

North McLean County Water District  
217 Hill Street  
PO Box 68  
Livermore, KY 42352

July 17, 2017

RECEIVED

JUL 20 2017

Public Service  
Commission

Talina R Mathews  
Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort, KY 40602-0615

RE: North McLean County Water District  
Case No. 2017-00253-Filing Deficiencies

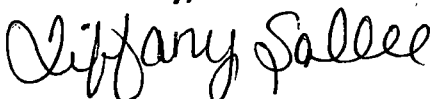
Please find enclosed the bond resolution for North McLean County Water District's outstanding debt, including the amortization schedule.

Please find enclosed is of North McLean Count Water District's depreciation schedule for the utility plant.

Also, enclosed a copy completed ARF Form 3. The form(s) were completed by all four board members and the District's chairman.

If there are any questions or additional information, please contact me at 270-278-2800 or by email [nmcleanwater@bellsouth.net](mailto:nmcleanwater@bellsouth.net).

Sincerely,



Tiffany Sallee

North McLean County Water District Secretary

BOND RESOLUTION

NORTH McLEAN COUNTY WATER DISTRICT

WATERWORKS REVENUE BONDS OF 1986

IN THE AMOUNT OF

\$245,000

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BOND RESOLUTION

RESOLUTION OF THE NORTH McLEAN COUNTY WATER DISTRICT OF McLEAN COUNTY, KENTUCKY, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$245,000) PRINCIPAL AMOUNT OF NORTH McLEAN COUNTY WATER DISTRICT WATERWORKS REVENUE BONDS OF 1986, FOR THE PURPOSE OF FINANCING THE COST (NOT OTHERWISE PROVIDED) OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS, AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE DISTRICT; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID PROPOSED BONDS OF 1986 MAY BE ISSUED AND OUTSTANDING AS SECOND LIEN BONDS, SUBJECT TO THE VESTED RIGHTS AND PRIORITIES IN FAVOR OF CERTAIN OUTSTANDING WATER SYSTEM REVENUE BONDS OF 1971, DATED JANUARY 1, 1971; PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS OF 1986.

WHEREAS, the waterworks system (the "System") of the North McLean County Water District is owned and operated by said District under Chapter 74 and Sections 96.350 through 96.510, inclusive, of the Kentucky Revised Statutes, and in that connection the District presently has outstanding \$136,000 of Bonds (\$133,000 after January 1, 1986), designated as North McLean County Water District Water System Revenue Bonds, Series 1971, dated January 1, 1971 (the "Prior Bonds"), scheduled to mature serially on January 1 in each of the respective years, 1986 through 2010, inclusive, which Prior Bonds, by their terms, are payable from and secured by a first pledge of the net revenues derived from the operation of (and by a first statutory mortgage lien against) the System, and

WHEREAS, all of the Prior Bonds presently outstanding are current as to payment of both principal and interest, and for the security of which a certain Sinking Fund and certain reserves are being maintained in the manner and by the means prescribed in the Resolution of the District adopted on January 22, 1971 (the "Prior Bond Resolution"), authorizing the Prior Bonds, and

WHEREAS, it is the desire and intent of the District at this time to adopt this Resolution pursuant to said Statutes, to authorize and provide for the issuance of revenue bonds in the principal amount of \$245,000, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the existing waterworks System of the District, in accordance with plans and specifications prepared by Turner Engineering Company, Inc., P.O. Box 150239, 207 Hobbs Building, 4205 Hillsboro Road, Nashville, Tennessee 37215, now on file in the office of the Secretary of the District, and to prescribe the covenants of the District, the rights of bondowners, and the details of the issuance and sale of the proposed Current Bonds, and that such proposed Current Bonds be issued as second lien bonds, subject to the vested rights and priorities in favor of the holders of said outstanding Prior Bonds, under and pursuant to said Statutes, and

WHEREAS, the Public Service Commission of Kentucky has issued an Order on October 21, 1985, granting to the District a Certificate of Public Convenience and Necessity, authorizing the construction of said extensions, additions, and improvements, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by the amount of at least \$68,000, provided directly by the District to provide the total cost of such construction, and

WHEREAS, the District has entered into Amended Water Purchase Contracts with the City of Calhoun, Kentucky, and the West Daviess County Water District, and has an existing Water Purchase Contract with the City of Livermore, Kentucky, assuring the District an adequate supply of water for as long as any of the proposed Current Bonds shall be outstanding,

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTH McLEAN COUNTY WATER DISTRICT OF McLEAN COUNTY, KENTUCKY, AS FOLLOWS:

#### ARTICLE 1.

DEFINITIONS; PURPOSE; AUTHORITY; CONSTRUCTION PROJECT;  
AUTHORIZATION OF BONDS; SECOND LIEN.

##### Section 101. Definitions.

As used in this Resolution, unless the context requires otherwise:

"ACT" refers to Chapter 74 and Sections 96.350 through 96.510 inclusive, of the Kentucky Revised Statutes.

"ALL BONDS" refers to the outstanding Bonds of 1971 and the Current Bonds.

"BEGINNING MONTH" means the month following the month in which the Current Bonds are issued, sold, and delivered to the purchaser thereof.

"BOND," "OWNER," "HOLDER," and "PERSON" shall include the plural as well as the singular number unless the context shall otherwise indicate. The term "bondholder" or "bondowner" means and contemplates, unless the context otherwise indicates, the registered owner(s) of the Current Bonds at the time issued and outstanding hereunder, or any of them.



"BONDS OF 1971" or "PRIOR BONDS" refers to the outstanding Bonds of the original authorized issue of \$157,000 of bonds designated as "North McLean County Water District Water System Revenue Bonds," dated January 1, 1971.

"BOND RESOLUTION OF 1971" or "1971 BOND RESOLUTION" or "PRIOR BOND RESOLUTION" refers to the Resolution authorizing the Bonds of 1971, duly adopted by the Board of Commissioners of the District on January 22, 1971.

"COMMISSION" means the Board of Commissioners of the North McLean County Water District of McLean County, Kentucky, or such other body as shall be the governing body of said District under the laws of Kentucky at any given time.

"CONSTRUCTION PROJECT" or "WATERWORKS CONSTRUCTION PROJECT" refers specifically to the construction of the currently proposed extensions, additions, and improvements to the existing waterworks System of the District, which Construction Project is being financed by the Current Bonds herein authorized (supplemented by other funds).

"CURRENT BONDS" or "BONDS OF 1986" or "BONDS" refers to the \$245,000 of bonds authorized herein, bearing the designation "North McLean County Water District Waterworks Revenue Bonds of 1986," to be dated as of the date of issuance thereof.

"CURRENT BOND RESOLUTION" refers to this Resolution authorizing the Current Bonds.

"CURRENT SINKING FUND" or "1986 SINKING FUND" refers to the North McLean County Water District Waterworks Bond and Interest Sinking Fund of 1986, created in Section 401B of this Current Bond Resolution.

"DEPOSITORY BANK" means the bank at which the principal of and interest on the Prior Bonds have been and will continue to be payable and which has served and shall continue to serve as the depository of all of the various funds created in the Prior Bond Resolution, and which funds will be continued pursuant to this Resolution, and of the various funds created in this Current Bond Resolution, which bank is the Farmers & Merchants Bank, Livermore, Kentucky, or its successor.

"DEPRECIATION FUND" or "1971 DEPRECIATION FUND" or "REPLACEMENT AND EXTENSION FUND" refers to the North McLean County Water District Water System Replacement and Extension Reserve Fund, created in Section 14(c) of the Prior Bond Resolution.

"DISTRICT" refers to the North McLean County Water District, of McLean County, Kentucky.

"ENGINEER" or "ENGINEERS" or "CONSULTING ENGINEERS" refers to the Engineers or any one of them, who prepared the plans and specifications for the construction of the Construction Project and who will supervise the construction thereof and/or will furnish full time resident inspection of the construction of the Construction Project, and shall be deemed to refer to Turner Engineering Company, Inc., P.O. Box 150239, 207 Hobbs Building, 4205 Hillsboro Road, Nashville, Tennessee 37215, or a member of said firm, or their successors or successor.

"FmHA" means the Farmers Home Administration of the Department of Agriculture of the United States Government.

"FULLY REGISTERED BOND" refers to a single or series of negotiable (subject to registration requirements as to transferability, as herein prescribed) Bond(s) payable to the registered owner, of the form set out in this Resolution under the title "(FORM OF FULLY REGISTERED BOND)."

"GOVERNMENT" means the United States Government, or any agency thereof, including the FmHA.

"INDEPENDENT CONSULTING ENGINEER" or "CONSULTING ENGINEER" refers to an Independent Consulting Engineer or firm of Engineers of recognized excellent reputation in the field of waterworks system engineering, and such definition includes the Engineers named above.

"ORIGINAL PURCHASER" means the agency, person, firm, or firms to whom the Current Bonds herein authorized are awarded at the public sale of the Bonds, or their successors, and such definition shall refer to the FmHA if it is the original purchaser of the Current Bonds at said public sale.

"OUTSTANDING BONDS" refers to the outstanding Prior Bonds and Current Bonds, and any additional outstanding parity bonds, and does not refer to, nor include, any bonds for the payment of the principal and interest of which sufficient funds will have been deposited and earmarked for payment of bonds; provided all outstanding bonds of any series held by the FmHA shall be deemed to constitute Outstanding Bonds until paid regardless of the deposit of funds to pay for same.

"PARITY BONDS" means bonds which may be issued in the future, in addition to the \$245,000 of Current Bonds herein specifically authorized, which bonds issued in the future will, pursuant to the provisions of this Current Resolution, rank on a basis of parity with said outstanding Current Bonds, as to priority, security, and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the outstanding Current Bonds.

"PRIOR BONDS" refers to the outstanding Bonds of 1971.

"PRIOR BOND RESOLUTION" refers to the 1971 Bond Resolution.

"PRIOR SINKING FUND" or "1971 SINKING FUND" refers to the "North McLean County Water District Water System Revenue Bonds, Bond and Interest Sinking Fund" created in Section 14(b) of the Prior Bond Resolution.

"PRIOR SINKING FUND RESERVE" or "1971 RESERVE FUND" or "RESERVE FUND OF 1971" refers to the "North McLean County Water District Waterworks Sinking Fund Reserve," created as the debt service reserve portion of the "Sinking Fund of 1971" in Section 14(b) of the Prior Bond Resolution.

"REPLACEMENT AND EXTENSION FUND" or "DEPRECIATION FUND" refers to the North McLean County Water District Water System Replacement and Extension Reserve Fund," created in Section 14(c) of the Prior Bond Resolution.

"REVENUE FUND" or "PRIOR REVENUE FUND" refers to the "North McLean County Water District Water Revenue Fund," created in Section 14 of the Prior Bond Resolution.

"STATUTES" refers to the Act.

"SYSTEM" or "WATERWORKS SYSTEM" refers to the existing waterworks system of the District, together with all extensions, additions, and improvements to said System.

"U. S. OBLIGATIONS" means bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

Section 102. Purpose; Construction of Construction Project; Waterworks System to Continue to be Operated as a Revenue-Producing Public Project; Authority.

The Current Bonds herein authorized shall be issued for the purpose of financing the cost (not otherwise provided) of the Waterworks Construction Project, as defined herein, as set out in the plans and specifications prepared by the District's Consulting Engineers. The Commission hereby declares the waterworks system of the District, including the extensions, additions, and improvements to be constructed, to constitute a revenue-producing public project or System, and said System shall continue to be owned, controlled, operated, and maintained by the District as a revenue-producing public project or System pursuant to the Act, so long as any of the Prior Bonds, the Current Bonds herein authorized, or any additional Parity Bonds, remain outstanding, for the security and source of payment of all of such bonds.

Section 103. Construction Award Approved; Work Authorized.

The Commission hereby authorizes, approves, ratifies, and confirms its previous action in advertising for and taking steps toward awarding the contracts for the construction of the Construction Project to the lowest and best bidders, and further approves the action of the District officials in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Construction Project according to the plans and specifications heretofore prepared by the Engineers for the District, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness.

The Commission hereby declares that the period of usefulness of the aforesaid waterworks System is more than forty (40) years from the date of completion of the proposed Construction Project.

Section 105. Authorization of Bonds.

The District Commission has heretofore determined that the total cost of the Construction Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, and all incidental expenses, will be not exceeding \$260,120. Therefore, it is hereby determined to be necessary in order for the District to finance the cost, not otherwise provided, of the Construction Project that the District issue a total of \$245,000 of Current Bonds, based on the following calculation:

Total cost of Construction Project	\$260,120
Less contribution of District	<u>15,120</u>
Balance to be financed by Current Bonds	\$245,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Construction Project, under the provisions of the Act, there are hereby authorized to be issued and sold Two Hundred Forth-Five Thousand Dollars (\$245,000) principal amount of North McLean County Water District Waterworks Revenue Bonds of 1986 (the "Current Bonds").

The Current Bonds shall be dated as of the date of delivery to the purchaser thereof, shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Bonds, as hereinafter provided, and shall be issued and delivered or according to the form of "Fully Registered Bond," as prescribed in Section 205 hereof.

Interest on the Current Bonds shall be payable semi-annually on January 1 and July 1 of each year, provided that the first interest payment period will cover interest only from the date of delivery of the Bonds to the ensuing January 1 or July 1, as the case may be. Principal of the Bonds shall be payable on January 1 of each of the respective years until maturity, as set out in Section 201 hereof.

Section 106. Recognition and Confirmation of Priority of Prior Lien, Pledge, and Security of Prior Bonds.

The District hereby expressly recognizes and acknowledges that the District has previously created for the benefit and protection of the owners of the Prior Bonds, a certain statutory mortgage lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Resolution.

Section 107. Current Bonds Shall be Payable on Second Lien Basis Out of Net Revenues.

All of said Current Bonds, together with the interest thereon, and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be payable on a parity solely on a second lien basis out of the net revenues of the System, after providing for the current costs of operation and maintenance of the System and after providing for all of the principal and interest requirements of the outstanding Prior Bonds, and shall be a valid claim of the owners thereof against the Current Sinking Fund created for the benefit of the Current Bonds.

Section 108. (Secondary) Lien on Water Purchase Contracts.

In addition to the secondary revenue pledge and secondary statutory mortgage lien securing the Current Bonds, an identical secondary lien is hereby created and granted in favor of the Current Bonds on all contracts (including specifically the Amended Water Purchase Contracts between the District and the City of Calhoun and the West Daviess County Water District, and the Water Purchase Contract between the District and the City of Livermore) and on all other rights of the District pertaining to the System, enforceable by assignment to any Receiver or other operator proceeding by authority of any court.

ARTICLE 2.

THE BONDS; REGISTERED BONDS; PRINCIPAL INSTALLMENTS;  
EXECUTION; PREPAYMENT; AND BOND FORM.

Section 201. Principal Installments.

Principal installments due on the Current Bonds shall be as follows:

<u>PAYMENT DUE</u> <u>JANUARY 1,</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>
1988	\$ 1,000
1989	1,000
1990	1,000
1991	1,000
1992	1,000
1993	1,000
1994	1,000
1995	1,000
1996	2,000
1997	2,000
1998	2,000
1999	2,000
2000	2,000
2001	2,000
2002	3,000
2003	3,000
2004	3,000
2005	4,000
2006	4,000
2007	4,000
2008	5,000
2009	5,000
2010	6,000
2011	6,000
2012	7,000
2013	7,000
2014	8,000
2015	9,000
2016	10,000
2017	11,000
2018	12,000
2019	13,000
2020	14,000
2021	15,000
2022	17,000
2023	18,000
2024	20,000
2025	21,000

Section 202. Issuance of Bond(s).

The purchaser of the Current Bonds at the public sale shall take delivery of the Bonds in the form of a single or a series of Fully Registered Bonds, as prescribed in Section 205 below, amounting in the aggregate to the principal amount of the Bonds authorized herein, maturing as to principal in installments as set out above. Such Fully Registered Bond(s) shall be numbered R-1 (and consecutively thereafter, R-2, etc.), shall be of type composition, shall be 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. Such Fully Registered Bond(s) shall, upon appropriate execution on behalf of the District as prescribed, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), without interest coupons, registered as to principal and interest, payable as directed by the registered owner, and shall be in substantially the form hereinafter set forth.

Section 203. Place of Payment and Manner of Execution.

Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Fully Registered Bond prescribed in Section 205 below. The Bonds shall be executed on behalf of the District by being signed manually by the Chairman of the District, with the Corporate Seal of the District affixed thereto and attested by the manual signature of the Secretary of said District.

If either of the officers whose signatures appear on the Current Bonds ceases to be such officer before delivery of said Bonds, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery.

Section 204. Provisions as to Prepayment.

Except when all of the Current Bonds are held by the Government, installments of principal falling due prior to January 1, 1998, shall not be subject to prepayment. Installments of principal falling due on and after January 1, 1998, shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 1997, upon terms of par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Bonds, or installments in a multiple of \$1,000, may be prepaid at any time in inverse chronological order of the installments due), at face amount plus accrued interest without any prepayment penalty.

Section 205. Bond Form.

The Current Bonds shall be in substantially the following form, with appropriate insertions, omissions, and variations consistent with or as provided or permitted in this Resolution:

(FORM OF FULLY REGISTERED BOND)

BOND NO. R-1

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF McLEAN  
NORTH McLEAN COUNTY WATER DISTRICT  
WATERWORKS REVENUE BOND OF 1986

No. R-1 ANNUAL INTEREST RATE: \$245,000

KNOW ALL MEN BY THESE PRESENTS:

That the North McLean County Water District, acting by and through its Board of Commissioners (the "Commission"), a public body corporate in McLean Kentucky, for value received, hereby promises to pay to

the registered owner hereof, or to its registered assigns, solely from the special fund hereinafter identified, the sum of

TWO HUNDRED FORTH-FIVE THOUSAND DOLLARS (\$245,000),

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 of the Bond will print the maturities of the Bond purchased by the individual purchaser (registered owner))

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

This Bond\* is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapter 74 and Sections 96.350 through 96.510, inclusive, of the Kentucky

\*If more than one Fully Registered Bond is issued, all references to "this Bond will be changed to "these Bonds".



Statutes, and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations, and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions, and improvements, being hereinafter referred to as the "waterworks System" or the "System").

This Bond (the "Current Bond") is issued subject to the vested rights and priorities in favor of the holders of certain outstanding North McLean County Water District Water System Revenue Bonds, Series 1971, dated January 1, 1971 (the "Prior Bonds"), authorized by a Resolution adopted by the Commission of the District on January 22, 1971 (the "Prior Bond Resolution"). Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the net revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Resolution, and the requirements for the current costs of operation and maintenance of the System.

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

A secondary statutory mortgage lien, which is hereby recognized as valid and binding on the waterworks System, has been created and granted by the District by the Current Bond Resolution pursuant to said Statutes, and more specifically Section 96.400 of the Kentucky Revised Statutes, to and in favor of the registered owner of this Bond, subject to the priority of the Prior Bonds; and the System and all appurtenances thereof and extensions thereto shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on this Bond.

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

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

The District, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 1997, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

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

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

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

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

IN WITNESS WHEREOF said North McLean County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

NORTH McLEAN COUNTY WATER DISTRICT  
McLean County, Kentucky

By \_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Secretary

(Seal of District)

PROVISION FOR REGISTRATION

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

(FORM OF REGISTRATION)

Date of Registration	Name of Registered Owner	Signature of Secretary of the North McLean County Water District, Bond Registrar
:	:	:
:	:	:
:	:	:
:	:	:
:	:	:

(FORM OF ASSIGNMENT)

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

\_\_\_\_\_  
By: \_\_\_\_\_

ARTICLE 3.

CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION  
OF PROCEEDS; AND FEDERAL ARBITRAGE LIMITATIONS.

Section 301. The Construction Account; Fidelity Bond of  
Treasurer; Covenants Applicable if FmHA  
Purchases the Bonds; Application of Proceeds  
of Bonds; Other Transfers and Deposits.

The Treasurer of the District, such other District official as shall be designated by the Commission, or such officer of Farmers and Merchants Bank, Livermore, Kentucky (the "Depository Bank"), as shall be jointly designated by the Commission and the Depository Bank (such District Official or Bank officer being herein referred to as the "Treasurer"), shall be the custodian of all funds belonging to and associated with the waterworks System, and such funds shall be deposited in the Depository Bank, which bank is a member of the Federal Deposit Insurance Corporation. All moneys in excess of the amount insured by the FDIC in the Construction Account (hereinafter referred to) shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Treasurer shall execute a Fidelity Bond in the amount of not less than \$60,000, or such larger amount as the FmHA may require, which Fidelity Bond shall be effective and secured by a surety company approved by the Farmers Home Administration of the United States Department of Agriculture so long as it is holder of any of the Bonds; the FmHA 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 the FmHA; provided that whenever sums in the various accounts referred to herein (other than the Construction Account) shall exceed \$60,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the FmHA. The District will segregate and earmark its various funds, consistent with this Resolution, in such manner as to enable the District to obtain the lowest possible surety premium rate on such Fidelity Bond(s).

A. Covenants Applicable if FmHA Purchases Bonds.

It is acknowledged that all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure, and the necessity of using FmHA Forms, shall apply only if the FmHA is the purchaser of the Bonds and only so long as the FmHA holds the Bonds thereafter. In the event that the FmHA shall not be the purchaser of the Bonds, or, after purchasing same, shall sell or transfer the Bonds to a nongovernmental owner, all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure, and the necessity of using FmHA Forms, shall be inapplicable.

B. Application of Proceeds of Bonds.

The proceeds of said \$245,000 of Current Bonds shall be applied as follows:

(1) Immediate Repayment of Interim Financing.

There shall immediately be paid to the Bank(s) and/or the FmHA entitled thereto an amount sufficient to pay interest on and principal of any temporary loans (if any), and/or any Multiple Advances furnished by the FmHA pursuant to Section 302(b) hereof, borrowed by the District in anticipation of the sale and delivery of the Bonds and/or of the receipt of grant proceeds, or the interest on and principal of such temporary loans may be paid simultaneously with the delivery of the Bonds, to the extent of part or all of the proceeds of the Bonds, as may be required by said Bank(s), and/or by the FmHA, in which event the amount to be so deposited into the Construction Account shall be reduced by such amount so paid. Also, at the time of delivery of the Bonds, there shall be paid all amounts then due and payable in connection with the costs of the Construction Project and in connection with the issuance of the Current Bonds.

(2) Balance to be Deposited in Construction Account;  
District Contribution to be Deposited in the  
Construction Account.

If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal, and costs referred to in Subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "North McLean County Water District Construction Account" (the "Construction Account"), hereby created, which shall be established at the Depository Bank. Simultaneously with or prior to the delivery of the Bonds, there shall also be deposited in the Construction Account the proceeds of the District contribution in the minimum amount of \$15,120 (less any amounts theretofore used for authorized purposes), to supplement the proceeds of the Bonds in order to assure completion of the Project.

(3) Procedure for Withdrawal of Funds From Construction  
Account.

(a) Prior to the expenditure by the District of any funds from the Construction Account derived from the proceeds of the Bonds, the District must obtain written approval from the FmHA as to such expenditures. The proceeds of said Account shall be withdrawn only on checks signed by the District Treasurer (or such other District official as shall be designated by the Commission), in payment for services and/or materials supplied in connection with the Construction Project, as evidenced by (1) a certification of the Engineers designated herein, and (2) written approval of the Chairman (or by such other official of the District as may be authorized by the Commission).

(b) Prior to the expenditure by the District of any funds from the Construction Account derived from interim financing or from multiple advances from the FmHA, the District must obtain approved invoices and/or Partial Payment Estimates bearing the written approval of the Contractor, the Engineer, and the Chairman, and which invoices and/or Partial Payment Estimates must have been reviewed and approved for payment by the designated FmHA official.

(c) Written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items. Executed certifications (authorizing payment) shall be retained by the District Treasurer and need not be furnished to the Depository Bank, which shall be authorized to honor checks signed by the District Treasurer.

During construction, the District shall disburse Project funds in a manner consistent with FmHA Instruction 1942.17 (p) (5) of Appendix "A" to FmHA Instruction 1942-A. Form FmHA 424-18, "Partial Payment Estimate" or similar form approved by FmHA, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to FmHA for review and acceptance. Form SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," shall be prepared and submitted to FmHA to account for funds expended in the last 30 day period.

After the Bonds are delivered, the District shall prepare and submit Form SF-272, "Report of Federal Cash Transactions," to report the status of federal cash received during each prior monthly period. Form FmHA 440-11, "Estimate of Funds Needed for 30-Day Period Commencing \_\_\_\_\_," will be prepared by the District and submitted to FmHA in order that a periodic Advance of Federal Cash may be requested. Forms FmHA 440-11 and SF-272 will be submitted to FmHA simultaneously.

Periodic Audits of the District's Construction Account records shall be made by FmHA as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Current Sinking Fund.

There shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest (initially estimated at \$6,000) during the construction of the Project, as approved by the Engineers and by the FmHA. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Current Sinking Fund hereinafter created.

(5) Investment of Funds in Construction Account.

Pending disbursement of amounts on deposit in the Construction Account, all such funds, or such portion of said amounts on deposit in said Construction Account as is designated by the Commission, shall be invested for the benefit of such Construction Account in Certificates of Time Deposits, savings accounts, or U. S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Project (as determined by the Engineers, the Chairman of the District, and the representative of the FmHA, provided that to the extent that any amounts on deposit in said Depository Bank shall cause the total deposits of the District in said Bank to exceed the amount insured by the

FDIC, the same shall be continuously secured by a valid pledge of U. S. Obligations, having an equivalent market value, in conformity with KRS 66.480. Investments in Certificates of Time Deposit may be made only if a separate FmHA Form 402-4 Agreement is executed, if the FmHA has purchased any of the Bonds, and investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) Statements of Contractors, Engineers, and Attorneys as to Payment Required Prior to Delivery of Current Bonds, if Current Bonds Purchased by FmHA.

Prior to the delivery of the Bonds, if the FmHA is the purchaser of the Bonds, the District will be required to provide the FmHA with statements from the Contractors, Engineers, and Attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and sub-contractors. Any exceptions must be authorized under FmHA Instructions 1942-A, Subsection 1942.17 (n) (2).

(7) Disposition of Balance in Construction Account After Completion of Project.

When the construction of the Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the District and/or by the FmHA, any balance then remaining in the Construction Account may, with the consent of the State Director of the FmHA, be applied to the cost of constructing additional extensions, additions, and/or improvements to the System, and/or such balance shall be transferred to the Current Sinking Fund hereinafter created, whereupon said Construction Account shall be closed. If such additional construction is to be undertaken by the contractor previously engaged in the Construction Project, such additional work may be authorized by a change order. Such balance so transferred shall be used by the District immediately to prepay installments due on the Bonds without prepayment penalty, provided further that any balance insufficient to prepay at least \$1,000 of the principal payment falling due in any year on the Bonds will be transferred to the Depreciation Reserve Fund hereinafter identified.

Section 302. Interim Financing Authorization.

(a) Commercial Interim Financing.

The District shall use commercial interim financing for the Project during construction of that portion of the cost of the Project financed by the Bonds, if available at reasonable rates and terms.

The borrowing of up to the aggregate sum of \$245,000 from the Farmers & Merchants Bank, Livermore, Kentucky (either alone or through its correspondent bank), or from any other banks (hereinafter collectively and

individually referred to as the "Banks"), is hereby authorized; and the Chairman of the District, D. W. Wigginton, or his successor, is hereby authorized to execute in the name and on behalf of the District (1) a single note (the "Note") in the amount of the interim loan with provision for advances against the amount of such Note, or (2) any number of notes ("Notes"), in such form as may be prescribed by the lending Banks, including Revenue Bond Anticipation Notes pursuant to KRS 58.150. Each advance or Note shall evidence a loan of cash funds by the Banks to the District for services and/or materials supplied in connection with the aforesaid Construction Project, as evidenced by (i) a certification of the Engineers designated herein, (ii) written approval of the Chairman or by such other official of the District as may be authorized by the Commission, and (iii) written approval of the FmHA; provided, however, that written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items.

Interim financing shall be disbursed as follows:

(A) At the request of the District, the Banks are and shall be authorized to disburse the proceeds of any such Note or Notes by cashier's checks directly to the parties entitled thereto based on the certification specified herein; or

(B) At the request of the District, the Banks are and shall be authorized to deposit the proceeds of such Note or Notes in the Construction Account, in which event amounts of the District on deposit therein shall, until expended to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U. S. Obligations (without the use of a Deposit Agreement of the FmHA), and a Fidelity Bond in an amount equal to not less than the maximum amount deposited in such Account must be furnished by the proper official of the District, as provided in Section 301 hereof.

(C) The proceeds of such Note or Notes deposited in the Construction Account shall be disbursed only on checks signed by the District Treasurer (or such other District official as may be designated by the Commission), as provided in Section 301B(3) hereof and subject to all the provisions of such Section.

The authority hereby granted to the Chairman includes the execution of renewal Notes in evidence of the renewal and extension of Note(s) becoming due, provided the aggregate of the principal amount of all such Note(s) outstanding and payable to the Banks shall not exceed \$245,000, and provided each Note which is renewed or superseded is simultaneously cancelled by the Banks and transmitted to the District Treasurer. The rate of interest applicable to each Note and to each renewal Note shall not exceed a reasonable rate, which rate is subject to the approval of the FmHA.

Authority is hereby given for said total authorized interim financing of \$245,000, to be the maximum indebtedness which the District may owe to said Banks at any given time; provided, however, that the District may reduce the amount owed by the District to said Banks from time to time as and when



funds are available to the District, whether derived from the proceeds of the sale of the Current Bonds, or otherwise, and may reborrow from said Banks additional amounts in anticipation of the further receipt by the District of additional proceeds from the Bonds, in order thus to enable the District to save interest costs by applying the proceeds of the Bonds and/or other funds as received and which are not immediately needed for the payment of costs of the Construction Project, toward the liquidation and/or reduction of said interim financing loans until such time as additional interim financing loans are needed to provide additional funds for costs of the Construction Project as required by the District, subject to the limitation that the total amount owed to said Banks at any given time shall not be in excess of \$245,000.

The District hereby covenants and agrees with said Banks that upon the issuance and delivery of the Current Bonds the District will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of all the Note(s) of the District then held by said Banks, together with interest thereon to the date of such payment; and the first proceeds of said Bonds are hereby pledged therefor, and such pledge shall constitute a first and prior charge against said proceeds. The District further pledges the proceeds of the net revenues of the System to the payment of said interim financing, subject to the priority of the Prior Bonds.

It is understood that the foregoing constitutes an alternative method of obtaining interim financing, and does not preclude the authorization, public advertisement, and sale of Bond Anticipation Notes to the most favorable bidder on the open market, by concurrent or subsequent proceedings of the District.

(b) Interim Financing from Source Other Than a Banker or FmHA.

In the event that the District is able to obtain interim financing at a reasonable rate and on reasonable terms from any source ("Alternate Lender"), other than a Bank or the FmHA, including any State or Federal Agency, the provisions of subsection (a) above shall apply in all respects to such interim financing, with the reference to Banks in said subsection (a) being deemed to refer to the Alternate Lender. In addition, the Chairman and the Secretary of the District are hereby authorized to execute any additional documents required by the Alternate Lender and approved by Bond Counsel, without any further action of this Commission.

(c) Possible Multiple Advances by FmHA if Bonds Shall be Purchased by FmHA.

In the event the Bonds are purchased by the FmHA, and in the event the District is unable to obtain a commitment for commercial interim financing for the Project during construction from any Bank at reasonable rates and terms, the Chairman is authorized to request multiple advances ("Multiple Advances") of loan funds from the FmHA.

If the FmHA agrees to make Multiple Advances to the District pending the delivery of the Bonds, the Chairman is hereby authorized to execute in the name and on behalf of the District any number of Bond Anticipation Notes, each such Note evidencing an advance of funds by the FmHA to the District, such Note or Notes to be in the form prescribed by the FmHA.

Each request for an advance from the FmHA shall be accompanied by (1) a certification of the Engineers designated herein, and (2) written approval of the Chairman or by such other official of the District as may be authorized by the Commission; provided, however, that written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items. The District will also furnish to the FmHA, prior to the receipt of each such advance, whatever additional documentation shall be requested by the FmHA, including a Supplemental Title Opinion (updated) of Local Counsel and a Supplemental Preliminary Legal Opinion (updated) of Bond Counsel.

The proceeds of any Multiple Advances made by the FmHA shall either be (i) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project, or (ii) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301B(3) hereof, in which event amounts of the District on deposit in such Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U. S. Obligations (without the use of a Deposit Agreement of the FmHA, unless requested by the FmHA), and a Fidelity Bond in an amount equal to not less than the maximum amount deposited in such Account must be furnished by the proper official of the District, as provided in Section 301 hereof.

The first proceeds of the Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The District further pledges the proceeds of the revenues of the System to the repayment of said Multiple Advances, subject to the priority of the pledge securing the Prior Bonds.

Section 303. Investment of Funds; Federal Arbitrage Limitations.

The District covenants and certifies, in compliance with Federal Arbitrage Regulations, as follows:

(a) The District certifies, on the basis of known facts and reasonable expectations on the date of adoption of this Bond Resolution, that it is not expected that the proceeds of the Current Bonds will be used in a manner which would cause such Bonds to be arbitrage bonds. The District covenants to the purchasers and/or holders of the Current Bonds that (1) the District will make no use of the proceeds of said Bonds, which, if such use had been reasonably expected on the date of issue of such Bonds, would have caused such Bonds to be arbitrage bonds, and (2) that the District will comply with (i) all of the requirements of Section 103(c) of the Internal Revenue Code, and (ii) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Current Bonds shall not be treated as or constitute arbitrage bonds.

(b) The District certifies, based on information furnished by the Engineers, and on known facts and reasonable expectations at this time, as follows:

- (1) that the District has entered into a contract with the Engineers for engineering services in connection with the Construction Project financed by the Current Bonds and the fees to be paid to such Engineers will exceed 2-1/2% of the total cost of the Project;
- (2) that work on the Construction Project has commenced or will commence within six months from the date of issuance of the Current Bonds;
- (3) that the construction of said Construction Project will proceed thereafter to completion with due diligence on the part of the District;
- (4) that at least 85% of the spendable proceeds of the Current Bonds will be expended on the costs of the Construction Project within less than three years from the date of issuance of the Current Bonds;
- (5) that it is anticipated that amounts on deposit in the Current Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the Outstanding Bonds, and that, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of the Outstanding Bonds for the then ensuing year, or (ii) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted through such application for current debt service requirements of the Outstanding Bonds;
- (6) that it is not anticipated that amounts will be accumulated in any reserve fund anticipated to be used for debt service on the Outstanding Bonds in excess of 15% of (a) the face amounts (par) of the original authorized issue or series, or (b) the net proceeds thereof if sold at less than 98% of par, of whatever bonds are outstanding against and payable from the revenues of the System;
- (7) that it is not reasonably anticipated that amounts accumulated in the Depreciation Fund will be used for payment of the debt service on any Outstanding Bonds, even though such Fund will be available if necessary to prevent a default in the payment of principal and interest on such Bonds;
- (8) that the original proceeds of the Current Bonds will not exceed by more than five percent (5%) (or by any percent) the amount required (after deducting the available proceeds of grants, connection charges, and any other funds provided by the District) for the costs of the Construction Project; and there has therefore been no overissuance of the Current Bonds; and
- (9) that the District has not been advised of any listing or contemplated listing by the Internal Revenue Service determining that the foregoing type of certification with respect to the District's obligations may not be relied on.

(c) The District covenants that neither the proceeds of the Bonds, nor "Non-Exempt Revenues of the District," as defined herein, will be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Bonds, if such investment would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 103(c)(2) of the Internal Revenue Code, as amended, and the applicable regulations thereunder; provided, however, that such proceeds and/or revenues may be invested to whatever extent and whenever such Code and/or applicable Regulations permit same to be invested without causing the Current Bonds to be treated as "arbitrage bonds."

"Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the District deposited in any of the funds earmarked for or reasonably expected to be used for the payment of debt service on the Outstanding Bonds, in excess of "Exempt Revenues," which Exempt Revenues are:

- (1) amounts deposited in the Current Sinking Fund for the purpose of paying debt service on any Outstanding Bonds within 13 months from the date of deposit;
- (2) amounts deposited in any reserve earmarked for or anticipated to be used for debt service on Outstanding Bonds, to the extent that such deposits do not cause the total amount of such revenues, deposits, and other excess Non-Exempt Revenues, to exceed 15% of the Outstanding Bonds for which adequate provision was made to obtain the appropriate 15% exemption;
- (3) amounts deposited in a Depreciation Fund, Reserve for Replacements, Operation and Maintenance Fund, or any other fund (however designated) reasonably expected to be used for extensions, additions, improvements, repairs, or replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose) of Outstanding Bonds.

If, and to the extent that any Non-Exempt Revenues are on deposit and are available for investment, such funds shall be subject to the investment limitation referred to in Section 303 above.

Accordingly it is anticipated that there will be no limitation on the permissible yield on investments made from the proceeds of the Current Bonds.

Prior to or at the time of delivery of the Bonds, the Chairman and/or the District Treasurer (who are jointly and severally charged with the responsibility for the issuance of the Current Bonds) is authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures, and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the latest "Proposed Arbitrage Regulations," as amended, in order to assure that interest on the Current Bonds will be exempt from all Federal income taxes and that the Current Bonds will not be treated as arbitrage bonds.

ARTICLE 4.

OPERATION OF SYSTEM; FLOW OF FUNDS; CURRENT BONDS  
SUBJECT TO PRIORITY OF PRIOR BONDS; MONTHLY PAYMENTS  
OF PRINCIPAL AND INTEREST, IF REQUESTED BY FmHA, SO  
LONG AS FmHA HOLDS OR INSURES THE CURRENT BONDS.

Section 401. Operation of System to Continue as Heretofore;  
Provisions of Prior Bond Resolution Incorporated  
Herein; Creation of New Funds.

All proceedings preliminary to and in connection with the issuance of the outstanding Prior Bonds of the District, including provisions made for the receipt, custody, and application of the proceeds of said Bonds; for the operation of the waterworks System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; for the enforcement and payment of said Bonds; and all other covenants for the benefit of bondholders set out in the Prior Bond Resolution, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Prior Bonds, and (subject to the priority of the Prior Bonds) of the Current Bonds herein authorized, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, after the issuance of the Current Bonds, 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 heretofore created by the Prior Bond Resolution, which fund has been and is designated and identified as the "North McLean County Water Revenue Fund" (the "Revenue Fund"), in the custody of the District Treasurer, which fund has been deposited with and shall continue to be maintained and deposited with the Depository Bank, so long as any of the Prior Bonds, the Current Bonds, or any Parity Bonds are outstanding. The District covenants and agrees that it will continue to deposit therein, promptly as received from time to time, all cash income and revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund from time to time shall continue to be used, disbursed, and applied by the District only for the purpose and in the manner and order of priorities specified in the Prior Bond Resolution, as hereinafter modified, all as permitted by the applicable statutes, and in accordance with previous contractual commitments as follows:

A. Operation and Maintenance Fund.

There was created in Section 14(a), and is hereby ratified and confirmed, a fund known as the "North McLean County Water District Water System Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), into which there shall be set aside and paid as the first payment from said Revenue Fund, on or before the fifteenth day of each month, from month-to-month, or as needed, such amounts as are required to pay, as they accrue, the proper and necessary costs of operating, maintaining, and insuring the System, as provided in the Current Expenses contained in the Annual Budget.

To the extent not otherwise provided, all costs of operating, maintaining, and insuring the System shall be paid from said Operation and Maintenance Fund.

B. Prior Sinking Fund.

A separate and special fund or account of the District was created in Section 14(b) of the Prior Bond Resolution, entitled "North McLean County Water District Water Revenue Bonds, Bond and Interest Sinking Fund" (the "Prior Sinking Fund"), into which the District covenanted to deposit on or before the 15th day of each month from the Revenue Fund, as a first charge thereon, sums not less than:

(1) A sum equal to one-sixth (1/6) (or such larger amount as is necessary) of the next succeeding interest installment to become due on all Prior Bonds then outstanding, and

(2) A sum equal to one-twelfth (1/12) (or such larger amount as is necessary) of the principal of all of the Prior Bonds maturing on the next succeeding January 1, plus

(3) Seventy-five percent (75%) of all sums remaining in the Revenue Fund, after making the transfers enumerated in (1) and (2) above, such monthly deposits to accrue as a Sinking Fund Reserve, as hereinafter specifically noted.

It was further provided that said monthly transfers should continue until a Prior Sinking Fund Reserve of \$11,000 was accumulated.

The District hereby covenants to continue making the deposits specified in (1), (2), and (3) above in said Depository Bank with reference to the Prior Bonds until the balance in said Prior Sinking Fund Reserve is \$11,000.

Said Prior Sinking Fund shall be used solely and only and has been (in the Prior Bond Resolution) and is hereby pledged for the purpose of paying the principal of and interest on the Prior Bonds.

Whenever the aforesaid Prior Sinking Fund Reserve has been accumulated in the specified amount, the deposits into the Prior Sinking Fund may thereafter be reduced to sums not less than (1) a sum equal to 1/6 of the next succeeding interest installment to become due on the Prior Bonds then outstanding; and (2) a sum equal to 1/12 of the principal of the Prior Bonds monthly deposit, then an amount equal to the amount of the deficiency shall be set apart and deposited into the Prior Sinking Fund out of the first available gross revenues in the ensuing month or months, which amount shall be in addition to the monthly deposits required above during such succeeding month or months.

C. Current Sinking Fund.

At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account an amount sufficient (currently estimated at \$6,000) to provide for capitalized interest during the construction of the Project, as approved by the Engineers and by the FmHA, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the construction project. Such amount so transferred from the Construction Account shall be deposited in the "North McLean County Water District Waterworks Bond and Interest Sinking Fund of 1986" hereby created (the "Current Sinking Fund").

After the transfers required in the preceding Subsections A and B to be made in each month have been paid from the Revenue Fund, and after the expiration of the month in which interest on the Current Bonds is last payable out of the sum set aside into the Current Sinking Fund as capitalized interest, there shall next be transferred in each month from said Revenue Fund and deposited into the Current Sinking Fund on or before the 15th day of each month, for payment of interest on and principal of the Current Bonds, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (or such larger amount as is necessary) of the next succeeding six-month interest installment to become due on the Current Bonds then outstanding, plus
- (2) Beginning in January, 1987, a sum equal to one-twelfth (or such larger amount as is necessary) of the principal of any Current Bonds maturing on the next succeeding January 1.

After all of the transfers required to be made in Subsection A above and in the foregoing provisions of this paragraph B, have been made, there shall next be transferred from the Revenue Fund to the Current Sinking Fund, to be held as a reserve therein (the "Current Reserve Fund"), the sum of \$200 each month until there is accumulated in such Current Reserve Fund the sum of \$24,000, after which no further deposits need be made into such Fund except to replace withdrawals.

If the District for any reason shall fail to make any monthly deposits as required, then an amount equal to the deficiency shall be set apart and deposited into the Current Sinking Fund and/or the Current Reserve Fund out of the first available revenues in the ensuing month or months, which amount shall be in addition to the monthly deposit(s) otherwise required during such succeeding month or months. Whenever there shall accumulate in the Current Sinking Fund and/or in the Current Reserve Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest on outstanding Current Bonds as same fall due, and if at such time the District is in compliance with all provisions of the Prior Bond Resolution, such excess amount may be used for redemption of such Current Bonds prior to maturity, as set forth in Section 205 hereof.

The District Treasurer shall keep appropriate records as to payment of principal and interest installments on the Bonds.

All funds in said Current Sinking Fund and in said Current Reserve Fund shall be deposited in the Depository Bank, or such portion of said amounts on deposit in said respective Funds as is designated by the Commission shall be invested for the benefit of such respective Funds in Certificates of Time Deposit, savings accounts, or U. S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for meeting interest and/or principal payments, to mature or be called, provided that to the extent that any amounts on deposit in said Bank shall cause the total deposits of the District in said bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U. S. Obligations, having an equivalent market value, in conformity with KRS 66.480. Investments in Certificates of Time Deposit may be made only if a separate FmHA Form 402-4 agreement is executed, if the FmHA has purchased any of the Bonds. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds.

D. District to Make Principal and Interest Payments on Current Bonds on a Monthly Basis, if Requested by FmHA, so Long as FmHA Holds or Insures All Current Bonds.

So long as all of the Current Bonds are held or insured by the FmHA, the District shall, if requested by the FmHA, make payments of amounts equal to the total of the payments required by subsections (1) and (2) of the preceding Subsection B being the total of the monthly principal and interest requirements of the Current Bonds, in monthly payments to the FmHA or to the insured owner of the Current Bonds, out of the Current Sinking Fund; provided further that at the option of any other owner of all of the Current Bonds, such payments shall similarly be made in monthly payments to such owner.

E. Replacement Fund.

A separate and special fund or account of the District was created in Section 14(c) of said Prior Bond Resolution, which fund was designated the "North McLean County Water District Water System Replacement and Extension Reserve Fund" (the "Depreciation Fund" or the Replacement Fund"), which fund is hereby ratified, confirmed, and ordered to be continued so long as any of the Prior Bonds, the Current Bonds, and any Parity Bonds are outstanding. The Prior Bond Resolution required and it is hereby required (subject to the modifications set out herein) that the balance of the income and revenues of the System remaining after the transfers required in Subsections A, B, and C above are made in each month, shall be set aside and paid, on the 15th day of each month into said Replacement Fund and said deposits shall continue and be made whenever necessary until there has been accumulated, and is being maintained in said Replacement Fund, the sum of at least \$17,000 (which sum is hereby increased to \$32,000, being an amount equal to more than 5% of the total cost of the System, including the "Construction Project) as a "Replacement and Extension Reserve," which Reserve shall continue to be maintained, and when necessary, restored to said amount.



There shall also be deposited in said Replacement Fund, the proceeds from the sale of any equipment no longer usable or needed, fees or charges collected (after construction is completed) from potential customers to aid in the financing of the cost of extensions, additions, and/or improvements to the System (with the exception of at least \$68,000 of connection charges required to be deposited into the Construction Account), plus the proceeds of any property damage insurance not immediately used to replace damaged or destroyed property. Moneys in said Replacement Fund shall be available and shall be withdrawn and used, upon appropriate certification to the Depository Bank, for the purpose of paying the cost of constructing replacements, extensions, additions, and/or improvements to the System; provided, however, that in the event the available balance in the Prior Sinking Fund and Prior Sinking Fund Reserve on any June 20 or December 20 shall be insufficient to pay the next maturing installment of interest on and/or principal of the Prior Bonds, the District shall withdraw and transfer from said Replacement Fund such amounts as may be required to eliminate the deficiency in said Prior Sinking Fund and to avoid a default; provided further that any such withdrawals shall be promptly restored to said Replacement Fund from the first available revenues of the System.

Whenever the balance in said Replacement Fund, including the market value of investments held for the account thereof, shall equal the sum of \$33,000, the monthly payments into said Fund may be discontinued, or, by order of the Commission, may be diverted into the Prior Sinking Fund to be held as a part of the Prior Sinking Fund Reserve, and may then be used to redeem Prior Bonds, but only after the aforementioned Prior Sinking Fund Reserve shall have accumulated beyond the minimum amount hereinabove prescribed; provided, however, that payments into said Replacement Fund must be resumed whenever, and so long as, necessary to restore and maintain said balance in the sum of \$33,000. However, said Replacement Fund shall be available and may be withdrawn and used by the District upon appropriate certification to the Depository Bank, for the purpose of meeting principal and interest requirements, including the accumulation of the aforesaid Sinking Fund Reserve, or same may be used for any of the purposes set out in the preceding paragraph hereof.

Sums on deposit in said Replacement Fund may similarly be used for Current Sinking Fund purposes, subject to the priorities of the Prior Bonds and the Prior Sinking Fund.

#### F. Surplus Funds.

After said stipulated Replacement Reserve of \$33,000 has been accumulated, if at the end of any fiscal year, after making the payments required by Subsection A, B, C, and E above, which requirements are cumulative, there shall remain a balance in said Revenue Fund, such balance shall, within sixty (60) days after the end of such fiscal year, be used as follows:

- (1) To pay principal and interest requirements of the Current Bonds or any outstanding junior and subordinate obligations against the System, or any part thereof; or

(2) To retire or redeem outstanding Prior Bonds (or prepayments on the Fully Registered Prior Bond) in inverse numerical and maturity (or in inverse chronological) order at not exceeding the call price (or redemption or prepayment terms) as may be determined by the Commission; or

(3) To transfer additional amounts to the Replacement and Extension Reserve Fund.

Provided, however, such surplus balances in the Revenue Fund shall not be used for the purposes of the above Subsections (2) or (3) unless there shall have first been accumulated in the Operation and Maintenance Fund a surplus equal to the cost (not otherwise provided) of maintaining and operating the System during the remainder of the current fiscal year and the succeeding like year.

#### ARTICLE 5.

##### COVENANTS OF DISTRICT TO BONDOWNERS.

So long as any of the Current Bonds are outstanding and unpaid, the District covenants as follows:

##### Section 501. Rates and Charges.

The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into account and consideration the cost and value of the System (including all extensions, additions, and improvements thereto), the cost of maintaining, repairing, and operating the same, and the amounts necessary for the payment of principal of and interest on all bonds outstanding against the System, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this and ARTICLE 4 hereof.

The District covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Secretary a certification of an Independent Consulting Engineer, as defined herein, that the annual net revenues (defined as gross revenues less current expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in "annual net revenues" anticipated to result from any such proposed rate decrease, are equal to not less than 125% of the average annual debt service requirements for principal and interest on all of the then Outstanding Bonds payable from the revenues of the System, calculated in the manner specified in Section 603 hereof.

Section 502. Books and Accounts.

If and to the extent not now fully required by the Prior Bond Resolution, the District shall install and maintain proper records and accounts relating to the operation of the System and its financial affairs; and the owners of any of the Prior Bonds or of the Current Bonds, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts, and data relating thereto. An annual audit on a fiscal year basis shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than sixty days after the close of each fiscal year, copies of such audit reports certified by such Accountant shall be promptly mailed to the Government without request, so long as the Government is the owner of any of the Current Bonds, and to any bondowner that may have made a written request for same. Monthly operating reports shall be furnished to the FmHA and to any bondowner requesting same, whenever and so long as the District is delinquent in any of the covenants set out herein. Quarterly operating reports shall be furnished to such parties at all other times.

Section 503. System to Continue to be Operated on a Calendar (Fiscal) Year Basis Ending December 31.

While any of the Prior Bonds, the Current Bonds, and any Parity Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall continue to be operated and maintained on a calendar (fiscal) year basis commencing on January 1 and ending on December 31 of each year, which period shall also constitute the fiscal year and budget year (the "fiscal year") for the operation and maintenance of the System. Not later than 60 days after the beginning of each fiscal year, beginning immediately after the issuance of the Current Bonds, the District and the Commission agree to cause to be prepared a detailed statement of income and expenditures for the past year, a current financial statement and a "Proposed Annual Budget of Current Expenses" of the System for the then ensuing fiscal year, itemized on the basis of monthly requirements. A copy of said "Proposed Annual Budget of Current Expenses" shall be mailed to any bondowner who may request in writing a copy of such Budget, and to the Government without request if the Government is the holder of any of the Current Bonds.

Current expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining, and insuring the System, but shall exclude depreciation, payments into the Prior Sinking Fund, the Prior Reserve Fund, the Current Sinking Fund, the Current Reserve Fund, and the Depreciation Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that the District will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution by the District that such expenses are necessary to operate and maintain the System. At the same time and in like manner, the District shall prepare an estimate of gross revenues to be derived from the operation of the System for said fiscal year, and, to the extent that

said gross revenues are insufficient (a) to pay debt service requirements on all outstanding bonds during the ensuing fiscal year, (b) to accumulate and maintain all required reserves enumerated herein, and (c) to pay Current Expenses, the District shall revise the rates and charges sufficiently to provide the funds required.

If the owners of at least 50% in amount of the outstanding Prior Bonds and Current Bonds, or the Government so long as it is the holder of any of said Bonds, so request, the Commission shall hold an open hearing not later than thirty days before the beginning of the ensuing fiscal year, at which time any bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least 15 days prior to the hearing to each registered bondowner and to the Government.

The District and its Commission covenant that annually before the first day of July, the annual budget of current expenses for the then current fiscal year will be adopted substantially in accordance with the preliminary or proposed annual budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such fiscal year unless directed by said District by a specific resolution duly adopted.

Section 504. General Covenants.

The District through its Commission hereby covenants and agrees with the owners of the Current Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Resolution;
- (4) Unless the written consent of the owners of a majority in amount of the outstanding Current Bonds plus all of the outstanding Prior Bonds, has been obtained, the District agrees not to sell, lease, mortgage, or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions, and/or improvements that may be made thereto, until all of the Prior Bonds and all of the Current Bonds shall have been paid or provided for in full, as provided herein, subject to the provisions of Section 605 hereof;

- (5) It will maintain in good condition and continuously operate said System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times to pay the cost and expense of operating and maintaining the System, to pay the interest on and principal of the Prior Bonds, the Current Bonds, and any Parity Bonds as same become due and to provide for an adequate depreciation account;
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities, or corporations which own and maintain water-works systems under similar conditions; and so long as the Government is the holder of any of the Bonds, the Government will be listed as co-beneficiary on any such policy; and the District shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks, and structures).

Section 505. Other Covenants Applicable So Long as FmHA Holds Any Bonds; Loan Resolution.

So long as the FmHA shall hold any of the Current Bonds, the District shall comply with such FmHA regulations, requirements, and requests as shall be made by the FmHA, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the FmHA, the carrying of insurance of such types and in such amounts as the FmHA may specify, with insurance carriers acceptable to the FmHA, and compliance with all of the terms and conditions of the Loan Resolution (FmHA Form 442-47) adopted and executed by the District, which is hereby authorized, approved, ratified, and confirmed.

Section 506. Insurance on Motors, Tanks, and Structures.

If and to the extent not now fully required by the Prior Bond Resolution, the District shall (a) immediately after the adoption of this Resolution, and (b) at the time of final acceptance of the Construction Project from the contractor(s), insure all electric motors, elevated water storage tanks, pumping stations, and major structures of the System, in an amount recommended by the District's Engineers and approved by the FmHA, so long as the FmHA is the holder of any of the Current Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the District's Engineers, without the necessity of approval by the FmHA if and whenever the District has bonds outstanding against the System and none of such bonds are owned by the FmHA.

ARTICLE 6.

INFERIOR BONDS AND PARITY BONDS; CONSENT OF FmHA  
REQUIRED IF FmHA PURCHASES CURRENT BONDS.

Section 601. Inferior Bonds.

Except as provided below in this Section, the District shall not, so long as any of the Prior Bonds and/or Current Bonds (and any bonds ranking on a parity) are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues and statutory mortgage lien to secure such additional bonds is/are made inferior and subordinate in all respects to the security of the Current Bonds and any Parity Bonds.

The District expressly reserves the right at any time or times to issue its bonds or other obligations payable from the revenues of the System and not ranking on a basis of equality with the Current Bonds, without any proof of previous earnings or net revenues, provided that the consent of the FmHA must be obtained prior to the issuance of any inferior bonds so long as the FmHA holds any of the Prior Bonds, the Current Bonds, or any Parity Bonds, and provided further that (after the initial completion of the Construction Project) such inferior bonds may be issued only for the purpose of providing for future extensions, additions, and/or improvements to the System, and only in express recognition of the priorities, liens, and rights created and existing for the security, source of payment, and protection of the Prior Bonds, the Current Bonds, and any Parity Bonds; provided further, that nothing in this section is intended to restrict or shall be construed as a restriction upon, the ordinary refunding of the Prior Bonds, the Current Bonds, and any other Parity Bonds.

Section 602. Parity Bonds to Complete the Construction Project.

The District hereby certifies, covenants, and agrees that in the event that the cost of completion of the construction of the Construction Project, as hereinbefore described, shall exceed the moneys available to the District from any and all sources, the District shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the District has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of additional Parity Bonds in order to enable the District to pay the cost (not otherwise provided) of the completion of the Construction Project, and provided the District has complied with the provisions of Section 603 below or has obtained:

- (a) the consent of the FmHA if it is the purchaser of the Current Bonds, or
- (b) the consent of the owners of at least seventy-five percent (75%) in principal amount of the Current Bonds outstanding, if the Current Bonds have been issued, sold, and delivered and are held by owners other than the FmHA.

Section 603. Parity Bonds to Finance Future Extensions, Additions, and/or Improvements; Conditions or Showings Required.

The District further reserves the right to add new waterworks facilities and/or to finance future extensions, additions, and/or improvements to the System by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, and also secured by a parity statutory mortgage lien on the System, subject to the priority of the Prior Bonds, provided:

(a) The facility or facilities to be constructed from the proceeds of the additional Parity Bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional Parity Bonds and for the outstanding Prior Bonds and Current Bonds.

(b) The District is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System or any part thereof.

(c) The annual net revenues (defined as gross revenues less essential operation and maintenance expenses), of the then existing System for the fiscal year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the System, including such requirements of the Prior Bonds, the Current Bonds, any Parity Bonds then outstanding, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional bonds to be issued shall, regardless of whether such additional bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

(d) The "annual net revenues" referred to above may be adjusted for the purpose of the foregoing computations to reflect:

(1) any revisions in the schedule of rates or charges being imposed at the time of the issuance of any such additional Parity Bonds, and

(2) any increase in the "annual net revenues" to be realized from the proposed extensions, additions, and/or improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer, as defined herein.

(e) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the District has obtained (1) the written consent of the FmHA for the issuance of such Parity Bonds, if the FmHA is the owner of any of the Current Bonds at the time of issuance of such Parity Bonds; and (2) the written consent of the owners of three-fourths in amount of the then outstanding Current Bonds and any other Parity Bonds. Provided that if the District obtains the written consent of the owners of all Current Bonds and of all Parity Second Lien Bonds outstanding against the System, no other prerequisite need be complied with by the District in order to issue Parity Bonds.

(f) Reference is made to Section 607 hereof as to the necessity of obtaining the written consent of the FmHA for the issuance of future bonds encumbering the System while the FmHA owns any bonds payable from the Revenues of the System.

Section 604. Covenants to be Complied with at Time of Issuance of Parity Bonds.

The District hereby covenants and agrees that in the event any additional Parity Bonds are issued, the District shall:

(a) Adjust the monthly amount to be deposited into the Current Sinking Fund on the same basis as that prescribed in the provisions establishing such Fund, to reflect the average annual debt service requirements of the additional Parity Bonds;

(b) Adjust the minimum annual amount to be deposited monthly into the Current Reserve Fund on the same basis as that prescribed in the provisions establishing such Fund, taking into account the future debt service requirements of all second lien bonds which will then be outstanding against the System; and

(c) Make such additional Parity Bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January 1 and July 1 of each year until the final maturity of such Parity Bonds.

Section 605. Prepayment Provisions (Conditions) Applicable to Parity Bonds.

If, in connection with any subsequently issued series of bonds secured by a parity lien on the revenues of the System, it is provided that excess revenues in the Revenue Fund shall be used to prepay bonds in advance of scheduled maturity, or if the District at its option undertakes to prepay outstanding bonds in advance of scheduled maturity, it is agreed and understood that no such prepayment will be effected without the approval of the FmHA.



Section 606. District Not to Issue Any Additional Bonds Ranking on a Parity with Prior Bonds or Ranking Superior to Current Bonds.

So long as the FmHA shall hold any of the Current Bonds, the District covenants not to issue any bonds ranking on a parity with the outstanding Prior Bonds, or to issue any other bonds ranking superior in security to the security of the Current Bonds.

Section 607. District Shall Not Issue Any Future Bonds or Obligations Against the System Without the Written Consent of the FmHA, So Long as FmHA Holds Any Bonds Against the System.

Notwithstanding any other provisions of this Resolution, the District agrees that so long as the FmHA holds any bonds outstanding against and/or payable from the revenues of the System, the District will not issue any future bonds, notes, or other obligations against, secured by, or payable from the revenues of the System without the written consent of the FmHA.

Section 608. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities; Conditions.

The District covenants and agrees that so long as any of the Prior Bonds and/or Current Bonds are outstanding, the District will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the District will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Prior Bonds or Current Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

- (a) The District is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System, and the required Reserve(s) for such respective bonds has (have) been fully established.
- (b) It will, in the event of any such sale, apply the proceeds to either (1) redemption of outstanding bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;
- (c) It certifies, in good faith, prior to any abandonment of use, that the facility or facilities to be abandoned are no longer economically feasible of producing net revenues;

- (d) It certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding fiscal year, plus the estimated net revenues of the facility or facilities, if any, to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of additional Parity Bonds; and
- (e) Notwithstanding any other provisions hereof, so long as any of the Prior Bonds and/or Current Bonds are held by the Government, the District shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the Government.

## ARTICLE 7.

### DEFAULT, CONSEQUENCES.

#### Section 701. Events of Default.

The following items shall constitute an "event of default" on the part of the District:

- (a) The failure to pay principal of the Current Bonds or the Prior Bonds as and when same shall become due and payable, either at maturity or by proceedings for redemption.
- (b) The failure to pay any installment of interest on the Current Bonds or the Prior Bonds when the same shall become due and payable or within 30 days thereafter.
- (c) The default by the District in the due or punctual performance of any of the covenants, conditions, agreements, and provisions contained in the Current Bonds, the Prior Bonds, or in this Resolution.
- (d) The failure to promptly repair, replace, or reconstruct facilities of the System that have been damaged and/or destroyed.
- (e) The entering of any order or decree with the consent or the acquiescence of the District, appointing a Receiver of all or any part of the System or any revenues thereof; or if such order or decree shall be entered without the acquiescence or consent of the District, its failure to have the order vacated, discharged, or stayed on appeal within 60 days after entry.

Section 702. Consequences of Act of Default.

Any owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the District set forth herein. Upon the occurrence of an event of default, then upon the filing of a suit by any owner of said Bonds, any court having jurisdiction of the action may appoint a Receiver to administer said System on behalf of the District with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Prior Bonds and the Current Bonds, and to provide and apply the income and revenues in conformity with this Resolution and with the laws of the Commonwealth of Kentucky.

The District hereby agrees to transfer to any bona fide Receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the District's obligations, all contracts (including specifically the Amended Water Purchase Contracts between the District and the City of Calhoun and the West Daviess County Water District and the Water Purchase Contract between the District and the City of Livermore) and other rights of the District pertaining to the System, conditionally, for such time only as such Receiver or operator shall operate by authority of the Court. Upon the occurrence of an event of default, the holder or owner of any of the Prior Bonds or the Current Bonds may require the governing body of the District by injunction to raise the rates a reasonable amount, consistent with the requirements of this Resolution.

ARTICLE 8.

CONTRACTUAL PROVISIONS; GRANT APPROVAL;  
AND MISCELLANEOUS PROVISIONS

Section 801. This Resolution Contractual with Bondowners.

The provisions of this Resolution constitute a contract between the District and its Commission and the owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Bonds, no change, alteration, or variation of any kind of the provisions of this Resolution shall be made in any manner which will affect an owner's rights except as herein provided or except with the written consent of all bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the governing body of the District may adopt any Resolution for any purpose not inconsistent with the terms of this Resolution and which shall not impair the security of the owners of the Current Bonds, and/or for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective or inconsistent provisions contained herein or in any resolution or other proceedings pertaining hereto; and provided further, that the owners of eighty percent (80%) in principal amount of the Current Bonds at any time outstanding shall have the right to consent to,

and approve the adoption of resolutions or other proceedings, modifying, or amending any of the terms or provisions contained in this Resolution, subject to the conditions that (a) this Resolution shall not be so modified in any manner that may adversely affect the rights of the owners of any of the Prior Bonds, nor in any manner that may adversely affect the rights of any certain owners of the Prior Bonds and Current Bonds without similarly affecting the rights of all owners of such Bonds (and any Parity Bonds) then outstanding, or to reduce the percentage of the number of owners whose consent is required to effect a further modification; and (b) no such change may be effected without the consent of the FmHA so long as the FmHA owns any of the Outstanding Bonds.

Section 802. All Current Bonds are Equal.

The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. District Obligated to Refund Current Bonds Held by Government Whenever Same is Feasible; Defeasement Prohibited.

So long as the Government is the owner of any of the Current Bonds, if it appears to the Government that the District is able to refund such Bonds in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, or to sell bonds of the District in the open market, at reasonable rates and terms, for loans or bond issues for similar purposes and periods of time, the District will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government, and will take all such action as may be required in connection with such loan.

Also, so long as the Government is the owner of any of the Current Bonds, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Current Bonds without immediately prepaying all of the then outstanding Current Bonds.

Section 804. Authorization, Ratification, and Confirmation of Approval and Execution of Various Documents, Including Legal Services Agreements of Bond Counsel and Local Counsel; Agreement for Engineering Services; Letter of Intent to Meet Conditions of Letter of Conditions of FmHA; and Loan Resolution.

The Commission of the District hereby authorizes, approves, ratifies, and confirms the previous action of the officers of the District in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with the firm of Rubin & Hays as Bond Counsel.
- (b) Legal Services Agreement with Kenneth N. Ragland as Local Counsel.
- (c) Letter of Intent to Meet Conditions of FmHA Letter of Conditions (FmHA Form 442-46).
- (d) Loan Resolution (FmHA Form 442-47).
- (e) Agreement for Engineering Services with Turner Engineering Company, Inc., Consulting Engineers.

Section 805. Authorization of Condemnation to Acquire Easements and/or Sites.

In the event that (a) any necessary deeds of easement to allow water line construction over the property of any property owner or (b) any necessary deed to the necessary site of any water facility of the Project shall not be obtained through negotiation within 10 days after the date of adoption of this Resolution and in the event that (1) such water lines cannot be located within the right-of-way of the State and/or County road involved, and/or (2) such water facilities cannot be located on a site already owned by the District, Local Counsel employed by the District is hereby authorized and directed to file condemnation actions to obtain such necessary rights-of-way and/or sites forthwith, without further authorization or direction from this Commission. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions, and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way, and/or sites for completion of the Project and whenever the necessary deed is not obtained by negotiation at least 10 days prior to the date on which construction is contemplated in the respective easement, right-of-way, and/or site.

The District further approves the payment from the funds available therefor (proceeds of Bonds and other funds) allocated to the costs of the Project to pay any judgment, award, or compromise, determined by Local Counsel with the acquiescence of this Commission, toward the costs of such easements, rights-of-way, and/or sites, provided, in each instance, that the payment of such funds to satisfy any judgment, award, or compromise must first be approved by the FmHA; and this Commission further determines that if and to whatever extent the funds available from the proceeds of the Bonds and other supplemental funds, shall be inadequate to pay any judgment, award, or compromise amount for such easements, rights-of-way, and/or sites, or if the District is unable to obtain the approval of the FmHA for any such payment, this Commission shall make such additional amount available from all other available District resources.

ARTICLE 9.

SALE OF BONDS.

Section 901. Sale of Bonds.

The Secretary of the District is hereby authorized and directed to cause notice of the receipt of bids for the purchase of the Current Bonds to be published pursuant to all applicable Kentucky Revised Statutes. Said Notice shall state the name and amount of Bonds to be sold, the time of the sale and other details concerning the Bonds and the sale, and shall inform prospective bidders that a copy of the Bid Form, of the Official Notice of Sale of Bonds, and of the Statement of Essential Facts, which documents contain the schedule of principal installments, security of the Bonds, provisions as to prepayment prior to maturity, and related information, may be obtained from the District. Such Official Notice shall contain the following bidding requirements for bids for the purchase of the Current Bonds:

- A. Bidders are required to bid a cash price of not less than par value (\$245,000) for the Bonds.
- B. Bidders must name a single interest rate for the entire issue, which rate must be in a multiple of 1/8% or 1/10%. No specific maximum rate is applicable.
- C. Bids will be considered only for the entire \$245,000 of Bonds.
- D. Bidders (except the FmHA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of \$4,900 (2% of the face amount of the Bonds), which good faith check will be applied as partial payment for the Bonds, or as liquidated damages in the event that the successful bidder fails to comply with the terms of such bid.
- E. The FmHA will submit a bid for the purchase of the Bonds. In the event that a bid from a non-governmental bidder shall be received, the rates and terms of which are determined by the FmHA to be reasonable, then said FmHA bid will be withdrawn.
- F. The lowest net interest cost will be determined by deducting the total amount of any premium bid from the aggregate amount of interest upon the Bonds, computed from the first day of the month following the date of sale of the Bonds (even though the Bonds will bear interest only from the date of delivery) to the final maturity of the Bonds.
- G. The successful bidder shall take delivery of the Bond Issue in the form of a single or series of Fully Registered Bond(s), payable in amounts consistent with the schedule of principal installments, to the successful bidder or his assignee.

- H. Bids (except a bid of the FmHA) must be made on uniform Bid Forms, and bidders interested in bidding for the Bonds with knowledge that the last maturity of the Bonds is January 1, 2025, may obtain Bid Forms and the Statement of Essential Facts from the Secretary of the District. All bids must be made unconditionally and in conformity with the terms of the sale. Bids must be enclosed in sealed envelopes marked "Bid for North McLean County Water District Waterworks Revenue Bonds of 1986," and bids must be received by the Secretary prior to the date and hour stated in the Notice of Bond Sale.
- I. The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the Bonds at the office of the Secretary within 45 days after notice is given of the award. If said Bonds are not ready for delivery and payment within forty-five days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the Bonds, except that additional time may be required for delivery if the Bonds are purchased by the FmHA.
- J. The District reserves the right, in its discretion, to determine the best bid, to waive any informality or irregularity and to reject any or all bids. Bidders will be notified within 24 hours from the time fixed for the receipt of bids as to whether the District has accepted or rejected a bid.
- K. The District will furnish the printed Bonds, together with evidence of approval of the Bond Issue by the Public Service Commission of Kentucky, pursuant to the requirements of KRS Chapter 278.
- L. The Bonds will be tendered within said 45-day period, and the purchaser will receive the approving legal opinion of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, as to the legality and tax-exemption of said Bonds, without additional cost to the purchaser.

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

Section 902. Possible Adjustment in Date of Current Bonds, Maturities, Prepayment Provisions, and Other Dates, with Consent of Purchaser if Delivery is Delayed.

In the event that delivery of the Current Bonds authorized herein is delayed for any reason until after January 1, 1987 (or after January 1, 1988), the name of the Bonds may, pursuant to Resolution adopted by the Commission with the written consent of the purchaser of the Bonds, be changed to "North McLean County Water District Waterworks Revenue Bonds of 1987" (or "Bonds of 1988"), with maturities, the applicable prepayment date, and all other dates being adjusted accordingly.

ARTICLE 10.

CONCLUDING PROVISIONS

Section 1001. 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 1002. All Provisions in Conflict Repealed.

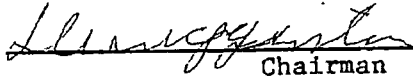
All motions, resolutions, and orders, or parts thereof, in conflict with the provisions of this Resolution, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other Bonds of the District payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. If part hereof is invalid, the remainder shall continue in effect. The District covenants to repeat any required procedure previously taken invalidly.

Section 1003. Effective Immediately Upon Adoption.

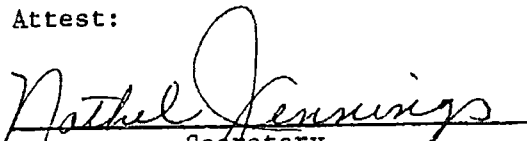
This Resolution shall take effect and be effective immediately upon its adoption.

Adopted this November 18, 1985.

(Seal of District)

  
Chairman

Attest:

  
Secretary

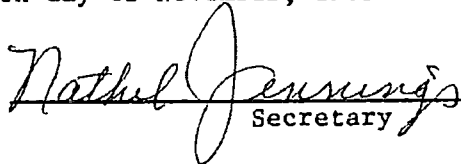


CERTIFICATION

I, NATHEL JENNINGS, hereby certify that I am the duly qualified and acting Secretary of the North McLean County District of McLean Kentucky, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said District, signed by the Chairman of said District and attested under Seal by me as Secretary, at a properly convened meeting of said Board of Commissioners held on November 18, 1985, as shown by the official records of said District in my custody and under my control.

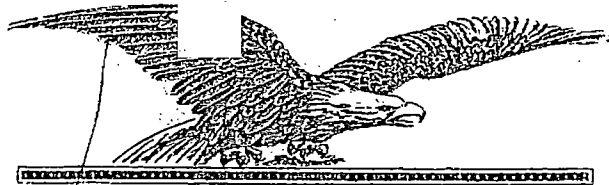
I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked, or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary and the official Seal of the District this 18th day of November, 1985.

  
Secretary

(Seal of District)

No. R-1



\$245,000

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

**NORTH McLEAN COUNTY WATER DISTRICT  
WATERWORKS REVENUE BOND OF 1986**

**ANNUAL INTEREST RATE: 7-5/8%**

KNOW ALL MEN BY THESE PRESENTS: That the North McLean County Water District, acting by and through its Board of Commissioners (the "Commission"), a public body corporate in McLean County, Kentucky, for value received, has assigned to the Farmers Home Administration, the registered owner hereof, or to its registered assigns, solely from the special fund hereinafter identified, the sum of

**TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$245,000),**

day of January, in years and installments as follows:

Principal	Year	Principal	Year	Principal
\$1,000	2001	\$2,000	2014	\$ 8,000
1,000	2002	3,000	2015	9,000
1,000	2003	3,000	2016	10,000
1,000	2004	3,000	2017	11,000
1,000	2005	4,000	2018	12,000
1,000	2006	4,000	2019	13,000
1,000	2007	4,000	2020	14,000
1,000	2008	5,000	2021	15,000
2,000	2009	5,000	2022	17,000
2,000	2010	6,000	2023	18,000
2,000	2011	6,000	2024	20,000
2,000	2012	7,000	2025	21,000
2,000	2013	7,000		

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

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapter 74 and Sections 96.350 through 96.510, inclusive, of the Kentucky Statutes, and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations, and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the existing waterworks system of the District (said

existing waterworks system, together with said extensions, additions, and improvements, being hereinafter as the "waterworks System" or the "System").

This Bond (the "Current Bond") is issued subject to the vested rights and priorities in favor of certain outstanding North McLean County Water District Water System Revenue Bonds, Series 1971, and 1, 1971 (the "Prior Bonds"), authorized by a Resolution adopted by the Commission of the District on 1971 (the "Prior Bond Resolution"). Accordingly, this Bond, together with any bonds ranking on a pari passu basis from and secured on a second lien basis by a pledge of the net revenues to be derived from the System, after providing for the requirements of the Prior Bonds and the requirements of the Resolution, and the requirements for the current costs of operation and maintenance of the System.

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

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

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

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

IN WITNESS WHEREOF said North McLean County Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is August 28, 1986.

Attest:

NORTH McLEAN COUNTY WATER DISTRICT  
McLean County, Kentucky

*Nathel Jennings*  
Secretary

*Jessie Oliver*  
Chairman

1985 Revenue Bonds

ASH FLOW DATA

Event	Start Date	Amount	Number	Period	End Date
47 Payment	07/01/2023	0.00	1		
Fixed Payment (+ Interest)					
48 Payment	01/01/2024	20,000.00	1		
Fixed Payment (+ Interest)					
49 Payment	07/01/2024	0.00	1		FNA
Fixed Payment (+ Interest)					
50 Payment	01/01/2025	21,000.00	1		
Fixed Payment (+ Interest)					
51 Payment	07/01/2025	0.00	1		
Fixed Payment (+ Interest)					
52 Payment	01/01/2026	0.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/01/2000				227,000.00
2000 Totals	0.00	0.00	0.00	
1 01/01/2001	10,654.38	8,654.38	2,000.00	225,000.00
2 07/01/2001	8,578.13	8,578.13	0.00	225,000.00
2001 Totals	19,232.51	17,232.51	2,000.00	
3 01/01/2002	11,578.13	8,578.13	3,000.00	222,000.00
4 07/01/2002	8,463.75	8,463.75 ✓	0.00	222,000.00
2002 Totals	20,041.88	17,041.88	3,000.00	
5 01/01/2003	11,463.75	8,463.75 ✓ Pd 02	3,000.00 ✓ Pd 02	219,000.00 ✓
6 07/01/2003	8,349.38	8,349.38 Pd w/in 14	0.00	219,000.00
2003 Totals	19,813.13	16,813.13 103	3,000.00	
7 01/01/2004	11,349.38	8,349.38 Pd w/in 14	3,000.00 Pd 03	216,000.00
8 07/01/2004	8,235.00	8,235.00 Pd 04	0.00	216,000.00
2004 Totals	19,584.38	16,584.38	3,000.00	
9 01/01/2005	12,235.00	8,235.00 Pd 04	4,000.00 Pd 04	212,000.00
10 07/01/2005	8,082.50	8,082.50 Pd 05	0.00	212,000.00
2005 Totals	20,317.50	16,317.50	4,000.00	
11 01/01/2006	12,082.50	8,082.50 Pd 05	4,000.00 Pd 05	208,000.00
12 07/01/2006	7,930.00	7,930.00 Pd 06	0.00	208,000.00
2006 Totals	20,012.50	16,012.50	4,000.00	
13 01/01/2007	11,930.00	7,930.00 Pd 06	4,000.00 Pd 06	204,000.00
14 07/01/2007	7,777.50	7,777.50 Pd 07	0.00	204,000.00
2007 Totals	19,707.50	15,707.50	4,000.00	
15 01/01/2008	12,777.50	7,777.50 Pd 07	5,000.00 Pd 07	199,000.00
16 07/01/2008	7,586.88	7,586.88 Pd 08	0.00	199,000.00

## 1985 Revenue Bonds

Date	Payment	Interest	Principal	Balance
08 Totals	20,364.38	15,364.38	5,000.00	
17 01/01/2009	12,586.88	7,586.88 Pd 08	5,000.00	194,000.00
18 07/01/2009	7,396.25	7,396.25	0.00	194,000.00
2009 Totals	19,983.13	14,983.13	5,000.00	
19 01/01/2010	13,396.25	7,396.25	6,000.00	188,000.00
20 07/01/2010	7,167.50	7,167.50	0.00	188,000.00
2010 Totals	20,563.75	14,563.75	6,000.00	
21 01/01/2011	13,167.50	7,167.50	6,000.00	182,000.00
22 07/01/2011	6,938.75	6,938.75 Pd 11	0.00	182,000.00
2011 Totals	20,106.25	14,106.25	6,000.00	
23 01/01/2012	13,938.75	6,938.75 Pd 11	7,000.00	175,000.00 12-31-11
24 07/01/2012	6,671.88	6,671.88 Pd 12	0.00	175,000.00
2012 Totals	20,610.63	13,610.63	7,000.00	
25 01/01/2013	13,671.88	6,671.88 Pd 12	7,000.00	168,000.00
26 07/01/2013	6,405.00	6,405.00 Pd 13	0.00	168,000.00
2013 Totals	20,076.88	13,076.88	7,000.00	
27 01/01/2014	14,405.00	6,405.00 Pd 13	8,000.00	160,000.00 12-31-13
28 07/01/2014	6,100.00 Pd 14	6,100.00	0.00	160,000.00
2014 Totals	20,505.00	12,505.00	8,000.00	
29 01/01/2015	15,100.00 Pd 14	6,100.00	9,000.00	151,000.00 12-31-14
30 07/01/2015	5,756.88 Pd 15	5,756.88	0.00	151,000.00
2015 Totals	20,856.88	11,856.88	9,000.00	
31 01/01/2016	15,756.88 Pd 15	5,756.88	10,000.00	141,000.00 12-31-15
32 07/01/2016	5,375.63 Pd 16	5,375.63	0.00	141,000.00
2016 Totals	21,132.51	11,132.51	10,000.00	
33 01/01/2017	16,375.63 Pd 16	5,375.63	11,000.00	130,000.00 12-31-16
34 07/01/2017	4,956.25	4,956.25	0.00	130,000.00
2017 Totals	21,331.88	10,331.88	11,000.00	
35 01/01/2018	16,956.25	4,956.25	12,000.00	118,000.00
36 07/01/2018	4,498.75	4,498.75	0.00	118,000.00
2018 Totals	21,455.00	9,455.00	12,000.00	
37 01/01/2019	17,498.75	4,498.75	13,000.00	105,000.00
38 07/01/2019	4,003.13	4,003.13	0.00	105,000.00
2019 Totals	21,501.88	8,501.88	13,000.00	
39 01/01/2020	18,003.13	4,003.13	14,000.00	91,000.00
40 07/01/2020	3,469.38	3,469.38	0.00	91,000.00
2020 Totals	21,472.51	7,472.51	14,000.00	
41 01/01/2021	18,469.38	3,469.38	15,000.00	76,000.00
42 07/01/2021	2,897.50	2,897.50	0.00	76,000.00

## 1985 Revenue Bonds

Date	Payment	Interest	Principal	Balance
1 Totals	21,366.88	6,366.88	15,000.00	
43 01/01/2022	19,897.50	2,897.50	17,000.00	59,000.00
44 07/01/2022	2,249.38	2,249.38	0.00	59,000.00
2022 Totals	22,146.88	5,146.88	17,000.00	
45 01/01/2023	20,249.38	2,249.38	18,000.00	41,000.00
46 07/01/2023	1,563.13	1,563.13	0.00	41,000.00
2023 Totals	21,812.51	3,812.51	18,000.00	
47 01/01/2024	21,563.13	1,563.13	20,000.00	21,000.00
48 07/01/2024	800.63	800.63	0.00	21,000.00
2024 Totals	22,363.76	2,363.76	20,000.00	
49 01/01/2025	21,800.63	800.63	21,000.00	0.00
50 07/01/2025	0.00	0.00	0.00	0.00
2025 Totals	21,800.63	800.63	21,000.00	
51 01/01/2026	0.00	0.00	0.00	0.00
2026 Totals	0.00	0.00	0.00	
Grand Totals	518,160.74	291,160.74	227,000.00	

NORTH MCLEAN COU WATER DISTRICT [6075]  
Deprecia Expense

Sorted: General - Group

Federal

01/01/2016 - 12/31/2016

Business % Applied to Depreciation

Sys tem No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)	Net Book Value
ELECTRIC PUMPING EQUIP.												
25		PUMPING	1/1/1972	SL / N/A	40.0000	24,575.26	100.0000	0.00	24,575.26	0.00	24,575.26	0.00
4		15 HP PHASE PUMP MOTOR	6/26/1989	SL / N/A	15.0000	1,802.19	100.0000	0.00	1,802.19	0.00	1,802.19	0.00
173		PUMPS & TANKS- HWY 250 P	11/1/2007	SL / N/A	40.0000	90,780.00	100.0000	0.00	18,534.25	2,269.50	20,803.75	69,976.25
Subtotal: ELECTRIC PUMPING EQUIP.						117,157.45		0.00	44,911.70	2,269.50	47,181.20	69,976.25
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: ELECTRIC PUMPING EQUIP.						117,157.45		0.00	44,911.70	2,269.50	47,181.20	69,976.25
HYDRANTS												
101		HYDRANTS	1/1/1981	SL / N/A	50.0000	5,560.80	100.0000	0.00	3,846.60	111.22	3,957.82	1,602.98
102		HYDRANTS	7/1/1987	SL / N/A	50.0000	6,770.00	100.0000	0.00	3,861.20	135.40	3,996.60	2,773.40
103		1990 - 1 HYDRANT	6/1/1990	SL / N/A	50.0000	1,000.00	100.0000	0.00	511.67	20.00	531.67	468.33
121		FIRE HYDRANT	6/15/2000	SL / N/A	50.0000	904.84	100.0000	0.00	282.06	18.10	300.16	604.68
126		8 HYDRANTS	1/17/2002	SL / N/A	50.0000	6,712.00	100.0000	0.00	1,868.17	134.24	2,002.41	4,709.59
148		FIRE HYDRANT- HWY 1080/ 4:	7/1/2005	SL / N/A	50.0000	1,750.00	100.0000	0.00	367.50	35.00	402.50	1,347.50
149		FIRE HYDRANT- HWY 1080/ 4:	7/1/2005	SL / N/A	50.0000	1,750.00	100.0000	0.00	367.50	35.00	402.50	1,347.50
153		BARRETT HILL FIRE HYD ACC	7/1/2005	SL / N/A	50.0000	939.30	100.0000	0.00	197.29	18.79	216.08	723.22
160		FIRE HYDRANT	3/13/2006	SL / N/A	50.0000	1,013.85	100.0000	0.00	199.42	20.28	219.70	794.15
175		FIRE HYDRANT- 3' DEPTH	3/25/2008	SL / N/A	50.0000	1,400.00	100.0000	0.00	217.00	28.00	245.00	1,155.00
176		FIRE HYDRANT- 3.5' DEPTH	3/25/2008	SL / N/A	50.0000	1,415.00	100.0000	0.00	219.33	28.30	247.63	1,167.37
207		81 & 140 FIRE HYDRANT	12/14/2011	SL / N/A	50.0000	3,656.69	100.0000	0.00	298.61	73.13	371.74	3,284.95
Subtotal: HYDRANTS						32,872.48		0.00	12,236.35	657.46	12,893.81	19,978.67
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: HYDRANTS						32,872.48		0.00	12,236.35	657.46	12,893.81	19,978.67
LAND												
1		PUMPING LAND	1/1/1972	No Calc / N	0.0000	200.00	100.0000	0.00	0.00	0.00	0.00	200.00
2		TRANSMISSION LAND	1/1/1972	No Calc / N	0.0000	400.00	100.0000	0.00	0.00	0.00	0.00	400.00
3		TANK LAND	1/1/1985	No Calc / N	0.0000	3,500.00	100.0000	0.00	0.00	0.00	0.00	3,500.00
156		LAND- PUMP STATION	8/4/2006	No Calc / N	0.0000	13,086.00	100.0000	0.00	0.00	0.00	0.00	13,086.00
Subtotal: LAND						17,186.00		0.00	0.00	0.00	0.00	17,186.00
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: LAND						17,186.00		0.00	0.00	0.00	0.00	17,186.00
METER INSTALL./ROAD BORES												
83		METER INSTALLATION	1/1/1972	SL / N/A	40.0000	18,131.57	100.0000	0.00	18,131.57	0.00	18,131.57	0.00
84		1978	1/1/1972	SL / N/A	40.0000	1,068.50	100.0000	0.00	1,068.50	0.00	1,068.50	0.00
85		1980	1/1/1980	SL / N/A	40.0000	2,910.00	100.0000	0.00	2,620.25	72.75	2,693.00	217.00
86		1981	1/1/1981	SL / N/A	40.0000	1,950.00	100.0000	0.00	1,707.25	48.75	1,756.00	194.00
87		1982	1/1/1982	SL / N/A	40.0000	1,575.00	100.0000	0.00	1,318.09	39.38	1,357.47	217.53
88		1983	1/1/1983	SL / N/A	40.0000	1,940.00	100.0000	0.00	1,575.00	48.50	1,623.50	316.50
89		1984	1/1/1984	SL / N/A	40.0000	2,760.00	100.0000	0.00	2,174.00	69.00	2,243.00	517.00
90		1985	1/1/1985	SL / N/A	40.0000	2,000.00	100.0000	0.00	1,563.00	50.00	1,613.00	387.00
91		1986	7/1/1986	SL / N/A	40.0000	3,475.00	100.0000	0.00	2,562.96	86.88	2,649.84	825.16

NORTH MCLEAN COUNTY WATER DISTRICT [6075]  
Depreciation Expense

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Business % Applied to Depreciation

Sys tem No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)	Net Book Value
METER INSTALL./ROAD BORES												
92		1987	7/1/1987	SL / N/A	40.0000	5,365.00	100.0000	0.00	3,822.70	134.13	3,956.83	1,408.17
93		1988	7/1/1988	SL / N/A	40.0000	1,375.00	100.0000	0.00	945.45	34.38	979.83	395.17
94		1989	7/1/1989	SL / N/A	40.0000	1,560.00	100.0000	0.00	1,033.50	39.00	1,072.50	487.50
95		1990	7/1/1990	SL / N/A	40.0000	1,350.00	100.0000	0.00	860.63	33.75	894.38	455.62
96		1991	7/1/1991	SL / N/A	40.0000	900.00	100.0000	0.00	551.25	22.50	573.75	326.25
97		1992	7/1/1992	SL / N/A	40.0000	955.26	100.0000	0.00	561.18	23.88	585.06	370.20
98		1993	7/1/1993	SL / N/A	40.0000	1,050.00	100.0000	0.00	590.63	26.25	616.88	433.12
99		1994	7/1/1994	SL / N/A	40.0000	2,037.28	100.0000	0.00	1,095.00	50.93	1,145.93	891.35
100		1995	7/1/1995	SL / N/A	40.0000	1,921.00	100.0000	0.00	984.61	48.03	1,032.64	888.36
Subtotal: METER INSTALL./ROAD BORES						52,323.61		0.00	43,165.57	828.11	43,993.68	8,329.93
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: METER INSTALL./ROAD BORES						52,323.61		0.00	43,165.57	828.11	43,993.68	8,329.93
METERS												
57		METERS	1/1/1972	SL / N/A	40.0000	45,441.87	100.0000	0.00	45,441.87	0.00	45,441.87	0.00
58		PER PSC	1/1/1972	SL / N/A	40.0000	12,985.20	100.0000	0.00	12,985.20	0.00	12,985.20	0.00
59		1978	1/1/1978	SL / N/A	40.0000	3,690.00	100.0000	0.00	3,503.50	92.25	3,595.75	94.25
60		1979	1/1/1979	SL / N/A	40.0000	4,445.00	100.0000	0.00	4,110.90	111.13	4,222.03	222.97
61		1980	1/1/1980	SL / N/A	40.0000	1,065.00	100.0000	0.00	1,065.00	0.00	1,065.00	0.00
62		1981	1/1/1981	SL / N/A	40.0000	2,600.00	100.0000	0.00	2,275.00	65.00	2,340.00	260.00
63		1982	1/1/1982	SL / N/A	40.0000	3,120.00	100.0000	0.00	2,613.00	78.00	2,691.00	429.00
64		1983	1/1/1983	SL / N/A	40.0000	1,998.00	100.0000	0.00	1,623.50	49.95	1,673.45	324.55
65		1984	1/1/1984	SL / N/A	40.0000	2,716.53	100.0000	0.00	2,139.30	67.91	2,207.21	509.32
66		1985	1/1/1985	SL / N/A	40.0000	3,152.76	100.0000	0.00	2,385.60	78.82	2,464.42	688.34
67		1986	7/1/1986	SL / N/A	40.0000	5,026.05	100.0000	0.00	3,706.68	125.65	3,832.33	1,193.72
68		1987	7/1/1987	SL / N/A	40.0000	3,360.00	100.0000	0.00	2,394.00	84.00	2,478.00	882.00
69		1988	7/1/1988	SL / N/A	40.0000	3,024.00	100.0000	0.00	2,079.00	75.60	2,154.60	869.40
70		1989	7/1/1989	SL / N/A	40.0000	2,760.00	100.0000	0.00	1,828.50	69.00	1,897.50	862.50
71		1990	7/1/1990	SL / N/A	40.0000	2,760.00	100.0000	0.00	1,759.50	69.00	1,828.50	931.50
72		1991	7/1/1991	SL / N/A	40.0000	2,300.00	100.0000	0.00	1,408.75	57.50	1,466.25	833.75
73		1992	7/1/1992	SL / N/A	40.0000	1,800.00	100.0000	0.00	1,057.50	45.00	1,102.50	697.50
74		1993	7/1/1993	SL / N/A	40.0000	2,625.00	100.0000	0.00	1,476.67	65.63	1,542.30	1,082.70
75		1994	7/1/1994	SL / N/A	40.0000	3,770.00	100.0000	0.00	2,026.38	94.25	2,120.63	1,649.37
76		1995	7/1/1995	SL / N/A	40.0000	4,860.00	100.0000	0.00	2,490.75	121.50	2,612.25	2,247.75
77		1996	7/1/1996	SL / N/A	40.0000	15,350.00	100.0000	0.00	7,483.13	383.75	7,866.88	7,483.12
78		1997	7/1/1997	SL / N/A	30.0000	10,815.00	100.0000	0.00	6,669.24	360.50	7,029.74	3,785.26
79		1998	7/1/1998	SL / N/A	20.0000	13,047.42	100.0000	0.00	11,416.48	652.37	12,068.85	978.57
80		6" METER	11/1/1998	SL / N/A	20.0000	2,868.51	100.0000	0.00	2,462.21	143.43	2,605.64	262.87
81		6" METER	4/15/1999	SL / N/A	20.0000	2,874.42	100.0000	0.00	2,407.31	143.72	2,551.03	323.39
82		1999	7/1/1999	SL / N/A	20.0000	15,155.92	100.0000	0.00	12,503.70	757.80	13,261.50	1,894.42
122		2000	7/1/2000	SL / N/A	20.0000	14,150.00	100.0000	0.00	10,966.25	707.50	11,673.75	2,476.25
124		2001	7/1/2001	SL / N/A	20.0000	9,600.00	100.0000	0.00	6,960.00	480.00	7,440.00	2,160.00
131		2002	7/15/2002	SL / N/A	20.0000	8,600.00	100.0000	0.00	5,805.00	430.00	6,235.00	2,365.00
133		(2) 6" MASTER METERS	9/15/2002	SL / N/A	20.0000	5,820.00	100.0000	0.00	3,880.00	291.00	4,171.00	1,649.00

NORTH MCLEAN COUNTY WATER DISTRICT [6075]  
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METERS												
135		2003	7/15/2003	SL / N/A	20.0000	10,300.00	100.0000	0.00	6,437.50	515.00	6,952.50	3,347.50
144		2004	7/15/2004	SL / N/A	20.0000	7,800.00	100.0000	0.00	4,485.00	390.00	4,875.00	2,925.00
154		2005 METERS	7/1/2005	SL / N/A	20.0000	7,136.85	100.0000	0.00	3,746.82	356.84	4,103.66	3,033.19
158		MASTER METER- MCHS	4/11/2006	SL / N/A	20.0000	1,500.00	100.0000	0.00	731.25	75.00	806.25	693.75
155		2006 METERS (15)	7/1/2006	SL / N/A	20.0000	5,887.89	100.0000	0.00	2,796.71	294.39	3,091.10	2,796.79
171		2007 METERS (15)	7/1/2007	SL / N/A	20.0000	5,560.50	100.0000	0.00	2,363.25	278.03	2,641.28	2,919.22
177		MMP 6" SRH COMPOUND ME	3/28/2008	SL / N/A	20.0000	3,950.00	100.0000	0.00	1,530.63	197.50	1,728.13	2,221.87
183		2008 METERS (8)	7/1/2008	SL / N/A	20.0000	5,594.50	100.0000	0.00	2,097.97	279.73	2,377.70	3,216.80
195		CHECK VALVE FOR MASTER	5/26/2009	SL / N/A	10.0000	1,692.00	100.0000	0.00	1,113.90	169.20	1,283.10	408.90
196		CHECK VALVE FOR MASTER	5/26/2009	SL / N/A	10.0000	1,692.00	100.0000	0.00	1,113.90	169.20	1,283.10	408.90
197		CHECK VALVE FOR MASTER	5/26/2009	SL / N/A	10.0000	1,692.00	100.0000	0.00	1,113.90	169.20	1,283.10	408.90
198		METERS (11)	7/1/2009	SL / N/A	20.0000	8,739.97	100.0000	0.00	2,840.50	437.00	3,277.50	5,462.47
202		(4) METERS	8/2/2010	SL / N/A	20.0000	2,642.00	100.0000	0.00	715.54	132.10	847.64	1,794.36
206		METER- MCHS BATHHOUSE	3/24/2011	SL / N/A	20.0000	1,967.00	100.0000	0.00	467.16	98.35	565.51	1,401.49
203		METERS (6)	7/1/2011	SL / N/A	20.0000	3,963.00	100.0000	0.00	891.68	198.15	1,089.83	2,873.17
208		METERS (6)	7/1/2012	SL / N/A	20.0000	4,131.04	100.0000	0.00	722.93	206.55	929.48	3,201.56
220		METERS (5)	6/30/2013	SL / N/A	20.0000	4,608.93	100.0000	0.00	576.13	230.45	806.58	3,802.35
221		METERS (5)	7/1/2014	SL / N/A	20.0000	4,901.36	100.0000	0.00	367.61	245.07	612.68	4,288.68
223		METERS (9)	7/1/2015	SL / N/A	20.0000	6,112.54	100.0000	0.00	152.82	305.63	458.45	5,654.09
233		6" MASTER METER	2/8/2016	SL / N/A	20.0000	5,130.50	100.0000	0.00	0.00	235.15	235.15	4,895.35
232		8" INTERNAL FITTINGS FOR M	4/12/2016	SL / N/A	5.0000	2,138.00	100.0000	0.00	0.00	320.70	320.70	1,817.30
229		2016 (3)	8/15/2016	SL / N/A	20.0000	1,981.00	100.0000	0.00	0.00	41.27	41.27	1,939.73
Subtotal: METERS						310,901.76		0.00	203,189.12	11,044.77	214,233.89	96,667.87
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: METERS						310,901.76		0.00	203,189.12	11,044.77	214,233.89	96,667.87
MISC. EQUIPMENT												
28		SIGNS	1/1/1983	SL / N/A	5.0000	325.04	100.0000	0.00	325.04	0.00	325.04	0.00
29		SUMP PUMP	3/24/1989	SL / N/A	5.0000	125.21	100.0000	0.00	125.21	0.00	125.21	0.00
31		TAPPING TOOL	1/15/1990	SL / N/A	5.0000	106.90	100.0000	0.00	106.90	0.00	106.90	0.00
32		LIGHTS FOR TRUCK	11/15/1990	SL / N/A	5.0000	109.60	100.0000	0.00	109.60	0.00	109.60	0.00
8		TOOL BOXES (2) & LADDER R	4/29/1991	SL / N/A	5.0000	811.50	100.0000	0.00	811.50	0.00	811.50	0.00
6		FLARE TOOL & METER BOX K	8/15/1991	SL / N/A	5.0000	88.77	100.0000	0.00	88.77	0.00	88.77	0.00
10		PRESSURE TESTER	5/15/1994	SL / N/A	5.0000	187.00	100.0000	0.00	187.00	0.00	187.00	0.00
13		PRESSURE RECORDER	3/26/1996	SL / N/A	5.0000	394.00	100.0000	0.00	394.00	0.00	394.00	0.00
14		CHLORINE TESTER	9/13/1996	SL / N/A	5.0000	305.00	100.0000	0.00	305.00	0.00	305.00	0.00
15		PUMP & HOSES	2/1/1998	SL / N/A	5.0000	150.00	100.0000	0.00	150.00	0.00	150.00	0.00
16		WEED EATER	6/15/1999	SL / N/A	5.0000	179.89	100.0000	0.00	179.89	0.00	179.89	0.00
120		TOOL BOX	6/15/2000	SL / N/A	5.0000	211.99	100.0000	0.00	211.99	0.00	211.99	0.00
125		REFRIGERATOR	11/15/2001	SL / N/A	7.0000	140.00	100.0000	0.00	140.00	0.00	140.00	0.00
129		PUSH MOWER	5/15/2002	SL / N/A	5.0000	124.95	100.0000	0.00	124.95	0.00	124.95	0.00
137		FISHER PIPE LOCATOR	3/31/2003	SL / N/A	7.0000	610.00	100.0000	0.00	610.00	0.00	610.00	0.00
139		1" SQUEEZE-OFF TOOL	11/17/2003	SL / N/A	7.0000	331.88	100.0000	0.00	331.88	0.00	331.88	0.00
140		ROMAC-TAPMATE BASE MAC	12/11/2003	SL / N/A	10.0000	6,199.30	100.0000	0.00	6,199.30	0.00	6,199.30	0.00



NORTH MCLEAN COUNTY WATER DISTRICT [6075]  
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MISC. EQUIPMENT												
163		CUP SPRAYER	7/6/2007	SL / N/A	3.0000	78.00	100.0000	0.00	78.00	0.00	78.00	0.00
164		IMPACT WRENCH	9/4/2007	SL / N/A	5.0000	274.99	100.0000	0.00	274.99	0.00	274.99	0.00
214		CONES & SIGNS FOR WORK I	2/28/2012	SL / N/A	15.0000	560.70	100.0000	0.00	143.29	37.38	180.67	380.03
210		WEED EATER	3/19/2012	SL / N/A	6.0000	274.99	100.0000	0.00	171.86	45.83	217.69	57.30
211		WEED EATER	3/19/2012	SL / N/A	6.0000	274.99	100.0000	0.00	171.86	45.83	217.69	57.30
215		PRESSURE RECORDER	8/14/2012	SL / N/A	10.0000	629.00	100.0000	0.00	214.91	62.90	277.81	351.19
213		CONCRETE SAW	12/7/2012	SL / N/A	10.0000	135.95	100.0000	0.00	41.93	13.60	55.53	80.42
225		7 DAY RECORDER PRESSURI	8/5/2015	SL / N/A	10.0000	658.00	100.0000	0.00	27.42	65.80	93.22	564.78
226		MONNIT WIRELESS PRESSUF	12/10/2015	SL / N/A	5.0000	1,112.57	100.0000	0.00	18.54	222.51	241.05	871.52
Subtotal: MISC. EQUIPMENT						14,400.22		0.00	11,543.83	493.85	12,037.68	2,362.54
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: MISC. EQUIPMENT						14,400.22		0.00	11,543.83	493.85	12,037.68	2,362.54
OFFICE EQUIPMENT												
104		DESK & CHAIR	1/1/1981	SL / N/A	10.0000	624.89	100.0000	0.00	624.89	0.00	624.89	0.00
105		CALCULATOR	5/23/1988	SL / N/A	10.0000	80.00	100.0000	0.00	80.00	0.00	80.00	0.00
106		OFFICE FURNITURE	8/4/1993	SL / N/A	10.0000	1,049.00	100.0000	0.00	1,049.00	0.00	1,049.00	0.00
108		TYPEWRITER	9/26/1996	SL / N/A	5.0000	139.00	100.0000	0.00	139.00	0.00	139.00	0.00
109		TIME CLOCK	12/1/1998	SL / N/A	5.0000	199.49	100.0000	0.00	199.49	0.00	199.49	0.00
128		2 CHAIRS	11/20/2002	SL / N/A	10.0000	299.98	100.0000	0.00	299.98	0.00	299.98	0.00
127		COMPUTER DESK	12/20/2002	SL / N/A	10.0000	89.94	100.0000	0.00	89.94	0.00	89.94	0.00
143		PRINTER	8/24/2004	SL / N/A	5.0000	628.00	100.0000	0.00	628.00	0.00	628.00	0.00
179		MONITOR	7/5/2008	SL / N/A	5.0000	315.88	100.0000	0.00	315.88	0.00	315.88	0.00
181		HP OFFICEJET PRO	9/8/2008	SL / N/A	5.0000	299.98	100.0000	0.00	299.98	0.00	299.98	0.00
185		SHARP COPIER	2/19/2009	SL / N/A	10.0000	1,015.00	100.0000	0.00	693.58	101.50	795.08	219.92
186		ALLIANCE SOFTWARE	7/28/2009	SL / N/A	5.0000	6,673.00	100.0000	0.00	6,673.00	0.00	6,673.00	0.00
187		LEXMARK T650N PRINTER	7/28/2009	SL / N/A	5.0000	1,078.00	100.0000	0.00	1,078.00	0.00	1,078.00	0.00
188		HP DC 5800 MT E8400 COMP	7/28/2009	SL / N/A	5.0000	1,099.00	100.0000	0.00	1,099.00	0.00	1,099.00	0.00
212		IOSAFE BACKUP SYSTEM	5/1/2012	SL / N/A	5.0000	627.68	100.0000	0.00	460.31	125.54	585.85	41.83
227		MISTY MORN RECORDS SAFI	2/26/2015	SL / N/A	50.0000	2,531.00	100.0000	0.00	42.18	50.62	92.80	2,438.20
228		DELL OPTIPLEX COMPUTER	6/24/2015	SL / N/A	5.0000	613.96	100.0000	0.00	61.40	122.79	184.19	429.77
Subtotal: OFFICE EQUIPMENT						17,363.80		0.00	13,833.63	400.45	14,234.08	3,129.72
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: OFFICE EQUIPMENT						17,363.80		0.00	13,833.63	400.45	14,234.08	3,129.72
POWER OPERATED EQUIPMENT												
112		KUBOTA TRACTOR/BACKHOI	10/1/1998	SL / N/A	10.0000	21,307.30	100.0000	0.00	21,307.30	0.00	21,307.30	0.00
113		TRAILER	10/1/1998	SL / N/A	10.0000	1,575.00	100.0000	0.00	1,575.00	0.00	1,575.00	0.00
114		BORING ATTACHMENT	6/15/1999	SL / N/A	10.0000	2,873.12	100.0000	0.00	2,873.12	0.00	2,873.12	0.00
190		JD X300 TRACTOR	4/2/2009	SL / N/A	10.0000	2,319.20	100.0000	0.00	1,565.46	231.92	1,797.38	521.82
217		83 X 12 BUMPER PULL DUMF	2/19/2013	SL / N/A	20.0000	7,645.00	100.0000	0.00	1,083.04	382.25	1,465.29	6,179.71
230		TRAILER 5X8	3/31/2016	SL / N/A	40.0000	712.98	100.0000	0.00	0.00	13.37	13.37	699.61
Subtotal: POWER OPERATED EQUIPMENT						36,432.60		0.00	28,403.92	627.54	29,031.46	7,401.14

NORTH MCLEAN COU WATER DISTRICT [6075]  
Deprecia Expense

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Sys tem No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)	Net Book Value
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: POWER OPERATED EQUIPMENT						36,432.60		0.00	28,403.92	627.54	29,031.46	7,401.14
STRUCTURES & IMPROVEMENTS												
110		PUMP HOUSE	7/1/1990	SL / N/A	40.0000	2,275.46	100.0000	0.00	1,450.69	56.89	1,507.58	767.88
111		SHED FOR TRACTOR	3/15/1999	SL / N/A	30.0000	2,239.90	100.0000	0.00	1,256.78	74.66	1,331.44	908.46
161		HWY 250 PUMP STATION	11/1/2007	SL / N/A	40.0000	117,422.02	100.0000	0.00	23,973.66	2,935.55	26,909.21	90,512.81
174		FENCING- HWY 250 PUMP ST	11/1/2007	SL / N/A	20.0000	11,230.00	100.0000	0.00	4,585.58	561.50	5,147.08	6,082.92
199		FENCING- 250 STATION	4/14/2009	SL / N/A	20.0000	1,121.31	100.0000	0.00	378.47	56.07	434.54	686.77
191		HWY 250 MAINT BUILDING	7/21/2009	SL / N/A	40.0000	28,106.35	100.0000	0.00	4,508.73	702.66	5,211.39	22,894.96
193		SHELVING FOR NEW BLDG	7/21/2009	SL / N/A	10.0000	458.70	100.0000	0.00	294.33	45.87	340.20	118.50
194		PROPANE TANK- 500 GALLOI	12/3/2009	SL / N/A	15.0000	983.75	100.0000	0.00	398.95	65.58	464.53	519.22
201		SHOP COMPLETION	3/15/2010	SL / N/A	40.0000	2,819.20	100.0000	0.00	411.13	70.48	481.61	2,337.59
209		WINDOW A/C	7/24/2012	SL / N/A	6.0000	219.99	100.0000	0.00	125.29	36.67	161.96	58.03
Subtotal: STRUCTURES & IMPROVEMENTS						166,876.68		0.00	37,383.61	4,605.93	41,989.54	124,887.14
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: STRUCTURES & IMPROVEMENTS						166,876.68		0.00	37,383.61	4,605.93	41,989.54	124,887.14
TANKS												
33		DISTRIBUTION	1/1/1972	SL / N/A	40.0000	46,405.21	100.0000	0.00	46,405.21	0.00	46,405.21	0.00
34		200,000 GALLON	7/1/1987	SL / N/A	60.0000	126,778.18	100.0000	0.00	60,217.43	2,112.97	62,330.40	64,447.78
35		FENCE-HWY 81 TANK	5/15/1988	SL / N/A	25.0000	2,302.75	100.0000	0.00	2,302.75	0.00	2,302.75	0.00
36		20' TANK EXTENSION	8/31/1989	SL / N/A	40.0000	67,002.39	100.0000	0.00	44,109.91	1,675.06	45,784.97	21,217.42
204		PAINTING HWY 81 TANK	3/25/2011	SL / N/A	12.0000	18,140.00	100.0000	0.00	7,180.43	1,511.67	8,692.10	9,447.90
205		431 TANK MODIFICATIONS	8/1/2011	SL / N/A	20.0000	8,023.00	100.0000	0.00	1,771.75	401.15	2,172.90	5,850.10
Subtotal: TANKS						268,651.53		0.00	161,987.48	5,700.85	167,688.33	100,963.20
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: TANKS						268,651.53		0.00	161,987.48	5,700.85	167,688.33	100,963.20
TOOLS/SHOP/GARAGE EQUIP												
116		GENERATOR	5/15/2000	SL / N/A	5.0000	1,000.00	100.0000	0.00	1,000.00	0.00	1,000.00	0.00
130		24' LADDER	2/15/2002	SL / N/A	10.0000	224.79	100.0000	0.00	224.79	0.00	224.79	0.00
136		QUICK CUT SAW	2/17/2003	SL / N/A	5.0000	995.01	100.0000	0.00	995.01	0.00	995.01	0.00
184		TOOL BOX	5/14/2008	SL / N/A	5.0000	316.88	100.0000	0.00	316.88	0.00	316.88	0.00
192		GENERATOR	2/17/2009	SL / N/A	10.0000	846.94	100.0000	0.00	578.72	84.69	663.41	183.53
224		FERROUS METAL DETECTOR	8/6/2015	SL / N/A	15.0000	1,016.18	100.0000	0.00	28.23	67.75	95.98	920.20
Subtotal: TOOLS/SHOP/GARAGE EQUIP						4,399.80		0.00	3,143.63	152.44	3,296.07	1,103.73
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: TOOLS/SHOP/GARAGE EQUIP						4,399.80		0.00	3,143.63	152.44	3,296.07	1,103.73
TRANSMISSION MAINS												
38		TRANSMISSION	1/1/1972	SL / N/A	80.0000	242,075.57	100.0000	0.00	144,698.35	3,025.94	147,724.29	94,351.28
39		1980	1/1/1980	SL / N/A	80.0000	66,814.05	100.0000	0.00	30,065.94	835.18	30,901.12	35,912.93
40		1981	1/1/1981	SL / N/A	80.0000	4,217.00	100.0000	0.00	1,846.01	52.71	1,898.72	2,318.28

NORTH MCLEAN COUNTY WATER DISTRICT [6075]  
Depreciation Expense

Sorted: General - Group

Federal

01/01/2016 - 12/31/2016

Business % Applied to Depreciation

Sys tem No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)	Net Book Value
TRANSMISSION MAINS												
41		1982	1/1/1982	SL / N/A	80.0000	7,840.19	100.0000	0.00	3,279.49	98.00	3,377.49	4,462.70
42		1983	1/1/1983	SL / N/A	80.0000	1,737.50	100.0000	0.00	684.60	21.72	706.32	1,031.18
43		1984	1/1/1984	SL / N/A	80.0000	5,627.46	100.0000	0.00	2,180.20	70.34	2,250.54	3,376.92
44		1985	1/1/1985	SL / N/A	80.0000	26,925.00	100.0000	0.00	10,264.80	336.56	10,601.36	16,323.64
7		1986	7/1/1986	SL / N/A	80.0000	27,957.76	100.0000	0.00	10,309.37	349.47	10,658.84	17,298.92
46		1987-FMHA PROJECT	7/1/1987	SL / N/A	80.0000	126,512.37	100.0000	0.00	45,069.90	1,581.40	46,651.30	79,861.07
45		1987	9/1/1987	SL / N/A	80.0000	6,415.63	100.0000	0.00	2,272.33	80.20	2,352.53	4,063.10
47		1988	7/1/1988	SL / N/A	80.0000	10,764.17	100.0000	0.00	3,700.13	134.55	3,834.68	6,929.49
48		TAYLOR-PLEAS.HOPE RD. JC	5/31/1989	SL / N/A	60.0000	8,939.97	100.0000	0.00	3,960.92	149.00	4,109.92	4,830.05
49		1989 CONTRIBUTED	7/1/1989	SL / N/A	80.0000	3,986.80	100.0000	0.00	1,320.76	49.84	1,370.60	2,616.20
51		1990 CONTRIBUTED	4/20/1990	SL / N/A	80.0000	11,577.16	100.0000	0.00	3,714.23	144.71	3,858.94	7,718.22
50		WHITAKER LOOP	11/15/1990	SL / N/A	80.0000	2,695.98	100.0000	0.00	848.12	33.70	881.82	1,814.16
52		1991 CONTRIBUTED	7/1/1991	SL / N/A	80.0000	11,480.14	100.0000	0.00	3,515.75	143.50	3,659.25	7,820.89
53		1992 CONTRIBUTED	7/1/1992	SL / N/A	80.0000	12,147.45	100.0000	0.00	3,568.24	151.84	3,720.08	8,427.37
54		1993 CONTRIBUTED	7/1/1993	SL / N/A	80.0000	2,238.50	100.0000	0.00	629.55	27.98	657.53	1,580.97
55		1994 CONTRIBUTED	12/1/1994	SL / N/A	80.0000	1,430.16	100.0000	0.00	376.97	17.88	394.85	1,035.31
56		1995 CONTRIBUTED	11/15/1995	SL / N/A	80.0000	2,580.13	100.0000	0.00	650.38	32.25	682.63	1,897.50
17		1996 CONTRIBUTED	7/1/1996	SL / N/A	80.0000	8,000.00	100.0000	0.00	1,950.00	100.00	2,050.00	5,950.00
18		HWY 250 UPGRADE	11/1/1998	SL / N/A	60.0000	366,816.65	100.0000	0.00	104,950.31	6,113.61	111,063.92	255,752.73
19		BARRETT HILL/BRIARFIELD U	11/1/1998	SL / N/A	60.0000	73,888.06	100.0000	0.00	21,140.23	1,231.47	22,371.70	51,516.36
22		HWY 250 UPGRADE-JOHN HI	1/1/1999	SL / N/A	60.0000	3,125.00	100.0000	0.00	885.36	52.08	937.44	2,187.56
23		BARRETT HILL/BRIARFIELD U	1/1/1999	SL / N/A	60.0000	1,326.54	100.0000	0.00	375.87	22.11	397.98	928.56
20		HWY 250 UPGRADE	1/15/1999	SL / N/A	60.0000	2,218.14	100.0000	0.00	628.49	36.97	665.46	1,552.68
21		1999 CONTRIBUTED	7/15/1999	SL / N/A	60.0000	6,130.36	100.0000	0.00	1,685.81	102.17	1,787.98	4,342.38
24		BROOKS SCHOOLHOUSE RD	8/16/1999	SL / N/A	60.0000	1,260.00	100.0000	0.00	343.00	21.00	364.00	896.00
123		MCDONOUGH EXTENSION	4/19/2000	SL / N/A	60.0000	6,432.31	100.0000	0.00	1,679.62	107.21	1,786.83	4,645.48
134		WALTRIP EXTENSION	1/15/2002	SL / N/A	60.0000	4,500.00	100.0000	0.00	1,050.00	75.00	1,125.00	3,375.00
132		2002 CONTRIBUTED	7/1/2002	SL / N/A	60.0000	19,000.00	100.0000	0.00	4,275.04	316.67	4,591.71	14,408.29
141		2003 LINES ADDED	7/1/2003	SL / N/A	60.0000	13,081.80	100.0000	0.00	2,725.37	218.03	2,943.40	10,138.40
150		HWY 1080/ 431 RELOCATION	7/1/2005	SL / N/A	60.0000	32,087.50	100.0000	0.00	5,615.30	534.79	6,150.09	25,937.41
152		MEYER CREEK PARK LINE EX	9/30/2005	SL / N/A	60.0000	23,480.00	100.0000	0.00	4,011.13	391.33	4,402.46	19,077.54
151		HWY 85 LINE EXTENSION	11/18/2005	SL / N/A	60.0000	11,681.50	100.0000	0.00	1,963.12	194.69	2,157.81	9,523.69
159		136 HOWARD-CARDWELL EX	3/21/2006	SL / N/A	60.0000	14,559.20	100.0000	0.00	2,365.84	242.65	2,608.49	11,950.71
157		BROOKS SCH RD EXTENSION	10/1/2006	SL / N/A	60.0000	189,628.01	100.0000	0.00	29,260.44	3,160.47	32,420.91	157,207.10
172		BROOKS SCH HS RD EXT	3/19/2007	SL / N/A	60.0000	2,313.80	100.0000	0.00	337.40	38.56	375.96	1,937.84
166		DON LAWSON LINE EXT	9/12/2007	SL / N/A	60.0000	8,336.62	100.0000	0.00	1,157.83	138.94	1,296.77	7,039.85
167		LEACHMAN SCH HS RD EXT	10/11/2007	SL / N/A	60.0000	48,175.38	100.0000	0.00	6,624.09	802.92	7,427.01	40,748.37
182		NUCKOLS OBC CH RD WATE	4/1/2008	SL / N/A	60.0000	107,000.00	100.0000	0.00	13,820.81	1,783.33	15,604.14	91,395.86
200		PHASE 1- KY 136/KY250 WAT	5/31/2010	SL / N/A	60.0000	486,864.50	100.0000	0.00	45,305.46	8,114.41	53,419.87	433,444.63
219		PH 2- KY 136/250 PROJECT	7/15/2013	SL / N/A	60.0000	272,000.39	100.0000	0.00	11,333.35	4,533.34	15,866.69	256,133.70
218		WATERLINE- BUCK CREEK CH	8/29/2013	SL / N/A	60.0000	4,130.72	100.0000	0.00	160.65	68.85	229.50	3,901.22
222		MCDONOUGH EXTENSION (IV	12/31/2014	SL / N/A	60.0000	1,990.16	100.0000	0.00	33.17	33.17	66.34	1,923.82
231		HWY 250 10" WATERLINE	7/6/2016	SL / N/A	60.0000	19,449.20	100.0000	0.00	0.00	162.08	162.08	19,287.12
Subtotal: TRANSMISSION MAINS						2,311,438.83		0.00	536,633.73	35,932.62	572,566.35	1,738,872.48
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00

NORTH MCLEAN COUNTY WATER DISTRICT [6075]  
Depreciation Expense

Sorted: General - Group

Federal

01/01/2016 - 12/31/2016

Business % Applied to Depreciation

Sys tem No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Beg. Accum. Depreciation/ (Sec. 179)	Current Depreciation/ (Sec. 179)	Total Depreciation/ (Sec. 179)	Net Book Value
Net for: TRANSMISSION MAINS						2,311,438.83		0.00	536,633.73	35,932.62	572,566.35	1,738,872.48
TRANSPORTATION EQUIPMENT												
115		2000 CHEVY SILVERADO 2500	5/18/2000	SL / N/A	5.0000	20,192.00	100.0000	0.00	20,192.00	0.00	20,192.00	0.00
118		STROBE LIGHT FOR '00 CHEV	6/15/2000	SL / N/A	5.0000	79.95	100.0000	0.00	79.95	0.00	79.95	0.00
119		TRUCK HITCH	6/15/2000	SL / N/A	5.0000	460.64	100.0000	0.00	460.64	0.00	460.64	0.00
162		2007 F150 P-U	7/4/2007	SL / N/A	5.0000	14,352.00	100.0000	0.00	14,352.00	0.00	14,352.00	0.00
168		TOOL BOX FOR '07 F150	7/6/2007	SL / N/A	5.0000	259.00	100.0000	0.00	259.00	0.00	259.00	0.00
169		BED MAT FOR '07 F150	8/15/2007	SL / N/A	5.0000	74.20	100.0000	0.00	74.20	0.00	74.20	0.00
170		BUS LIGHT FOR '07 F150	8/15/2007	SL / N/A	5.0000	97.78	100.0000	0.00	97.78	0.00	97.78	0.00
216		2012 FORD F250	5/21/2012	SL / N/A	10.0000	20,296.29	100.0000	0.00	7,272.84	2,029.63	9,302.47	10,993.82
Subtotal: TRANSPORTATION EQUIPMENT						55,811.86		0.00	42,788.41	2,029.63	44,818.04	10,993.82
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: TRANSPORTATION EQUIPMENT						55,811.86		0.00	42,788.41	2,029.63	44,818.04	10,993.82
Subtotal:						3,405,816.62		0.00	1,139,220.98	64,743.15	1,203,964.13	2,201,852.49
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Grand Totals:						3,405,816.62		0.00	1,139,220.98	64,743.15	1,203,964.13	2,201,852.49

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between North McLean County Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

WINFRED WILLIAMS  
(Print Name)

*Winfred Williams*  
(Signed)

Board Chairman  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF McLean

Subscribed and sworn to before me by Winfred Williams  
(Name)

this 5 day of July, 2017.

Haley Cums 509173  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between North McLean County Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

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GARY FLOYD  
(Print Name)

Gary Floyd  
(Signed)

Board Commissioner  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF McLean

Subscribed and sworn to before me by Gary Floyd  
(Name)

this 6<sup>th</sup> day of July, 20 17.

[Signature]

NOTARY PUBLIC  
State-at-Large

# 565297



COMMONWEALTH OF KENTUCKY

COUNTY OF McLean

Subscribed and sworn to before me by Keith Ayer  
(Name)

this 6 day of July, 2017.

Mark A. Berry  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between North McLean County Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Keith M. Ager  
(Print Name)

Keith M. Ager  
(Signed)

Board Commissioner  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between North McLean County Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Dale Chandler  
(Print Name)

  
(Signed)

Board Commissioner  
(Position/Office)

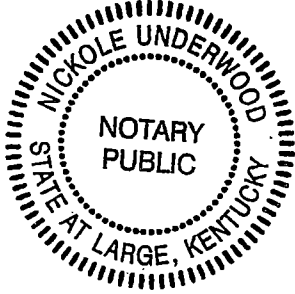
\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF McLean

Subscribed and sworn to before me by Nickole Underwood  
(Name)

this 7 day of July, 2017.



Nickole Underwood  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between North McLean County Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

CARROL B. TROUTMAN  
(Print Name)

Carol B. Troutman  
(Signed)

\_\_\_\_\_  
Board Commissioner  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF McLean

Subscribed and sworn to before me by Carrol B Troutman  
(Name)

this 7th day of July, 2017.

Elizabeth June Turner  
NOTARY PUBLIC  
State-at-Large ID 550587

ELIZABETH JUNE TURNER  
NOTARY PUBLIC  
Kentucky, State At Large  
My Commission Expires 2/12/2020