of the subject property.

The purchaser is required to make the down payment at the time of sale, payable to the order of the Master Commissioner in the form of cash, cashier's check or certified check. The purchaser will also be required to give the balance of the purchase price with every check satisfactory to the Master Commissioner. The bond, payable to the Master Commissioner, will have the force and effect of a judgment bearing twelve (12%) percent interest from the date of sale. A lien will be retained on the property sold until the purchase money is fully paid.

**BETH C. KATLEY
MASTER COMMISSIONER
(270) 230-6128**

NOTICE OF ADJUSTMENT OF WATER AND SEWER RATES
Edmonson County Water District

Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky (the "Commission") under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust monthly water and sewer service rates and charges effective on or August 4, 2014, as follows:

Water Rates	Present Rates		Proposed Rates		% Increase	% Increase
	Minimum	Maximum	Minimum	Maximum		
First 1,500 gallons	\$12.00	\$12.00	\$12.00	\$12.00	\$0.00	0.00%
All over 1,500 gallons	\$4.50 per 1,000 gallons	\$4.50 per 1,000 gallons	\$4.50 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.00	0.00%
Wholesale to City of Brownsville	\$2.70 per 1,000 gallons	\$2.70 per 1,000 gallons	\$2.90 per 1,000 gallons	\$2.90 per 1,000 gallons	\$0.20	7.41%

Sewer Rates - Residential	Present Rates		Proposed Rates		% Increase	% Increase
	Minimum	Maximum	Minimum	Maximum		
First 1,500 gallons	\$8.18	\$11.50	\$8.18	\$11.50	\$0.00	0.00%
Next 8,500 gallons	\$4.25 per 1,000 gallons	\$4.25 per 1,000 gallons	\$4.25 per 1,000 gallons	\$4.25 per 1,000 gallons	\$0.00	0.00%
Next 12,000 gallons	\$3.90 per 1,000 gallons	\$3.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$1.00	25.64%
All over 20,000 gallons	\$2.90 per 1,000 gallons	\$2.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$2.00	68.97%

Sewer Rates - Non-Residential	Present Rates		Proposed Rates		% Increase	% Increase
	Minimum	Maximum	Minimum	Maximum		
First 1,500 gallons	\$14.78	\$10.50	\$14.78	\$10.50	\$0.00	0.00%
Next 8,500 gallons	\$8.38 per 1,000 gallons	\$8.38 per 1,000 gallons	\$7.38 per 1,000 gallons	\$7.38 per 1,000 gallons	-\$1.00	-12.05%
Next 12,000 gallons	\$5.80 per 1,000 gallons	\$5.80 per 1,000 gallons	\$7.30 per 1,000 gallons	\$7.30 per 1,000 gallons	\$1.50	25.86%
All over 20,000 gallons	\$4.31 per 1,000 gallons	\$4.31 per 1,000 gallons	\$7.30 per 1,000 gallons	\$7.30 per 1,000 gallons	\$3.00	69.61%

The proposed water and sewer increases are expected to result in the following impact on the average monthly bill for each of the District's customer classifications based upon their average monthly usage:

Customer Classification	Present Average Monthly Usage	Present Average Monthly Bill	Proposed Average Monthly Bill	% Increase
Residential Customers	1,500 gallons	\$12.00	\$12.00	0.00%
Wholesale Customers	1,500 gallons	\$2.70	\$2.90	7.41%
Commercial Customers	1,500 gallons	\$14.78	\$14.78	0.00%
Non-Residential Customers	1,500 gallons	\$14.78	\$14.78	0.00%

By use of federal loan and grant proceeds and local funds, the District plans to construct and install (i) intake screen modifications at its West Water Treatment Plant; (ii) approximately 2.3 miles of new water lines to serve approximately 8 new customers; and (iii) improvements to several of its booster pumping stations. The proposed rates are required under the terms of an agreement between District and United States Department of Agriculture (USDA) and KRS 278.023 does not grant the Commission discretionary authority to modify or reject any portion of the agreement between USDA and the District or to defer the issuance of all necessary orders to implement the terms of that agreement.

Interested persons may inspect the District's application regarding the proposed water rate increases at either (i) the office of the Commission at 411 Bowser Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; (ii) through the Commission's website at <http://psc.ky.gov>; or (iii) the District's office located at the address provided below. Comments regarding the application may be submitted to the Commission through its website or by mail addressed to the Public Service Commission of Kentucky, Post Office Box 611, Frankfort, Kentucky 40602.

EDMONSON COUNTY WATER DISTRICT
Terry Sanders, Manager
Edmonson County Water District
1124 Highway 259 North
Brownsville, Kentucky 42116
(270) 897-3198

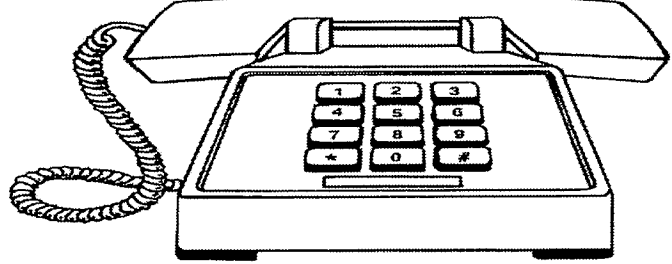
CLASSIFIED WORKS

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DAILY NEWS



813 College St.

P.O. Box 90012

Bowling Green, KY 42102-9012

AFFIDAVIT OF PUBLICATION

Stoll Kennon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

Re: Verification of Insertion

This is to certify that on **Thursday, May 15, 2014** an ad for **NOTICE OF ADJUSTMENT OF WATER AND SEWER RATES** ran in the Daily News, a newspaper in and for the county of Warren, city of Bowling Green, state of Kentucky.

I further certify that all of the foregoing facts are true on such date aforesaid.

Dated this 19th day of May, 2014.



Subscribed and sworn to before me this 19th day of May, 2014.

My Commission Expires: June 14, 2015.

Notary ID: 440787



Notary Public, KY State-At-Large

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Main (270) 781-1700 • Circulation (270) 783-3200 • Fax: (270) 781-0726 • News Fax: (270) 783-3237

WKCT - AM 930 • WDNS - FM 93.3
The Number One Radio Voices of the Daily News

AFFIDAVIT

This is to certify that the 15 day of May,
2014 an ad for Edmonson County Water
District / Stall Kenon Ogden PLLC
was published in the regular edition of the Hart County
News Herald, a newspaper published for general
circulation in the City of Horse Camp, unincorporated, Hart
County and adjoining counties.

Sam Wright

COMMONWEALTH OF KENTUCKY

County of Hart

The foregoing was subscribed and sworn to before me by _____
Sam Wright on this 15 day of May
in 2014.

Leslie Logan
Notary Public, Kentucky, State-At-Large
My commission expires: 02-09-15

BOATS FOR SALE

BOAT FOR SALE: 17ft. Alero glass fish and ski boat with trailer. Walk through windshield, 150 horse power Mercury motor, like new trolling motor, 3 depth finders, 4 life jackets. Everything in great condition. \$3000. 278-670-5303. **FBC211**

FOR LEASE

1.5 ACRES, 2 bedrooms, 2 bath mobile home, all electric, city water, large back deck. Located off Spanglin Road. Lease with Option to Purchase. Call Roger at 270-669-8437 or 1-800-422-9977. **H/12**

FOR RENT

FOR RENT: 2 bedroom duplex; 3 bedroom house. Lease required. No pets. Rent from \$150 to \$650. Call for information and availability: 270-524-3690 **th**

FOR RENT: Commercial Building, 205 Collins Avenue, Horse Cave, suitable for auction, retail or church. Call 270-786-1700 or 865-804-3518 **th**

FOR RENT: 3 BR farm home in Koroos Creek/Linwood community. 2 Year Lease Required. References required. 270-524-7231. **H/18**

FOR SALE

FOR SALE: Maytag washer/dryer. Wash and spin like new. Also repair washing machines. 5994 Route 728, Mansfieldville. 270-531-5743 **H th**

100% WOOD MEAT, no worries. Keep your family safe and warm with an OUTDOOR WOOD BURNING Stove from Central Boiler. Summit Mountain 270-459-1857. **AS/18**

FOR SALE: Thermal King cooling system, great engine. Robert Miller. 270-528-1537 or 270-531-3751. **H/5-15**

FOR SALE: 1 wooden 5' shelf unit - \$100.00 (5 ft. long x 22 in wide x 25 in tall); 1 cash register \$50.00; 14x28 building (with porch) finished inside, carpet, cooling fan, lights and heat/air unit. \$7500.00 and you move. Call 270-786-3186. **H/5-22**

FOR SALE: 2 Whopos. 14 ft. flat w/4 ft. talligan. Kept inside out of weather. Call 270-786-3485. **H/5-15**

FOR SALE: 78 gall type bombog and Thermal King Cooling System lease engine. 270-524-2405. **H/5-22**

FOR SALE: Holstein Jersey milk cow, very good. \$900.00. 8x12 possible chicken coop \$150.00. Paul M. Miller 278-524-9111. **H/5-22**

GREENHOUSE PRODUCE

BATES FARM & GREENHOUSE. Open Sun-Sat 8-4. Annuals, Perennials, Hanging Baskets, Veggies. Plants also some garden seeds. Octant seeds, seed potatoes, etc. Opening Day for our Farmers Market on South Green Street in Glasgow Saturday, April 19. Plants, produce in season, baked goods. 3218 Poplar School Road, Glasgow. **FBC25-21**

GREENHOUSE PRODUCE

STRAWBERRIES starting May 19. \$18.00/gallon. 270-524-2487. **H/5-15**

HELP WANTED

VisionFirst, a leader in progressive, personalized eye care and eyewear, is seeking dynamic, people-friendly opticians and technicians. Great work environment, leading edge technology and excellent hours. Immediate openings available in Mansfieldville & Hodgenville. Experience is a plus. Forward your resume & salary requirements to info@visionfirst-eyes.com **H/5-22**

HAMPTON INN, Horse Cave, now hiring housekeeping. Breakfast host and janitors. Apply in person. **BOE. H/5-15**

LAWN CARE

CHAD'S LAWN CARE & POSE-BLOGGING: For all your mowing, bush-trimming, garden cleaning, final plot work. Residential or commercial. 270-528-6213 **th**

KILLMANN'S LAWN CARE. Commercial and residential. Free estimates. Reasonable rates. Call 270-774-1364 leave message. **H/18**

SQUARE DEAL MOWING. Horse Cave/Cave City area. If your grass is too thick we'll cut it. Call 270-218-8914. **H/5-22**

REGISTERED HOLSTEIN BULLS for sale. Some include BRAKTON, DURABLE, DOMAIN & CAMERON. Dams with records to 27,000. Brandon Fields 270-218-0928. **AS/5-22**

MOBILE HOMES

CLAYTON HOMES OF BOWLING GREEN. Good credit, bad credit, no credit. If I don't see all you'll need an down home today. **WAC. 1-813-783-5641. th**

NOTICE

GOLD LINK will be buying gold and silver in any condition at Country Corner in Bomersville on Wednesdays from 3:00 - 3:30. Call for an appointment 1-270-472-6922. **H/BO/13**

FEIJIC TRANS-VAGINAL MESH? Did you undergo transvaginal placement of mesh for pelvic organ prolapse or stress urinary incontinence between 2005 and the present? If the mesh caused complications, you may be entitled to compensation. Call Attorney Charles Johnson 1-800-525-5727. **AS 5-15**

IF YOU USED THE BLOOD THINNER PRADAXA and suffered internal bleeding, hemorrhaging, required hospitalization or a level one care while taking Pradaxa between October 2010 and the present. You may be entitled to compensation. Call Attorney Charles Johnson 1-800-525-5727. **AS 5-15**

CLASSIFIEDS
786-3676

PETS

PUPPIES, DOGS, KITTENS AND CATS. Glasgow/Brown County Animal Center. 175 Troy-John, or call 278-651-PAWS (7297). **th**

SERVICES

RANJO & GUTIERREZ SERVICES: English, Spanish, insurance and advanced beauty. \$15.00/1/2 hour. 270-524-0757. **th**

GREEN RIVER TREE SERVICE: Tree work, stump grinding. Bucket truck. Insured. 278-531-1308 **th**

SEPTIC TANK CLEANING, All dirt, truck loader work. See Rancho backhoe work. Byron Logan, 270-524-2156/AGMs Logan, 270-524-3321. **th**

HANDYMAN SERVICES: Building and repair, remodeling, new construction, decks, landscape, flooring, etc. 25 years experience. Reasonable rates. Call Tim Gray. 270-537-5084. **H/3-31**

STORAGE

HEARTMINT STORAGE: New, secure, fenced. Lights inside units, Mansfieldville. Call 270-524-3690 or 278-524-4475. **H/ th**

MINI BUDGET STORAGE: Abshaker Avenue, Horse Cave. 10x12; 10x16; 10x20; 10x30. Call 270-786-1700 or 1-865-804-3510 **th**

4 LOCATIONS TO CROCKFORD MEATS: Storage LLC. 10x10 is \$30; 10x15 is \$40; 10x20 is \$50; 10x30 is \$60. No deposit required. Ask about our discount options. 270-528-8277 or 270-534-6403. **H/18**

WANTED

STANBERG TIMBERS: Miller River Logging. Certified Kentucky Master Logger. In business since 1963. 270-528-1537. **th**

BUYING Pine and Cedar Logs. Robert J. Miller. 270-524-3422. **H/5-15**

Want to buy cedar logs.
MILLER'S CEDAR MILL
Horse Cave
270-786-4316

WANTED: Pine logs. 270-524-1287. **H/5-29**

WANTED: Looking for a propane kitchen range. 270-531-5394. **H/5-15**

WANTED: 500 gallon LP tank in good condition. 270-524-4680. **H/5-5**

YARD SALE

MULTI-FAMILY YARD SALE: May 24-25-26. Sun-Open. 39 Bank Street, Commerce. Refrigerator, microwave, kitchen table, living room table, hanging lights. Clothes: Boys size toddler to 16, Girls size 4-12, men's size 30-36, women's size 0-16, recliner, chair cabinet, oak TV stand, oak entertainment center, puzzles, knob-knocks, much more! **H/13-22**

YARD SALE

DARLA'S SECOND HAND IMPRESSIONS, 606 N. Dixie Highway, Cave City. Monday-Saturday 10am-4pm. Clothes, furniture, something for everyone. 270-773-6761. Selling Natures Bushes and Pure Herbs. **H/17-24&529**

CLASSIFIEDS WORK!



SURPLUS PROPERTY
The City of Mansfieldville has sold a Vermeer Chipper Model 1250 to the Hart County 901 Board (Hart County Solid Waste). The Chipper was purchased following the 2009 ice storm for removal of debris. It was rarely used and determined to be surplus property. At the May 1, 2014 meeting the Mansfieldville City Council voted unanimously to sell the chipper to the Hart County 901 Board (Hart County Solid Waste) for exactly the same purchase price initially paid by the city.

YARD SALE

BROTHERS SALE: 183 Green St. in Horse Cave May 16th & 17th. Starts at 8:00 a.m. Power tools and numerous items. Golf clubs, fishing poles, PA head, coolers. **H/5-15**

CLASSIFIEDS WORK!

NEED A LITTLE EXTRA CASH?

Turn items you no longer need into cash you can use. Call 270-786-2676 to place your classified ad today!



AUCTION
Saturday, May 31st @ 10:00 am CST
1033 Stockholm Road, Mammoth Cave, KY

Printed 11.72 Acre Mini Farm & Well Maintained 4 Bedroom 3 Bath Home Only 1 mi. from Mammoth Cave Nat. Park

Savage, Remington, & Browning

2010 Ford F350 XL 6.4 liter twin turbo diesel. 67,000 miles

This 11.72 acre self-sufficient farm also includes a barn with stalls, 3 ponds, pasture and fencing for livestock, a chicken house and coop, run in shed for livestock, garden space, green house, and a huge orchard. Personal property: guns, truck, farm equipment, furniture, appliances, tools and more.

Broker/Auctioneer: Ron Kirby, Jr., Terry Garrison, Chris Grawitt
Apprentice Auctioneer: A.J. Wootley
270-783-3000 | UCRealEstateAuctions.com

NOTICE OF ADJUSTMENT OF WATER AND SEWER RATES

Edmonson County Water District
Edmonson, Warren, Grayson and Hart Counties, Kentucky

Notice is hereby given that, pursuant to an application filed or to be filed with the Public Service Commission of Kentucky (the "Commission") under KRS 278.023 by the Edmonson County Water District (the "District"), the District proposes to adjust its monthly water and sewer service rates and charges effective as of August 4, 2014, as follows:

Water Rates:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$12.00 minimum	\$13.00 minimum	\$1.00	8.33%
All over 1,500 gallons	\$4.50 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.40	8.89%
Wholesale to City of Brownsville	\$2.70 per 1,000 gallons	\$2.90 per 1,000 gallons	\$0.20	7.41%

Sewer Rates - Residential:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$9.53 minimum	\$13.00 minimum	\$3.15	31.98%
Next 6,500 gallons	\$4.23 per 1,000 gallons	\$4.90 per 1,000 gallons	\$0.65	15.30%
Next 12,000 gallons	\$3.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$1.00	23.64%
All over 20,000 gallons	\$2.90 per 1,000 gallons	\$4.90 per 1,000 gallons	\$2.00	68.97%

Sewer Rates - Non-Residential:

	Present Rates	Proposed Rates	\$ Increase	% Increase
First 1,500 gallons	\$14.76 minimum	\$19.20 minimum	\$4.72	31.94%
Next 6,500 gallons	\$6.38 per 1,000 gallons	\$7.35 per 1,000 gallons	\$0.97	15.20%
Next 12,000 gallons	\$5.83 per 1,000 gallons	\$7.35 per 1,000 gallons	\$1.50	23.64%
All over 20,000 gallons	\$4.33 per 1,000 gallons	\$7.35 per 1,000 gallons	\$3.00	68.97%

The proposed water and sewer increases are expected to result in the following impact on the average monthly bill for each of the District's customer classifications based upon their average monthly usage:

Water Rates:

Customer Classification	Average Monthly Usage	Increase in Average Monthly Bill
Residential Customers	3,200 gallons	\$1.68
Wholesale Customers	2,774-317 gallons	\$554.68

Sewer Rates:

Customer Classification	Average Monthly Usage	Increase in Average Monthly Bill
Residential Customers	3,200 gallons	\$4.25
Non-Residential Customers	6,800 gallons	\$9.87

By use of federal loan and grant proceeds and local funds, the District plans to construct and install (i) intake screen modifications at its Wey Water Treatment Plant, (ii) approximately 2.3 miles of new water lines to serve approximately 9 new customers, and (iii) improvements to several of its booster pumping stations. The proposed rates are required under the terms of an agreement between District and United States Department of Agriculture, Rural Development ("USDA") and KRS 278.023 does not grant the Commission discretionary authority to modify or reject any portion of the agreement between USDA and the District or to delay the issuance of all necessary orders to implement the terms of that agreement.

Interested persons may inspect the District's application regarding the proposed water rate increase at either (i) the office of the Commissioner of the Commission located at 211 Sower Boulevard, Frankfort, Kentucky Monday through Friday, 8:00 a.m. to 4:30 p.m.; (ii) through the Commission's website at <http://apps.ky.gov>; or (iii) the District's offices located at the address provided below. Comments regarding the application may be submitted to the Commission through its website or by mail addressed to the Public Service Commission of Kentucky, Post Office Box 615, Frankfort, Kentucky 40602.

EDMONSON COUNTY WATER DISTRICT
Tony Sawyers, Manager
Edmonson County Water District
1128 Highway 259 North
Brownsville, Kentucky 42210
(270) 977-2165

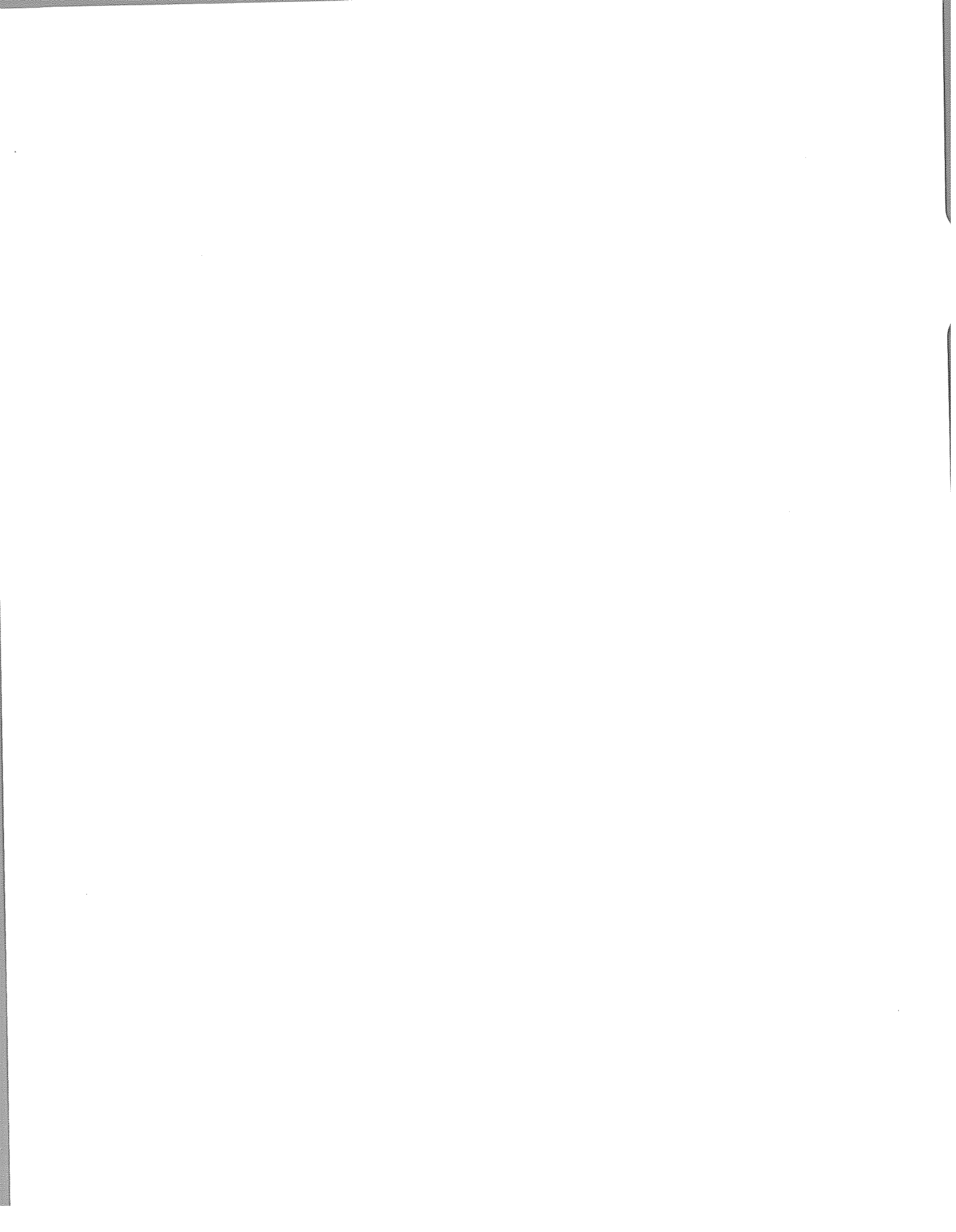


EXHIBIT F

Bond-authorizing Resolution

(See attachment)

A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND THE INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2013A AND SERIES 2013B IN AN AGGREGATE PRINCIPAL AMOUNT OF \$664,000, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

_____. _____
Adopted [____], 2014

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A RESOLUTION OF THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT PROVIDING FOR THE CONSTRUCTION AND THE INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S WATER SYSTEM REVENUE BONDS, SERIES 2013A AND SERIES 2013B IN AN AGGREGATE PRINCIPAL AMOUNT OF \$664,000, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS HERETOFORE ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; CONFIRMING, RATIFYING AND CONTINUING CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED AND OTHER PARITY BONDS OUTSTANDING; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS HEREIN AUTHORIZED AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, and upon proper public notice according to the provisions of Chapter 74 of the Kentucky Revised Statutes ("KRS"), an order was duly entered by the County Court of Edmonson County, Kentucky, on March 10, 1967, determining necessity for and creating and establishing the Edmonson County Water District (the "District"), defining the geographical area thereof, the same thereupon constituting and being a public body corporate with all powers and authority as provided in KRS Chapter 74; and

WHEREAS, the District is at this time a *de jure* water district situated in Edmonson County, Kentucky, with extensions into Warren, Grayson and Hart Counties; and

WHEREAS, since 1969 the District has owned and operated a municipal water distribution system (the "System") to serve the area within the District, and in this connection the District has previously issued and there are presently outstanding the following bonds and obligations payable from and secured by a first pledge of the revenues of the System, on a parity one with the other:

- (a) \$3,467,700 outstanding principal amount of Water System Revenue Bonds, 2001 Series A and B (the "Series 2001 Bonds"), authorized by Resolution of the Commission of the District adopted on March 12, 2001 (the "Series 2001 Resolution");

- (b) \$392,000 outstanding principal amount of Water System Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), authorized by Resolution of the Commission of the District adopted October 28, 2003 (the "Series 2003 Resolution");
- (c) Loan repayment obligation to the Kentucky Rural Water Finance Corporation under an Assistance Agreement dated March 24, 2004, as amended and supplemented by a First Amendment and Supplement to Assistance Agreement dated as of February 27, 2013 (as amended and supplemented, the "2004 Agreement"), in an outstanding principal amount not exceeding \$1,914,000 (the "2004 Loan");
- (d) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 29, 2008 (the "2008C Agreement"), in an outstanding principal amount not exceeding \$561,250 (the "2008C Loan");
- (e) \$1,640,000 outstanding principal amount of Water System Revenue Bonds, Series 2007A and Series 2007B (collectively the "Series 2007 Bonds"), authorized by Resolution of the Commission of the District adopted July 10, 2007 (the "Series 2007 Resolution");
- (f) \$1,460,500 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2009 (Build America Bonds - Direct Payment to Issuer) (the "Series 2009 Bonds"), authorized by Resolutions of the Commission of the District adopted March 18, 2009 and April 13, 2010 (collectively, the "Series 2009 Resolution");
- (g) \$561,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment to Issuer) (the "Series 2010A Bonds"), authorized by Resolution of the Commission of the District adopted May 11, 2010 (the "Series 2010A Resolution");
- (h) \$689,000 outstanding principal amount of Water System Revenue Bonds, Taxable Series 2010B (Build America Bonds - Direct Payment to Issuer) (the "Series 2010B Bonds"), authorized by Resolution of the Commission of the District adopted November 9, 2010 (the "Series 2010B Resolution"); and
- (i) Loan repayment obligation to Kentucky Rural Water Finance Corporation under an Assistance Agreement dated May 30, 2012 (the "2012 Agreement"), in an outstanding principal amount not exceeding \$2,787,500 (the "2012 Loan"); and

and further there are presently outstanding certain subordinate obligations of the District that are payable from and secured by a pledge of the revenues of the System subject to the priorities of the Series 2001 Bonds, the Series 2003 Bonds, the 2004 Loan, the 2008C Loan, the Series 2007 Bonds, the Series 2009 Bonds, the Series 2010A Bonds, the Series 2010B Bonds and the 2012 Loan (the "Prior Obligations"); and

WHEREAS, it is provided in the Series 2001 Resolution, the Series 2003 Resolution, the 2004 Agreement, the 2008C Agreement, the Series 2007 Resolution, the Series 2009 Resolution,

the Series 2010A Resolution, the Series 2010B Resolution and the 2012 Agreement (collectively, the "Prior Resolutions") that the District may issue additional parity bonds ranking on a parity and equality with the outstanding Prior Obligations for the purpose of adding new municipal water distribution system facilities to the System upon a showing of compliance with the parity bond coverage test set forth in the 2003 Resolution, and it has been determined by the Commission of the District that the District may now meet such coverage test so that two series of additional parity bonds, ranking on a parity with the Prior Obligations and styled "Water System Revenue Bonds, Series 2013A" and "Water System Revenue Bonds, Series 2013B," may now be issued in the aggregate principal amount of \$664,000 for the purpose of financing a portion of the costs of major improvements and additions to the municipal water facilities heretofore approved by the Commission of the District (the "Project"), all as more fully described in the plans and specifications heretofore prepared on behalf of the District by GRW Engineers, Inc., Nashville, Tennessee (the "Engineers"), and on file in the office of the District; and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System, and plans and specifications have heretofore been prepared by the Engineers and approved by the District's Commission and all state and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of such new facilities at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$950,000; and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development ("USDA"), an offer to make a two loans to the District in the amounts of \$504,000 and \$160,000, respectively (\$664,000 total), which, together with USDA grants in the aggregate amount of \$286,000, will be sufficient to pay such estimated costs and expenses; and

WHEREAS, it is now appropriate for the District to provide for borrowing such sum of \$664,000 through the issuance and sale of its Water System Revenue Bonds, Series 2013A in an aggregate principal amount of \$504,000 (the "Series 2013A Bonds") and Water System Revenue Bonds, Series 2013B in an aggregate principal amount of \$160,000 (the "Series 2013B Bonds") and, collectively with the Series 2013A Bonds, the "Series 2013 Bonds"), according to authority of Kentucky Revised Statutes ("KRS") Chapters 74 and 106; and

WHEREAS, the Series 2013 Bonds will be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System and will not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF EDMONSON COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1
AFFIRMATION OF PREAMBLE RECITALS;
AUTHORIZATION OF THE PROJECT;
DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of the Project, all substantially according to the plans, specifications and designs prepared for the District by the Engineers and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2
PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the Series 2013 Bonds hereinafter authorized, or bonds or obligations issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the Series 2013 Bonds and all other parity bonds or obligations outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3
SERIES 2013 BONDS AUTHORIZED;
CERTAIN TERMS AND DETAILS

For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the Series 2013 Bonds, there are hereby authorized to be issued the District's Water System Revenue Bonds, Series 2013A in an aggregate principal amount of \$504,000 and Water System Revenue Bonds, Series 2013B in an aggregate principal amount of \$160,000, with reservation of right on the part of the District to issue additional bonds or obligations in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter prescribed and set forth. The Series 2013 Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and each series of the Series 2013 Bonds shall be issuable in the form of a single fully registered bond as provided in Section 5 hereof.

Each series of the Series 2013 Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2016 to 2053, inclusive, as set forth in the respective schedule appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable semiannually on January 1 and July 1 of each year, and such interest to be at such rate as may be established by a supplemental Resolution upon the basis of competitive sale of such series of the Series 2013 Bonds as hereinafter provided. The installments of principal of each series of the Series 2013 Bonds, in fully registered form as aforesaid, shall be as set forth in the following respective maturity schedule:

Series 2013A Bonds Maturity Schedule (\$504,000):

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2017	\$ 9,000	2030	\$11,500	2043	\$15,000
2018	9,000	2031	12,000	2044	15,500
2019	9,000	2032	12,000	2045	16,000
2020	9,500	2033	12,500	2046	16,000
2021	9,500	2034	12,500	2047	16,500
2022	9,500	2035	13,000	2048	17,000
2023	10,000	2036	13,000	2049	17,000
2024	10,000	2037	13,500	2050	17,500
2025	10,500	2038	13,500	2051	18,000
2026	10,500	2039	14,000	2052	18,500
2027	11,000	2040	14,000	2053	18,500
2028	11,000	2041	14,500	2054	17,500
2029	11,500	2042	15,000		

Series 2013B Bonds Maturity Schedule (\$160,000):

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2017	\$2,000	2030	\$3,500	2043	\$5,000
2018	2,500	2031	3,500	2044	5,000
2019	2,500	2032	3,500	2045	5,500
2020	2,500	2033	3,500	2046	5,500
2021	2,500	2034	4,000	2047	5,500
2022	2,500	2035	4,000	2048	6,000
2023	2,500	2036	4,000	2049	6,000
2024	2,500	2037	4,000	2050	6,500
2025	3,000	2038	4,500	2051	6,500
2026	3,000	2039	4,500	2052	6,500
2027	3,000	2040	4,500	2053	7,000
2028	3,000	2041	4,500	2054	7,500
2029	3,000	2042	5,000		

The 2013A Bonds and the 2013B Bonds shall each be issued as a single fully registered bond, numbered R-1, maturing in principal installments in annual amounts corresponding to the respective schedule immediately above, provided, however, that installments of principal of Series 2013 Bonds maturing on and after January 1, 2024, shall be subject to prepayment at the option of the District before maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after January 1, 2023, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the Series 2013 Bonds; provided, that so long as USDA is the owner of any of the Series 2013 Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The Series 2013 Bonds may be prepaid only in increments of \$500.

Both principal of and interest on the Series 2013 Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2013 Bond shall cease to be such officer before delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2013 Bond.

The Series 2013 Bonds, together with the Prior Obligations, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable as to principal and interest only out of the Bond Fund hereinafter defined and shall be a valid claim of the holder thereof only against said Bond Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Bond Fund, subject to the terms hereof.

The District finds and declares that the Series 2013 Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the District's previously issued and outstanding Prior Obligations inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Obligations.

SECTION 4 PROVISIONS RELATING TO SALE OF SERIES 2013 BONDS

The Series 2013 Bonds authorized by this Resolution shall be publicly offered for sale according to a Combined Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days before the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the legal newspapers published in Edmonson, Hart, Grayson and Warren Counties, Kentucky, which are qualified

under KRS 424.120 to publish advertisements for the District; and (b) The Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation.

Said Notice shall state the name and amount of each series of the Series 2013 Bonds to be sold, the time of the sale and other details concerning each series of the Series 2013 Bonds and the sale, and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the Series 2013 Bonds, provisions as to redemption before maturity and related information, may be obtained from the District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(a) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the Series 2013 Bonds and who are not purchasing for more than one account and do not intend to redistribute the Series 2013 Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less and not more than par value for the Series 2013 Bonds. No premium shall be bid.

(b) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(c) Bids will be considered only for both series of the Series 2013 Bonds, to be issued as a single fully registered bond for each series.

(d) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2.0% of the face amount of the Series 2013 Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such Series 2013 Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(e) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(f) The lowest net interest cost will be determined by applying the aggregate amount of interest on the Series 2013 Bonds bid for, computed from the first day of the month following the date of sale of the Series 2013 Bonds (even though the Series 2013 Bonds will bear interest only from the date of delivery) to the final maturity specified in each bid.

(g) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the Series 2013 Bonds at the office of the District within forty-five (45) days after notice is given of the award. If the Series 2013 Bonds are not ready for delivery and payment within forty-five (45) days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the Series 2013 Bonds, except that Series 2013 Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(h) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(i) The District will furnish the Series 2013 Bonds, together with evidence of approval of the 2013 Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278, and customary closing documents, including a no-litigation certificate.

(j) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Louisville, Kentucky, as to the legality of the Series 2013 Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Combined Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the Series 2013 Bonds.

SECTION 5
SERIES 2013 BONDS TO BE ISSUED IN FULLY REGISTERED FORM;
FULLY REGISTERED BOND FORM

Upon the sale of the Series 2013 Bonds, the District shall issue a single fully registered 2013A Bond numbered R-1 for the 2013A Bonds and a single fully registered 2013B Bond numbered R-1 for the 2013B Bonds (each fully registered bond being individually referred to herein as a "Fully Registered Bond"). Each Fully Registered Bond shall be in the aggregate principal amount of the series of the Series 2013 Bonds it represents, maturing as to principal in installments as set out in Section 3 hereof. Each Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. Each Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary-Treasurer of the Commission, and actual impression of the corporate seal), constitute the series of the Series 2013 Bonds it represents and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of each Fully Registered Bond shall be kept by the Secretary-Treasurer, who is hereby appointed as Bond Registrar in connection with each 2013 Bond. Each Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of a Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on such Fully Registered Bond and deliver such Fully Registered Bond to such transferee. The person in whose name a Fully Registered Bond shall be properly registered

shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon a Fully Registered Bond to the extent of the sum or sums so paid. The face amount of each Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity for such series, and the Secretary-Treasurer shall keep appropriate records of all payments (both principal and interest) with respect to each Fully Registered Bond.

The Fully Registered Bond for each series of Series 2013 Bonds shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF EACH FULLY REGISTERED SERIES 2013 BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
EDMONSON COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, SERIES 2013 __

No. R-1 \$ _____

KNOW ALL MEN BY THESE PRESENTS:

That Edmonson County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Edmonson, Warren, Grayson and Hart Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of _____ DOLLARS (\$ _____) on the first day of January in years and installments as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
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(Here the printer will print the principal maturities of the 2013A Bonds or the 2013B Bonds.)

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, 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, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____% 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 to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a total authorized series of Bonds in the aggregate principal amount of \$_____ issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including KRS Chapters 74 and 106, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major improvements and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the series which it represents, together with such additional bonds and obligations ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the Resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the series of which it forms a part, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Sinking Fund of 1969." This Bond and the series it represents rank on a basis of parity and equality with certain identically styled bonds designated Series 2013__ and issued simultaneously herein pursuant to the Bond-authorizing Resolution.

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this series of Bonds and all other bonds and obligations ranking on a parity therewith that may be outstanding from time to time, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary-Treasurer of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books 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, 2023, in the 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 multiples of Five Hundred Dollars (\$500) 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 holder of this Bond at least thirty (30) days before the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

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 provisions of this Bond or with the provisions of the resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said resolution.

This Bond is exempt from *ad valorem* 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, being the total authorized amount of Bonds of the series of which this Bond is a part, 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, the Edmonson County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary-Treasurer, and its corporate seal to be hereunto affixed, on the date of this Bond, which is _____.

EDMONSON COUNTY WATER
DISTRICT

By: _____
Chairman of the Commission

Attest:

Secretary-Treasurer

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of the Edmonson County Water District kept for that purpose by its Secretary-Treasurer, as Bond Registrar, upon presentation hereof to the

Secretary-Treasurer, 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 holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

<u>Date of Registration</u>	<u>Name of Registered Holder</u>	<u>Signature of the District's Bond Registrar</u>
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

*(To be inserted if USDA purchases the Series 2013 Bonds)

SECTION 6
DISPOSITION OF BOND PROCEEDS; CONSTRUCTION FUND

The Secretary-Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in a bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Secretary-Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the Series 2013 Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the Series 2013 Bonds shall be applied as follows:

Upon the issuance and delivery of the Series 2013 Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account designated "Edmonson County Water District 2013 Construction Fund" (the "Construction Fund"), hereby created. Said 2013 Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the issuance of the Series 2013 Bonds and paying any interim financing obligations (both principal and interest) incurred in connection with the Project; provided, however, any 2013 Bond proceeds so used to pay such interim financing obligations

may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the Series 2013 Bonds (following delivery thereof) during construction and development of the System shall be earmarked, used and applied to the payment of interest on the Series 2013 Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Secretary-Treasurer, and such disbursements shall be authorized and approved in writing by the District Chairman and Secretary-Treasurer and, if USDA is the purchaser of the Series 2013 Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2013 Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the System for the next sixty (60) days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six (6) months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Bond Fund hereinafter defined, and shall be used at the earliest practicable date for the retirement of the Series 2013 Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts, and in proportion to the principal amount of the series (insofar as practicable).

In the event that the amount hereinabove provided to be set aside from 2013 Bond proceeds for payment for interest during the construction and development of the System should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the System, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all Series 2013 Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien

and charge in favor of the holders of Series 2013 Bonds issued and outstanding hereunder and for their further security.

SECTION 7
OPERATION OF SYSTEM; FLOW OF FUNDS;
ACCUMULATION OF REVENUES

Operation and Revenues of System; Funds and Accounts. From and after issuance and delivery of the Series 2013 Bonds, and so long as any of the Series 2013 Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the District's "Waterworks Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District, as permitted by applicable statutes, as follows:

(a) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created in and by the 1969 Resolution and designated and identified as the "Waterworks Bond and Interest Sinking Fund of 1969" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Obligations, Series 2013 Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Obligations, Series 2013 Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution.

There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund sums sufficient to pay when due the principal and interest requirements on the Prior Obligations, Series 2013 Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 20th day of each month, on account of the Prior Obligations and Series 2013 Bonds, not less than the following:

- (i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Obligations and Series 2013 Bonds then outstanding; and

- (ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Obligations and Series 2013 Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

If for any reason there should be a failure to pay into the Bond Fund the full amounts above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Bond Fund from the first available income and revenues of the System, subject to the aforesaid priorities.

No further payments need be made into the Bond Fund if and when the amount held therein and in the Debt Service Reserve Fund hereinafter created is at least equal to the amount required to retire all outstanding Prior Obligations, Series 2013 Bonds and parity bonds and paying all interest that will accrue thereon.

(b) A separate and special fund or account of the District, distinct and apart from all other funds and accounts, is hereby created and designated and identified as the "Water System Revenue Bond Debt Service Reserve Fund" (the "Debt Service Reserve Fund"), which shall be maintained so long as there are outstanding any parity bonds or obligations herein permitted to be issued on a parity with the Prior Obligations and Series 2013 Bonds, except those parity bonds the original purchaser or purchasers of which have waived the benefit of, and any claim to, the Debt Service Reserve Fund. Parity bonds which may be issued and outstanding from time to time as hereinafter permitted and with respect to which the original purchaser or purchasers have not waived the benefit of and claim to the Debt Service Reserve Fund are hereafter referred to as "qualified parity bonds." The purchasers of the Prior Obligations, by their acceptance of the Prior Obligations, have been, and the purchaser of the Series 2013 Bonds shall be, deemed to have elected, for themselves and on behalf of all subsequent holders of the Prior Obligations, and all subsequent holders of the Series 2013 Bonds, to waive the benefit of and any claim to the Debt Service Reserve Fund.

All moneys deposited in the Debt Service Reserve Fund from time to time shall be held and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the outstanding qualified parity bonds, if any, if and to the extent insufficient funds are available therefor in the Bond Fund. Whenever the amount in the Debt Service Reserve Fund is less than the Reserve Amount, hereinafter defined, the amount necessary to restore the balance in the Debt Service Reserve Fund to the Reserve Amount shall be paid into the Debt Service Reserve Fund in thirty-six (36) equal monthly installments, each payable on the twentieth (20th) day of the month (except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day) from the Revenue Fund, after making the deposits set out in subsection (b) above, until the Reserve Amount is on deposit in the Debt Service Reserve Fund. The term "Reserve Amount" as used herein means an amount of money equal to the lesser of (i) the maximum principal and interest requirement on the outstanding qualified parity bonds in any year ending January 1, (ii)

and amount equal to 125% of the average annual debt service on the outstanding qualified parity bonds in any year ending January 1, and (iii) an amount equal to 10% of the proceeds of all such qualified parity bonds within the meaning of Section 148(d) of the United States Internal Revenue Code of 1986, as amended.

Any amount in the Debt Service Reserve Fund in excess of the Reserve Amount shall be transferred to the Bond Fund and applied as credit against payments into the Bond Fund from the Revenue Fund on a monthly basis as described in the foregoing subsection (a).

(c) All moneys held in the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation (“FDIC”), and all such deposits which cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Revenue Fund and the Bond Fund may, and the Debt Service Reserve Fund shall, be invested in Investment Obligations, as hereinafter defined, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Fund which supplied the funds for such investments, and the income from such investments shall be credited to the Bond Fund; provided, however, if the amount in the Debt Service Reserve Fund is less than the Reserve Amount, income from investments in the Debt Service Reserve Fund shall be credited to the Debt Service Reserve Fund until the Reserve Amount is accumulated therein. Investment Obligations in the Debt Service Reserve Fund shall be valued at cost.

Investment income accruing to the Bond Fund shall be credited against payments into the Bond Fund from the Revenue Fund on a monthly basis as set out in the foregoing subsection (b) hereof.

As used herein, the term “Investment Obligations” shall mean any of the following, if and to the extent the following are legal investments for the moneys held in the funds and accounts established pursuant to this Resolution: (i) general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, and any certificate or other evidence of an ownership interest in any such securities or in specified portions thereof consisting of the principal thereof or the interest thereon or any combination thereof; (ii) obligations of any agency or instrumentality of the United States of America the payment of principal of and interest on which is backed by the full faith and credit of the United States of America; (iii) savings accounts, interest-bearing time deposits or certificates of deposit in any national bank or bank chartered in Kentucky authorized to engage in the banking business the deposits of which shall be insured by the FDIC and having a combined capital and surplus aggregating not less than Two Million Dollars (\$2,000,000); provided, however, that each such deposit shall be continuously secured (to the extent not insured by FDIC) by lodging with a separate bank or trust company approved by the District, as custodian, collateral security in the form of obligations described in (i) or (ii) above having a market value (exclusive of accrued interest) at all times not less than the amount of such deposit (to the extent not insured by FDIC), which collateral security shall be valued by the District at least annually and must be unencumbered and not otherwise pledged and shall be subject to a

perfected first lien for the benefit of the District; (iv) repurchase agreements with banks described in (iii) above, continuously secured as provided in (iii) above; (v) money market funds composed of securities described in (i) and (ii) above and rated AAA (or the equivalent thereof) by Standard and Poor's Ratings Service or Moody's Investors Service, Inc., provided that any such investment in money market funds shall not exceed six (6) months in duration; and (vi) bonds, notes or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities.

(d) A separate and special fund or account of the District was created by the 1969 Resolution designated and identified as the District's "Depreciation Fund" (the "Depreciation Fund"). After observing the priority of deposits set forth in (a) through (c) above, which are cumulative, there shall be set apart and paid into the Depreciation Fund each month from the remaining funds in the Revenue Fund at least the following monthly deposits with respect to the indicated series of bonds, in the case of each series to continue so long as any bonds of such series remain outstanding or until the indicated minimum balance for such series is reached:

<u>Series</u>	<u>Monthly Deposit</u>	<u>Minimum Balance</u>
1994A	\$940	\$112,800
1994B	150	18,000
1994C	425	51,000
1997	280	33,600
2001	1,610	None
2003	205	24,600
2004	1,495	292,200
2007A	555	66,600
2007B	225	26,400
2009	690	82,800
2010A	200	24,000
2010B	245	29,400
2013A and 2013B	230	27,600

provided that for the above purpose the aggregate balance in the Depreciation Fund from time to time shall be allocated to the respective series of bonds outstanding (or bonds issued to refund any such series) in the order (earliest first) set out above.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn-out or obsolescent properties of the System, if the same be sold upon order of the Commission. Any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of a particular project) shall be paid, as received, into the Depreciation Fund.

The Depreciation Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not

included in the Annual Budget of Current Expenses (as defined in Section 8 hereof), and the cost of constructing additions and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. The Depreciation Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund or to redeem or purchase Prior Obligations, Series 2013 Bonds or parity bonds in advance of maturity.

At any time when the accumulations in the Depreciation Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (c) of this Section 7) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than five (5) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Depreciation Fund shall be carried to the credit of the Depreciation Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

The District shall also make monthly deposits of \$2,000 into a special segregated subaccount within the Depreciation Fund to fund costs of short-lived water system assets, as required by USDA.

(e) A separate and special fund or account of the District was created by the 1969 Resolution designated the District's "Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will transfer monthly from the moneys in the Revenue Fund, after making the transfers required by (a) through (d) above, to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made, and to accrue an operation and maintenance reserve not in excess of anticipated requirements for a two-month period pursuant to the Annual Budget.

At any time when the accumulations in the Operation and Maintenance Fund shall exceed the anticipated current needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in Investment Obligations (as described in subsection (c) of this Section 7) maturing or subject to redemption at the option of the holder not later than the time anticipated to be needed by the District, but in any event not later than ninety (90) days after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Operation and Maintenance Fund shall be carried to the credit of the Operation and Maintenance Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(f) Subject to the provisions of subsections (a) through (f) above, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Depreciation Fund.

* * *

All payments into the above special funds shall be made on or before the twentieth (20th) day of each month, except that when the twentieth (20th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank to be in excess of the amount secured by FDIC shall (unless invested as herein authorized) be secured by a surety bond or bonds or by pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8 COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all Series 2013 Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(a) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(b) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(c) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(d) The District covenants and agrees that, so long as any of the Series 2013 Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and the Prior Resolutions, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or before the charge or lien of the Series 2013 Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (A) redemption of outstanding Series 2013 Bonds or parity bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (B) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(iii) it certifies, before any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the Series 2013 Bonds herein authorized, without the written consent and approval of USDA.

(e) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of funds as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the Series 2013 Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any Series 2013 Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary-Treasurer of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the Depreciation Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (a) of Section 7 of this Resolution, and to pay Current

Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(f) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a consulting engineer of national reputation that the proposed reduction will not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(g) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(h) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2013 Bondholder, and any agent or representative of a 2013 Bondholder.

(i) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed certified public accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financing condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the audit report to be filed in the office of the Secretary-Treasurer where it will be available for public inspection, and will promptly mail a copy thereof to the original purchaser of Series 2013 Bonds issued hereunder. If requested to do so, the District will furnish to any 2013 Bondholder a condensed form of the balance sheet, and a condensed form of the operating report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the Series 2013 Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(j) Any holder of Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(k) If there be any default in the payment of the principal of or interest on any of the Series 2013 Bonds, then upon the filing of suit by any holder of the Series 2013 Bonds any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any

bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of said statute laws of Kentucky aforesaid.

(l) The District will cause each municipal officer or other person (other than Depository Banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time, each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission; and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(m) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in a special Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

(n) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the District's operation of the System.

(o) The District will carry suitable worker's compensation insurance in accordance with law.

(p) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (m), (n), (o) and (p) above, that so long as USDA holds any Series 2013 Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Series 2013 Bonds are outstanding.

(q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED; TERMS

The Series 2013 Bonds and outstanding parity bonds, together with any additional parity bonds issued under the restrictions and conditions hereinafter set forth, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among such bonds, regardless of the fact that they may be actually issued and delivered at different times.

The District hereby reserves the right and privilege of issuing additional bonds and obligations from time to time payable from the income and revenues of the System ranking on a parity with the Series 2013 Bonds and any outstanding parity bonds (herein sometimes referred to as "additional parity bonds") in order to pay the costs of extensions, additions and improvements to the System, provided that (a) the written consent of the holders of all Series 2013 Bonds and any outstanding parity bonds is obtained or (b) either of the conditions set forth in (i) or (ii) below is met:

(i) The net income and revenues of the System for the fiscal year preceding the year in which such additional parity bonds are to be issued were at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to all Series 2013 Bonds and parity bonds which are then outstanding and the additional parity bonds then proposed to be issued. The term "net income and revenues" as herein used is defined as gross income and revenues of the System (including all payments to the Revenue Fund and interest earnings accruing to the Bond Fund, the Depreciation Fund and the Operation and Maintenance Fund) less the sum of Current Expenses as defined in Section 8(e) hereof. Such showing of net income and revenues for such preceding fiscal year may be represented by the report of the auditors.

(ii) A statement is filed with the Secretary of the District by (a) an independent certified public accountant or firm of certified public accountants not in the regular employ of the District on a monthly salary basis or (b) an independent professional engineer or firm or firms of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky, reciting the opinion based upon necessary investigation that the net income and revenues of the System as defined in (i) above for twelve (12) consecutive months out of the eighteen (18) months preceding the issuance of said additional parity bonds (with adjustments as hereinafter provided) were equal to at least 120% of the maximum annual debt service requirement (principal and interest) for any year ending January 1 with respect to the Series 2013 Bonds and any parity bonds then outstanding and the proposed additional parity bonds. The net income and revenues may be adjusted for the purpose of the foregoing computations to reflect any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional parity bonds, and also to reflect any increase in such net income and revenues by reason of the extensions, additions and improvements to the System the cost of which (in whole or in part) is to be paid through the issuance of such additional parity bonds; but such latter adjustments shall only be made if contracts for the immediate construction or acquisition of such

extensions, additions and improvements have been or will be entered into prior to the issuance of such additional parity bonds. All such adjustments to reflect any revision of rates and charges or an increase in net income and revenues by reason of extensions, additions and improvements to the System as aforesaid shall be based upon written certification by (a) an independent professional engineer or firm of professional engineers not in the employ of the District on a monthly salary basis and of recognized expertise and good reputation in the field of water engineering and licensed in Kentucky or (b) an independent certified public accountant or firm of certified public accountants not in the employ of the District on a monthly salary basis.

The District hereby further reserves the right and privilege of issuing additional parity bonds for the purpose of refunding the Series 2013 Bonds and any parity bonds, or any portion thereof, as may be outstanding, provided that before any additional parity bonds are issued for such purpose, there shall have been procured and filed with the Secretary of the District either (a) the written consent of the holders of all Series 2013 Bonds and any outstanding parity bonds (other than the bonds being refunded) to such issuance or (b) a statement by an independent certified public accountant or firm of independent certified public accountants reciting the opinion based upon necessary investigation that after the issuance of such additional parity bonds, the net income and revenues, as adjusted and defined above, of the System for the fiscal year preceding the date of issuance of such additional parity bonds, after taking into account the revised maximum annual debt service resulting from the issuance of such additional parity bonds and from the elimination of the bonds being refunded thereby, are equal to not less than 120% of the maximum annual debt service requirement for any year ending January 1 with respect to the Series 2013 Bonds and any parity bonds then outstanding and the proposed additional parity bonds and calculated in the manner specified above.

The original purchaser or purchasers of a series of additional parity bonds may waive the benefit of and any claim to the Debt Service Reserve Fund, in which event such bonds shall not be secured by or payable from the Debt Service Reserve Fund; and the District may make it a condition to the original sale of any series of additional parity bonds that the purchaser or purchasers thereof, by offering to purchase or by purchasing the same, has agreed to such waiver.

The interest payment dates for all such additional parity bonds shall be semiannually on January 1 and July 1 of each year, and the principal maturities thereof shall be on January 1 of the year in which any such principal is scheduled to become due.

The additional parity bonds, the issuance of which is restricted and conditioned by this Section 9, shall be understood to mean bonds and obligations payable from the income and revenues of the System on a parity with the Series 2013 Bonds and outstanding parity bonds, and shall not be deemed to include or prohibit the issuance of other obligations the security and source of payment of which is subordinate and subject to the priority of the payments into the Bond Fund and the Debt Service Reserve Fund for account of the Series 2013 Bonds and any parity bonds.

SECTION 10
PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the Series 2013 Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the Series 2013 Bonds, no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the Series 2013 Bonds, except as herein provided, until such time as all of the Series 2013 Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11
STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the Prior Obligations and Series 2013 Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the Series 2013 Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the Series 2013 Bonds and any parity bonds.

SECTION 12
TAX COVENANTS AND REPRESENTATIONS

(a) The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the Series 2013 Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the Series 2013 Bonds that so long as any of the Series 2013 Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Series 2013 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2013 Bonds or from any other sources, will not be invested or used in a manner which will cause the Series 2013 Bonds to be “arbitrage bonds” within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any lawful regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman and/or Secretary-Treasurer as the officers of the District charged with the responsibility for issuing the Series 2013 Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal “arbitrage bond” regulations, and any representations and certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

(b) The District further represents, warrants, agrees and covenants as follows:

(i) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Series 2013 Bonds (A) less than 10% of the proceeds of the Series 2013 Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the Series 2013 Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (B) at least 90% of the proceeds of the Series 2013 Bonds will be applied for a governmental use of the District; (C) any private business use of the Project will be related to such governmental use of the District and will not be unrelated or disproportionate; and (D) none of the proceeds of the Series 2013 Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the Series 2013 Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the Series 2013 Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(ii) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the Series 2013 Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six (6) months from the date the Series 2013 Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen (18) months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Series 2013 Bonds will be used for expenditures on the Project within six (6) months, at least 60% will be so used within twelve (12) months and 100% will be so used within eighteen (18) months from the date of issuance of the Series 2013 Bonds. If for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the Series 2013 Bonds, the District will take all action necessary to comply therewith.

(iii) It is reasonably expected that during the term of the Series 2013 Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(iv) The weighted average maturity of the Series 2013 Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(v) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the Series 2013 Bonds, other than (A) certain

preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2013 Bond proceeds, (B) expenditures made within sixty (60) days before the date of adoption of this Resolution, and (C) expenditures before which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds.

(vi) The Series 2013 Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(vii) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(viii) The District will not use or permit the use of any of the funds provided by the Series 2013 Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the Series 2013 Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Series 2013 Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(c) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

SECTION 13 SEVERABILITY CLAUSE

If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 14 REPEAL OF INCONSISTENT PROVISIONS

All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

SECTION 15 WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

(Signature page to follow)

ADOPTED BY THE COMMISSION OF THE EDMONSON COUNTY WATER DISTRICT, at a meeting held on the ____ day of _____, on the same occasion signed by the Chairman, attested by the Secretary-Treasurer, and declared to be in full force and effect.

Chairman of the Commission
Edmonson County Water District

Attest:

Secretary-Treasurer of the Commission
Edmonson County Water District

CERTIFICATION

The undersigned, Secretary-Treasurer of the Commission of Edmonson County Water District, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of the District at a properly convened meeting of the Commission of the District held on the ____ day of _____, signed by the Chairman and attested by me as Secretary-Treasurer, as shown by the official records in my custody and under my control.

WITNESS my hand this ____ day of _____.

Secretary-Treasurer

EXHIBIT G

Letters from USDA to the District and Related Correspondence

(See attachment)



United States Department of Agriculture

Rural Development

June 12, 2013

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Jimmy Mills, Chairman
Edmonson County Water District
PO Box 208
Brownsville, Kentucky 42210

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Dear Chairman Mills:

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

This letter is not to be considered as loan and grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$504,000; a RUS grant not to exceed \$216,000; and a Kentucky Infrastructure Authority grant in the amount of \$175,000. No applicant cash contribution will be required.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

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

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

If the conditions set forth in this letter are not met within 210 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

1. Number of Users and Their Contribution:

There shall be 57 sewer users and 9,985 water users, of which 9,976 are existing users and 9 are new users. The Area Director will review and authenticate the number of users prior to advertising for construction bids.

2. Grant Agreement:

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

3. Drug-Free Work Place:

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

4. Repayment Period:

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

5. Recommended Repayment Method:

Payments on this loan shall be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," should be signed by the District to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Area Director will furnish the necessary forms and further guidance on the PAD procedure.

6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$165 per month into a "Funded Debt Reserve Account" until the account reaches \$19,800. The deposits are to be resumed any time the account falls below the \$19,800.

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

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

The District also needs to fund an account for short-lived assets by depositing a sum of \$200 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system. This short-lived asset reserve amount replaces any previous short-lived assets requirements previously set with any prior RUS loan.

7. Security Requirements:

A combined pledge of gross water and sewer revenue will be provided in the Bond Resolution. Bonds shall rank on a parity with existing bonds, if possible.

If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the District will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

8. Land Rights and Real Property:

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

9. Organization:

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

10. Business Operations:

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

11. Accounts, Records and Audits:

The District will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits)/statistical and financial reports, in accordance with subsection 1780.47 of RUS Instruction 1780.

The District shall be required to submit a copy of its audit agreement for review and concurrence by Rural Development prior to pre-closing the loan.

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

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

13. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the District. The District should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.
- B. Worker's Compensation - The District will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$500,000.
- D. Real Property Insurance - The District will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the District from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The District will obtain and maintain adequate coverage on any facilities located in a special flood and mudslide prone areas.

14. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "24" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 180 days from this date, and prepare bid documents. The Area Director is prepared to furnish the necessary guide to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options

have been obtained, and total funds are committed or available for the project.

- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
 - 1. Final plans, specifications and bid documents.
 - 2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
 - 3. Legal Service Agreements.
 - 4. Engineering Agreements.

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

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

15. Civil Rights & Equal Opportunity:

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

A. Section 504 of the Rehabilitation Act of 1973:

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

B. Civil Rights Act of 1964:

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

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

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications.

Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

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

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

16. Closing Instructions:

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

17. Compliance with Special Laws and Regulations:

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

18. Treatment Plant and System Operator:

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

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

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. RUS Bulletin 1780-22, "Eligibility Certification."

20. Refinancing and Graduation Requirements:

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

21. Commercial Interim Financing:

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

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

22. Disbursement of Project Funds:

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

For each "construction account" as established, if the amount of RUS loan and grant funds plus any applicant contributions or funds from other sources to be deposited into the account are expected to exceed \$250,000 at any time, the financial institution will secure the amount in excess of \$250,000 by pledging collateral with the Federal Reserve Bank in an amount not less than the excess in accordance with 7 CFR, 1902.7(a).

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

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

Borrowers receiving federal loan and/or grant funds by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds

will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

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

23. Disbursement of Grant Funds:

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

24. Cost of Facility:

Breakdown of Costs:

Development	\$ 687,500
Land and Rights	2,500
Legal and Administrative	15,500
Engineering	129,900
Interest	7,000
Environmental	7,500
Contingencies	<u>45,100</u>
TOTAL	\$ 895,000

Financing:

RUS Loan	\$ 504,000
RUS Grant	216,000
KIA Grant	<u>175,000</u>
TOTAL	\$ 895,000

25. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the KIA grant in the amount of \$175,000.

26. Use of Remaining Project Funds:

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

27. Proposed Operating Budget:

You will be required to submit to Rural Development a copy of your proposed annual operating budget that supports the proposed loan repayment prior to this agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow, subject to completion of this project in the

first full year of operation. Form RD 442-7, "Operating Budget," or similar form may be utilized for this purpose.

28. Rates and Charges:

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

Water rates will be at least:

First	1,500	gallons @ \$	12.50. - Minimum Bill.
All Over	1,500	gallons @ \$	4.75. - per 1,000 gallons.

Sewer rates will be at least:

Residential:

First	1,500	gallons @ \$	9.85. - Minimum Bill.
Next	6,500	gallons @ \$	4.25. - per 1,000 gallons.
Next	12,000	gallons @ \$	3.90. - per 1,000 gallons.
All Over	20,000	gallons @ \$	2.90. - per 1,000 gallons.

Non-Residential:

First	1,500	gallons @ \$	14.78. - Minimum Bill.
Next	6,500	gallons @ \$	6.38. - per 1,000 gallons.
Next	12,000	gallons @ \$	5.85. - per 1,000 gallons.
All Over	20,000	gallons @ \$	4.35. - per 1,000 gallons.

29. Compliance with the Bioterrorism Act:

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

30. Floodplain Construction:

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

31. Water Withdrawal Permit:

The District will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

32. Division of Water (DOW) Health & Sanitary Certification:

The Median Household Income (MHI) for the District's service area qualifies this project for the poverty interest rate. A certification from the Division of Water stating this project will remove a health or sanitary problem will be required. This certification must be obtained prior to loan pre-closing.

33. Mitigation Measures:

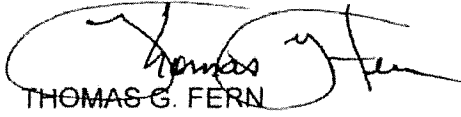
- A. The project shall be in compliance with all requirements noted in the Governor's Office for Local Development letter dated January 11, 2013, from Ms. Lee Nalley.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated February 28, 2013, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without effect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. Any excavation by Contractor that uncovers a historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
- E. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.
- F. Best Management Practices shall be incorporated into the project design, construction, and maintenance.

34. Final Approval Conditions:

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas G. Fern", is written over a circular stamp or seal.

THOMAS G. FERN
State Director

Enclosures

cc: Area Director - Columbia, Kentucky
Area Manager – Elizabethtown, Kentucky
Barren River ADD - Bowling Green, Kentucky
Stoll, Keenon & Ogden - Louisville, Kentucky
Robert D. Meredith - Leitchfield, Kentucky
GRW Engineers - Nashville, Tennessee,
PSC - ATTN: Jeff Derouen - Frankfort, Kentucky



Rural Development

April 29, 2014

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Mr. Jimmy Mills, Chairman
Edmonson County Water District
PO Box 208
Brownsville, Kentucky 42210

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Re: Letter of Conditions Dated June 12, 2013

Dear Mr. Mills:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated June 12, 2013. The purpose of this amendment is to revise project cost after bidding and to provide for additional RUS Loan and Grant assistance.

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

"This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$664,000 and a RUS grant not to exceed \$286,000. No applicant cash contribution is required. "

Paragraph numbered "6" is revised to read as follows:

" 6. Reserve Accounts:

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance, pay for repairs, and assist with debt service should the need arise.

The District will be required to deposit \$230 per month into a "Funded Debt Reserve Account" until the account reaches \$27,600. The deposits are to be resumed any time the account falls below the 27,600.

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

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

The District also needs to fund an account for short-lived assets by depositing a sum of \$2,000 monthly into the account. The funds in the short-lived asset account may be used by the District as needed to replace or add short-lived assets in the District's water system. "

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 832-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 680-7442 or email at program.intake@usda.gov.

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

" 13. Insurance and Bonding:

The following insurance and bonding will be required:

- C. Fidelity Bond – The District will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$510,000. "

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

" 24. Cost of Facility:

Breakdown of Costs:

Construction & Development	\$ 719,371
Land and Rights	11,000
Legal and Administrative	16,500
Engineering	129,900
Initial O&M	12,000
Contingencies	<u>61,229</u>
TOTAL	\$ 950,000

Financing:

RUS Loan	\$ 664,000
RUS Grant	<u>286,000</u>
TOTAL	\$ 950,000 "

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

" 26. Use of Remaining Project Funds:

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

Paragraph numbered "28" is revised to read as follows:

" 28. Rates and Charges:

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

Water rates will be at least:

First	1,500 gallons @ \$	13.00 - Minimum Bill.
All Over	1,500 gallons @ \$	4.90 - per 1,000 gallons.

Wholesale to City of Brownsville \$2.90 per 1,000 gallons.

Sewer rates will be at least:

Sewer Residential:

First	1,500 gallons @ \$	13.00 - Minimum Bill.
All Over	1,500 gallons @ \$	4.90 - per 1,000 gallons.

Sewer Non-Residential:

First	1,500 gallons @ \$	19.50 - Minimum Bill.
All Over	1,500 gallons @ \$	7.35 - per 1,000 gallons.

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

Sincerely,



THOMAS G. FERN
State Director

- cc: Area Director - Columbia, Kentucky
- Area Manager – Elizabethtown, Kentucky
- Barren River ADD - Bowling Green, Kentucky
- Robert D. Meredith - Leitchfield, Kentucky
- Stoll, Keenon, & Odgen - Louisville, Kentucky
- GRW Engineers - Nashville, Tennessee
- PSC - ATTN: Jeff Derouen - Frankfort, Kentucky



Rural Development

July 12, 2013

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Stoll Keenon Ogdgen
Attn: William Davis
2000 PNC Plaza
Louisville, KY 40202

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Re: Edmonson County Water District
\$504,000 Bond Issue

Dear Mr. Davis:

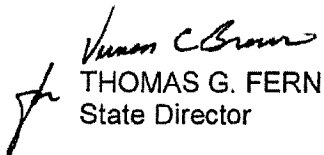
We are enclosing the Maturity Schedule for the referenced Bond Issue. The required deposits to the Funded Depreciation Reserve Account are \$19,800 per month with a required level of \$165. The Rural Development loan of \$504,000 was approved at an interest rate of 2.125%.

We are attempting to obtain the Regional Attorney's Closing Instructions at an earlier date in an effort to avoid delays in scheduling bond sales and pre-closing. Hopefully, you will be able to draft the bond authorizing documents at such a time to coincide with the Advertisement for Construction Bids. We plan to request Closing Instructions at the same time we authorize the District to advertise for construction bids.

Please provide this office with one copy of the proposed documents and forward one copy to the Rural Development Area Office.

Please let us know if you have any questions.

Sincerely,


THOMAS G. FERN
State Director

Enclosure

cc: Area Manager - Elizabethtown, Kentucky
GRW Engineering - Nashville, Tennessee

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



United States Department of Agriculture
 CPAP - Community Program Application Processing



CPAP - Bond Schedule Detail

Name of Borrower:Edmonson County Water District			
Amount of Loan	504000	Annual Interest Rate	0.02125
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	No
Principal Payment Units	500	Interest Payment Units.	1

Year	Period	Number	Payment	Interest	Principal	Balance
2014	1	1	10710	10710	0	504000
2015	1	2	10710	10710	0	504000
2016	1	3	19710	10710	9000	495000
2017	1	4	19518	10518	9000	486000
2018	1	5	19327	10327	9000	477000
2019	1	6	19836	10136	9500	467500
2020	1	7	19434	9934	9500	458000
2021	1	8	19232	9732	9500	448500
2022	1	9	19530	9530	10000	438500
2023	1	10	19318	9318	10000	428500
2024	1	11	19805	9105	10500	418000
2025	1	12	19382	8882	10500	407500
2026	1	13	19659	8659	11000	396500
2027	1	14	19425	8425	11000	385500
2028	1	15	19691	8191	11500	374000
2029	1	16	19447	7947	11500	362500
2030	1	17	19703	7703	12000	350500
2031	1	18	19448	7448	12000	338500
2032	1	19	19693	7193	12500	326000
2033	1	20	19427	6927	12500	313500
2034	1	21	19661	6661	13000	300500
2035	1	22	19385	6385	13000	287500
2036	1	23	19609	6109	13500	274000
2037	1	24	19322	5822	13500	260500
2038	1	25	19535	5535	14000	246500
2039	1	26	19238	5238	14000	232500
2040	1	27	19440	4940	14500	218000
2041	1	28	19632	4632	15000	203000
2042	1	29	19313	4313	15000	188000
2043	1	30	19495	3995	15500	172500
2044	1	31	19665	3665	16000	156500
2045	1	32	19325	3325	16000	140500
2046	1	33	19485	2985	16500	124000
2047	1	34	19635	2635	17000	107000
2048	1	35	19273	2273	17000	90000
2049	1	36	19412	1912	17500	72500
2050	1	37	19540	1540	18000	54500
2051	1	38	19658	1158	18500	36000
2052	1	39	19265	765	18500	17500
2053	1	40	17871	371	17500	0
TOTALS			\$760,364.00	\$256,364.00	\$504,000.00	

Warning: This schedule is an estimate of payments. Rural Development calculates Interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual Interest amounts and principle reduction will not match the schedule provided here.



Rural Development

May 19, 2014

Kentucky State Office

771 Corporate Drive,
Suite 200
Lexington, KY
40503

Stoll Keenon Ogden
Attn: Mark Franklin
2000 PNC Plaza
Louisville, KY 40202

Voice 859.224.7300
Fax 859.224.7425
TTY 859.224.7422

Re: Edmonson County Water District
\$160,000 Series B Bond Issue

Dear Mr. Franklin:

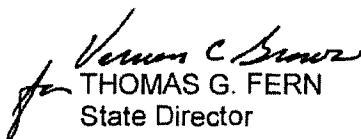
We are enclosing the Maturity Schedule for the referenced Bond Issue. The revised required deposits to the Funded Depreciation Reserve Account are \$230 per month with a revised required level of \$27,600. The subsequent Rural Development loan of \$160,000 was approved at an interest rate of 3.25%.

We are attempting to obtain the Regional Attorney's Closing Instructions at an earlier date in an effort to avoid delays in scheduling bond sales and pre-closing. Hopefully, you will be able to draft the bond authorizing documents at such a time to coincide with the Advertisement for Construction Bids. We plan to request Closing Instructions at the same time we authorize the District to advertise for construction bids.

Please provide this office with one copy of the proposed documents and forward one copy to the Rural Development Area Office.

Please let us know if you have any questions.

Sincerely,


THOMAS G. FERN
State Director

Enclosure

cc: Area Manager - Elizabethtown, Kentucky
GRW Engineering - Nashville, Tennessee

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United States Department of Agriculture
 CPAP - Community Program Application Processing



CPAP - Bond Schedule Detail

Name of Borrower: Edmonson County Water District			
Amount of Loan	160000	Annual Interest Rate	0.0325
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	No
Principal Payment Units	500	Interest Payment Units.	1

Year	Period	Number	Payment	Interest	Principal	Balance
2015	1	1	5200	5200	0	160000
2016	1	2	5200	5200	0	160000
2017	1	3	7200	5200	2000	158000
2018	1	4	7635	5135	2500	155500
2019	1	5	7553	5053	2500	153000
2020	1	6	7472	4972	2500	150500
2021	1	7	7391	4891	2500	148000
2022	1	8	7310	4810	2500	145500
2023	1	9	7226	4728	2500	143000
2024	1	10	7147	4647	2500	140500
2025	1	11	7066	4566	3000	137500
2026	1	12	7068	4468	3000	134500
2027	1	13	7371	4371	3000	131500
2028	1	14	7273	4273	3000	128500
2029	1	15	7176	4176	3000	125500
2030	1	16	7078	4078	3500	122000
2031	1	17	7465	3965	3500	118500
2032	1	18	7361	3851	3500	115000
2033	1	19	7237	3737	3500	111500
2034	1	20	7623	3623	4000	107500
2035	1	21	7493	3493	4000	103500
2036	1	22	7363	3363	4000	99500
2037	1	23	7233	3233	4000	95500
2038	1	24	7603	3103	4500	91000
2039	1	25	7457	2957	4500	86500
2040	1	26	7311	2811	4500	82000
2041	1	27	7165	2665	4500	77500
2042	1	28	7518	2518	5000	72500
2043	1	29	7358	2358	5000	67500
2044	1	30	7193	2193	5000	62500
2045	1	31	7531	2031	5500	57000
2046	1	32	7352	1852	5500	51500
2047	1	33	7173	1673	5500	46000
2048	1	34	7495	1495	6000	40000
2049	1	35	7300	1300	6000	34000
2050	1	36	7605	1105	6500	27500
2051	1	37	7393	893	6500	21000
2052	1	38	7182	682	6500	14500
2053	1	39	7471	471	7000	7500
2054	1	40	7743	243	7500	0
TOTALS			\$291,381.00	\$131,381.00	\$160,000.00	

Warning: This schedule is an estimate of payments. Rural Development calculates interest amounts and principle reduction as of the date the payment is processed. Because over the life of the loan payments will be processed on dates other than the due date, the actual interest amounts and principle reduction will not match the schedule provided here.

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