

Symsonia Water & Sewer District

HWY. 131, P.O. BOX 99
SYMSONIA, KENTUCKY 42082
PHONE (502) 851-4470
OFFICE HOURS: 8:00 AM - 4:00 PM

RECEIVED

SEP 07 2017

PUBLIC SERVICE
COMMISSION

August 31, 2017

Mr. John Lyons
Acting Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: ARF Application - Water & Sewer Rates
Symsonia Water District

Dear Mr. Lyons:

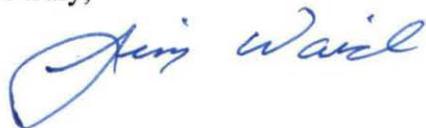
Enclosed for filing are the original and five (5) copies of the Symsonia Water District's ARF Application for an adjustment to its water and sewer rates. The ARF Application is being filed pursuant to 807 KAR 5:076.

The ARF Application uses calendar year 2016 as the Test Year, with appropriate adjustments to normalize revenues and expenses.

A copy of the ARF Application has been provided to the Office of Rate Intervention in the Attorney General's Office.

My electronic mail address is jim@symsoniawater.com.

Yours truly,



Jim Waid, Superintendent

Enclosures

cc: Office of the Attorney General, Rate Intervention

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

Case No. 2017-00371

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Symsonia Water District

(Name of Utility)

P.O. Box 99

(Business Mailing Address - Number and Street, or P.O. Box)

Symsonia, KY 42082

(Business Mailing Address - City, State, and Zip)

270-851-4470

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Jim Waid, Superintendent

(Name)

P.O. Box 99

(Address - Number and Street or P.O. Box)

Symsonia, KY 42082

(Address - City, State, Zip)

270-851-4470

(Telephone Number)

jim@symsoniawater.com

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

YES NO N/A

- | | | | | | |
|----|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--|
| 1. | a. | In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | b. | Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 2. | a. | Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| | b. | Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. | | Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

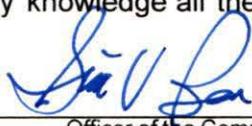
8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2016.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ see attachments and total revenues from service rates of \$ see attachments. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 318 water customers.
261 sewer
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
17. Approximately - 0 - (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
Officer of the Company/Authorized Representative

Title Chairman

Date 8-30-17

COMMONWEALTH OF KENTUCKY

COUNTY OF Graves

Before me appeared Stuart Bell, Chairman, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


Notary Public

My commission expires: 9-20-17
4917649

LIST OF ATTACHMENTS

Symsonia Water District

1. Customer Notices of Proposed Rate Adjustments
 - a. Water Division
 - b. Sewer Division
2. Reasons for Rate Increase
3. Current and Proposed Rates
4. Statements of Adjusted Operations and Revenue Requirements Calculation (two pages)
with the following attachments:
 - a. References
 - b. Table A - Wage and Payroll Tax Adjustments
 - c. Table B - Depreciation Expense Adjustments
 - d. Table C - Debt Service Schedule - Water Division
 - e. Table D - Cost of Service Study - Sewer Division (The District proposes to switch from a flat rate sewer charge to a consumption based rate schedule.)
5. Current Billing Analyses
 - a. Water Division
 - b. Sewer Division
6. Proposed Billing Analyses
 - a. Water Division
 - b. Sewer Division
7. Depreciation Schedule
8. Outstanding Debt Instrument - KIA Loan (water only)
9. Amortization Schedule- KIA Loan (water only)
10. Statements of Disclosure of Related Party Transactions
11. Board Resolution

CUSTOMER NOTICE

Notice is hereby given that the Symsonia Water District expects to file an application on or about August 31 2017 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. Incl'd. in Minimum</u>	<u>Minimum Bills</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
		<u>Current</u>	<u>Proposed</u>		
5/8 x 3/4 inch	2,000	\$15.41	\$25.01	\$ 9.60	62.3%
2 inch	20,000	66.74	108.43	41.69	62.5%
4 inch	40,000	N/A	189.58	N/A	N/A

Rates for Water Usage in Addition to Minimum

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
	<u>Current</u>	<u>Proposed</u>		
First 2,000 Gallons	\$15.41	\$25.01	\$ 9.60	62.3%
Next 3,000 Gallons	3.85	6.25	2.40	62.3%
Next 5,000 Gallons	2.97	4.82	1.85	62.3%
Over 10,000 Gallons	2.50	4.06	1.56	62.4%

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$23.11 to \$37.51. This is an increase of \$14.40 or 62.3%.

The rates contained in this notice are the rates proposed by Symsonia Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Symsonia Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Symsonia Water District's office located at 11105 State Route 131, Symsonia, KY 42082. You may contact the office at 270-851-4470.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

CUSTOMER NOTICE

Notice is hereby given that the Symsonia Water District expects to file an application on or about August 31, 2017 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its sewer rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY SEWER RATES

Minimum Bills and Rates

	<u>Current Rates</u>		<u>Proposed Rates</u>		<u>Dollar Increase</u>	<u>Percent Increase</u>
	<u>Gals. Incl'd. In Minimum</u>	<u>Rate</u>	<u>Gals. Incl'd. In Minimum</u>	<u>Rate</u>		
Minimum Bill	12,000	\$ 28.21	2,000	\$ 31.90	3.69	13.1%
Charge per 1,000 Gals. for Usage Over Minimum		2.35		4.40	2.05	87.2%

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$28.21 to \$40.70. This is an increase of \$12.49 or 44.3%.

The rates contained in this notice are the rates proposed by Symsonia Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

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Reasons for Rate Increase

Symsonia Water District (the “District”) is requesting a 62.3% rate increase for its retail water customers. The water rate increase will generate an approximate total of \$ 56,599 in additional annual revenue.

The District is also requesting a 43.6% revenue increase from its retail sewer customers and is proposing to change from a flat rate to a consumption based rate schedule. The sewer rate increase will generate an approximate total of \$ 40,397 in additional annual revenue.

The District needs these rate increases for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long term debt from water revenues rather than from depreciation reserves;
2. To enable the District to meet the requirements set forth in its existing debt instrument;
3. To restore the District to a sound financial condition by charging rates that recover its cost of providing service; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

**CURRENT AND PROPOSED RATES
Symsonia Water District**

WATER RATES

Current Water Rates

5/8 x 3/4 inch Meters

First 2,000 Gallons	\$ 15.41	Minimum Bill
Next 3,000 Gallons	3.85	Per 1,000 Gallons
Next 5,000 Gallons	2.97	Per 1,000 Gallons
Over 10,000 Gallons	2.50	Per 1,000 Gallons

2 inch Meters

First 20,000 Gallons	66.74	Minimum Bill
Over 20,000 Gallons	2.50	Per 1,000 Gallons

SEWER RATES

Current Sewer Rates

Residential Service	\$ 28.21	per month
Other	28.21	per residential equivalent *

* A residential equivalent is defined as 12,000 gallons per month.

Proposed Water Rates

5/8 x 3/4 inch Meters

First 2,000 Gallons	\$ 25.01	Minimum Bill
Next 3,000 Gallons	6.25	Per 1,000 Gallons
Next 5,000 Gallons	4.82	Per 1,000 Gallons
Over 10,000 Gallons	4.06	Per 1,000 Gallons

2 inch Meters

First 20,000 Gallons	108.43	Minimum Bill
Over 20,000 Gallons	4.06	Per 1,000 Gallons

4 inch Meters *

First 40,000 Gallons	189.58	Minimum Bill
Over 40,000 Gallons	4.06	Per 1,000 Gallons

Proposed Sewer Rates

All Customers

First 2,000 Gallons	\$ 31.90	Minimum Bill
Over 2,000 Gallons	4.40	Per 1,000 Gallons

* There are currently no 4-inch meters in the system.
A rate is provided in case it is needed in the future.

**SCHEDULE OF ADJUSTED OPERATIONS
SYMSONIA WATER DISTRICT
WATER DIVISION**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Water Sales	\$ 90,853			\$ 90,853
Other Water Revenues:				
Forfeited Discounts	2,083			2,083
Misc. Service Revenues	4,979			4,979
Other Water Revenues	2,255	(1,863)	a.	392
Total Operating Revenues	\$ 100,170	(1,863)		\$ 98,307
<u>Operating Expenses</u>				
Operation and Maintenance				
Employee Wages & Payroll Taxes	45,652	7,915	b.	53,567
Salaries and Wages - Officers	0			0
Purchased Water	0			0
Purchased Power	5,628			5,628
Chemicals	6,727			6,727
Materials and Supplies	11,222			11,222
Contractual Services	2,689			2,689
Water Testing	0			0
Transportation Expenses	539			539
Insurance	5,713			5,713
Bad Debt Expense	0			0
Miscellaneous Expenses	5,774			5,774
Total Operation and Mnt. Expenses	83,944	7,915		91,859
Depreciation Expense	13,197	29,137	c.	42,334
Total Operating Expenses	\$ 97,141	\$ 37,053		\$ 134,194
Net Utility Operating Income	\$ 3,029	\$ (38,916)		\$ (35,887)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 134,194
Plus: Avg. Annual Principal and Interest Pmts.	d. 20,031
Additional Working Capital	e. 800
Total Revenue Requirement	155,025
Less: Other Operating Revenue	(7,454)
Interest & Investment Income	(119)
Revenue Required From Retail Rates	147,452
Less: Revenue from Sales at Present Rates	(90,853)
Required Revenue Increase	\$ 56,599
Percent Increase	62.30%

**SCHEDULE OF ADJUSTED OPERATIONS
SYMSONIA WATER DISTRICT
SEWER DIVISION**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Ref.</u>	<u>Proforma</u>
<u>Operating Revenues</u>				
Total Metered Water Sales	\$ 92,660			\$ 92,660
Other Water Revenues:				
Forfeited Discounts	2,017			2,017
Misc. Service Revenues	560	1,863	a.	2,423
Other Water Revenues	13			13
Total Operating Revenues	\$ 95,250	1,863		\$ 97,113
<u>Operating Expenses</u>				
Operation and Maintenance				
Employee Wages & Payroll Taxes	45,653	(7,916)	b.	37,737
Salaries and Wages - Officers	0			0
Wasterwater Disposal	0			0
Purchased Power	17,506			17,506
Chemicals	9,943			9,943
Materials and Supplies	20,625			20,625
Contractual Services	13,251			13,251
Testing	0			0
Transportation Expenses	539			539
Insurance	6,036			6,036
Bad Debt Expense	0			0
Miscellaneous Expenses	8,105			8,105
Total Operation and Mnt. Expenses	121,658	(7,916)		113,742
Depreciation Expense	26,432	(2,545)	c.	23,887
Total Operating Expenses	\$ 148,090	\$ (10,461)		\$ 137,629
Net Utility Operating Income	\$ (52,840)	\$ 12,324		\$ (40,516)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 137,629
Plus: Avg. Annual Principal and Interest Pmts.	0
Additional Working Capital	0
Total Revenue Requirement	137,629
Less: Other Operating Revenue	(4,453)
Interest & Investment Income	(119)
Revenue Required From Retail Rates	133,057
Less: Revenue from Sales at Present Rates	(92,660)
Required Revenue Increase	\$ 40,397
Percent Increase	43.60%

References

- a. The item for Non-utility Income - Sewer was included in revenue for the Water Division, so it is deducted from Water Revenue and added to Sewer Revenue.
- b. Wages and Payroll Taxes are reallocated based on methodology used by the PSC Staff in Case No. 2012-00517. See computations of adjustments in Table A.
- c. Adjustments to Depreciation Expense are for a new Water Treatment Plant and a reallocation of facilities and equipment shared by the Water and Sewer Divisions. See Table B.
- d. The annual debt service payments for the District's KIA loan are shown in Table C. The 5 year average of these payments is included in the revenue requirement calculation. This loan is for the Water Division only.
- e. The amount shown for Additional Working Capital is the Annual R & M Reserve Payment required by the KIA Loan Agreement.

Table A
WAGE AND PAYROLL TAX ADJUSTMENTS

	<u>Totals</u>	<u>Water</u>	<u>Sewer</u>	
Office	23,018	12,713	10,305	(1)
Meter Reading	2,474	1,366	1,107	(2)
Field	65,813	39,488	26,325	(3)
Subtotals	91,305	53,567	37,737	
Less Amts. Reported		45,652	45,653	
Total Adjustments		7,915	(7,916)	
Water Customers	322	55.23%		
Sewer Customers	261	44.77%		
Total	583			

Notes:

1. Office wage expense is allocated in accordance with the percentage of customers in each division.
2. Billing for both divisions is dependent on meter readings, therefore allocation is prorated by number of customers.
3. Field work is estimated to be 60% water related and 40% sewer related.

Table B
DEPRECIATION EXPENSE ADJUSTMENTS

Asset	Date in Service	Original Cost	Reported Amts.		Proforma Amts.		Depr. Exp. Adjustment		Notes	
			Life	Depr. Exp.	Life	Depr. Exp.	Water	Sewer		
Water Assets										
Water Treatment Plant Project:										
Transmission & Distribution Mains	03/18/15	\$ 76,977			62.5	\$ 1,232	\$ 1,232		(1)	
Services	03/18/15	2,386			40.0	60	60			
Hydrants	03/18/15	7,062			50.0	141	141			
Structures & Improvements	03/18/15	200,463			37.5	5,346	5,346			
Water Treatment Equipment	03/18/15	26,415			27.5	961	961			
Pumping Equipment	03/18/15	90,339			20.0	4,517	4,517			
Water Storage Tank	03/18/15	316,550			45.0	7,034	7,034			
Electrical Controls & SCADA	03/18/15	173,007			25.0	6,920	6,920			
Sewer Assets										
Structures & Impr'mts. - Office & warehouse	01/01/82	\$ 168,974	40	\$ 4,224		\$ -		\$ (4,224)	(2)	
Allocation of Shared Assets										
Shared Assets	In Service	Cost	Life	Asset Value		Proforma Depr. Expense				
				Water	Sewer	Water	Sewer			
Administrative:										
Headquarters, Office	01/01/82	24,139	40	13,332		10,807		333	270	(3)
Office Improvements	12/31/09	5,176	35	2,859		2,317		82	66	
Field:										
Headquarters, Warehouse	01/01/82	144,835	40	86,901		57,934		2,173	1,448	(4)
Power Operated Equipment	02/15/05	18,954	15	11,372		7,582		758	505	
Other Tangible Plant	07/01/06	1,359	10	815		544		82	54	
Tools & Shop	09/01/08	1,182	20	709		473		35	24	
Trencher	11/16/09	15,000	15	9,000		6,000		600	400	
Asphalt	09/01/03	6,875	15	4,125		2,750		275	183	
Power Equipment	06/14/04	5,500	10	3,300		2,200		330	220	
Store Equipment	10/04/06	475	20	285		190		14	10	
Shop	01/01/07	5,295	40	3,177		2,118		79	53	
Subtotals								4,761	3,234	
Less Test Year Depr. Exp. for Shared Assets								1,834	1,555	
Total Adjustment for Shared Assets								\$ 2,927	\$ 1,679	
Grand Total Depreciation Expense Adjustments							\$ 29,137	\$ (2,545)		

Notes:

1. Although the WTP project was placed in service in March of 2015, the associated assets were not included in test year depreciation expense. A tabulation of project cost allocations is provided below:

	Const. Cost	Percent of Total	Engr. & Adm. Allocation	Total Project Cost
Transmission & Dist. Mains	\$ 63,225	8.62%	\$ 13,752	\$ 76,977
Services	1,960	0.27%	426	2,386
Hydrants	5,800	0.79%	1,262	7,062
Structures & Improvements	164,651	22.44%	35,812	200,463
Water Treatment Equipment	21,696	2.96%	4,719	26,415
Pumping Equipment	74,200	10.11%	16,139	90,339
Water Storage Tank	260,000	35.44%	56,550	316,550
Electrical Controls & SCADA	142,100	19.37%	30,907	173,007
Total Construction Cost	\$ 733,632	100.00%	\$ 159,566	\$ 893,198
Plus Engineering & Admin.	159,566			
Total Project Cost	\$ 893,198			

2. The headquarters building is located at the wastewater treatment facility. It houses offices, warehouse facilities, and the DAF unit. Because the office and warehouse are shared with the Water Division, depreciation expense for those facilities are deducted from the Sewer Division and appropriate allocations are included in the Shared Asset section.
3. Allocations of space in the DAF building are from the Staff Report in Case No. 2012-00517 and allocations of all administrative assets are based on the respective customer percentages as shown in Table A.
4. The allocations of warehouse space and all field related assets are based on the estimated proportion of field wages in each division per Table A.

Table C
DEBT SERVICE SCHEDULE
Symsonia Water District
Water Division
 CY 2017 - 2021

	2013 KIA Loan			
	<u>Principal</u>	<u>Interest</u>	<u>Serv. Fee</u>	<u>Total</u>
2017	\$ 13,911	\$ 5,544	\$ 634	\$ 20,088
2018	14,156	5,299	606	20,060
2019	14,404	5,050	577	20,032
2020	14,658	4,797	548	20,003
2021	14,915	4,539	519	19,973
Totals	\$ 72,044	\$ 25,229	\$ 2,883	\$ 100,157
Average Annual Debt Service				\$ 20,031
Required Annual R & M Reserve Payment				\$ 800

Table D

**SEWER DIVISION - COST OF SERVICE STUDY
Symsonia Water District**

	<u>Total Proforma Expenses</u>	<u>Customer & Fixed Costs</u>	<u>Consumption Costs</u>	
			<u>Capacity</u>	<u>Variable</u>
<u>Operating Expenses (1)</u>				
Operation and Maintenance				
Employee Wages & Payroll Taxes	37,737	29,840		7,898
Salaries and Wages - Officers	0	0		0
Purchased Power	17,506	0		17,506
Chemicals	9,943	0		9,943
Materials and Supplies	20,625	14,438		6,188
Contractual Services	13,251	9,276		3,975
Transportation Expenses	539	377		162
Insurance	6,036	6,036		0
Bad Debt Expense	0	0		0
Miscellaneous Expenses	8,105	7,838		267
Total Operation and Mnt. Expenses	113,742	67,804	0	45,938
Depreciation Expense	23,887	9,301	14,585	
Avg. Annual Principal and Interest Pmts.	0		0	
Additional Working Capital	0		0	
Total Revenue Requirement	137,629	77,105	14,585	45,938

Rate Computations

Total no. of Bills	3,147		
Total Customer Costs		77,105	
less Misc. Revenue		(4,572)	
Customer Costs Allocated		72,534	
Unit Customer Cost =		<u>\$ 23.05</u>	USE <u>\$ 23.10</u> (2)
Total Gallons sold	13,072,200		
Capacity Cost / 1,000 gals sold =		1.12	
Variable Cost / 1,000 gals sold =		<u>3.51</u>	
Price per 1,000 gallons		<u>\$ 4.63</u>	USE <u>\$ 4.40</u> (2)

Sewer Service	Unit Cust. Cost	1,000 Gals. in Minimum	Price of W'water in Min.	Minimum Bill
All Customers	\$ 23.10	2,000	\$ 8.80	<u>\$ 31.90</u>

NOTES:

(1) Expense figures are taken from the District's 2016 Annual Report as adjusted per the SAO. Misc. Expense details are from the 2016 Compilation report. Table A allocations were used for placing wage expenses in the appropriate category with Field Labor divided 70%/30% between Customer & Variable. Depreciation expense is allocated per the table below:

	<u>In-service Plant Cost</u>	<u>Customer or Fixed Costs</u>	<u>Capacity or Variable Costs</u>
Land & Structures	434,193	434,193	
Services	23,460	23,460	
Collection Plant	567,989		567,989
Pumping Plant	70,441		70,441
Treatment & Disposal	79,238		79,238
Subtotals	1,175,321	457,653	717,668
		38.9%	61.1%
General Plant	48,179	18,760	29,418.79
	1,223,500	476,413	747,087
Allocation Percentages		38.9%	61.1%

(2) Adjustments needed after rates were tested in the Proposed Billing Analysis to arrive at the "Revenue Required from Retail Rates" as shown in the Schedule of Adjusted Operations.

BILLING ANALYSIS WITH CURRENT RATES
Water Division - Symsonia Water District

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	13,867,300	\$ 84,109
5/8 Multi Users	189,800	1,036
2 inch	1,700,000	5,702
Totals	15,757,100	\$ 90,846

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	2,000	1,151	1,178,500	1,178,500	-	-	-	1,178,500
NEXT	3,000	1,831	6,135,400	3,662,000	2,473,400	-	-	6,135,400
NEXT	5,000	662	4,428,800	1,324,000	1,986,000	1,118,800	-	4,428,800
ALL OVER	10,000	128	2,124,600	256,000	384,000	640,000	844,600	2,124,600
		3,772	13,867,300	6,420,500	4,843,400	1,758,800	844,600	13,867,300

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	3,772	6,420,500	\$ 15.41	\$ 58,126.52
NEXT	3,000		4,843,400	3.85	18,647.09
NEXT	5,000		1,758,800	2.97	5,223.64
ALL OVER	10,000		844,600	2.50	2,111.50
TOTAL		3,772	13,867,300		\$ 84,108.75

5/8 INCH MULTIPLE USERS

	USAGE	BILLS	GALLONS	FIRST 4,000	NEXT 1,000	NEXT 5,000	OVER 10,000	TOTAL
FIRST	4,000	3	10,000	10,000				10,000
NEXT	1,000	3	13,300	12,000	1,300			13,300
NEXT	5,000	14	114,700	56,000	14,000	44,700		114,700
ALL OVER	10,000	4	51,800	16,000	4,000	20,000	11,800	51,800
		24	189,800	94,000	19,300	64,700	11,800	189,800

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	4,000	24	94,000	\$ 30.82	\$ 739.68
NEXT	1,000		19,300	3.85	74.31
NEXT	5,000		64,700	2.97	192.16
ALL OVER	10,000		11,800	2.50	29.50
TOTAL		24	189,800		\$ 1,035.64

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	OVER 20,000	TOTAL
FIRST	20,000	21	160,600	160,600		160,600
ALL OVER	20,000	27	1,539,400	540,000	999,400	1,539,400
		48	1,700,000	700,600	999,400	1,700,000

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	48	700,600	\$ 66.74	\$ 3,203.52
ALL OVER	20,000		999,400	2.50	2,498.50
TOTAL		48	1,700,000		\$ 5,702.02

**BILLING ANALYSIS WITH CURRENT RATES
Sewer Division - Symsonia Water District**

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	11,419,600	\$ 88,808
5/8 Multi Users	-	-
2 inch	1,652,600	3,908
Totals	13,072,200	\$ 92,717

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 12,000	ALL OVER 12,000	TOTAL
FIRST	12,000	3,053	10,278,100	10,278,100		10,278,100
ALL OVER	12,000	58	1,141,500	696,000	445,500	1,141,500
		3,111	11,419,600	10,974,100	445,500	11,419,600

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	12,000	3,111	10,974,100	\$ 28.21	\$87,761.31
ALL OVER	12,000		445,500	2.35	1,046.93
TOTAL		3,111	11,419,600		\$88,808.24

DOUBLE 5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 12,000	ALL OVER 12,000	TOTAL
FIRST	12,000	-	-	-	-	-
ALL OVER	12,000	-	-	-	-	-
		-	-	-	-	-

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	12,000	-	-	\$ 28.21	\$ -
ALL OVER	12,000	-	-	2.35	-
TOTAL		0	0		\$ -

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 12,000	ALL OVER 12,000	TOTAL
FIRST	12,000	6	61,600	61,600		61,600
ALL OVER	12,000	30	1,591,000	360,000	1,231,000	1,591,000
		36	1,652,600	421,600	1,231,000	1,652,600

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	12,000	36	421,600	\$ 28.21	\$ 1,015.56
ALL OVER	12,000	-	1,231,000	2.35	2,892.85
TOTAL		36	1,652,600		\$ 3,908.41

BILLING ANALYSIS WITH PROPOSED RATES
Water Division - Symsonia Water District

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	13,867,300	\$ 136,506
5/8 Multi Users	189,800	1,681
2 inch	1,700,000	9,260
Totals	15,757,100	\$ 147,447

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	ALL OVER 10,000	TOTAL
FIRST	2,000	1,151	1,178,500	1,178,500	-	-	-	1,178,500
NEXT	3,000	1,831	6,135,400	3,662,000	2,473,400	-	-	6,135,400
NEXT	5,000	662	4,428,800	1,324,000	1,986,000	1,118,800	-	4,428,800
ALL OVER	10,000	128	2,124,600	256,000	384,000	640,000	844,600	2,124,600
		3,772	13,867,300	6,420,500	4,843,400	1,758,800	844,600	13,867,300

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	3,772	6,420,500	\$ 25.01	\$ 94,337.71
NEXT	3,000		4,843,400	6.25	30,263.70
NEXT	5,000		1,758,800	4.82	8,477.81
ALL OVER	10,000		844,600	4.06	3,426.91
TOTAL		3,772	13,867,300		\$ 136,506.13

5/8 INCH MULTIPLE USERS

	USAGE	BILLS	GALLONS	FIRST 4,000	NEXT 1,000	NEXT 5,000	OVER 10,000	TOTAL
FIRST	4,000	3	10,000	10,000				10,000
NEXT	1,000	3	13,300	12,000	1,300			13,300
NEXT	5,000	14	114,700	56,000	14,000	44,700		114,700
ALL OVER	10,000	4	51,800	16,000	4,000	20,000	11,800	51,800
		24	189,800	94,000	19,300	64,700	11,800	189,800

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	4,000	24	94,000	\$ 50.02	\$ 1,200.48
NEXT	1,000		19,300	6.25	120.59
NEXT	5,000		64,700	4.82	311.87
ALL OVER	10,000		11,800	4.06	47.88
TOTAL		24	189,800		\$ 1,680.82

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	OVER 20,000	TOTAL
FIRST	20,000	21	160,600	160,600		160,600
ALL OVER	20,000	27	1,539,400	540,000	999,400	1,539,400
		48	1,700,000	700,600	999,400	1,700,000

REVENUE BY RATE INCREMENT

	USAGE	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	48	700,600	\$ 108.43	\$ 5,204.68
ALL OVER	20,000		999,400	4.06	4,055.00
TOTAL		48	1,700,000		\$ 9,259.67

BILLING ANALYSIS WITH PROPOSED RATES
Sewer Division - Symsonia Water District

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	11,419,600	\$ 125,499
5/8 Multi Users	-	-
2 inch	1,652,600	8,103
Totals	13,072,200	\$ 133,602

5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	ALL OVER 2,000	TOTAL
FIRST	2,000	878	986,000	986,000		986,000
ALL OVER	2,000	58	10,433,658	4,466,000	5,967,658	10,433,658
		3,111	11,419,600	5,452,000	5,967,658	11,419,658

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	3,111	5,452,000	\$ 31.90	\$ 99,240.90
ALL OVER	2,000		5,967,658	4.40	26,257.70
TOTAL		3,111	11,419,658		\$125,498.60

DOUBLE 5/8 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	ALL OVER 2,000	TOTAL
FIRST	2,000	-	-	-		-
ALL OVER	2,000	-	-	-	-	-
		-	-	-	-	-

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	-	-	\$ 31.90	\$ -
ALL OVER	2,000	-	-	4.40	-
TOTAL		0	0		\$ -

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	ALL OVER 2,000	TOTAL
FIRST	2,000	-	-	-		-
ALL OVER	2,000	36	1,652,600	72,000	1,580,600	1,652,600
		36	1,652,600	72,000	1,580,600	1,652,600

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	36	72,000	\$ 31.90	\$ 1,148.40
ALL OVER	2,000	-	1,580,600	4.40	6,954.64
TOTAL		36	1,652,600		\$ 8,103.04

**Water System
FYE 12/31/2016**

<u>ASSET</u>	<u>METHOD</u>	<u>USEFUL LIFE</u>	<u>DATE</u>	<u>COST</u>	<u>PRIOR DEPR</u>	<u>CURRENT DEPR</u>	<u>TOTAL DEPR</u>	<u>CARRYING VALUE</u>
<u>Structures and Improvements</u>								
Structures and Improvements	S/L	40	1/1/1982	72,511.00	71,265.89	1,245.11	72,511.00	-
Structures and Improvements	S/L	40	12/31/2011	49,937.42	6,274.22	1,248.44	7,522.66	42,414.76
Structures and Improvements	S/L	40	12/31/2012	5,618.00	561.80	140.45	702.25	4,915.75
Total Structures and Improvements				128,066.42	78,101.91	2,634.00	80,735.91	47,330.51
<u>Distribution System</u>								
Transmission & Distribution Mair	S/L	65	1/1/1982	289,159.00	81,418.39	4,448.60	85,866.99	203,292.01
Supply Mains	S/L	50	1/1/1982	793.00	793.00		793.00	-
Water Treatment Equipment	S/L	30	1/1/1982	92,692.00	65,908.73	3,089.73	68,998.46	23,693.54
Wells and Springs	S/L	30	1/1/1982	11,995.00	11,995.00		11,995.00	-
Hydrants	S/L	50	2/15/1983	5,919.00	5,919.00		5,919.00	-
Meters & Meter Installation	S/L	40	2/15/1983	55,874.00	55,874.00		55,874.00	-
Distribution Reservoirs	S/L	45	2/15/2002	62,410.00	36,883.34	1,386.89	38,270.23	24,139.77
Pumping Equipment	S/L	20	2/15/2002	7,462.00	7,658.50	(196.50)	7,462.00	-
Total Distribution System				526,304.00	266,449.96	8,728.72	275,178.68	251,125.32
<u>Machinery and Equipment</u>								
Other Plant & Misc Equip	S/L	15	1/1/1983	67.00	67.00		67.00	-
Power Operated Equipment	S/L	15	2/15/2005	18,954.00	13,173.20	1,263.60	14,436.80	4,517.20
Other Tangible Plant	S/L	30	7/1/2006	1,359.00	879.90	45.30	925.20	433.80
Office Furniture & Equipment	S/L	20	7/1/2008	6,354.00	6,481.20	(127.20)	6,354.00	-
Tools & Shop	S/L	15	9/1/2008	1,182.00	714.50	78.80	793.30	388.70
Trencher	S/L	15	11/16/2009	7,500.00	3,500.00	500.00	4,000.00	3,500.00
Office Improvements	S/L	35	12/31/2009	2,588.00	813.62	73.94	887.56	1,700.44
Total Machinery and Equipment				38,004.00	25,629.42	1,834.44	27,463.86	10,540.14
Total Water				692,374.42	370,181.29	13,197.16	383,378.45	308,995.97
<u>Construction In Progress</u>								
Water Treatment Plant	S/L	35	12/31/2014	776,829.95	-	-	-	776,829.95
Water Treatment Plant	S/L	35	12/31/2015	53,978.96	-	-	-	53,978.96
Water Treatment Plant	S/L	35	12/31/2016	2,320.61	-	-	-	2,320.61
Total Construction In Progress				833,129.52	-	-	-	833,129.52

**Sewer System
FYE 12/31/2016**

ASSET	METHOD	USEFUL LIFE	DATE	COST	PRIOR DEPR	CURRENT DEPR	TOTAL DEPR	CARRYING VALUE
Land								
Land				6,061.00				6,061.00
Total Land				6,061.00	-	-	-	6,061.00
Structure & Improvements								
Structure Improvements	S/L	40	1/1/1982	341,392.00	287,994.68	8,534.80	296,529.48	44,862.52
Structure Improvements	S/L	40	12/31/2009	4,138.00	-		-	4,138.00
Structure Improvements	S/L	40	12/31/2010	53,518.00	8,096.32	1,337.95	9,434.27	44,083.73
Structure Improvements	S/L	40	12/31/2011	29,083.57	3,654.09	727.09	4,381.18	24,702.39
Total Structures & Improvements				428,131.57	299,745.09	10,599.84	310,344.93	117,786.64
Distribution System								
Service to Customers	S/L	40	1/1/1982	23,460.00	19,790.62	586.50	20,377.12	3,082.88
Receiving Wells	S/L	30	1/1/1982	30,189.00	30,189.00	-	30,189.00	-
Outfall Sewer	S/L	40	1/1/1982	537,800.00	453,472.22	13,445.00	466,917.22	70,882.78
Oxidation Lagoon	S/L	25	1/1/1982	75,504.00	75,504.00	-	75,504.00	-
Pumping Equipment	S/L	20	1/1/1982	70,441.00	70,441.00	-	70,441.00	-
Treatment and Disposal	S/L	15	1/1/1982	3,734.00	3,734.00	-	3,734.00	-
Total Distribution System				741,128.00	653,130.84	14,031.50	667,162.34	73,965.66
Machinery and Equipment								
Office Equipment	S/L	20	8/13/2002	470.00	470.00		470.00	-
Office Furniture	S/L	20	2/10/2003	173.00	173.00		173.00	-
Asphalt	S/L	15	9/1/2003	6,875.00	5,041.31	458.33	5,499.64	1,375.36
Dell Computer	S/L	20	6/14/2004	846.00	846.00		846.00	-
Power Equipment	S/L	15	6/14/2004	5,500.00	5,041.68	366.67	5,408.35	91.65
Office Equipment	S/L	20	3/6/2006	3,240.00	3,240.00		3,240.00	-
Transportation Equipment	S/L	7	3/6/2006	11,531.00	11,531.00	-	11,531.00	-
Store Equipment	S/L	20	10/4/2006	475.00	332.50	23.75	356.25	118.75
Shop	S/L	40	1/1/2007	5,295.00	1,208.83	132.38	1,341.21	3,953.79
Trencher	S/L	15	11/16/2009	7,500.00	2,035.76	500.00	2,535.76	4,964.24
Office Improvements	S/L	35	12/31/2009	2,588.00	295.76	73.94	369.70	2,218.30
Sutorbilt 4 liter Air Blower	S/L	15	6/4/2013	1,843.00	368.61	122.87	491.48	1,351.52
Sutorbilt 4 liter Air Blower	S/L	15	6/4/2013	1,843.00	368.61	122.87	491.48	1,351.52
Total Machinery and Equipment				48,179.00	30,953.06	1,800.81	32,753.87	15,425.13
Total Sewer				\$ 1,223,499.57	\$ 983,828.99	\$ 26,432.15	\$ 1,010,261.14	\$ 213,238.43

ASSISTANCE AGREEMENT
BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY
AND
SYMSONIA WATER DISTRICT

TRANSCRIPT OF PROCEEDINGS

Peck, Shaffer & Williams LLP
Covington, Kentucky

INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and Symsonia Water District (the "Governmental Agency"), dated as of November 1, 2013

1. Opinion of Counsel to the Governmental Agency.
2. General Closing Certificate of the Governmental Agency.
3. Assistance Agreement.
4. Resolution of the Governmental Agency authorizing the Assistance Agreement.
5. Extract of Minutes of the Meeting of the District adopting Resolution authorizing Assistance Agreement.
6. Extract of Minutes of the Authority authorizing the Assistance Agreement.
7. Commitment Letter, including Credit Analysis.

DISTRIBUTION LIST

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December 2, 2013

Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: Assistance Agreement by and between
Kentucky Infrastructure Authority and
Symsonia Water District dated as of
November 1, 2013

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Symsonia Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs, and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

- (1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- (2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy,

reorganization, moratorium, insolvency, or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(3) The Governmental Agency has all necessary power and authority (i) to enter into, perform, and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

(4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

(5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate, or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation, or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval, or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery, or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

(6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened, against, affecting, or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefore, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement

(7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

(8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Sincerely yours,



ROBBINS & ROBBINS

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and Symsonia Water District (the "Governmental Agency")

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 1st day of DECEMBER, 2013.

GOVERNMENTAL AGENCY:

SYMSONIA WATER DISTRICT

By: Stuart Bell

Name: Stuart Bell

Title: Chairman

ATTEST:

By: Terry N. McKee

Name: Terry N. McKee

Title: Secretary

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER B12-07
BORROWER: Symsonia Water District
BORROWER'S ADDRESS PO Box 99
Symsonia, Kentucky 42082
DATE OF ASSISTANCE AGREEMENT: November 1, 2013

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AUTHORITY

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ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of the Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

WITNESSETH

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and U.S. Bank National Association (successor in interest to F/K/A First Kentucky Trust Company) (the "Trustee") in order to provide funding for its Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AN IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"Bond" or "Bonds" or "Revenue Bonds" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Construction" shall mean construction as defined in the Act.

"Debt Obligations" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the revenues of the Project.

"Engineers" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"Indenture" shall mean the General Trust Indenture dated as of September 1, 1989 between the Authority and the Trustee.

"Loan" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"Loan Rate" means the rate of interest identified in the Schedule of Payments.

"Person" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"Program" shall mean the program authorized by KRS 224A.112 and the Indenture as the "infrastructure revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"Project" shall mean, when used generally, an infrastructure project as defined in the Act, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"Project Specifics" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"Requisition for Funds" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"Schedule of Payments" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"Schedule of Service Charges" shall mean those revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by

the Authority, in respect of the Project which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"System" shall mean the utility system of which the Project shall become a part.

[End of Article I]

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the

authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

[End of Article II]

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable on the Interest Payment Dates set forth in the Project Specifics, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Repay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable

from the revenues of the Project outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

[End of Article III]

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority, if requested, appropriate documentation, satisfactory to the Authority, in its sole discretion, indicating the following:

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and to examine and inspect same.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump-sum (fixed price) or unit price contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Authority.

(G) Duly authorized representatives of the Authority and such other agencies of the Commonwealth as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, and any other participating federal or state agency, the Engineers, and all construction contractors. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Authority and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers to the Governmental Agency and approved by state and federal agencies, but only to the extent such approvals may be required.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority noting the participation of the Authority in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority, acting by and through its duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state grants.

(R) The Governmental Agency shall require that any bid for any portion of the Construction of the Project be accompanied by a bid bond, certified check or other negotiable instrument payable to the Governmental Agency, as assurance that the bidder will, upon acceptance of such bid, execute the necessary contractual documents within the required time.

(S) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(T) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor, shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(U) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Authority, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(V) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

Section 4.2. Disbursements of Loan; Requisition for Funds. The Governmental Agency may submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds during the first ten days of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance

Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting;

(B) A full and complete accounting of any costs of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement;

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for payment by the Authority directly to the contractor.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

[End of Article IV]

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose the Service Charges set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments,

the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribed, charge and collect the Service Charges set forth in Exhibit C hereto as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B) That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the Project not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. In the event that the Project consists of sanitary sewer facilities, the Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or occupying premises generating pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Termination of Water Services to Delinquent Users. In the event the Project consists of water facilities the Governmental Agency covenants and agrees that it shall, pursuant to applicable provisions of law, to the maximum extent authorized by law, enforce and collect

the Service Charges imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

[End of Article V]

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries

shall be made of all its transactions relating to the System, which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the this Assistance Agreement and any other Debt Obligations.

Section 6.10. Project Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities constituting the Project or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

[End of Article VI]

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain Project. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which it is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal inquiry, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

[End of Article VII]

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer;

provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.7. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.8. Venue. The parties hereto agree that in the event of a default by the Governmental Agency pursuant to the provisions of Article 8 of this Agreement, the Authority shall, to the extent permitted under the laws of the Commonwealth, have the right to file any necessary actions with respect thereto in Franklin Circuit Court.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

[End of Article IX]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

Jeff Abshire
Title: SECRETARY

By: *[Signature]*
Title: EXECUTIVE DIRECTOR

ATTEST:

**GOVERNMENTAL AGENCY:
SYMSONIA WATER DISTRICT**

By: *Zay A. M. [Signature]*
Title: Secretary

By: *[Signature]*
Title: Chairman

APPROVED:

EXAMINED:

[Signature]
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

[Signature]
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

[Signature]
APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
SYMSONIA WATER DISTRICT
PROJECT SPECIFICS
B12-07

GOVERNMENTAL AGENCY:

Name: Symsonia Water District
P.O. Box 99
Symsonia, KY 42082

Contact

Person: Stewart Bell
(270) 251-6161

SYSTEM: Infrastructure

PROJECT:

This project is for the construction of a new 150,000 gallon ground storage tank, two groundwater wells, a booster pump station and a treatment building. The existing treatment facility and the ground wells will be taken off line when the new facilities are completed.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 32,725
Engineering Fees	118,910
Construction	700,000
Contingency	43,365
Total	\$ 895,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 300,000	34%
HB608 (166N-2008)	595,000	66%
Total	\$ 895,000	100%

KIA DEBT SERVICE:

Construction Loan	\$ 300,000
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 17,843
Administrative Fee (0.20%)	\$ 600
Total Estimated Annual Debt Service	\$ 18,443

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 6/1/14).

Full principal and interest payments will commence within one year of initiation of operation (estimated 6/1/15).

REPLACEMENT RESERVE ACCOUNT:	\$	750 ANNUAL AMOUNT
	\$	7,500 TOTAL AMOUNT

The annual replacement cost is \$750. This amount should be added to the replacement account each December 1 until the balance reaches \$7,500 and maintained for the life of the loan.

ADMINISTRATIVE FEE:	0.20%
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DEFAULT RATE:	8.0%
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DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

None

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>\$500,000</u>
Death or Personal Injury (per occurrence)	<u>\$500,000</u>
Property Damage on System	<u>\$1,000,000</u>

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED NOVEMBER 1, 2013

Request No. _____

Dated _____

ORIGINAL SENT TO: Kentucky Infrastructure Authority
 1024 Capital Center Drive
 Suite 340
 Frankfort, Kentucky 40601

COPY SENT TO: Ms. Nancy Sanders
 Director, Community Programs
 Governor's Office for Local Development
 1024 Capitol Center Drive
 Frankfort, Kentucky 40601

FROM: Symsonia Water District ("Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	Expenses this <u>Request</u>	Expenses to <u>Date</u>
-------------------	---------------------------------	----------------------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Portion of Funding Source Totals</u>	<u>Portion of Expenses Expenses this Request</u>	<u>Total to Date</u>
-------------------------------------------------	------------------------------------------------------	----------------------

The Governmental Agency certifies it has also paid Project expenses or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---------------------------------------------	-------------------------------------------

Respectfully submitted,

Governmental Agency

By: _____

Title: _____

Certificate of Consulting Engineers as to
Payment Request

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

See Attached Rate Schedule

FOR Northeastern portion of Graves County

PSC KY NO. _____

_____ SHEET NO. _____

Symsonia Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Monthly Water Rates

5/8 x 3/4 Inch Meter

First 2,000 Gallons

\$15.41 Minimum Bill (I)

Next 3,000 Gallons

3.85 per 1,000 Gallons (I)

Next 5,000 Gallons

2.97 per 1,000 Gallons (I)

Over 10,000 Gallons

2.50 per 1,000 Gallons (I)

2 Inch Meter

First 20,000 Gallons

\$66.74 Minimum Bill (I)

Over 20,000 Gallons

2.50 per 1,000 Gallons (I)

Connection Fees

5/8 x 3/4 Inch Connection

\$615.00

2 Inch Connection

Actual Cost of Installation

Non-Recurring Charges

Returned Check Charge

\$25.00

Re-Connection Charge

40.00

DATE OF ISSUE September 19, 2013

MONTH / DATE / YEAR

DATE EFFECTIVE July 24, 2013

MONTH / DATE / YEAR

ISSUED BY Stuart Bell

SIGNATURE OF OFFICER

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00517 DATED September 3, 2013

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

7/24/2013

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT D

RESOLUTION

RESOLUTION OF THE SYMSONIA WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE SYMSONIA WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY

WHEREAS, the Board of Commissioners, ("governing authority") of the Symsonia Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Symsonia Water District, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on _____, 2013.

Chairman

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Symsonia Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on _____, 2013; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was 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 official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this _____ day of _____, 2013.

Secretary

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and the Symsonia Water District, dated as of November 1, 2013

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Symsonia Water District, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
THE SYMSONIA WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each _____ and

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

SYMSONIA WATER DISTRICT,
GOVERNMENTAL AGENCY

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

81860v1

RESOLUTION

RESOLUTION OF THE SYMSONIA WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE SYMSONIA WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Symsonia Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Water System being maintained and operated by the Governmental Agency (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

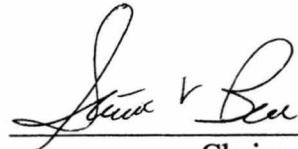
NOW, THEREFORE, BE IT RESOLVED by the Symsonia Water District, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on July 15, 2012



Chairman

Attest:



Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Symsonia Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on July 15, 2012 that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was 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 official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 1st day of December, 2013.



Secretary

81861v1

Symsonia Water & Sewer District

HWY. 131, P.O. BOX 99
SYMSONIA, KENTUCKY 42082
PHONE (270) 851-4470
OFFICE HOURS: 8:00 AM - 4:00 PM

January 13, 2014

PURPOSE OF MEETING --- Amendment to Minutes on July 15, 2012 that Chairman has authorization to sign any documents for Symsonia Water District business with the KIA (Kentucky Infrastructure Authority) funding. Symsonia Water District will send a copy of these minutes with signed letter to KIA via PADD.

Adopt a Final Resolution to borrow funds from KIA for Water Project WX21083055 for new wells, storage tank, and treatment facility. Supplement funding to HB-608.

Stuart Bell
Chairman

 1-13-14

Terry McKee
Secretary

 1-13-14

Owen Cole
Treasurer



Jim Waid
Plant Operator



12-13-14 Meeting Started At 5:15pm

PURPOSE OF MEETING: Amend minutes to

minutes on 7-15-2012 THAT CHAIRMAN

HAS AUTHORIZATION TO SIGN ANY DOCUMENTS

FOR WATER DIST BUSINESS WITH THE KIA

(Kentucky Infrastructure Authority) Funding

Water District will send copy of these minutes

with signed letter to KIA via Padish

Adopt final resolution to borrow funds from KIA

for water project, (1st signed resolution) (2nd passed)

Review report from Division of Water (DWC)

on sanitary survey recommendations of

motion made to adopt KIA fund resolution

motion to accept made by Terry McKee

and seconded by Stuart Bell. Motion passed

Second item of business motion was

made to allow Symsonia water board

chairman to sign ~~the~~ water district

documentation. Motion to accept made

by Terry McKee. Second was made by

Stuart Bell. Motion passed.

Page 2 of 2

Third Item of business: Pay reimbursement to Debbie for mileage ~~as~~ driver driving on behalf of the Symsonia Water District. ~~The~~ Reimbursement will be done at the prevailing reimbursement rate as set forth by the Federal Government. Motion to Accept made by Stuart Bell. Second by Terry McKee. Motion Passed.

Fourth item of business: Change minutes from Handwritten to computer word processing based. This will begin at the next board meeting. Motion to Accept by Stuart Bell. Second Terry McKee. Motion Passed.

Motion to Adjourn: Terry McKee
Second Stuart Bell. Meeting Adjourned.

S. Bell 1-13-14
Terry McKee 1-13-14

**KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board**

**Meeting Date/Location: August 2, 2012 – 1:00 p.m.
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort**

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Jamie Link, Finance and Administration Cabinet
(permanent proxy for Secretary Lori H. Flanery, FAC)
Mr. George Burgess, Economic Development Cabinet
(proxy for Secretary Larry Hayes, EDC)
Ms. Lona Brewer, Energy and Environment Cabinet
(permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. Jerry Wuetcher, Public Service Commission
(permanent proxy for Executive Director Jeff Derouen, PSC)
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. Damon Talley, representing the Kentucky Rural Water Association
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities

Members absent:

Ms. Linda C. Bridwell, representing for-profit private water companies
Mr. Jody Jenkins, Union County Judge/Executive, representing the Kentucky
Association of Counties
Mr. Martin T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Ms. Anshu Singh, Division of Water
Ms. Jennifer McIntosh, Kentucky River Area Development District
Mayor Cheryl Moore, City of South Shore
Mr. Bryan Kirby, CEDA
Mr. Jim Thompson Kentucky Engineering Group
Mr. Jimmy Mudd, Marion County Water District
Mr. Lindsey Bironas, GRW Engineers
Ms. Adalyn Haney, GRW Engineers
Ms. Sandy Dunahoo, Nesbitt Engineering, Inc.
Mr. Josh Nacey, Legislative Research Commission
Mr. Roger Recktenwald, Kentucky Association of Counties
Mr. Tom Marshall, Citizen
Mr. Gary Larimore, Kentucky Rural Water Association
Ms. Jennifer Kantner, Office of Financial Management
Mr. Nathan Cryder, Auditor of Public Accounts

PROCEEDINGS

Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Chair Wilder asked board members and guests to introduce themselves. He noted that a quorum was present and that the press had been notified regarding the meeting.

Mr. Rusty Anderson, KIA, made maps available for viewing via the Water Resource Information System (WRIS) which showed an overview of the water and sewer projects that were to be considered at this board meeting.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of June 7, 2012

Mr. Damon Talley moved to approve the minutes of the June 7, 2012 regular board meeting. Mr. Ron Lovan seconded, and the motion carried unanimously.

B. PRESENTATION ON SPECIAL DISTRICTS

Mr. Nathan Cryder, Chief Policy Advisor, from the Auditor of Public Accounts made a presentation to the Board regarding the Special Districts project that was announced by the State Auditor on June 6, 2012. The goal is to inventory the special districts in Kentucky and to answer four basic questions: 1) How many are there in Kentucky; 2) Where are they located; 3) How much money flows through them; and 4) Which ones are in compliance with state law. Mr. Cryder stated there are about 47 different types of special districts ranging from water and conservation, ambulance and volunteer fire departments, to soil conservation. On June 6, 2012, the Auditor's office sent out a survey to approximately 1,160 special districts using a list that was provided to them from the Department for Local Government. They have received a 75-80% response rate from those surveys so far. They also sent surveys to all county judges, county clerks and sheriffs in the state. The Auditor's office has traveled throughout the state to all 15 area development districts to meet with the representatives to the special districts and elected officials. The goal is to redesign the system in a way that is fair for everyone involved. Once all the information is compiled and confirmed, the data will be available for all taxpayers. The goal is to have the project completed by the end of the year.

C. NEW PROJECTS/ACTION ITEMS

1. RESOLUTIONS AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY HONORING THOMAS P. CALKINS IN RECOGNITION OF DEDICATED SERVICE

Chair Tony Wilder read the resolution into the record before the board. Chair Wilder acknowledged that Tom Calkins served the board with dedication and provided valuable comments and input during his term.

Mr. Ron Lovan moved to approve the resolution. Mr. Damon Talley seconded, and the motion carried unanimously.

2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND A INTEREST RATES FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND F INTEREST RATES FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013

RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY ESTABLISHING FUND B INTEREST RATES FOR THE PERIOD JULY 1, 2012 THROUGH JUNE 30, 2013

At this time, Ms. Sandy Williams introduced a new staff member to KIA, John LeFevre, Financial Analyst. Mr. LeFevre had previously worked for the Energy and Environment Cabinet and in finance in the private sector.

Ms. Sandy Williams, KIA, presented the resolutions to establish the Fund A, Fund F, and Fund B interest rates. She also presented a handout referencing the interest rate history for all four loan programs from July 1, 2002 through June 30, 2012. In compliance with state and federal administrative regulations that govern how the Authority is to set interest rates based on the prevailing market conditions, the availability of funds, the demand for financial assistance, and that rates need to be at or below market rate, KIA staff recommended to lower interest rates at this time. The interest rates for KIA Fund A, Fund F, and Fund B loans approved by the Authority during the period July 1, 2012 through June 30, 2013 shall be as follows: the standard interest rate is 2.75%, the first non-standard rate is 1.75% and the lowest non-standard rate is 0.75%, as defined in the 2013 Clean Water and Drinking Water SRF Intended Use Plans. Fund C loan interest rates are not established by the KIA Board but are set at the time of the corresponding bond issuance and are tied to the interest rate of the bonds. An interest rate of 3% is offered to any Fund C loans that are tied to the surplus fund investments.

Mr. Damon Talley moved to approve the three interest rate resolutions for Fund A, Fund F, and Fund B. Mr. George Burgess seconded, and the motion carried unanimously.

3. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED WASTEWATER REVOLVING FUND LOAN (A12-30) IN THE AMOUNT OF \$500,000 TO THE CITY OF JENKINS, LETCHER COUNTY, KENTUCKY

Ms. Anshu Singh, DOW, and Ms. Sandy Williams, KIA, presented the project to the Board. The City of Jenkins requested a \$500,000 Fund A loan for the Sewer Main Rehab Phase III project. The loan will be combined with an RD Grant and an RD Loan for a total project amount of \$1,500,000. This project involves the rehabilitation of the sewer collection system in the Dunham area of Jenkins in an effort to reduce excessive inflow and infiltration (I&I) from the collection system. This will involve open cuts, replacement of approximately 13,000 linear feet of eight inch clay pipe, trenchless technologies, chemical grouting and manhole repairs and replacement. The Dunham area is known to have significant wastewater flows that do not correspond to water usage and a number of manholes become submerged during flood events. The area is also believed to have a large number of properties with downspout connections that feed into the sanitary sewer system and the intent is to identify and eliminate as many of these as possible. The project will not be reported for Green Project Reserve funding. The project qualified for additional subsidization of 10% of the loan amount, or \$50,000. The unforgiven balance of the loan is \$450,000 to be repaid in 20 years with an interest rate of 0.75% and an estimated annual debt service payment of \$25,172. Both DOW and KIA staff recommended approval of the loan with the standard conditions.

Ms. Williams explained to the Board that new information will now be added to the Executive Summary sheets which are presented as a part of the credit analysis for each project. The new information pertains to the Project Budget on the summary sheet and will show the RD fee scale percentage for engineering fees. This new information was requested from the members of the Capital Projects and Bond Oversight Committee, who also review and approve projects that request funding from KIA.

A correction will be made to the Credit Analysis on page 57, under Demographics, regarding the interest rate. The interest rate used for this loan should read 0.75%, instead of 1%. A correction will be made to the Resolution on page 51, under Section 2, regarding the name of the project. It should read the Sewer Main Rehab Phase III project.

Mr. Damon Talley moved to approve the Fund A (A12-30) resolution with the standard conditions. Mayor David Cartmell seconded, and the motion carried unanimously.

4. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-05) LOAN IN THE AMOUNT OF \$160,000 TO THE EAST PENDLETON WATER DISTRICT, PENDLETON COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the board. The East Pendleton Water District requested a \$160,000 Fund B loan for the Water Tank Refurbishment project. The project is for painting the inside and outside of a 150,000 gallon water tower tank with epoxy paint. The tank will be cleaned and sandblasted with EPA approved inert material and the tank area will be fully contained to ensure that no dust escapes the project area. The project will not require any engineering or ground preparation and will be fully EPA and OSHA

compliant. The term of the loan is 20 years with a 2.75% interest rate and an estimated annual debt service payment of \$10,774. KIA staff recommended approval of the loan with the standard conditions.

Mr. Ron Lovan moved to approve the Fund B (B12-05) resolution with the standard conditions. Ms. Lona Brewer seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining due to the fact that the loan will have to come before the PSC for approval.

5. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-06) LOAN IN THE AMOUNT OF \$548,180 TO THE MARION COUNTY WATER DISTRICT, MARION COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the board. The Marion County Water District requested a \$548,180 Fund B loan for the Highway 84 Water Line Upgrades project. This project is for the replacement of approximately 25,000 linear feet of forty year old four inch water line with a six inch line along Highway 84 in the Raywick area of Marion County. Water demand in the area and beyond it requires a six inch line to provide the necessary pressure and volume. The existing line has been prone to breakage resulting in water outages and boil water advisories when pressure has dropped below mandatory levels. The project ranked fifty-third on the 2013 DWSRF priority list and it is highly unlikely that there will be enough invitation declinations of higher priority projects for it to be invited. The term of the loan is 20 years with a 1.75% interest rate and an estimated annual debt service payment of \$33,700. KIA staff recommended approval of the loan with the standard conditions.

Mr. Damon Talley moved to approve the Fund B (B12-06) resolution with the standard conditions. Mr. George Burgess seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining due to the fact that the project and the loan will have to come before the PSC for approval.

6. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-07) LOAN IN THE AMOUNT OF \$300,000 TO THE SYMSONIA WATER DISTRICT, GRAVES COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the board. The Symsonia Water District requested a \$300,000 Fund B loan for the New Storage Tank, Wells and Treatment Facility project. The loan will be combined with a grant from HB608 in the amount of \$595,000 for a total project amount of \$895,000. The District currently has a treatment building, two groundwater wells, and a 75,000 gallon storage tank. The project will include a new 150,000 gallon ground storage tank, two groundwater wells, a booster pump station and a treatment building. The existing treatment facility and ground wells will be taken off line when the new facilities are completed. The existing tank needs some repairs and may be taken off line temporarily for the repairs. The new groundwater wells will

be pumped through the chemical feed manhole and into the ground storage tank for contact time. The booster pumps will pull from the ground tank and pump it into the system. They are capable of supplying the system and filling the existing tank. The term of the loan is 20 years with a 1.75% interest rate and an estimated annual debt service payment of \$18,443. KIA staff recommended approval of the loan with the standard conditions.

Mr. Damon Talley moved to approve the Fund B (B12-07) resolution with the standard conditions. Mr. Ron Lovan seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining due to the fact that the loan will have to come before the PSC for approval.

7. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-08) LOAN IN THE AMOUNT OF \$358,000 TO THE CITY OF SCOTTSVILLE, ALLEN COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the board. The City of Scottsville requested a \$358,000 Fund B loan for the Spring Valley Sewer Phase II project. The project is for the construction of 2,600 linear feet of eight inch PVC gravity sewer and thirteen manholes on Christian Drive and Jackson Avenue to serve thirty-three new customers. The loan will be combined with a grant from HB1 in the amount of \$358,000 for a total project amount of \$716,000. The term of the loan is 20 years with an interest rate of 0.75% and an estimated annual debt service payment of \$20,026. KIA staff recommended approval of the loan with the standard conditions.

Mr. Jamie Link moved to approve the Fund B (B12-08) resolution with the standard conditions. Mr. George Burgess seconded, and the motion carried unanimously.

8. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR AN INFRASTRUCTURE REVOLVING FUND (B12-09) LOAN IN THE AMOUNT OF \$1,600,000 TO THE CITY OF SOUTH SHORE, GREENUP COUNTY, KENTUCKY

Ms. Sandy Williams, KIA, presented the project to the board. The City of South Shore requested a \$1,600,000 Fund B loan for the acquisition of the assets of South Shore Water Works (SSWW). SSWW is a private water system that is regulated by the Public Service Commission. The owner wishes to retire and the purchase will assure the public of a dependable and affordable finished water supply. All equipment, personal property, real estate, easements, leases and interests in real estate that are owned by SSWW or a separate realty company that is owned by the SSWW stockholder will be purchased by the City. The City will not assume any existing liabilities of the existing SSWW operation. The business was appraised by Raftelis Financial Consultants in 2006. The appraisal was based on an evaluation of the business' ability to generate income, a market review for other water company sales, and an estimate of the asset value of the

business. SSWW was organized in 1954 and serves customers in the City of South Shore and outlying areas of northwestern Greenup and northeastern Lewis Counties. The design capacity of the treatment plant is 920,000 gallons per day and the plant operates at about 50% of capacity. From 2008 through 2011 the customer count was stable at 2,259 while gallons of water sold ranged from a low of 116 million in 2011 to a high of 129 million in 2008. Reported water loss each year was about 15%. Disruptions of water service are typical due to the age of the distribution system. The term of the loan is 20 years with an interest rate of 0.75% and an estimated annual debt service payment of \$89,500. KIA staff recommended approval of the loan with the standard conditions.

Mr. Damon Talley moved to approve the Fund B (B12-09) resolution with the standard conditions. Ms. Lona Brewer seconded, and the motion carried unanimously, with Mr. Jerry Wuetcher abstaining due to the fact that the loan will have to come before the PSC for approval.

9. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
City of Jenkins	A12-30	\$ 500,000
East Pendleton Water District	B12-05	\$ 160,000
Marion County Water District	B12-06	\$ 548,180
Symsonia Water District	B12-07	\$ 300,000
City of Scottsville	B12-08	\$ 358,000
City of South Shore	B12-09	\$ 1,600,000

Mr. George Burgess moved to approve the resolution. Mr. Jerry Wuetcher seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Mr. John Covington, KIA, reported on the following items to the Board:

- A. The public meeting for the Draft 2013 Intended Use Plan was conducted on July 12, 2012 and the public comment period will close August 3, 2012. To date, only one comment had been received. The Plan should be finalized in a week and anticipate sending out invitations to the selected projects on the priority list.
- B. Mr. Covington has discussed with board members Damon Talley and Ron Lovan the issues regarding cost based rates. They are still evaluating the issue and how to

proceed; therefore it is still under consideration and will be brought up at a later meeting.

- C. The September board meeting may be canceled due to the fact that staff is closing out last year's funding cycle and invitations for next year's funding cycle have not been sent yet. At the time of the meeting there were no applications to be considered.
- D. There have been discussions from Louisville MSD and Oldham County Environmental Authority regarding the Orchard Grass Regional Wastewater Treatment Project. Louisville MSD is preparing some information for Oldham County Environmental Authority. Oldham County Environmental Authority does not have that information yet. Once they have the information, the loan for that project will be revisited.

III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

- Next scheduled KIA board meeting:
Tentatively scheduled for
Thursday, September 6, 2012
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Mayor David Cartmell moved to adjourn. Mr. Jerry Wuetcher seconded and the motion carried unanimously. The August 2, 2012, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:



Sandy Williams, Secretary
Kentucky Infrastructure Authority

9-4-12
Date



Steven L. Beshear
Governor

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

John E. Covington III
Executive Director

August 7, 2012

Mr. Keith Cooper, Chairman
Symsonia Water District
P.O. Box 99
Symsonia, KY 42082

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND
CONDITIONAL COMMITMENT LETTER (B12-07)**

Dear Chairman Cooper:

The Kentucky Infrastructure Authority ("the Authority") commends your efforts to improve public service facilities in your community. On August 2, 2012, the Authority approved your loan for the New Storage Tank, Wells, and Treatment Facility Project subject to the conditions stated below. The total cost of the project shall not exceed \$895,000 of which the Authority loan shall provide \$300,000 of the funding. Other anticipated funding for the project is reflected in Attachment A. The final loan amount will be equal to the Authority's portion of estimated project cost applied to the actual project cost. Attachment A incorporated herein by reference fully describes the project.

An Assistance Agreement will be executed between the Authority and the Symsonia Water District upon satisfactory performance of the conditions set forth in this letter. A period of twelve months from the date of this letter (8/7/2013) will be allowed for you to meet the conditions set forth in this letter and enter into an Assistance Agreement. A one-time extension of up to six months may be granted for applicants that experience extenuating circumstances. Funds will be available for disbursement only after execution of the Assistance Agreement.

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

1. The Authority project loan shall not exceed \$300,000.
2. The loan shall bear interest at the rate of 1.75% per annum commencing with the first draw of funds.

3. The loan shall be repaid over a period not to exceed 20 years from the date the loan is closed.
4. Interest shall be payable on the amount of actual funds received. The first payment shall be due on June 1 or December 1 immediately succeeding the date of the initial draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the initial draw of funds, then the first interest payment date shall be the June 1 or December 1 which is at least six months from the date of the initial draw of funds. Interest payments will be due each six months thereafter until the loan is repaid.
5. Full principal payments will commence on June 1 or December 1 immediately succeeding the date of the last draw of funds, provided that if such June 1 or December 1 shall be less than three months since the date of the last draw of funds, then the first principal payment date shall be the June 1 or December 1 which is at least six months from the date of the last draw of funds. Full payments will be due each six months thereafter until the loan is repaid.
6. A loan servicing fee of 0.20% of the annual outstanding loan balance shall be payable to the Authority as a part of each interest payment.
7. Loan funds will be disbursed after execution of the Assistance Agreement as project costs are incurred.
8. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. Upon completion of final design of the facilities in the attached project description, favorable approval shall be obtained of such design by all appropriate parties as required by Kentucky statute or administrative regulation.
2. Applicant must provide certification from their legal counsel stating that they have prepared construction specifications in accordance with all applicable state or federal wage rate laws, and that the procurement procedures, including those for construction, land, equipment and professional services that are a part of the project, are in compliance with applicable federal, state and local procurement laws.

3. Documentation of final funding commitments from all parties other than the Authority as reflected in the Attachment A description shall be provided prior to preparation of the Assistance Agreement and disbursement of the loan monies. Rejections of any anticipated project funding or any new sources of funding not reflected in Attachment A shall be immediately reported and may cause this loan to be subject to further consideration.
4. Upon receipt of construction bids a tabulation of such bids and engineer's recommendations on compliance with bid specifications and recommendation for award, shall be forwarded to the Authority for final approval and sizing of this loan and the project.
5. Based on the final "as bid" project budget, the community must provide satisfactory proof, based on then existing conditions, that the revenue projections in the attached descriptions are still obtainable and that the projections of operating expenses have not materially changed. The "as bid" project budget shall be reviewed and approved by your consultant engineer
6. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
7. All easements or purchases of land shall be completed prior to commencement of construction. Certification of all land or easement acquisitions shall be provided to the Authority.
8. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The committee meets monthly on the third Tuesday. At this time we know of no further submission required for their review; however, they may request information as needed.
9. Documentation of Clearinghouse Endorsement and Clearinghouse Comments.
10. The Borrower must complete and return to the Authority the attached "Authorization For Electronic Deposit of Vendor Payment" Form.

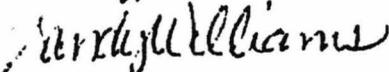
Chairman Keith Cooper
August 7, 2012
Page 4

11. Implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.
12. Final Design Plans in an AutoCAD Drawing File Format (DWG), referenced to the appropriate (North, South or Single) Kentucky State Plane Coordinate System (NAD83-Survey Feet) on a Compact Disc (CD). If there is a significant deviation from the Final Design Plan during construction, As-built plans shall also be provided to the Authority in the same format.

Any special conditions listed below and/or stated in Attachment A must be resolved.

Please inform the Authority of any changes in your financing plan as soon as possible. We will assist you in a final evaluation of the financing plan when construction bids are available. We wish you every success for this project which will benefit both your community and the Commonwealth as a whole.

Sincerely,

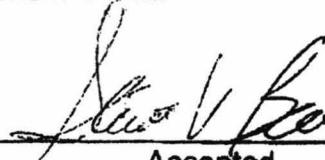


Sandy Williams
Financial Analyst

Attachments

cc: Jeremy Buchanan, Purchase Area Development District
Mary Austin, Austin Engineering
Dirk Bedarff, Peck, Shaffer & Williams LLP
State and Local Debt Office, DLG
Borrower File - Symsonia Water District - B12-07

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



Accepted

8-2-13

Date

ATTACHMENT A

**Symsonia Water District
B12-07**

EXECUTIVE SUMMARY
KENTUCKY INFRASTRUCTURE AUTHORITY
FUND B, INFRASTRUCTURE
REVOLVING LOAN FUND

Reviewer: Sandy Williams
 Date: August 2, 2012
 KIA Loan Number: B12-07
 WRIS Number: WX21083055

BORROWER: SYMSONIA WATER DISTRICT
 GRAVES COUNTY

BRIEF DESCRIPTION:

This project is for the construction of a new 150,000 gallon ground storage tank, two groundwater wells, a booster pump station and a treatment building. The existing treatment facility and the ground wells will be taken off line when the new facilities are completed.

PROJECT FINANCING:		PROJECT BUDGET		RD Fee %	Budget %
Fund B Loan	\$300,000	Administrative Expenses			\$32,725
HB608 (166N-2008)	595,000	Planning		3.4%	25,000
- CPBOC on 6-15-12		Eng - Design	9.3%	9.7%	72,310
		Eng - Inspection	6.2%	2.9%	21,600
		Construction			700,000
		Contingency			43,365
TOTAL	\$895,000	TOTAL			\$895,000

REPAYMENT

Rate: 1.75% Est. Annual Payment: \$18,443
 Term: 20 years 1st Payment: 6 Mo. after first draw

PROFESSIONAL SERVICES

Engineer: Auslin Engineering
 Bond Counsel: Peck, Shaffer, & Williams

PROJECT SCHEDULE

Bid Opening: Mar-12
 Construction Start: Sep-12
 Construction Stop: Mar-13

DEBT PER CUSTOMER

Existing: \$0
 Proposed: \$949

RESIDENTIAL RATES

	Users	Avg. Bill	
Current	316	\$17.47	(for 4,000 gallons)
Additional	0	\$17.47	(for 4,000 gallons)

REGIONAL COORDINATION

This project is consistent with regional planning recommendations.

CASHFLOW

	Cash Available for		Income after Debt	
	Debt Service	Debt Service	Service	Coverage Ratio
PSC 2009	2,956	0	2,956	n/a
PSC 2010	6,264	0	6,264	n/a
PSC 2011	12,963	0	12,963	n/a
Projected 2012	13,350	0	13,350	n/a
Projected 2013	18,747	9,222	9,525	2.0
Projected 2014	24,784	18,443	6,341	1.3
Projected 2015	23,114	18,443	4,671	1.3
Projected 2016	21,410	18,443	2,967	1.2

Reviewer: Sandy Williams
Date: August 2, 2012
Loan Number: B12-07

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND "B")
SYMSONIA WATER DISTRICT, GRAVES COUNTY
PROJECT REVIEW
WX21083055**

I. PROJECT DESCRIPTION

The Symsonia Water District is requesting a Fund B loan in the amount of \$300,000 for the New Storage Tank, Wells and Treatment Facility project. The District currently has a treatment building, two groundwater wells, and a 75,000 gallon storage tank. The project will include a new 150,000 gallon ground storage tank, two groundwater wells, a booster pump station and a treatment building. The existing treatment facility and ground wells will be taken off line when the new facilities are completed. The existing tank needs some repairs and may be taken off line temporarily for the repairs. The new groundwater wells will be pumped through the chemical feed manhole and into the ground storage tank for contact time. The booster pumps will pull from the ground tank and pump it into the system. They are capable of supplying the system and filling the existing tank.

The District provides water and sewer service to approximately 320 customers. The Water District was created in 1964 and the Sewer District in 1980 and their activities are subject to PSC jurisdiction. The District produces all of its finished water. It has an interconnect with the City of Benton for emergency water needs.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$32,725
Planning	25,000
Eng - Design	72,310
Eng - Const & Insp	21,600
Construction	700,000
Contingency	<u>43,365</u>
TOTAL	\$895,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 300,000	34%
HB608	595,000	66%
Total	\$ 895,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	300,000
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	17,843
Administrative Fee (0.20%)	\$	600
Total Estimated Annual Debt Service	\$	18,443

V. PROJECT SCHEDULE

Bid Opening	March 2012
Construction Start	September 2012
Construction Stop	March 2013

VI. RATE STRUCTURE

A. Customers

<u>Customers</u>	<u>Current</u>
Residential	301
Commercial	15
Total	316

B. Rates

	<u>Current</u>
Date of Last Rate Increase	07/20/2005
Minimum (2,000 gallons)	\$11.65
Next 3,000 Gallons	2.91
Next 5,000 Gallons	2.24
Over 10,000 Gallons	1.89
Cost for 4,000 gallons	\$17.47
Affordability Index (Rate/MHI)	0.5%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2006-2010, the City's population was 651 with a Median Household Income (MHI) of \$39,313. The median household income for the Commonwealth is \$41,576. The project will qualify for a 1.75% interest rate.

VIII. FINANCIAL ANALYSIS (See Exhibit 1)

Financial information for the District was obtained from PSC filings for the water component for the years ended December 31, 2009 through 2011. An independent audit is required by the Public Service Commission every 5 years and the District's last audit was conducted in 2009 per the requirement.

HISTORY

Revenues increased \$5,612 (7%) from \$76,303 in 2009 to \$81,915 in 2011. Most of the increase is from miscellaneous income (which is not reported separately in the financial statements) with the balance coming from volume fluctuations and a slight customer increase.

Operating expenses declined 6% from \$73,852 to \$69,134. Cash flow from operations increased from \$2,956 to \$12,963. The District has no long term debt.

The balance sheet reflects a current ratio of 0.4 and a debt to equity ratio of 0.2 at the end of 2011. Current liabilities include a \$64,608 payable to the sewer fund. If this amount were excluded from the calculation the current ratio would be 3.4 at the end of 2011. Unrestricted cash has increased from 0.3 months of operating expenses in 2009 to 4.4 months in 2011.

Projections are based on the following assumptions:

- 1) Revenues will be flat for growth based on an analysis of gallons of water sold from 2003 through 2011.
- 2) Expenses are estimated to increase 2% per year for inflation. Additional operating expenses are estimated at \$8,000 per year as a result of this project.
- 3) A rate increase of about \$23,000 (27%) will be necessary in mid 2013 to offset the new debt service, reserve funding and additional operating expenses. This will allow the District to maintain its current level of free cash flow.
- 4) A replacement reserve of \$750 will be funded annually for ten years.
- 5) The new debt service is estimated at \$18,443 annually
- 6) Debt service coverage is estimated at 1.3 in 2014 when full year principal and interest repayments begin.

Based on the proforma assumptions, the utility shows adequate cash flow to repay the KIA Fund B loan.

REPLACEMENT RESERVE

The annual replacement cost is \$750. This amount should be added to the replacement account each December 1 until the balance reaches \$7,500 and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

None

X. OTHER STATE OR FEDERAL FUNDING IN PAST FIVE YEARS

<u>Project Title</u>	<u>Funding Source</u>	<u>Amount</u>	<u>Type</u>
Storage Tank, Wells, and Filler House	HB608	595,000	Grant

XI. CONTACTS

Applicant
Name Symsonia Water District
Address P.O. Box 99
Symsonia, KY 42082
County Graves
Contact Keith Cooper, Chairman
Phone (270) 851-4470
Email jim@symsoniawater.com

Applicant Contact
Name Purchase Area Development District
Address P.O. Box 588
Mayfield, KY 42066
Contact Jeremy Buchanan
Phone (270) 251-6161
Email Jeremy.Buchanan@purchaseadd.org

Engineer
Name Mary Austin
Firm Austin Engineering
Address 110 South Third Street
Paducah, KY 42001
Phone (270) 442-0906
Email maustin@austinengineeringinc.com

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions.

**SYMSONIA WATER DISTRICT
BALANCE SHEETS (DECEMBER YEAR END)**

	<u>PSC 2009</u>	<u>PSC 2010</u>	<u>PSC 2011</u>	<u>Projected 2012</u>	<u>Upon Completion 2013</u>
ASSETS					
<i>Current Assets</i>					
Cash	1,910	9,468	25,208	38,558	48,083
Accounts Receivable	8,666	19,859	6,428	6,500	10,000
Total Current Assets	10,578	29,327	31,636	45,058	58,083
<i>Utility Plant</i>					
Land, System, Building and Equipment	836,819	836,819	686,756	686,756	1,581,756
Less Accumulated Depreciation ()	(272,253)	(292,545)	(314,117)	(338,117)	(373,017)
Net Fixed Assets	364,566	344,274	372,639	350,639	1,208,739
Total Assets	375,142	373,601	404,275	395,697	1,266,822
LIABILITIES					
<i>Current Liabilities</i>					
Accounts Payable	3,874	3,079	2,898	2,898	3,500
Customer Deposits	4,220	4,895	6,420	6,420	6,420
Payable to Sewer Fund	64,154	76,781	64,608	64,608	64,608
Total Current Liabilities	72,248	84,735	73,926	73,926	74,528
<i>Long Term Liabilities</i>					
Notes Payable - KIA	0	0	0	0	300,000
Total Long Term Liabilities	0	0	0	0	300,000
Total Liabilities	72,248	84,735	73,926	73,926	374,528
<i>Retained Earnings:</i>					
Donated Capital	384,325	384,325	434,417	434,417	1,029,417
Unrestricted	(81,431)	(95,459)	(104,068)	(112,646)	(137,123)
Total Retained Earnings	302,894	288,866	330,349	321,771	892,294
Total Liabilities and Equities	375,142	373,601	404,275	395,697	1,266,822
Balance Sheet Analysis					
Current Ratio	0.1	0.3	0.4	0.6	0.8
Debt to Equity	0.2	0.3	0.2	0.2	0.4
Days Sales in Accounts Receivable	41.5	92.5	28.6	27.7	37.5

**EXHIBIT 1
SYMSONIA WATER DISTRICT
CASH FLOW ANALYSIS (DECEMBER YEAR END)**

	PSC 2009	% Change	PSC 2010	% Change	PSC 2011	% Change	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
Operating Revenues											
Water Revenues	76,303	3%	78,359	5%	81,915	5%	85,700	85,700	85,700	85,700	85,700
Rate Increase								11,597	23,193	23,193	23,193
Total Revenues	76,303	3%	78,359	5%	81,915	5%	85,700	97,297	108,893	108,893	108,893
Operating Expenses											
Operating Expenses	73,652	-2%	72,290	-4%	69,134	5%	72,500	77,950	83,509	85,179	86,883
Depreciation	23,179	-12%	20,292	6%	21,572	2%	22,000	36,900	51,800	51,800	51,800
Replacement Reserve								750	750	750	750
Total Expenses	96,831	-4%	92,582	-2%	90,706	4%	94,500	115,600	136,059	137,729	139,433
Net Operating Income	(20,528)	-31%	(14,223)	-38%	(8,791)	0%	(8,800)	(18,303)	(27,166)	(28,836)	(30,540)
Non-Operating Income and Expenses											
Interest Income	305	-36%	195	-7%	182	-18%	150	150	150	150	150
Total Non-Operating Income & Expenses	305	-36%	195	-7%	182	-18%	150	150	150	150	150
Add Non-Cash Expenses											
Depreciation	23,179	-12%	20,292	6%	21,572	2%	22,000	36,900	51,800	51,800	51,800
Cash Available for Debt Service	2,956	112%	6,264	107%	12,963	3%	13,350	18,747	24,784	23,114	21,410
Debt Service (enter as positive #s)											
Existing Principal	0		0		0		0	0	0	0	0
Existing Interest	0		0		0		0	0	0	0	0
Proposed KIA Loan	0		0		0		0	9,222	18,443	18,443	18,443
Total Debt Service	0		0		0		0	9,222	18,443	18,443	18,443
Income After Debt Service	2,956		6,264		12,963		13,350	9,525	6,341	4,671	2,967
Debt Coverage Ratio	n/a		n/a		n/a		n/a	2.0	1.3	1.3	1.2

KENTUCKY INFRASTRUCTURE AUTHORITY

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER: B12-07

BORROWER: Symsonia Water District

BORROWER'S ADDRESS: PO Box 99
Symsonia, Kentucky 42082

DATE OF ASSISTANCE AGREEMENT: November 1, 2013

**DATE OF FIRST SUPPLEMENTAL
ASSISTANCE AGREEMENT:** December 1, 2014

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

This First Supplemental Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "First Supplemental Agreement") by and between the Kentucky Infrastructure Authority, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and the governmental agency identified on the cover of this First Supplemental Agreement (the "Governmental Agency"):

WITNESSETH:

WHEREAS, the Authority and the Governmental Agency have heretofore entered into an Assistance Agreement dated as of the date set forth on the cover page hereof (the "Assistance Agreement") for the purpose of providing financial assistance to the Governmental Agency in connection with the acquisition and construction of the Project, as defined in the Assistance Agreement; and

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Assistance Agreement to provide additional funds to complete the Project;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN AND IN THE ASSISTANCE AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES HERETO COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

ARTICLE I

RELATION TO ASSISTANCE AGREEMENT

Section 1.1. This First Supplemental Agreement is supplemental to the Assistance Agreement and shall be read and construed with the Assistance Agreement as though it were part of the same instrument. The provisions of the Assistance Agreement are hereby ratified and affirmed except as amended hereby. All capitalized terms used herein shall have the same meanings as provided in the Assistance Agreement, as amended by this First Supplemental Agreement.

ARTICLE II

AMENDMENT TO ASSISTANCE AGREEMENT

Section 2.1. Exhibit A attached to the Assistance Agreement is hereby amended by replacing said Exhibit A in its entirety with the Exhibit A attached hereto.

ARTICLE III

EFFECT OF FIRST SUPPLEMENTAL AGREEMENT

Section 3.1. From and after the time of taking effect of this First Supplemental Agreement, the Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined,

exercised and enforced thereunder subject in all respects to the provisions of this First Supplemental Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Assistance Agreement for any and all purposes.

ARTICLE IV

EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

Section 4.1. *Time of taking effect.* This First Supplemental Agreement shall be effective as of the day and year written on the cover page hereof.

Section 4.2. *Invalidity of any provision.* In case any one or more of the provisions contained herein shall be adjudicated by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 4.3. *Execution in counterparts.* This First Supplemental Agreement may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Agreement to be executed by their respective duly authorized officers as of the day and year stated on the cover page hereof.

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

By: 
Title: EXECUTIVE DIRECTOR

Attest: 
Title SECRETARY

GOVERNMENTAL AGENCY:

SYMSONIA WATER DISTRICT

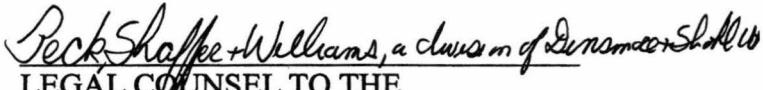
By: 
Chairman

Attest:
By: 
Title Secretary

APPROVED:


SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:


LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY


APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
SYMSONIA WATER DISTRICT
PROJECT SPECIFICS
B12-07 Increase

GOVERNMENTAL AGENCY:

Name: Symsonia Water District
P.O. Box 99
Symsonia, KY 42082

Contact
Person: Keith Cooper
Chairman

SYSTEM: Infrastructure

PROJECT:

The District is requesting an increase of \$29,016 to a previously approved loan for \$300,000. The project experienced cost overruns on several project components. The original project description is below:

This project is for the construction of a new 150,000 gallon ground storage tank, two groundwater wells, a booster pump station and a treatment building. The existing treatment facility and the ground wells will be taken off line when the new facilities are completed.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 32,725
Planning	25,000
Engineering Fees - Design / Const	70,810
Engineering Fees - Inspection	32,100
Construction	762,378
Contingency	1,003
Total	\$ 924,016

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 329,016	36%
HB608 (166N-2008)	595,000	64%
Total	\$ 924,016	100%



KENTUCKY INFRASTRUCTURE AUTHORITY

Matthew G. Bevin
Governor

Capital Center Complex
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
(502) 573-0260
(502) 573-0157 (fax)
kia.ky.gov

August 23, 2016

Stewart Bell, Chairman
Symsonia Water District
PO Box 99
Symsonia, KY 42082

RE: The Symsonia Water District KIA Loan, B12-07

Dear Chairman Bell:

Attached for your review and signature is the Exhibit F to the Assistance Agreement for the above mentioned project. All eligible funds have been drawn and the total loan amount is \$327,102.81. This exhibit shows acknowledgement of the loan repayment schedule from which the water district is retiring its debt.

Please sign Exhibit F document, including the attest portion, and return to the Authority as soon as possible. A copy should be retained for your records. Please call (502) 573-0260 with any questions.

Sincerely,

A handwritten signature in cursive script that reads "James Nelson".

James Nelson
Fin Inv & Forecasting Prog Techn II

FUND B
EXHIBIT F
B12-07
TO ASSISTANCE AGREEMENT BETWEEN
SYMSONIA WATER DISTRICT
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

TOTAL LOAN TO BE REPAYD BY
SYMSONIA WATER DISTRICT (B12-07)
KENTUCKY INFRASTRUCTURE AUTHORITY
PRINCIPAL AND INTEREST PAYABLE
EACH JUNE AND DECEMBER FIRST

\$ 327,102.81

IT IS UNDERSTOOD AND AGREED BY THE PARTIES TO THIS ASSISTANCE AGREEMENT THAT THIS EXHIBIT F IS AN INTEGRAL PART OF THE ASSISTANCE AGREEMENT BETWEEN THE GOVERNMENTAL AGENCY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS EXHIBIT F TO ASSISTANCE AGREEMENT TO BE EXECUTED BY THEIR RESPECTIVE DULY AUTHORIZED OFFICERS AS OF THE DATE OF SAID ASSISTANCE AGREEMENT.

KENTUCKY INFRASTRUCTURE AUTHORITY

BY Jeff Abshire

TITLE TREASURER

SYMSONIA WATER DISTRICT

BY [Signature]

TITLE CHAIRMAN

ATTEST:

[Signature]

TITLE Bookkeeper

DATE Aug 30, 2016

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #B12-07
 SYMSONIA WATER DISTRICT
 FINAL

1.75% Rate
 \$9,727.32 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$327,102.81		
12/01/16	\$6,865.17	\$2,862.15	1.75%	\$9,727.32	\$327.10	\$0.00	\$10,054.42	\$320,237.64	\$800.00	\$800.00
06/01/17	\$6,925.24	\$2,802.08	1.75%	\$9,727.32	\$320.24	\$0.00	\$10,047.56	\$313,312.40	\$0.00	\$800.00
12/01/17	\$6,985.84	\$2,741.48	1.75%	\$9,727.32	\$313.31	\$0.00	\$10,040.63	\$306,326.56	\$800.00	\$1,600.00
06/01/18	\$7,046.96	\$2,680.36	1.75%	\$9,727.32	\$306.33	\$0.00	\$10,033.65	\$299,279.60	\$0.00	\$1,600.00
12/01/18	\$7,108.62	\$2,618.70	1.75%	\$9,727.32	\$299.28	\$0.00	\$10,026.60	\$292,170.98	\$800.00	\$2,400.00
06/01/19	\$7,170.82	\$2,556.50	1.75%	\$9,727.32	\$292.17	\$0.00	\$10,019.49	\$285,000.16	\$0.00	\$2,400.00
12/01/19	\$7,233.57	\$2,493.75	1.75%	\$9,727.32	\$285.00	\$0.00	\$10,012.32	\$277,766.59	\$800.00	\$3,200.00
06/01/20	\$7,296.86	\$2,430.46	1.75%	\$9,727.32	\$277.77	\$0.00	\$10,005.09	\$270,469.73	\$0.00	\$3,200.00
12/01/20	\$7,360.71	\$2,366.61	1.75%	\$9,727.32	\$270.47	\$0.00	\$9,997.79	\$263,109.02	\$800.00	\$4,000.00
06/01/21	\$7,425.12	\$2,302.20	1.75%	\$9,727.32	\$263.11	\$0.00	\$9,990.43	\$255,683.90	\$0.00	\$4,000.00
12/01/21	\$7,490.09	\$2,237.23	1.75%	\$9,727.32	\$255.68	\$0.00	\$9,983.00	\$248,193.81	\$800.00	\$4,800.00
06/01/22	\$7,555.62	\$2,171.70	1.75%	\$9,727.32	\$248.19	\$0.00	\$9,975.51	\$240,638.19	\$0.00	\$4,800.00
12/01/22	\$7,621.74	\$2,105.58	1.75%	\$9,727.32	\$240.64	\$0.00	\$9,967.96	\$233,016.45	\$800.00	\$5,600.00
06/01/23	\$7,688.43	\$2,038.89	1.75%	\$9,727.32	\$233.02	\$0.00	\$9,960.34	\$225,328.02	\$0.00	\$5,600.00
12/01/23	\$7,755.70	\$1,971.62	1.75%	\$9,727.32	\$225.33	\$0.00	\$9,952.65	\$217,572.32	\$800.00	\$6,400.00
06/01/24	\$7,823.56	\$1,903.76	1.75%	\$9,727.32	\$217.57	\$0.00	\$9,944.89	\$209,748.76	\$0.00	\$6,400.00
12/01/24	\$7,892.02	\$1,835.30	1.75%	\$9,727.32	\$209.75	\$0.00	\$9,937.07	\$201,856.74	\$800.00	\$7,200.00
06/01/25	\$7,961.07	\$1,766.25	1.75%	\$9,727.32	\$201.86	\$0.00	\$9,929.18	\$193,895.67	\$0.00	\$7,200.00
12/01/25	\$8,030.73	\$1,696.59	1.75%	\$9,727.32	\$193.90	\$0.00	\$9,921.22	\$185,864.94	\$800.00	\$8,000.00
06/01/26	\$8,101.00	\$1,626.32	1.75%	\$9,727.32	\$185.86	\$0.00	\$9,913.18	\$177,763.94	\$0.00	\$8,000.00
12/01/26	\$8,171.89	\$1,555.43	1.75%	\$9,727.32	\$177.76	\$0.00	\$9,905.08	\$169,592.05	\$0.00	\$8,000.00
06/01/27	\$8,243.39	\$1,483.93	1.75%	\$9,727.32	\$169.59	\$0.00	\$9,896.91	\$161,348.66	\$0.00	\$8,000.00
12/01/27	\$8,315.52	\$1,411.80	1.75%	\$9,727.32	\$161.35	\$0.00	\$9,888.67	\$153,033.14	\$0.00	\$8,000.00
06/01/28	\$8,388.28	\$1,339.04	1.75%	\$9,727.32	\$153.03	\$0.00	\$9,880.35	\$144,644.86	\$0.00	\$8,000.00
12/01/28	\$8,461.68	\$1,265.64	1.75%	\$9,727.32	\$144.64	\$0.00	\$9,871.96	\$136,183.18	\$0.00	\$8,000.00
06/01/29	\$8,535.72	\$1,191.60	1.75%	\$9,727.32	\$136.18	\$0.00	\$9,863.50	\$127,647.46	\$0.00	\$8,000.00
12/01/29	\$8,610.40	\$1,116.92	1.75%	\$9,727.32	\$127.65	\$0.00	\$9,854.97	\$119,037.06	\$0.00	\$8,000.00
06/01/30	\$8,685.75	\$1,041.57	1.75%	\$9,727.32	\$119.04	\$0.00	\$9,846.36	\$110,351.31	\$0.00	\$8,000.00
12/01/30	\$8,761.75	\$965.57	1.75%	\$9,727.32	\$110.35	\$0.00	\$9,837.67	\$101,589.56	\$0.00	\$8,000.00
06/01/31	\$8,838.41	\$888.91	1.75%	\$9,727.32	\$101.59	\$0.00	\$9,828.91	\$92,751.15	\$0.00	\$8,000.00
12/01/31	\$8,915.75	\$811.57	1.75%	\$9,727.32	\$92.75	\$0.00	\$9,820.07	\$83,835.40	\$0.00	\$8,000.00
06/01/32	\$8,993.76	\$733.56	1.75%	\$9,727.32	\$83.84	\$0.00	\$9,811.16	\$74,841.64	\$0.00	\$8,000.00
12/01/32	\$9,072.46	\$654.86	1.75%	\$9,727.32	\$74.84	\$0.00	\$9,802.16	\$65,769.18	\$0.00	\$8,000.00
06/01/33	\$9,151.84	\$575.48	1.75%	\$9,727.32	\$65.77	\$0.00	\$9,793.09	\$56,617.34	\$0.00	\$8,000.00
12/01/33	\$9,231.92	\$495.40	1.75%	\$9,727.32	\$56.62	\$0.00	\$9,783.94	\$47,385.42	\$0.00	\$8,000.00
06/01/34	\$9,312.70	\$414.62	1.75%	\$9,727.32	\$47.39	\$0.00	\$9,774.71	\$38,072.72	\$0.00	\$8,000.00
12/01/34	\$9,394.18	\$333.14	1.75%	\$9,727.32	\$38.07	\$0.00	\$9,765.39	\$28,678.54	\$0.00	\$8,000.00
06/01/35	\$9,476.38	\$250.94	1.75%	\$9,727.32	\$28.68	\$0.00	\$9,756.00	\$19,202.16	\$0.00	\$8,000.00
12/01/35	\$9,559.30	\$168.02	1.75%	\$9,727.32	\$19.20	\$0.00	\$9,746.52	\$9,642.86	\$0.00	\$8,000.00
06/01/36	\$9,642.86	\$84.46	1.75%	\$9,727.32	\$9.64	\$0.00	\$9,736.96	\$0.00	\$0.00	\$8,000.00
Totals	\$327,102.81	\$61,989.99		\$389,092.80	\$7,084.56	\$0.00	\$396,177.36		\$8,000.00	

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

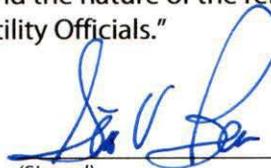
I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Symsonia Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose 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."

STUART V. BELL

(Print Name)



(Signed)

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 Boone

Subscribed and sworn to before me by Stewart Bell
(Name)

this 30th day of August, 2017.

Kristy D. Wallace
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 _____ Symsonia 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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Terry N. McKee
(Print Name)

Terry N. McKee
(Signed)

Secretary
(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 Graves

Subscribed and sworn to before me by Terry M. McKee
(Name)

this 30th day of August, 2017.

Kimberly D. Wallace
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 _____ Symsonia 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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OWEN E. COLE
(Print Name)

Owen E Cole
(Signed)

TREASURER
(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 GRAVES

Subscribed and sworn to before me by Owen E Cole
(Name)

this 29 day of Aug, 20 17.

Leslie C. Thorn
NOTARY PUBLIC
State-at-Large *expire 4-6-19*

LESLIE THORN
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
MY COMMISSION EXPIRES APRIL 6, 2019

**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 _____ Symsonia 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.
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Jimmy E. WAID
(Print Name)

Jimmy E. Waid
(Signed)

Superintendent
(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 Graves

Subscribed and sworn to before me by Jimmy E Ward
(Name)

this 30th day of August, 2017.

Kristy D Wallow
NOTARY PUBLIC
State-at-Large

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE SYMSONIA WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER AND SEWER RATES AND CHARGES AND AUTHORIZING ITS SUPERINTENDENT TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENTS

WHEREAS, the Symsonia Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water and sewer rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water and sewer rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF SYMSONIA WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water and sewer rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The Superintendent is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, Superintendent, and all other appropriate District staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

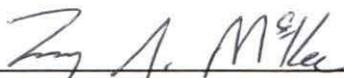
Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF SYMSONIA WATER DISTRICT at a meeting held on August 30, 2017, signed by the Chairman, and attested by the Secretary.

ATTEST:



CHAIRMAN



SECRETARY

CERTIFICATION

I, Secretary of the Symsonia Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on August 30, 2017, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 30th day of August, 2017.



SECRETARY

Appendix A

CURRENT AND PROPOSED RATES Symsonia Water District

WATER RATES

Current Water Rates

5/8 x 3/4 inch Meters

First 2,000 Gallons	\$ 15.41	Minimum Bill
Next 3,000 Gallons	3.85	Per 1,000 Gallons
Next 5,000 Gallons	2.97	Per 1,000 Gallons
Over 10,000 Gallons	2.50	Per 1,000 Gallons

2 inch Meters

First 20,000 Gallons	66.74	Minimum Bill
Over 20,000 Gallons	2.50	Per 1,000 Gallons

Proposed Water Rates

5/8 x 3/4 inch Meters

First 2,000 Gallons	\$ 25.01	Minimum Bill
Next 3,000 Gallons	6.25	Per 1,000 Gallons
Next 5,000 Gallons	4.82	Per 1,000 Gallons
Over 10,000 Gallons	4.06	Per 1,000 Gallons

2 inch Meters

First 20,000 Gallons	108.43	Minimum Bill
Over 20,000 Gallons	4.06	Per 1,000 Gallons

4 inch Meters *

First 40,000 Gallons	189.58	Minimum Bill
Over 40,000 Gallons	4.06	Per 1,000 Gallons

* There are currently no 4-inch meters in the system.
A rate is provided in case it is needed in the future.

SEWER RATES

Current Sewer Rates

Residential Service	\$ 28.21	per month
Other	28.21	per residential equivalent *

* A residential equivalent is defined as 12,000 gallons per month.

Proposed Sewer Rates

All Customers

First 2,000 Gallons	\$ 31.90	Minimum Bill
Over 2,000 Gallons	4.40	Per 1,000 Gallons